



## BOARD OF GOVERNORS

**Meeting**  
**Friday, October 18, 2024**

**OPEN SESSION: 1:00 p.m. – 2:30 p.m.**

### AGENDA

- 1. Welcome and Adoption of Agenda** D. Kirk, Chair  
Declaration of Conflicts of Interest (if any)  
  
“The Board respectfully acknowledges that we are on the treaty and traditional territory of the Mississauga Anishinaabeg. We offer our gratitude to First Peoples for their care for, and teachings about, our earth and our relations. May we honour those teachings.”
- 2. Consent Agenda** Chair  
  
**Draft motion:**  
**That the Consent Agenda be approved [as presented or as amended]**
  - 2.1. Approval of Minutes**  
Open Session, June 27, 2024 (for approval) (pg. 3)
  - 2.2. Financial Update**  
Report (for information) (pg. 7)
  - 2.3. Capital Projects Update**  
Report (for information) (pg. 14)
  - 2.4. Investment Performance Summary (Pension) – Q2**  
Report (for information) (pg. 32)
  - 2.5. Investment Performance Endowment/Sinking Fund – Q2**  
Report (for information) (pg. 40)
- 3. Chair’s Remarks** Chair
  - 3.1. Actions Under Delegated Authority** K. Honey, Vice-Chair
- 4. President’s Report** C. Bruce
- 5. Long Term Care Home Update** President/ VP Davis/ peopleCare  
Report (for information) (pg. 62)

- 6. 2023-2024 Audited Financial Statements** J. McGarrity/ VP Al-idrissi  
Report & Draft Financial Statements (for approval) (pg. 74)

**Draft motion:**

**That the Board of Governors approve the Trent University Audited Financial Statements for the fiscal year ending April 30, 2024.**

- 7. Meeting Adjournment**

Chair



## Board of Governors

### Minutes of the Meeting – Open Session

Peterborough Symons Campus, June 27, 2024

**Present – In Person:** D. Cooper Burger (Chair), D. de Launay, T. Gervais, L. Groarke, K. Honey, E. Kaszecki, M. Keefer, D. Kirk, M. Lavallée, V. Lovekin, C. Nelan, A. Ramsay, K. Scaldwell, J. Smith, H. Uluorta, (Vice-President, Finance & Administration) T. Al-idrissi, (Vice-President, Research & Innovation) C. Bruce, (Vice-President, External Relations & Development) J. Davis, (Provost & Vice-President, Academic) M. Khan, (Vice-President, Human Resources) Stephanie Williams, (Associate Vice-President, Finance) C. Turk, (University Secretary) B. Blackburn, (Governance & Access Privacy Officer) R. Hall, T. Edwards (Recording Secretary)

**Regrets:** Y. Craig, S. Martic, J. McGarrity, A. Mishra

*[The Secretary confirms that quorum was present for this meeting.]*

- 1. Welcome and Adoption of Agenda.** The Chair called the Open Session of the meeting to order at 1:01 p.m. Hearing no amendments to the agenda, and no conflicts of interest declared, the agenda was adopted as presented.
- 2. Consent Agenda.** Following on a Governor's request, consent agenda item 2.5 – Annual Report on Sexual Violence was moved to the main agenda following item 6.0 – AMOD Master Program International Tuition Fee. It was moved/seconded (Lavallée/McGarrity),

**That the consent agenda be approved as amended. Carried**

- 2.1 Approval of Minutes.** The Open Session minutes of May 10, 2024, were approved as presented.
- 2.2 Financial Update.** Received for information.
- 2.3 Capital Project Update.** Received for information.
- 2.4 Trent Lands and Nature Areas Plan Update.** Received for information.
- 2.5 Annual Report on Sexual Violence.** Moved off Consent Agenda.
- 2.6 Annual Report from the Equity & Human Rights Office.** Received for information.
- 2.7 Annual Report on Quality Assurance.** Received for information.
- 2.8 Senate Report to Board of Governors.** Received for information.
- 2.9 Investment Performance Summary (Pension) – Q1.** Received for information.
- 2.10 Investment Performance Summary Endowment/SRI Fund – Q1.** Received for information.

**2.11 Annual Report on distribution from Endowment Fund.** Received for information.

- 3. Chair's Remarks.** The Chair congratulated the convocation team for another successful year of ceremonies. With the generous support of sponsors and participants, the annual Excalibur Golf Tournament raised \$78K, bringing the total raised to over \$700K for the Green and White Scholarship fund. The Chair closed her remarks by thanking President Groarke for 10 years of outstanding leadership with the University.
- 4. President's Report.** The President reported on various activities and events since the last meeting, including:
  - May 10 - President Groarke travelled to Hong Kong with VP Bruce to visit the Alumni chapter and introduce the President Designate.
  - May 27-29 - First annual Trent/Trento conference at the Trent Symons Campus, hosting discussions regarding future research projects, faculty exchanges, and further collaboration opportunities.
  - May 30 - Dedication ceremony for the renaming of the University Court to the Don Tapscott & Ana Lopes court
  - June 4–14 – Convocation ceremonies
- 5. Year-end Appropriations.** Governor Smith reported that preliminary year-end financial results indicated an excess revenue over expenses of approximately \$20.1M, after appropriations already approved by the Board. This is due to enrolment growth, unanticipated government funding, and additional interest income. As a result, the Finance & Property Committee is recommending that \$12.650M be appropriated to various strategic priorities, including, new college/residence development, Durham expansion, capital projects, Cleantech Commons infrastructure, and endowment contributions. Further appropriations of the remaining surplus will be brought forward to Executive Committee for consideration in August 2024, after the year-end audit is substantially completed and the final financial position is known.

It was moved/seconded (Lavallée/Smith),

**That the Board of Governors approve the year-end appropriations in the amount of \$12.650 million as recommended by senior management.** Carried

- 6. AMOD Master Program International Tuition Fee.** Governor Smith called on VP Al-idrissi to introduce the revised tuition fee framework for the new compressed Applied Modelling & Quantitative Methods (AMOD) stream, Data Science and Analytics. Due to the rigour and expense of this accelerated degree, administration

recommends that current tuition costs be split across three terms instead of four to reflect the condensed curriculum of the program.

It was moved/seconded (Scaldwell/Smith),

**That the Board of Governors approve the International Tuition in the amount of \$13,505.63/term for international students in the new compressed Applied Modelling and Quantitative Methods (AMOD) master's program, Data Science and Analytics stream. Carried**

7. **Annual Report on Sexual Violence.** A Governor requested that the Board be provided with additional context regarding reported incidents, including how they are categorized and the effectiveness of initiatives. VP Williams and AVP Lam provided background on reporting and how numbers are tracked. They further reported on various actions being taken to increase staffing efforts and improve policies. It was requested that future reports include information surrounding the success of these measures to gauge how best to assist those seeking out these services.
8. **Special Resolution II.2 – Presidential Absence, Review and Search Policy.** Governor Scaldwell outlined the major changes brought forward for this policy including defining the re-appointment process, updated membership of the advisory committee, further clarification on Presidential absence, and the addition of a conflict of interest provision.

It was moved/seconded (Scaldwell/Kirk),

**That the Board of Governors approve the revisions to Special Resolution III.2 – Presidential Absence, Review and Search Policy as presented. Carried**

9. **Trent Farm Research Centre.** VP Khan presented the recommendation that the Board approve the establishment of the Trent Farm Research Centre, adding that it was approved by Senate on May 10, 2024. He outlined the purpose and primary functions of this Research Centre including: relevant field research, teaching and experiential learning opportunities, demonstrating ecologically-sound, socially-just Indigenous knowledge, and economically sustainable agricultural management approaches, allowing the University to become a focal point for agri-food research and learning in the East Central Ontario region. It was noted, on February 2, 2024, the Board approved \$350K in appropriations as startup funds for the initial five years of the Farm operations, until the Farm can be sustainable on its own.

It was moved/seconded (Scaldwell/Keefer),

**That the Board of Governors approve the establishment of the Trent Farm Research Centre. Carried**

- 10. Alumni Engagement & Services Update.** VP Davis highlighted the importance of Trent's alumni as a community stakeholder which continues to grow each year. Director of Alumni Services and Engagement, Naomi Handley, presented the Annual Report to the Board for 2023-24, and the Alumni Engagement and Services Strategic Plan for 2024-27. The annual report outlined new benefits available to alumni, which has led to further engagement opportunities, Trent University Alumni Association (TUAA) award recipients, Life After Trent – Career Conversations, and various other successful annual events (i.e. Trent Day, Convocation). The 2024-27 Alumni Strategic Plan highlights 5 priorities and accompanying strategies to assist in guiding TUAA to deliver enhanced and forward-thinking alumni services/ programs over the next 3 years. Moving forward, metrics will be introduced to demonstrate progress and overall impact of these enhanced engagement services.
- 11. Alumni Philanthropy Update.** VP Davis announced the University was recently bestowed two awards for the Campaign for Momentous Change video *Gratitude for All Our Relations*; silver in the Prix d'Excellence Awards from the Canadian Council for the Advancement of Education (CCAÉ), and bronze in the Circle of Excellence Awards from the Council for Advancement and Support for of Education (CASE).

AVP Sherry Booth outlined this year's philanthropic successes, including \$57M raised to date for the Campaign for Momentous Change, 300 monthly donors to on-campus initiatives, and the Traill College endowment surpassing the \$1M goal. With the approved appropriations highlighted earlier in this meeting, the remaining college endowments will each respectively now sit at \$500K.

AVP Booth introduced Deb Key and Tamara Lightbody, daughters of Trent alumni Bob and Margie Lightbody. Together, they presented the legacy gift of the new Lightbody Drive Shed to be constructed at the Trent Research Farm, which will assist in supporting teaching and research efforts surrounding sustainable agriculture.

- 12. Meeting Adjournment.** The open session of the meeting was adjourned at 1:45 p.m.

Brenda Blackburn  
University Secretary

Debra Cooper Burger  
Chair



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** October 18, 2024

**Presented by:** Michael Lavallée, Chair Finance & Property Committee  
Tariq Al-idrissi, VP Finance and Administration

**Subject:** Financial Update to July 31, 2024

### Motion for Consideration (if applicable):

That the Board of Governors receive updated information on Trent's financial operating performance.

### Executive Summary:

The 2024/2025 Operating Plan estimated total enrolment would increase by 2.9%, from 13,275 full-time equivalents (FTEs) in 2023/2024 to a total of 13,658 FTEs. The enrolment growth was expected to generate increased tuition revenues despite frozen domestic tuition rates and fixed government grants to allow for new investments to address growing enrolment, enhance student supports, maintain institutional capacity and achieve other strategic priorities. Given the uncertainties regarding the impact of the Federal government's cap on international student study permits, the operating budget conservatively included a provision of \$10 million for possible lost international net tuition revenue. The Board-approved budget for 2024/2025 is essentially balanced.

Early indications are predicting Trent will experience a shortfall from the budgeted enrolment targets. This shortfall is expected to result in a loss of net tuition revenue of \$12.3 million in 2024/2025, which is \$2.3 million more than the provision in the operating budget.

This estimated loss on net tuition revenue is partly offset by Trent's allocation of \$1.5 million in Post secondary Education Sustainability Funding (PSESF) announced by the Ministry in June. These funds were not known at the time the budget was approved in March 2024 and therefore not included in the budget.

Trent is now projecting an operating deficit of \$578,000 for the year.

An overview of Trent's current financial position as of July 31, 2024 and projection to year-end are attached. These projections are subject to change once enrolment counts are completed, as in-year changes are known, and when year-end adjustments are finalized.

### Analysis/Alternatives Considered:

This Financial Update is intended to provide an overview of the current financial results of operations to the most recently completed month end and revised projections to year end

compared to the Board-approved budget. It is typical for the actual results to date to indicate a positive variance throughout the year as departmental carry forwards of unspent budgets and university strategic appropriations of any surplus funds are determined closer to year end once the financial position after year-end adjustments is better known. The projection to year end will be updated after November 1<sup>st</sup> and February 1<sup>st</sup> enrolment counts are finalized or when material changes to the budget assumptions arise, such as new enrolment projections, modifications to employee compensation once negotiations of collective agreements are completed (CUPE 2 contract is currently being negotiated), impacts on enrolment, activity or required expenditures in response to changes in legislation or Ministry policies, changes to other funding, or unforeseen events.

### **Year-to-Date Performance**

Cash on Hand: Cash on hand at July 31, 2024 was \$102.4 million (including \$17.0 million of short-term investments which matured in July 2024) compared to \$70.3 million in cash on the same date in 2023. The cash balance at July 31, 2024 is comprised of approximately \$25.8 million in restricted funds (externally funded trust, research and fundraising) and \$76.6 million in unrestricted cash. This unrestricted balance represents approximately 4.6 times the normal total monthly cash requirements for the University.

Operating Line of Credit: The University has available an operating line of credit of \$6 million, which increases to \$12 million twice a year to offset periods of lower cash inflows. The interest rate on the operating line of credit, when drawn, is the bank's prime lending rate and amounts are repayable on demand. The University is currently using this line of credit to accommodate the standby letter of credit (LOC) issued to address solvency special payments for the staff pension plan, which had a cumulative value of \$2.7 million at July 31, 2024.

Short Term Investments: In addition to the cash on hand noted above, the University has \$43.0 million (2023 - \$43.0 million) invested in multiple short-term GICs at July 31, 2024. These short-term investments are invested in amounts ranging from \$3.5 million to \$5.0 million earning between 5.3% to 6.4% with maturity dates between August 2024 and April 2025 to ensure liquidity should some or all of this excess cash be required for operations. In early September, Financial Services invested an additional \$60 million of excess cash in multiple short-term GICs maturing between 4 to 12 months and earning between 4.57% to 4.63% in interest.

Operating Results: The year-to-date budget is estimated by prorating the annual budget based on the average of the last 4 years actual performance to date adjusted for typical trends, known timing and other seasonal factors.

The year-to-date actual financial performance indicates a favourable variance as at July 31, 2024 due primarily to the following:

- Timing, as most salaries and non-staff expenses are incurred during the fall and winter terms;
- Cost recoveries, due to the timing of Advanced Qualification courses; and
- Change in internally restricted assets, due to the recognition of appropriations and carry forwards approved at April 30, 2024 available for use in fiscal 2024/2025.

Actual results are subject to change once enrolment numbers are finalized and year-end adjustments and approved appropriations are determined. As per past practice, all



departments may request to carry forward any unspent budgets for future strategic initiatives. These requests are considered closer to the fiscal year-end when the overall financial position of the University is better known.

### Year-end Projection

Government Grants: The Board-approved budget appropriately assumed fixed government funding for fiscal 2024/2025 as there is no mechanism to fund enrolment that exceeds the corridor mid-point under the final year of the 2020-2025 Strategic Mandate Agreement (SMA3). That said, Trent will receive \$1,502,006 in Post secondary Education Sustainability Funding (PSESF) announced by the Ministry in June 2024. This additional funding was not known at the time the budget was approved and is now reflected in this financial update.

In April 2024, Trent received its results of its performance metrics for 2023/2024 under SMA3. While the University fell slightly short of the performance target in three of its metrics, Trent received additional funds on three other metrics. (Funding recoveries from institutions are reallocated to other universities who exceeded their targets on a metric-by-metric basis). As a result, there will be a small recovery of funds in the amount of \$20,369 in 2024/2025. Although immaterial, this recovery is reflected in this financial update.

Performance Metric	2023/2024 Notional Allocation	2023/2024 Actual Allocation	Additional Funds (Recovery)
Graduate Employment Rate in a Related Field	\$ 271,294	\$ 265,126	\$ (6,168)
Institutional Strength/Focus	\$ 813,883	\$ 814,067	\$ 184
Graduation Rate	\$ 271,294	\$ 263,142	\$ (8,152)
Community/Local Impact of Student Enrolment	\$ 1,356,472	\$ 1,360,038	\$ 3,566
Economic Impact (institution specific)	\$ 1,085,177	\$ 1,085,177	\$ -
Research Funding and Capacity: Federal Tri-Agency Funding Secured	\$ 271,294	\$ 257,730	\$ (13,564)
Experiential Learning	\$ 542,589	\$ 542,589	\$ -
Research Revenue Attracted from Private Sources	\$ 271,294	\$ 275,059	\$ 3,765
Graduate Employment Earnings	\$ 271,294	\$ 271,294	\$ -
Skills and Competencies	\$ 271,294	\$ 271,294	\$ -
<b>Total Performance-Based Funding</b>	<b>\$ 5,425,885</b>	<b>\$ 5,405,516</b>	<b>\$ (20,369)</b>

Enrolment Projections and Net Tuition Revenue: The 2024/2025 Operating Plan conservatively estimated total enrolment would increase from 13,275 FTEs the previous year to a total of 13,658 FTEs, a 2.9% overall increase. The budget included a provision of \$10 million for possible lost international net tuition revenue as the impact of the Federal government's new announcement to cap international student study permits was not known at the time the budget was approved in March 2024.

While Fall enrolment is not finalized until November 1<sup>st</sup> and total enrolment is not confirmed until February 1<sup>st</sup>, early indications are predicting Trent will experience a shortfall from the projected enrolment targets established in the 2024/2025 operating budget. This shortfall is expected to result in a loss of tuition revenue net of associated student financial aid, international student recovery fees and agency fees of \$12.3 million in 2024/2025, which is \$2.3 million more than the provision in the operating budget.

For additional analysis on enrolment projections and the potential financial implications, please refer to the Financial Projections and Sensitivity Analysis report presented to the Finance and Property Committee on October 1, 2024.

Operating Expenses: The majority of the University's operating expenses are incurred during the Fall 2024 and Winter 2025 academic terms. At this early date, senior administration is not aware of any material changes to planned operating expenses that would warrant an adjustment to the budget. Trent will be negotiating with CUPE2 as that collective agreement expired on August 31, 2024; any difference between the settled contract and the operating budget assumptions will be adjusted once the renewal collective agreement is finalized.

### **Financial Implications:**

With the revised enrolment projections and financial implications noted above, which are partly offset by the additional PSESF funding for 2024/2025, the University is now projecting a small deficit of \$578,000 for the fiscal year.

### **Enterprise Risk Assessment:**

The financial health of the University is paramount to the University's overall success and ability to fulfill its academic mandate and meet student expectations. Monitoring in-year financial performance against the approved budget is critical to ensuring well-informed decision making regarding the allocation and use of limited resources, and mitigating strategies if financial loss is anticipated.

### **Next Steps:**

The next financial update will be provided at the next Finance and Property meeting on November 26, 2024. At that time, enrolment projections and the resulting financial implications will be updated based on final November 1<sup>st</sup> enrolment counts.

### **Alignment with Mission, Vision, Values, Strategic Plan:**

To fulfill their responsibilities, Governors should be informed of the University's financial situation. Regular financial updates will maintain Governors' awareness of the University's current financial status, and allow for input and oversight where needed. Such updates also allow for in-year decisions for strategic investments if possible, or mitigation strategies as necessary in alignment with Trent's mission to "foster sustainability, in its environmental, social and economic dimensions, on our campuses and in all aspects of our work" and Trent's Strategic Plan to "ensure that it is financially healthy and sustainable".

**Consultation:**

Not applicable

**Compliance with Policy/Legislation:**

Complying with a Board of Governors directive, the full Board will receive regular financial updates, through the Finance and Property Committee.

**Committee/Board Mandate:**

The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands and capital projects. The Finance & Property Committee assists the Board in carrying out these responsibilities by monitoring the institution's financial, property and capital affairs and making related policy recommendations.

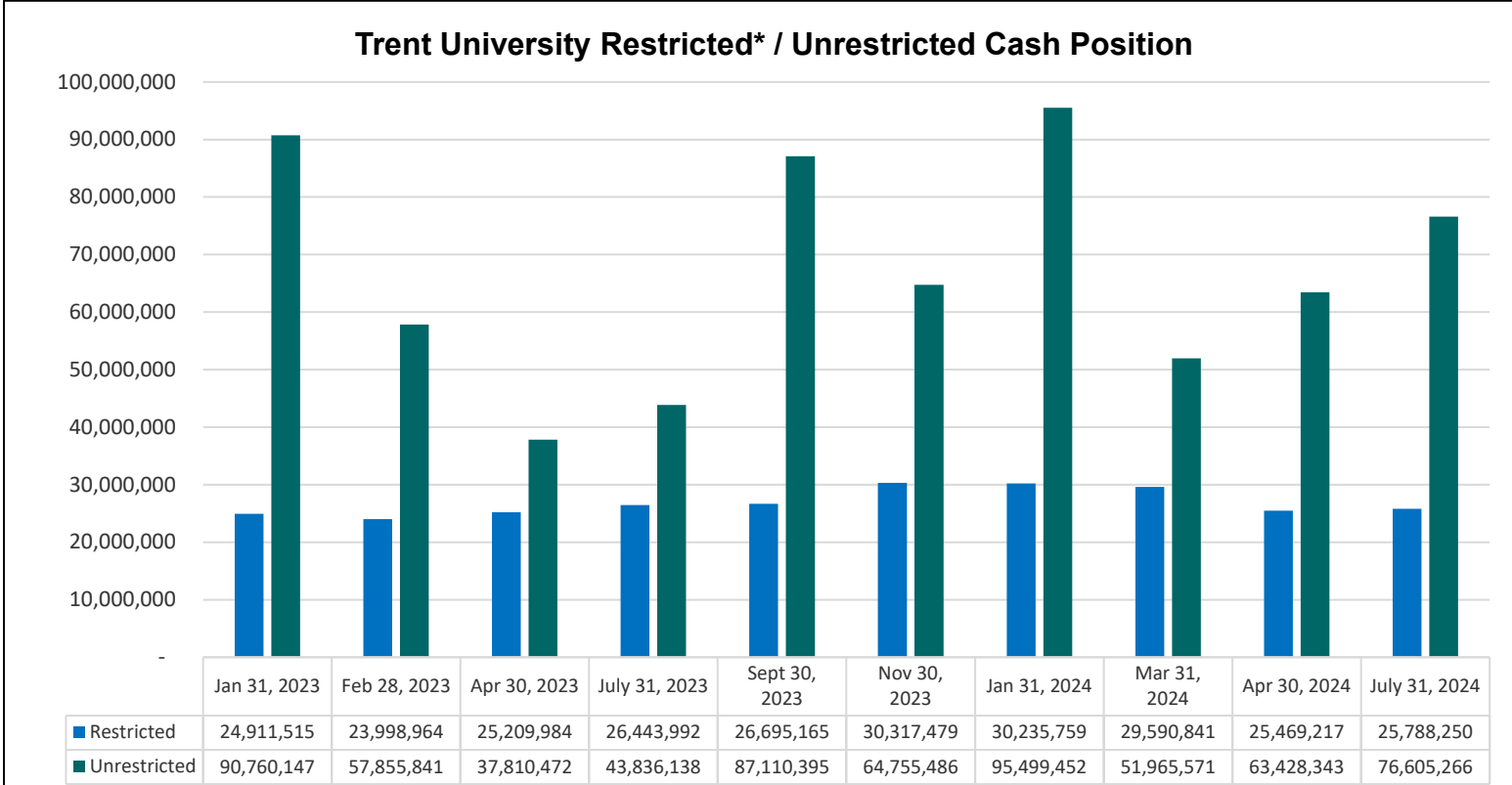
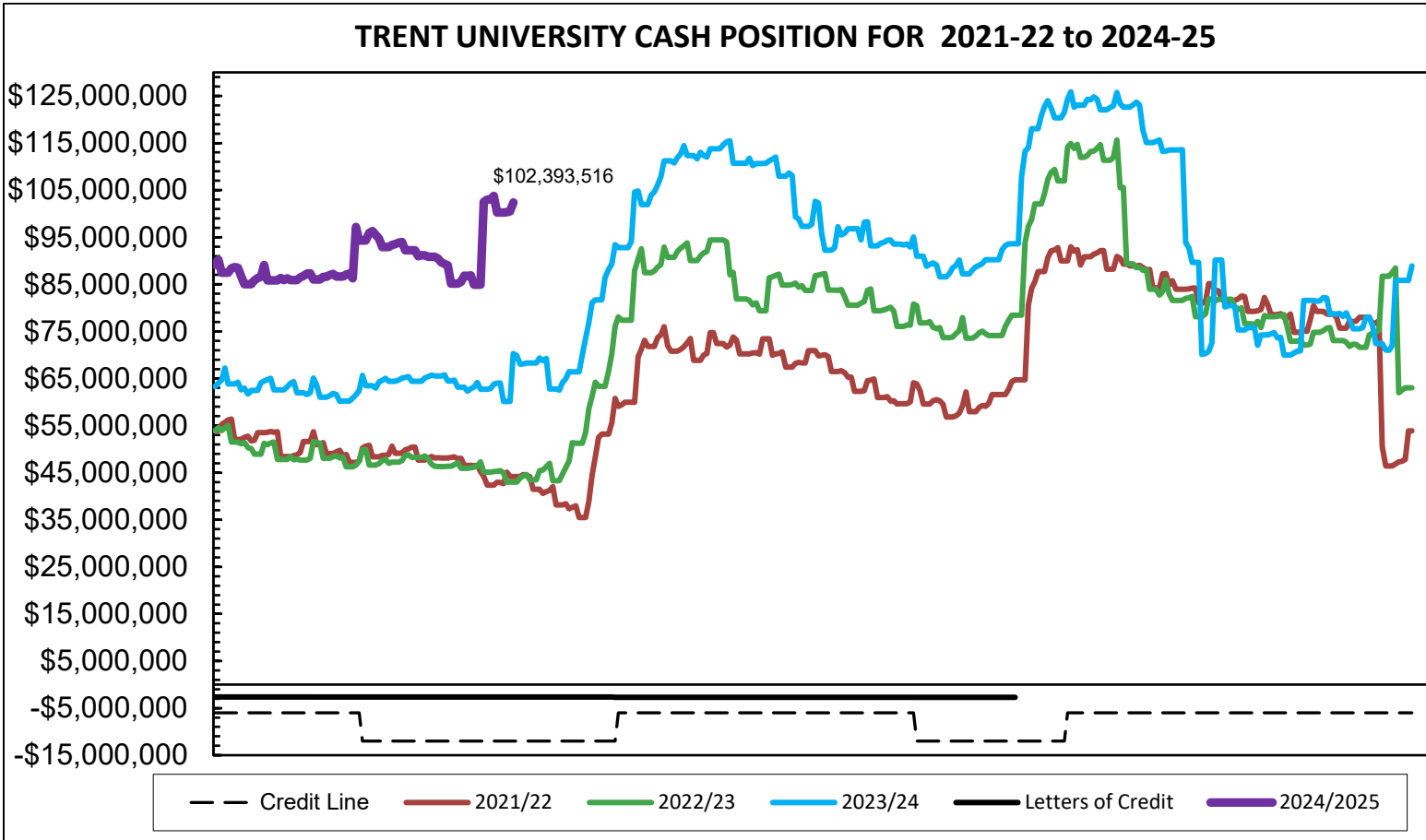
In its finance role, the Committee monitors budget projections and debt levels and recommends operating, ancillary and capital budgets for the approval of the Board of Governors. It recommends levels of student fees, spending authority, loans and lines of credit for Board approval. The Committee makes recommendations to the Board for the approval of any contract or purchase the total value of which exceeds the level of spending established for the President. The Committee may make financial policy recommendations to the Board including but not limited to policies on tuition and ancillary fees, banking, borrowing and purchasing. It may make recommendations to the Board concerning fiscal planning, internal financial controls or other areas affecting the financial health or accountability of the University. The administration may consult with the Committee on the subjects for internal audits and provide follow-up reports.

**Supporting Reference Materials (attached):**

Appendix A: Cash Position for the period ending July 31, 2024

Appendix B: 2024/2025 Operating Budget Projection as at July 31, 2024

# Appendix A: Cash Position for the Period Ending July 31, 2024



**Appendix B:**

**Trent University**  
**2024/2025 Operating Budget Projection**  
**(\$000s)**  
**As of July 31, 2024**

	<b>YTD ACTUAL</b>	<b>BOARD- APPROVED ANNUAL BUDGET</b>	<b>ANNUAL PROJECTION</b>	<b>ANTICIPATED ANNUAL VARIANCES</b>
<b>REVENUE</b>				
Government grants	\$12,474	\$54,145	\$56,092	\$1,947
Tuition fees	19,330	162,539	147,827	(14,712)
Less provision for lost tuition revenue	-	(10,000)	-	10,000
Miscellaneous revenue	1,442	5,230	5,230	-
<b>TOTAL REVENUE</b>	<b>\$33,246</b>	<b>\$211,914</b>	<b>\$209,149</b>	<b>(\$2,765)</b>
<b>EXPENSES</b>				
Instructional staff	\$14,821	\$93,967	\$93,967	\$-
Non-instructional staff	12,539	63,227	63,227	-
Student financial aid	1,030	15,963	15,221	742
Non-staff expense	9,246	51,102	49,856	1,246
Total expense	\$37,636	\$224,259	\$222,271	\$1,988
Cost recoveries	(5,488)	(12,294)	(12,294)	-
<b>TOTAL NET EXPENSE</b>	<b>\$32,148</b>	<b>\$211,965</b>	<b>\$209,977</b>	<b>\$1,988</b>
<b>EXCESS OF EXPENSE OVER REVENUE</b>	<b>\$1,098</b>	<b>(\$51)</b>	<b>(\$828)</b>	<b>(\$777)</b>
Change in appropriations & endowment transfers	6,259	250	250	-
<b>ANNUAL SURPLUS (DEFICIT) from University Operations</b>	<b>\$7,357</b>	<b>\$199</b>	<b>(\$578)</b>	<b>(\$777)</b>



## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** October 18, 2024

**Presented by:** Michael Lavallée, Chair Finance and Property Committee  
Tariq Al-idrissi, Vice-President, Finance & Administration

**Subject:** Capital Projects Update

### Motion for Consideration (if applicable):

That the Board of Governors receive the Capital Projects Update for information.

### Executive Summary:

While the construction season usually ends before the academic year begins, the construction season has continued into this academic year. While we attempt complete projects before the year begins, this is not always possible based on workforce availability, supply chain, and the number of projects. Most projects have been substantially completed over the summer.

The 2025 budget process and final allocation of appropriations has significantly added future commitments to the Project Management Office. Appropriation projects will go ahead as timing and planning permits. Administration will have delivered over \$6M in capital projects once the construction season is over.

### Discussion:

#### Facilities Renewal Program (FRP) – 2024/2025

Trent recently received the formal statement of funding allocation from the province. The FRP funding has increased by approximately \$600k from the previous year. The FRP allocation to Trent is \$3.64M.

The provincial funding is intended to supplement postsecondary institutions' programs that address ongoing needs for the maintenance, repairs, renovations, and modernization of existing facilities. Limitations do however exist concerning the eligibility of projects. The FRP funding is primarily intended for academic space improvements, but Trent can use this funding to improve access to students with disabilities. This restriction results in a

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large volume of space on each Campus that is not eligible for improvements through FRP funds.

Trent will need to complete the following work before March 31, 2025, to qualify for funding.

Table 1 – Draft Facilities Renewal Program Project List – 24/25

<b>FRP 2024/25 PROJECTS</b>	<b>Estimate</b>	<b>Status</b>
Building Envelope - Windows / Curtain Wall	\$45,000	100% Complete
Mechanical & Electrical Improvements	\$910,000	35% Complete
Site Services (Sanitary, Storm, etc)	\$45,000	Tendered
Washroom Renovations	\$225,000	100% Complete
Roofing Replacements & Repairs	\$1,145,000	60% Complete
Foundations and Structural Repairs & Testing - Design	\$50,000	Tendering
Exterior Paths, Walkways & Stairs	\$1,098,000	65% Complete
AODA Improvements	\$225,500	
<b>Total Estimated Expenses</b>	\$3,743,500.00	
FRP Grant	\$3,643,500.00	
Institution Contribution - FM Operating	\$100,000.00	

### Riverbank Stabilization Project

A significant transformation is underway on the west bank of the Otonabee River. The Riverbank Stabilization Project aims to create a safer, more sustainable, and accessible shoreline. The project removed the failing retaining wall and installed a new stone wall with an accessible trail. This wall protects against further erosion and safeguards the bridge abutments. When complete, the University will be able to provide space for Indigenous ceremonies and greater interaction with the Campus, and those who frequent the waterway, with docking.

The Trent Severn Waterway granted special approval for the project to proceed within the navigable season of the waterway. Following the fish spawning window in mid-July, phase 2 of the project started with a focus on the accessibility and landscaping elements of construction.

The contractor will complete the project in this construction season.

### **New College Parking Lot**

The project management office has completed the design of over 800 parking spaces north and east of the Life and Health Sciences building. The new spaces will replace the spaces lost during the construction of the new college and the reconstruction of the Otonabee residence. Staff have tendered the project, and earthworks are to begin this fall. The contract calls for 571 spaces by August 2025, with the remaining 284 spaces by June 2026. The project includes lighting, rough-in conduits for electric vehicles, accessibility spaces, and services for future growth in the area. The ultimate vision will see Cleantech Commons Way connect to the east end of the parking lots.

Fieldwork has shown environmental constraints. Staff are working through these matters with the Indigenous communities to ensure the delivery of a suitable final product.

### **Rehabilitation of the Faryon Bridge**

Administration has tendered the immediate repairs and the design for the near-term replacement. The procurement office received one bid. A concerning response from a second consultant suggested that the method proposed during the structural assessment may not be the best solution and did not later send a bid.

The evaluation of the sole bidder was not to the satisfaction of the evaluators recognizing inaccuracies and false statements in the proposal. As such, the procurement office terminated the process and opted to go to market yet again with changes. After repeating the procurement process, staff decided to complete a preliminary design assessment to ensure the process for the reconstruction was right and achievable with the complexity of the river and the Trent Severn Waterway. Shoring in the river, keeping access to and from the Each Bank, and replicating the bridge will all need consideration.

The project management office will present the heritage aspect of the project to the Heritage Committee before the detailed design process begins. Early involvement of the Heritage Committee will ensure that the project protects the interests of the University.

### **Classroom Renovation and Academic Space Rehabilitation**

The project management office completed the tender and award for a larger classroom reconstruction project in the spring. The design combined smaller, less utilized, adjacent classrooms to create a large teaching space. The institution has now added the much-needed ninety-person class to the overall inventory.

This classroom is one of four classrooms that Trent will reconstruct over the next four years. The project management office is now collaborating with the registrar's office to plan for the next project in the summer of 2025.



## **Bata Catwalk Bridge Deck Replacement**

The complexity of the Bata Catwalk replacement has proven to be difficult. The Bata Catwalk forms part of the original construction of the Symons Campus and acts as an extension from the Library to the Champlain podium. The interesting construction methods, heritage features, and the need to support campus flows have garnered no interest from contractors during the first tender stage in the spring.

Over the summer, staff in the project management office have retendered the project with specific invitations to tender sent to five heritage restoration contractors. During the bidding process, a sixth contractor sent a bid. However, the new contractor, who did not attend the tender site meeting, was the lowest bidder. The low bid continues to be well over budget.

To reduce costs, the project management office is now refining the project scope, while supporting the integrity of the building and extending the project completion date. The tender period for the revised approach is scheduled for the fall/winter of this year. The revised approach will have impacts on summer activities on the podium in the spring/summer/fall of 2025.

Administration has met with the Heritage Committee to discuss the scope of work and has outlined the preferred methods.

## **Trent Research Farm Driveshed**

The transition of the Trent Research Farm from the lands north of the Cleantech Commons to the lands southwest of Pioneer Rd and Douro 9<sup>th</sup> Line has progressed with the groundbreaking of the first building on the lands. The driveshed, currently being constructed, includes two oversized loading/garage bays, a seed storage and indoor working areas, outdoor working areas with wash stations, and bathroom facilities for students, employees, and visitors to the farm.

The project began in the summer and the contractor must complete the facility before winter. Added work will continue to ensure a safe and well-thought-out environment for future research and teaching.

## **Student Housing Renovation**

The Housing Office and Project Management Office (PMO) are working on a multi-year capital renovation plan that supports student housing. A summary of the multiyear plan is in Table 2 below with further details of the current year's renovation projects detailed thereafter.

## Page 5 of 18

Table 2 – Multiyear Capital Plan

<b>Fiscal Year</b>	<b>Estimate</b>	<b>Summary</b>
Year Ending 2024	\$1,000,000	Housing Office Reno Various HVAC, Plumbing, Lighting, & Doors Condition Assessments of Various Assets Curtain Walls (CCW detailed below, excluded from estimate)
Year Ending 2025	\$2,000,000	Façade Replacement of Peter Gzowski College Curtain Walls Domestic Hot Water Tanks Mailroom Renovation Exterior Finish (PZC) RLC Apartment Reno
Year Ending 2026	\$1,900,000	Curtain Walls Exterior Doors Tap Access Room Entry Interior Doors Emergency & Exit Lighting
Year Ending 2027	\$2,100,000	Flooring Millwork Communal Space Reno Furnishings Air Handling Units
<b>Total Estimated Expenses</b>	<b>\$7,000,000</b>	

### CCW Quad Curtain Walls and Windows

The Board awarded the CCW Quad Curtain Walls and Windows project in the spring of 2024. The total project cost is \$2.3M. Due to the complexity of the work and the limited time with vacant residences, this project will span over two construction seasons.

Project progress during the student vacancy period was successful. The contractor managed to complete 35% of the project. Trent intends to continue the project beginning May 1, 2025. The contractor is to complete the project before the 2025 fall academic year.

Administration has met with the Heritage Committee Chair who provided a recommendation that the work continue as planned. The project management office reviewed the original drawings to find the exact colour specified during the original design. With the cooperation of the contractor, Trent was able to reinstate the “bottle green” colour originally specified. Although the original steel case windows gave way to the newly manufactured aluminum material, they increased energy efficiency, and the project preserved its appearance.

**Page 6 of 18****Additional Completed Projects**

The project management office has also completed the following projects this past construction season.

- Enwayaang Housing/Conferences Office Reno – \$40K
- Durham Medicine Garden – \$200K
- Bata Library Bathroom Design – \$100K
- Nursing Lab Renovation – \$200K
- Lady Eaton College Faculty Office Air Conditioning - \$300K
- Environmental Sciences Centre Curtain Wall Refurbishment – \$50K
- Durham Office reconstruction and Conversation of Residence Space to Office – \$110K
- LEC College Office Reno – \$100K

**Additional Ongoing Projects**

The following projects will be the focus of the project management office over the upcoming construction season.

- Trent Enterprise Centre – Cleantech (Design/Build contract being negotiated) \$15M
- Trent Research Farm Master Plan – (ongoing) \$100K
- Demolition of unused buildings – (two demolitions completed) \$300K
- Sciences Greenhouse Replacement – (being tendered, no interest from specialized greenhouse companies) \$300K
- OC K House – (conceptual review) \$100K
- OC Walkway – (tendered & awaiting FRP Announcement) \$250K
- Athletics Squash/First Aid – (completing design)

**Future Capital Projects**

Future projects include:

- New College and Otonabee College New Build (preliminary concepts being developed, agreements being negotiated)
- Grounds Operation Facility relocation (pending lands plan priorities)
- Potential servicing of Seniors Village via Long Term Care project (under consideration)
- Replacement of the Water Quality Centre UPS (uninterruptable water supply) battery backup
- Replacement of the water treatment system in the Environmental Science Complex
- Symons Class Renewal – Phase 2-4
- DNA A block roof renewal
- Action items related to the Durham Task Force review.

**Financial Implications:**

- Added funding by the University to complete non-eligible components of the FRP projects.
- Capital planning for future projects.
- Academic/Research equipment replacement

**Enterprise Risk Assessment:**

Exceeding capital budgets and delaying the delivery of projects can result in added financial pressures or negative reputational impacts.

**Next Steps:**

1. Continue to develop the Infrastructure Asset Condition Inspection and Ratings,
2. Project development and project completion, and
3. Planning and formalized capital program.

**Consultation:**

- The Ellucian Colleague Financial system
- Facilities Condition Database
- Web Work Order system
- Heritage Committee
- Asset Condition Reports
- ECS (Education Consulting Services) Space Utilization Study
- Trent Lands and Nature Areas Report
- Registrar Office
- PPG

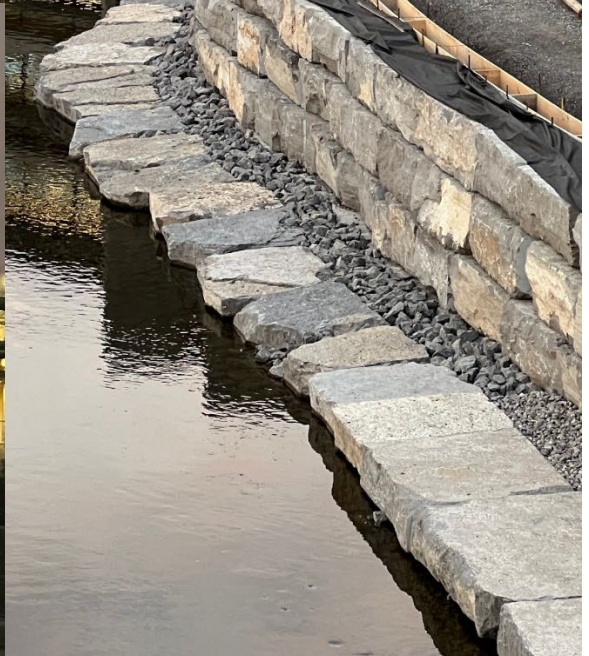
**Committee/Board Mandate:**

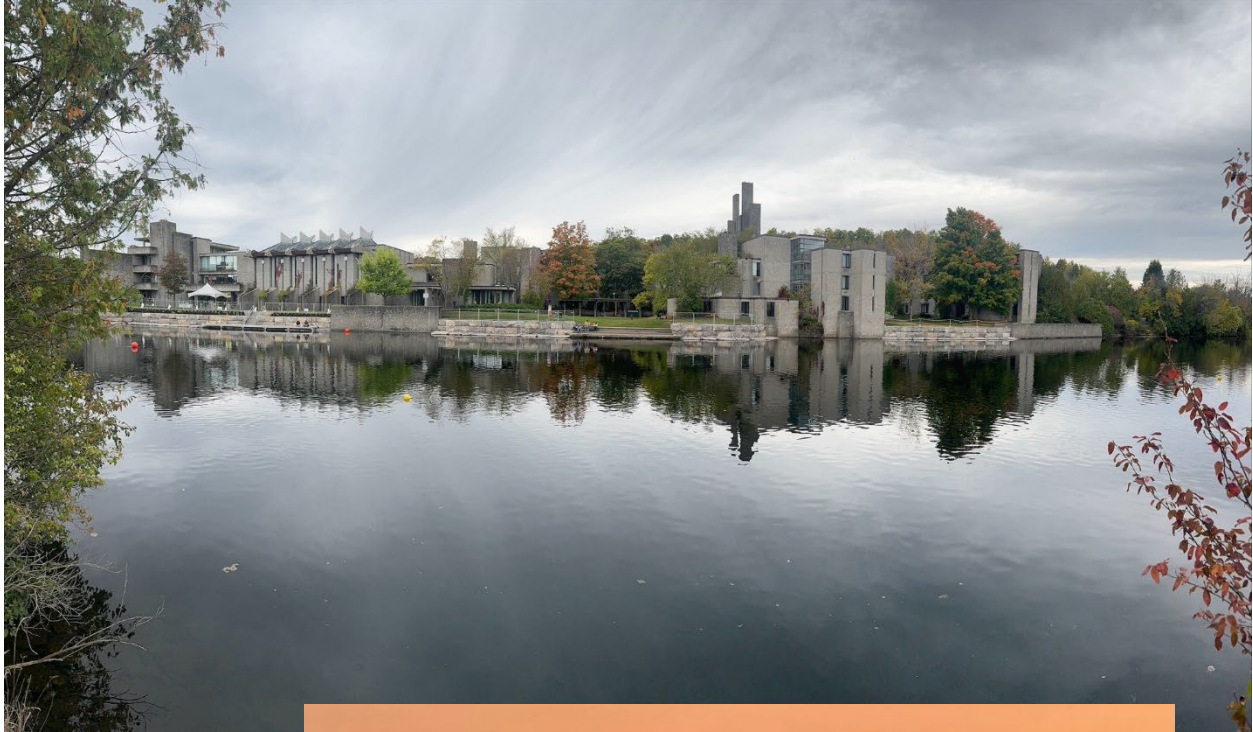
The Board of Governors is responsible for ensuring the financial health of the University and the proper management of its buildings, lands, and capital projects. The Finance & Property Committee assists the Board in fulfilling these responsibilities by monitoring the institution's financial, property, and capital affairs and making related policy recommendations.

In its property role, the Finance and Property Committee is responsible for the overall monitoring of campus capital building programs, stewardship of heritage assets, and makes recommendations to the Board of Governors for the approval of revisions to the Master Plan (siting of new facilities), the appointment of architects, final building designs, and major construction contracts.

# Attachment 1

## Riverbank Project





CCW Quad Curtain Walls and Windows



Trent Research Farm Drive Shed





Bata Washrooms



Champlain Seminar  
Rooms Refresh



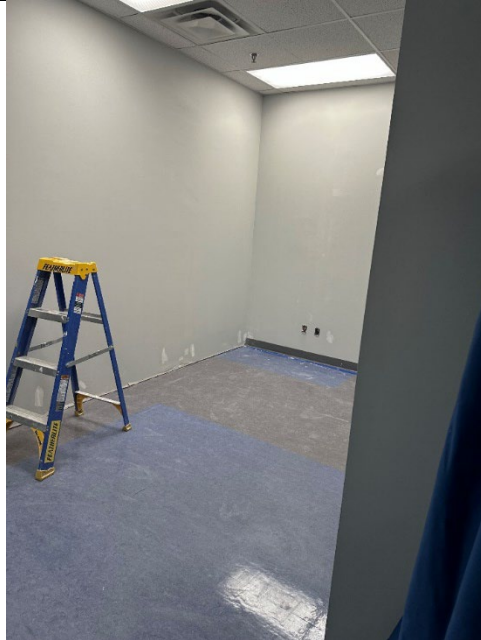
Classroom  
Renovation and  
Academic Space  
Rehabilitation



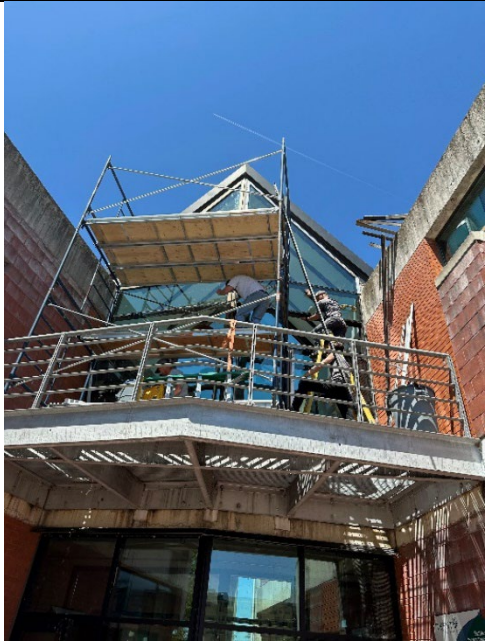
Durham Medicine  
Garden



Durham Campus 2  
New Offices



ESC Curtainwall  
Refurbishment



LEC Add AC



LEC College Reno



OC150 Nursing Simulation Lab



OC Walkway



**AON**

# Executive Summary

Trent University

Second Quarter 2024

Investment advice and consulting services provided by Aon Solutions  
Canada Inc.





# Major Capital Markets' Returns

## As of 30 June 2024

	1 Quarter	YTD	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>Equity</b>								
S&P/TSX Composite	-0.5	6.1	12.1	11.3	6.0	12.3	9.3	6.9
S&P 500	5.4	19.6	28.8	25.7	13.7	17.1	16.1	15.7
S&P 500 (USD)	4.3	15.3	24.6	22.0	10.0	17.0	15.0	12.9
MSCI EAFE (Net)	0.7	9.3	15.3	18.5	6.4	9.7	7.4	7.0
MSCI World (Net)	3.8	16.0	24.3	22.9	10.5	14.3	12.8	11.9
MSCI ACWI (Net)	4.0	15.5	23.4	21.5	9.0	13.2	11.8	11.2
MSCI Emerging Markets (Net)	6.2	11.5	16.4	10.2	-1.9	4.9	4.1	5.4
<b>Real Estate</b>								
MSCI/REALPAC Canada Quarterly Property Fund	0.3	0.8	-1.5	-1.0	5.4	6.1	5.6	6.3
Global Real Estate Fund Index (GREFI) (USD)*	-2.5	-3.5	-7.9	-6.5	0.9	2.8	2.6	4.8
<b>Fixed Income</b>								
FTSE Canada Universe Bond	0.9	-0.4	3.7	3.4	-1.8	-1.9	0.0	1.9
FTSE Canada Long Term Overall Bond	0.2	-3.4	0.4	3.1	-5.2	-5.6	-2.3	2.1
FTSE Canada 91 Day TBill	1.3	2.6	5.1	4.4	3.1	2.3	2.2	1.5
<b>Consumer Price Index</b>								
Canadian CPI, unadjusted	1.0	2.0	2.7	2.7	4.5	4.1	3.4	2.5

### Canadian Equities

The S&P/TSX Composite Index returned -0.5% in the second quarter of 2024. The best performing sectors were Materials (+7.4%) and Consumer Staples (+4.1%) while Health Care (-18.6%), Real Estate (-5.7%), and Info Tech (-5.6%) were the worst performers. Value stocks outperformed growth over the second quarter (-0.3% vs. -1.3%), however, year-to-date growth has outperformed value (+7.4% vs. +4.7%). The S&P/TSX Composite Index returned +6.1% year-to-date. Communication Services (-11.6%) and Real Estate (-4.1%) lagged, while Energy (+14.1%) and Materials (+13.7%) led the Canadian market.

### U.S. Equities

The S&P 500 Index returned +5.4% in Canadian dollar terms over the quarter. The best performing sectors were Info Tech (+15.1%) and Energy (+10.6%) while Materials (-3.4%) and Industrials (-1.8%) trailed. Year-to-date, the S&P 500 Index has returned +19.6% in Canadian dollar terms. In Q2, large cap growth stocks continued to lead the U.S. market, although market breadth has widened from 2023.

### Non-North American Equities

The MSCI EAFE Index returned +0.7% in Canadian dollar terms in the second quarter. The top performing sectors included Health Care (+5.9%) and Financials (+4.4%), while Cons. Disc. (-8.0%) and Real Estate (-5.7%) trailed. Year-to-date, the index returned +9.3% in Canadian dollar terms, with Info Tech (+18.9%), Financials (+16.3%), and Health Care (+13.8%) leading, while Real Estate (-1.8%) and Consumer Staples (-1.1%) trailed.

### Canadian Fixed Income

The Canadian investment grade bond market, as measured by the FTSE Canada Universe Bond Index, returned +0.9% over the quarter. Corporate bonds (+1.1%) outperformed Federal (+0.8%) and Provincial bonds (+0.7%). From a term perspective, short term bonds (+1.2%) outperformed both medium term bonds (+0.8%) and long-term bonds (+0.2%). Year-to-date, the index returned -0.4% with Corporate bonds (+1.2%) ahead of the index, Federal bonds (-0.4%) in line with the index, while Provincial bonds (-1.5%) trailed the index. From a term perspective, short term bonds (+1.6%) outperformed medium term bonds (-0.3%) and long-term bonds (-3.4%) year-to-date.

\* Lagged one quarter.

Returns for periods greater than one year are annualized. Sector returns are sourced from MSCI.

# Asset Allocation & Performance

As of 30 June 2024

	Allocation	Performance (%)							
	Market Value (\$000)	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years	5 Years	10 Years
<b>OPSEU Pension Plan</b>	<b>195,814</b>	<b>1.0 (46)</b>	<b>5.7 (54)</b>	<b>11.3 (67)</b>	<b>11.0 (52)</b>	<b>4.1 (77)</b>	<b>7.0 (74)</b>	<b>6.5 (79)</b>	<b>6.2 (84)</b>
<i>OPSEU Plan Benchmark</i>		<i>1.0 (46)</i>	<i>5.7 (55)</i>	<i>11.3 (67)</i>	<i>11.0 (52)</i>	<i>4.0 (78)</i>	<i>7.0 (75)</i>	<i>6.3 (82)</i>	<i>6.1 (85)</i>
Value Added		0.0	0.0	0.0	0.0	0.1	0.0	0.2	0.1
<b>Special Investment Fund</b>	<b>2,404</b>	<b>0.8 (59)</b>	<b>4.3 (95)</b>	<b>9.5 (90)</b>	<b>9.2 (95)</b>	<b>2.9 (96)</b>	<b>5.5 (94)</b>	<b>5.3 (94)</b>	<b>5.3 (96)</b>
<i>Benchmark</i>		<i>0.8 (59)</i>	<i>4.3 (95)</i>	<i>9.6 (89)</i>	<i>9.3 (95)</i>	<i>2.9 (95)</i>	<i>5.5 (94)</i>	<i>5.2 (94)</i>	<i>5.3 (97)</i>
Value Added		0.0	0.0	-0.1	-0.1	0.0	0.0	0.1	0.0

Parentheses contain percentile rankings

# Calendar Year Performance

## As of 30 June 2024

	2023	2022	2021	2020	2019	2018	2017	2016
<b>OPSEU Pension Plan</b>	<b>11.9 (31)</b>	<b>-9.2 (65)</b>	<b>11.9 (71)</b>	<b>9.0 (59)</b>	<b>15.9 (38)</b>	<b>-2.8 (65)</b>	<b>8.8 (56)</b>	<b>7.8 (37)</b>
<i>OPSEU Plan Benchmark</i>	<i>12.0 (31)</i>	<i>-9.4 (70)</i>	<i>11.8 (72)</i>	<i>8.8 (61)</i>	<i>15.8 (39)</i>	<i>-3.0 (69)</i>	<i>8.7 (56)</i>	<i>7.9 (37)</i>
Value Added	-0.1	0.2	0.1	0.2	0.1	0.2	0.1	-0.1
<b>Special Investment Fund</b>	<b>10.6 (64)</b>	<b>-9.3 (68)</b>	<b>9.7 (94)</b>	<b>8.7 (61)</b>	<b>14.2 (72)</b>	<b>-2.4 (49)</b>	<b>7.3 (76)</b>	<b>7.6 (44)</b>
<i>Benchmark</i>	<i>10.7 (57)</i>	<i>-9.3 (70)</i>	<i>9.6 (94)</i>	<i>8.6 (62)</i>	<i>14.3 (71)</i>	<i>-2.6 (55)</i>	<i>7.3 (76)</i>	<i>7.6 (44)</i>
Value Added	-0.1	0.0	0.1	0.1	-0.1	0.2	0.0	0.0

# Comparative Performance

## As of 30 June 2024

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years Ending Jun-2024	4 Years Ending Jun-2023	4 Years Ending Jun-2022	4 Years Ending Jun-2021
<b>Canadian Equities</b>									
TDAM Emerald Canadian Equity Index	-0.5 (60)	6.1 (54)	12.2 (57)	11.3 (55)	6.0 (85)	12.4 (82)	8.6 (70)	7.0 (59)	10.8 (27)
<i>S&amp;P/TSX Composite</i>	-0.5 (60)	6.1 (55)	12.1 (58)	11.3 (55)	6.0 (85)	12.3 (82)	8.6 (71)	6.9 (64)	10.7 (30)
Value Added	0.0	0.0	0.1	0.0	0.0	0.1	0.0	0.1	0.1
<b>U.S. Equities</b>									
TDAM Emerald Pooled U.S. Index	5.6 (27)	19.7 (36)	28.7 (42)	25.7 (40)	13.8 (27)	17.2 (36)	13.1 (31)	10.1 (30)	16.2 (43)
<i>S&amp;P 500 (CAD)</i>	5.4 (29)	19.6 (36)	28.8 (41)	25.7 (40)	13.7 (27)	17.1 (36)	13.1 (31)	10.0 (31)	16.2 (43)
Value Added	0.2	0.1	-0.1	0.0	0.1	0.1	0.0	0.1	0.0
<b>U.S. Equities Hedged</b>									
TDAM Emerald Hedged U.S. Equity Index PFT II	4.1 (42)	15.1 (56)	23.4 (59)	20.8 (62)	9.0 (81)	15.9 (53)	11.5 (53)	9.2 (43)	16.0 (43)
<i>S&amp;P 500 (Hedged)</i>	4.1 (42)	15.0 (56)	23.3 (59)	20.7 (62)	9.0 (81)	15.9 (53)	11.5 (53)	9.2 (43)	16.0 (43)
Value Added	0.0	0.1	0.1	0.1	0.0	0.0	0.0	0.0	0.0
TDAM Emerald Hedged Synthetic U.S. Equity Index	4.1 (42)	14.8 (57)	22.9 (61)	20.3 (65)	8.7 (84)	15.6 (58)	11.1 (58)	9.0 (47)	15.8 (45)
<i>S&amp;P 500 (Hedged)</i>	4.1 (42)	15.0 (56)	23.3 (59)	20.7 (62)	9.0 (81)	15.9 (53)	11.5 (53)	9.2 (43)	16.0 (43)
Value Added	0.0	-0.2	-0.4	-0.4	-0.3	-0.3	-0.4	-0.2	-0.2
<b>International Equities</b>									
TDAM Emerald International Equity Index	0.8 (60)	9.4 (50)	15.4 (49)	18.6 (45)	6.5 (49)	9.8 (59)	5.7 (70)	0.7 (65)	6.8 (62)
<i>MSCI EAFE (Net)</i>	0.7 (63)	9.3 (50)	15.3 (49)	18.5 (45)	6.4 (50)	9.7 (61)	5.6 (73)	0.6 (69)	6.6 (65)
Value Added	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.2

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

# Comparative Performance

## As of 30 June 2024

	1 Quarter	Year To Date	1 Year	2 Years	3 Years	4 Years Ending Jun-2024	4 Years Ending Jun-2023	4 Years Ending Jun-2022	4 Years Ending Jun-2021
<b>Fixed Income</b>									
TDAM Emerald Canadian Bond Index	0.9 (90)	-0.4 (98)	3.7 (99)	3.5 (100)	-1.7 (98)	-1.9 (100)	-1.0 (100)	0.0 (95)	3.3 (96)
<i>FTSE Canada Universe Bond</i>	<i>0.9 (92)</i>	<i>-0.4 (98)</i>	<i>3.7 (100)</i>	<i>3.4 (100)</i>	<i>-1.8 (99)</i>	<i>-1.9 (100)</i>	<i>-1.0 (100)</i>	<i>0.0 (94)</i>	<i>3.3 (95)</i>
Value Added	0.0	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0
<b>Short-Term Investments</b>									
TDAM Emerald Short-Term Index	1.3 (6)	2.7 (5)	5.6 (1)	4.8 (19)	3.3 (57)	2.5 (57)	1.6 (50)	1.2 (31)	1.4 (12)
<i>FTSE Canada 91 Day TBill</i>	<i>1.3 (63)</i>	<i>2.6 (85)</i>	<i>5.1 (95)</i>	<i>4.4 (100)</i>	<i>3.1 (100)</i>	<i>2.3 (100)</i>	<i>1.5 (97)</i>	<i>0.9 (100)</i>	<i>1.1 (100)</i>
Value Added	0.0	0.1	0.5	0.4	0.2	0.2	0.1	0.3	0.3

Returns for periods greater than one year are annualized.  
Returns are expressed as percentages.

# Summary of Investment Objectives

## Plan Information

Mandate	Comments	Recommendations
<b>OPSEU Pension Plan<sup>1</sup></b>	<ul style="list-style-type: none"> <li>▪ The OPSEU Pension Plan returned 1.0% for the quarter ending 30 June 2024, ranking in the 46<sup>th</sup> percentile among Aon’s universe of balanced funds.</li> <li>▪ All index funds tracked their respective indices as expected.</li> <li>▪ No material negative influences.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No action is required.</li> </ul>
<b>Special Investment Fund</b>	<ul style="list-style-type: none"> <li>▪ The Special Investment Fund returned 0.8% for the quarter ending 30 June 2024, ranking in the 59<sup>th</sup> percentile among Aon’s universe of balanced funds.</li> <li>▪ All index funds tracked their respective indices as expected.</li> <li>▪ No material negative influences.</li> </ul>	<ul style="list-style-type: none"> <li>▪ No action is required.</li> </ul>

# Statement of Disclosure

Aon Solutions Canada Inc. reconciles the rates of return with each investment manager quarterly. Aon Solutions Canada Inc. calculates returns from the custodian/trustee statements while the managers use different data sources. Occasionally discrepancies occur because of differences in computational procedures, security prices, "trade date" versus "settlement date" accounting, etc. We monitor these discrepancies closely and find that they generally do not tend to persist over time. However, if a material discrepancy arises or persists, we will bring the matter to your attention after discussion with your money manager.

*This report may contain slight discrepancies due to rounding in some of the calculations. All data presented is in Canadian dollars unless otherwise stated.*

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# Trent University

Investment Monitoring Report  
Executive Summary  
For the quarter ending June 30, 2024





# Executive Summary

# Market Highlights

As at June 30, 2024

- The quarter was characterized by continued easing of inflationary pressures across major economies. The Bank of Canada (“BoC”) was the first amongst G7 central banks to cut its policy rate in recent periods, moving from 5.00% down to 4.75% at the beginning of June. Other major central banks began to signal a more dovish stance, with the European Central Bank (ECB) following the BoC with a 0.25% rate cut in June.
- This shift in monetary policy was largely in response to cooling inflation rates, which had been a major concern in the past few years. The reduction in interest rates in some regions provided a boost to equity markets, with major indices experiencing gains as investor sentiments improved. Meanwhile, Canadian stocks faced a tougher environment, hampered by the negative performance of the Financials sector, which is the largest sector in the S&P/TSX Composite Index representing the Canadian equity market.
- In fixed income markets, bond yields moved slightly lower globally, leading to positive returns for most major fixed income indices in Q2. The inversion of the yield curves in both Canada and the U.S. lessened over the period as longer-dated yields moved closer to the shorter dated ones.

Market Returns as of June 30, 2024						
	<u>QTR</u>	<u>YTD</u>	<u>1-Year</u>	<u>2-Year</u>	<u>3-Year</u>	<u>4-Year</u>
FTSE Canada 91-day T-Bill	1.3%	2.6%	5.1%	4.4%	3.1%	2.3%
FTSE Canada Short Term	1.2%	1.6%	5.6%	3.5%	0.6%	0.6%
FTSE Canada Mid Term	0.8%	-0.3%	3.9%	3.5%	-1.6%	-1.6%
FTSE Canada Long Term	0.2%	-3.4%	0.4%	3.1%	-5.2%	-5.6%
FTSE Canada Bond Universe	0.9%	-0.4%	3.7%	3.4%	-1.8%	-1.9%
S&P/TSX Composite	-0.5%	6.1%	12.1%	11.3%	6.0%	12.3%
S&P 500 (CAD)	5.3%	19.3%	28.8%	25.8%	13.7%	17.1%
MSCI ACWI (Net) (CAD)	3.8%	16.0%	24.3%	22.9%	10.5%	14.3%
MSCI Emerging Markets (Net) (CAD)	6.3%	11.7%	16.8%	10.7%	-1.5%	5.3%
CPI Canada	1.0%	2.0%	2.7%	2.7%	4.5%	4.1%

# Total Fund - Gross Trailing Returns

For periods ending June 30, 2024

	Trailing period returns <sup>1</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Sinking Fund</b>	<b>1.3%</b>	<b>5.8%</b>	<b>9.1%</b>	<b>10.5%</b>	<b>3.5%</b>	<b>6.4%</b>	<b>6.1%</b>	--
Total Fund Benchmark <sup>2</sup>	2.1%	7.3%	12.8%	12.0%	4.3%	7.1%	6.5%	--
Value added	-0.8%	-1.5%	-3.7%	-1.5%	-0.8%	-0.7%	-0.4%	--
Annualized 4% return + CPI						8.3%		
Value added						-1.9%		

	Trailing period returns <sup>1</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Endowment Fund</b>	<b>1.3%</b>	<b>5.5%</b>	<b>9.5%</b>	<b>10.7%</b>	<b>3.8%</b>	<b>6.6%</b>	<b>6.2%</b>	<b>6.2%</b>
Total Fund Benchmark <sup>2</sup>	2.1%	7.3%	12.8%	12.0%	4.3%	7.1%	6.5%	6.7%
Value added	-0.8%	-1.8%	-3.3%	-1.3%	-0.5%	-0.5%	-0.3%	-0.5%
Annualized 4% return + CPI						8.3%		
Value added						-1.7%		

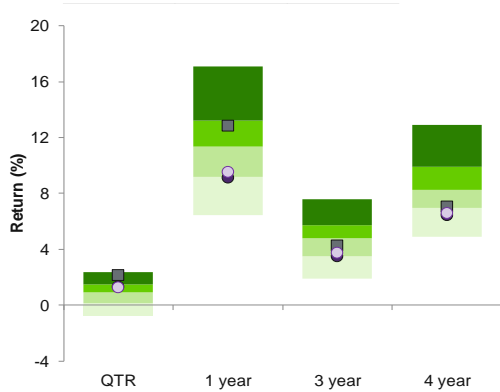
<sup>1</sup> Returns greater than one year are annualized. All return information prior to December 2020 is provided by the previous consultant, and information after December 2020 is calculated by TELUS Health from custody statements provided by CIBC Mellon.

<sup>2</sup> See Appendix for benchmark details.

# Total Fund Performance

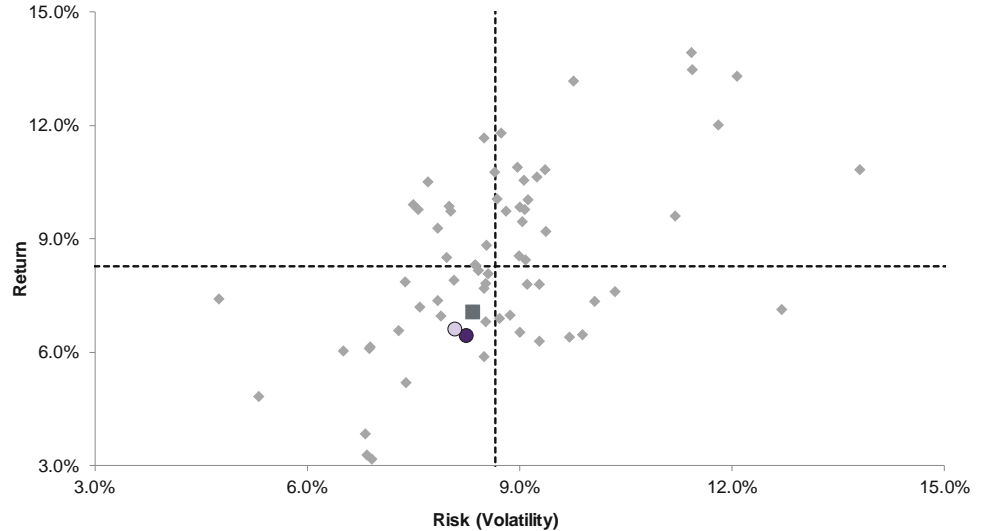
For period ending June 30, 2024

Performance vs. peer group<sup>1,2,3</sup>



	Sinking Fund	Endowment Fund	Total Fund Benchmark <sup>4</sup>	5th Percentile	1st Quartile	Median	3rd Quartile	95th Percentile
QTR	1.3%	1.3%	2.1%	2.4%	1.5%	0.9%	0.2%	-0.8%
1 year	9.1%	9.5%	12.8%	17.1%	13.2%	11.4%	9.2%	6.5%
3 year	3.5%	3.8%	4.3%	7.6%	5.7%	4.8%	3.5%	1.9%
4 year	6.4%	6.6%	7.1%	12.9%	9.9%	8.3%	7.0%	4.9%

4-year risk-return profile<sup>1,2,3</sup>



<sup>1</sup> Returns greater than one year are annualized. Returns are gross of fees.

<sup>2</sup> All return information prior to December 2020 is provided by the previous consultant, and information after December 2020 is calculated by TELUS Health from custody statements provided by CIBC Mellon.

<sup>3</sup> Peer comparison is the eVestment Canadian Balanced Universe.

<sup>4</sup> See Appendix for benchmark details.

# Portfolio Details

# Manager Updates

Topic	Summary
<b>Investment monitoring results – Quantitative</b>	<ul style="list-style-type: none"> <li>Both the Endowment and Sinking Fund underperformed their respective benchmarks over the quarter and over four years. Both also did not meet their absolute return objectives of CPI + 4% over four years.</li> <li>Fiera's Canadian Equity Fund outperformed the S&amp;P/TSX Composite Index over the quarter, while both the Mawer and Schroders global equity funds underperformed the MSCI ACWI Index over the same period. Mawer has significantly underperformed over the short-term.</li> <li>The PH&amp;N Canadian Core Plus Fund maintained its outperformance against the FTSE Canada Universe Bond Index in Q2 2024.</li> <li>Among the Alternative Funds, the Manulife Canadian Property Portfolio fell short of its absolute return target, while the IFM Global Infrastructure Fund exceeded its target in Q2 2024.</li> <li>Although not applicable to Trent University, all managers have outperformed their respective benchmarks over the trailing four-year period, with the exception of the Mawer Global Equity Fund.</li> </ul>
<b>Investment monitoring results – Qualitative</b>	<ul style="list-style-type: none"> <li><b>Jarislowky Fraser:</b> Christopher Knapp was named Portfolio Manager, Emerging Markets Equities, effective July 1, 2024. Bernard Gauthier, Portfolio Manager of Canadian Equities, has retired. Colin McPherson was named Associate Portfolio Manager, Canadian Equities.</li> <li><b>Mawer:</b> Kent Kaufield joined as CFO. Christian Deckart assumed the role of Chief Investment Officer, effective July 1, 2024. On September 12<sup>th</sup>, 2024, Mawer announced the termination of Colin Wong, co-PM, US Equity Strategy and Sophie Wang, Analyst, US Equity Strategy. According to Mawer, both were terminated due to their performance not being in line with expectations.</li> <li><b>Schroders:</b> Richard Oldfield has been appointed as Schroders' Group Chief Executive, effective November 8, 2024, subject to regulatory approvals.</li> </ul>

# Total Fund - Net Trailing Returns

For periods ending June 30, 2024

	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Sinking Fund</b>	<b>1.1%</b>	<b>5.5%</b>	<b>8.4%</b>	<b>9.8%</b>
Plan Benchmark <sup>2</sup>	2.1%	7.3%	12.8%	12.0%
Value added	-1.0%	-1.8%	-4.4%	-2.2%

	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Endowment Fund</b>	<b>1.1%</b>	<b>5.2%</b>	<b>8.9%</b>	<b>10.0%</b>
Plan Benchmark <sup>2</sup>	2.1%	7.3%	12.8%	12.0%
Value added	-1.0%	-2.1%	-3.9%	-2.0%

<sup>1</sup> Returns are net of fees since June 2022 (active manager transition). Information is calculated by TELUS Health from custody statements provided by CIBC Mellon and investment manager statements, fee schedules, and invoices.

<sup>2</sup> See Appendix for benchmark details.

# Total Fund - Gross Calendar Year Returns

	Calendar year returns <sup>1</sup>					
	2023	2022	2021	2020	2019	2018
<b>Sinking Fund</b>	<b>10.3%</b>	<b>-9.6%</b>	<b>11.2%</b>	<b>9.5%</b>	<b>15.7%</b>	<b>-2.3%</b>
Total Fund Benchmark <sup>2</sup>	11.9%	-10.2%	11.2%	9.3%	15.7%	-2.5%
Value added	-1.6%	0.6%	0.0%	0.2%	0.0%	0.2%
<b>Endowment Fund</b>	<b>11.2%</b>	<b>-9.4%</b>	<b>11.4%</b>	<b>9.2%</b>	<b>15.7%</b>	<b>-2.3%</b>
Total Fund Benchmark <sup>2</sup>	11.9%	-10.2%	11.2%	9.3%	15.7%	-2.3%
Value added	-0.7%	0.8%	0.2%	-0.1%	0.0%	0.0%

<sup>1</sup> All return information prior to December 2020 is provided by the previous consultant, and information after December 2020 is calculated by TELUS Health from custody statements provided by CIBC Mellon.

<sup>2</sup> See Appendix for benchmark details.



# Endowment Fund Managers - Gross Returns

For periods ending June 30, 2024

	Trailing period returns <sup>1,2,3,4</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Fiera Canadian Equity</b>	1.0%	8.7%	14.2%	15.3%	10.7%	15.2%	11.9%	--
S&P/TSX Composite Index	-0.5%	6.1%	12.1%	11.3%	6.0%	12.4%	9.3%	--
Value added	1.5%	2.6%	2.1%	4.0%	4.7%	2.8%	2.6%	--
<b>Mawer Global Equity</b>	-0.3%	6.9%	13.7%	17.1%	8.6%	11.3%	10.9%	12.5%
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%	9.0%	13.2%	11.8%	11.2%
Value added	-4.3%	-8.6%	-9.8%	-4.4%	-0.4%	-1.9%	-0.9%	1.3%
<b>Schroders Global Sustainable Growth</b>	3.7%	13.0%	21.7%	23.3%	9.8%	15.0%	15.5%	15.0%
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%	9.0%	13.2%	11.8%	11.2%
Value added	-0.3%	-2.5%	-1.8%	1.8%	0.8%	1.8%	3.7%	3.8%
<b>PH&amp;N Canadian Core Plus Bond</b>	1.0%	0.0%	4.3%	4.3%	-1.2%	-0.8%	1.3%	--
FTSE Canada Universe Bond Index	0.9%	-0.4%	3.7%	3.4%	-1.8%	-1.9%	-0.1%	--
Value added	0.1%	0.4%	0.6%	0.9%	0.6%	1.1%	1.4%	--
<b>Manulife Canadian Property Portfolio</b>	0.6%	1.6%	-8.3%	-4.5%	6.6%	8.7%	8.7%	8.2%
6% Annual rate	1.5%	3.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Value added	-0.9%	-1.4%	-14.3%	-10.5%	0.6%	2.7%	2.7%	2.2%
<b>IFM Global Infrastructure (Canada), LP</b>	1.7%	1.1%	4.0%	7.3%	9.9%	11.5%	10.1%	--
6% Annual rate	1.5%	3.0%	6.0%	6.0%	6.0%	6.0%	6.0%	--
Value added	0.2%	-1.9%	-2.0%	1.3%	3.9%	5.5%	4.1%	--

<sup>1</sup> Returns greater than one year are annualized.

<sup>2</sup> The Fund has been invested with Fiera, Mawer, Schroders, PH&N, and Manulife since July 2022. Returns for prior periods are presented for illustrative purposes.

<sup>3</sup> The Fund has been invested with IFM since January 2023. Returns for prior periods are presented for illustrative purposes.

<sup>4</sup> Source: Investment manager statements.

# Endowment Fund Managers - Net Returns

For periods ending June 30, 2024

	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Fiera Canadian Equity</b>	<b>0.9%</b>	<b>8.5%</b>	<b>13.7%</b>	<b>14.7%</b>
S&P/TSX Composite Index	-0.5%	6.1%	12.1%	11.3%
Value added	1.4%	2.4%	1.6%	3.4%
<b>Mawer Global Equity</b>	<b>-0.5%</b>	<b>6.5%</b>	<b>12.8%</b>	<b>16.0%</b>
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%
Value added	-4.5%	-9.0%	-10.7%	-5.5%
<b>Schroders Global Sustainable Growth</b>	<b>3.6%</b>	<b>12.7%</b>	<b>21.1%</b>	<b>22.6%</b>
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%
Value added	-0.4%	-2.8%	-2.4%	1.1%
<b>PH&amp;N Canadian Core Plus Bond</b>	<b>0.9%</b>	<b>-0.2%</b>	<b>3.9%</b>	<b>3.9%</b>
FTSE Canada Universe Bond Index	0.9%	-0.4%	3.7%	3.4%
Value added	0.0%	0.2%	0.2%	0.5%
<b>Manulife Canadian Property Portfolio</b>	<b>0.3%</b>	<b>1.0%</b>	<b>-9.3%</b>	<b>-5.6%</b>
6% Annual rate	1.5%	3.0%	6.0%	6.0%
Value added	-1.2%	-2.0%	-15.3%	-11.6%
<b>IFM Global Infrastructure (Canada), LP</b>	<b>1.5%</b>	<b>0.9%</b>	<b>4.7%</b>	
6% Annual rate	1.5%	3.0%	6.0%	
Value added	0.0%	-2.1%	-1.3%	

<sup>1</sup> Source: Investment manager statements and invoices.

# Sinking Fund Managers - Gross Returns

For periods ending June 30, 2024

	Trailing period returns <sup>1,2,3</sup>							
	QTR	YTD	1 year	2 year	3 year	4 year	5 year	10 year
<b>Fiera Canadian Equity</b>	<b>1.0%</b>	<b>8.7%</b>	<b>14.2%</b>	<b>15.3%</b>	<b>10.7%</b>	<b>15.2%</b>	<b>11.9%</b>	--
S&P/TSX Composite Index	-0.5%	6.1%	12.1%	11.3%	6.0%	12.4%	9.3%	--
Value added	1.5%	2.6%	2.1%	4.0%	4.7%	2.8%	2.6%	--
<b>Mawer Global Equity</b>	<b>-0.3%</b>	<b>6.9%</b>	<b>13.7%</b>	<b>17.1%</b>	<b>8.6%</b>	<b>11.3%</b>	<b>10.9%</b>	<b>12.5%</b>
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%	9.0%	13.2%	11.8%	11.2%
Value added	-4.3%	-8.6%	-9.8%	-4.4%	-0.4%	-1.9%	-0.9%	1.3%
<b>Schroders Global Sustainable Growth</b>	<b>3.7%</b>	<b>13.0%</b>	<b>21.7%</b>	<b>23.3%</b>	<b>9.8%</b>	<b>15.0%</b>	<b>15.5%</b>	<b>15.0%</b>
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%	9.0%	13.2%	11.8%	11.2%
Value added	-0.3%	-2.5%	-1.8%	1.8%	0.8%	1.8%	3.7%	3.8%
<b>PH&amp;N Canadian Core Plus Bond</b>	<b>1.0%</b>	<b>0.0%</b>	<b>4.3%</b>	<b>4.3%</b>	<b>-1.2%</b>	<b>-0.8%</b>	<b>1.3%</b>	--
FTSE Canada Universe Bond Index	0.9%	-0.4%	3.7%	3.4%	-1.8%	-1.9%	-0.1%	--
Value added	0.1%	0.4%	0.6%	0.9%	0.6%	1.1%	1.4%	--
<b>Manulife Canadian Property Portfolio</b>	<b>0.6%</b>	<b>1.6%</b>	<b>-8.3%</b>	<b>-4.5%</b>	<b>6.6%</b>	<b>8.7%</b>	<b>8.7%</b>	<b>8.2%</b>
6% Annual rate	1.5%	3.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
Value added	-0.9%	-1.4%	-14.3%	-10.5%	0.6%	2.7%	2.7%	2.2%

<sup>1</sup> Returns greater than one year are annualized.

<sup>2</sup> The Fund has been invested with Fiera, Mawer, Schroders, PH&N, and Manulife since July 2022. Returns for prior periods are presented for illustrative purposes.

<sup>3</sup> Source: Investment manager statements.

# Sinking Fund Managers - Net Returns

For periods ending June 30, 2024

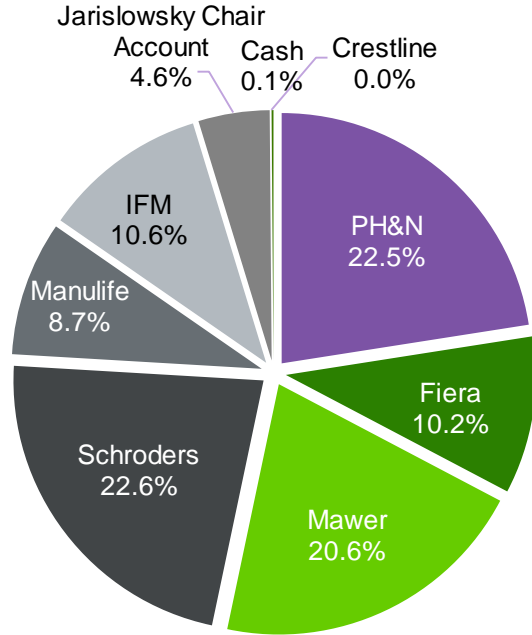
	Trailing period returns <sup>1</sup>			
	QTR	YTD	1 year	2 year
<b>Fiera Canadian Equity</b>	<b>0.9%</b>	<b>8.4%</b>	<b>13.6%</b>	<b>14.7%</b>
S&P/TSX Composite Index	-0.5%	6.1%	12.1%	11.3%
Value added	1.4%	2.3%	1.5%	3.4%
<b>Mawer Global Equity</b>	<b>-0.5%</b>	<b>6.5%</b>	<b>12.8%</b>	<b>16.1%</b>
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%
Value added	-4.5%	-9.0%	-10.7%	-5.4%
<b>Schroders Global Sustainable Growth</b>	<b>3.6%</b>	<b>12.7%</b>	<b>21.1%</b>	<b>22.6%</b>
MSCI ACWI Index (Net) (CAD)	4.0%	15.5%	23.5%	21.5%
Value added	-0.4%	-2.8%	-2.4%	1.1%
<b>PH&amp;N Canadian Core Plus Bond</b>	<b>0.9%</b>	<b>-0.3%</b>	<b>3.9%</b>	<b>3.9%</b>
FTSE Canada Universe Bond Index	0.9%	-0.4%	3.7%	3.4%
Value added	0.0%	0.1%	0.2%	0.5%
<b>Manulife Canadian Property Portfolio</b>	<b>0.3%</b>	<b>1.0%</b>	<b>-9.3%</b>	<b>-5.6%</b>
6% Annual rate	1.5%	3.0%	6.0%	6.0%
Value added	-1.2%	-2.0%	-15.3%	-11.6%

<sup>1</sup> Source: Investment manager statements and fee schedules.

# Total Endowment Fund – Manager Allocation Review

As at June 30, 2024

## Breakdown by Manager<sup>1,2</sup>



By Manager	Market value	Weight
PH&N	\$23,139,215	22.5%
Fiera	\$10,453,442	10.2%
Mawer	\$21,162,949	20.6%
Schrodgers	\$23,234,462	22.6%
Manulife	\$8,931,307	8.7%
IFM	\$10,932,716	10.6%
Jarislowsky Chair Account	\$4,727,905	4.6%
Crestline	\$4,355	0.0%
Cash	\$122,583	0.1%
<b>Total</b>	<b>\$102,708,932</b>	<b>100.0%</b>

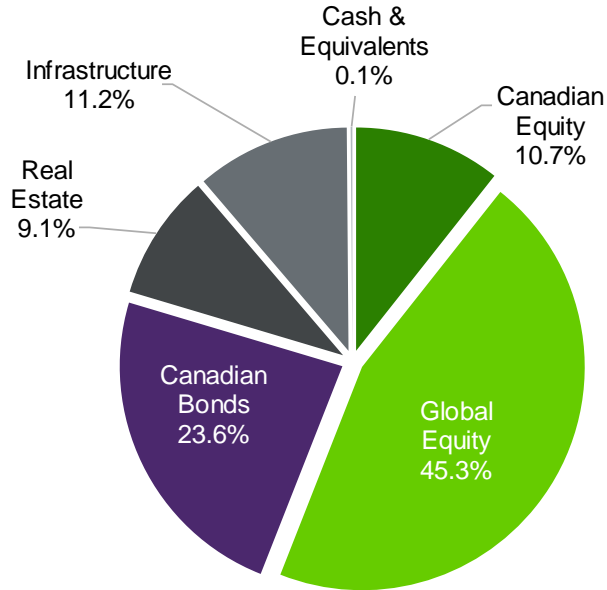
<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon, Jarislowsky Fraser, IFM.

# Endowment Fund Review – Asset Allocation Review

As at June 30, 2024

## Breakdown by Asset class<sup>1,2,3</sup>



By Asset class	Market value	Weight
Canadian Equity	\$10,453,442	10.7%
Global Equity	\$44,397,410	45.3%
Canadian Bonds	\$23,139,215	23.6%
Real Estate	\$8,931,307	9.1%
Infrastructure	\$10,932,716	11.2%
Cash & Equivalents	\$122,583	0.1%
<b>Endowment (Multi-manager) total</b>	<b>\$97,976,673</b>	<b>100.0%</b>

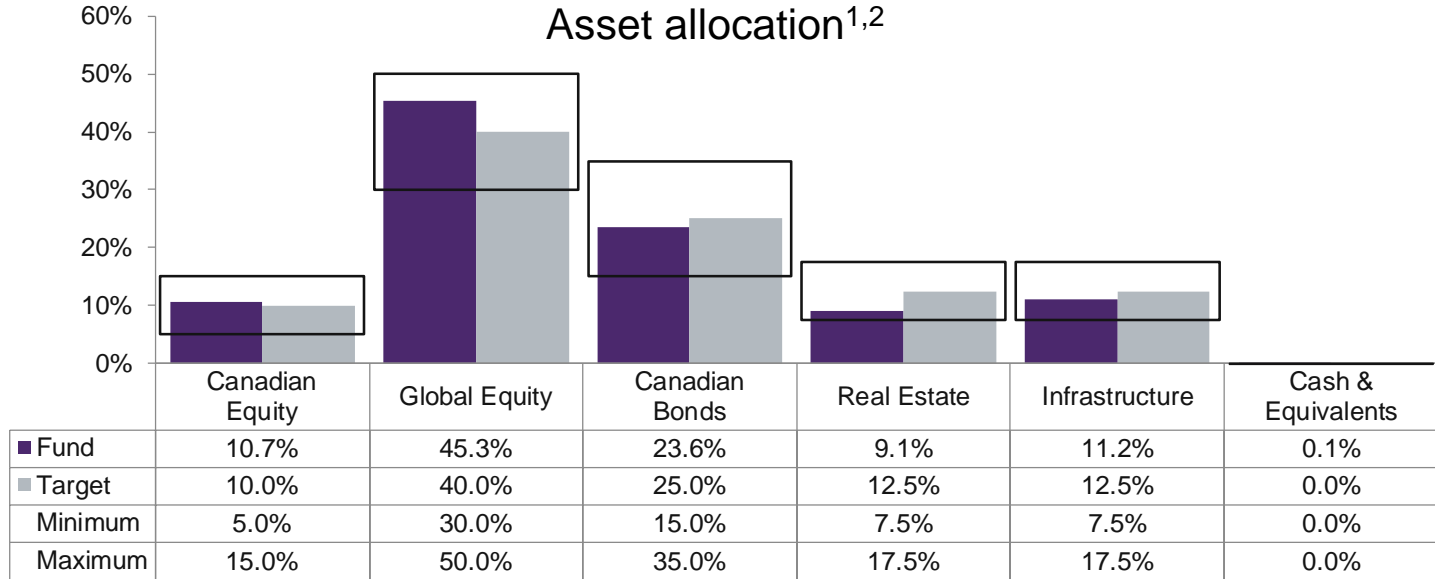
<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon, IFM.

<sup>3</sup> Excludes Jarislowsky Fraser Chair Account and the FD Northwater Fund

# Endowment Fund – Compliance Review

As at June 30, 2024



**Asset Mixes for both the Endowment and Sinking Funds are in compliance with the Statements of Investment Policies & Procedures (“SIP&Ps”) as of June 30, 2024**

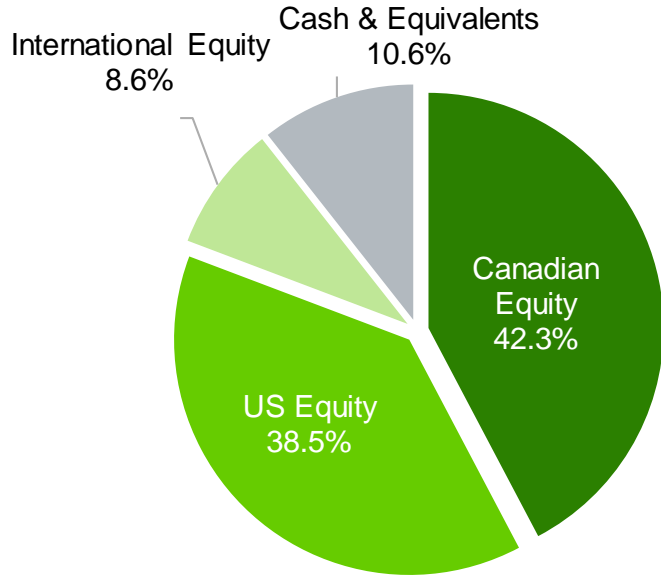
<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon, Jarislowsky Fraser, IFM.

# Jarislowsky Chair Account – Asset Allocation Review

As at June 30, 2024

Breakdown by Asset class<sup>1,2</sup>



By Asset class	Market value	Weight
Canadian Equity	\$1,998,841	42.3%
US Equity	\$1,819,294	38.5%
International Equity	\$408,020	8.6%
Cash & Equivalents	\$501,749	10.6%
<b>Total</b>	<b>\$4,727,904</b>	<b>100.0%</b>

<sup>1</sup> Figures may not add to 100% due to rounding.

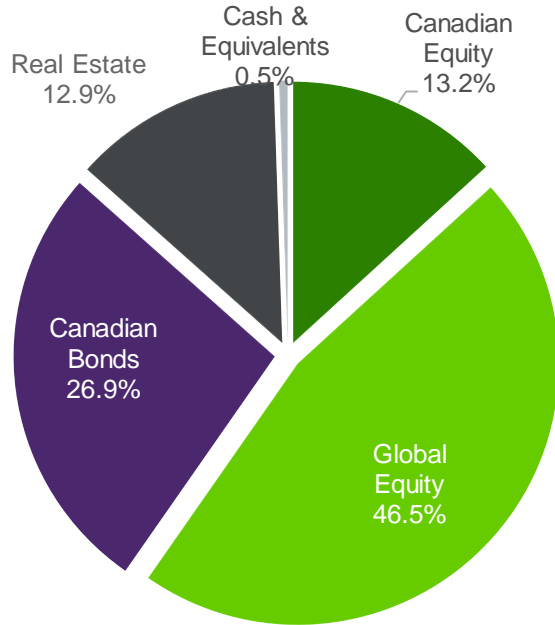
<sup>2</sup> Source: Jarislowsky Fraser



# Sinking Fund Review – Asset Allocation Review

As at June 30, 2024

## Breakdown by Asset class<sup>1,2</sup>



	Market value	Weight
Canadian Equity	\$539,868	13.2%
Global Equity	\$1,897,050	46.5%
Canadian Bonds	\$1,097,324	26.9%
Real Estate	\$526,948	12.9%
Infrastructure	\$0	0.0%
Cash & Equivalents	\$21,279	0.5%
<b>Total</b>	<b>\$4,082,469</b>	<b>100.0%</b>

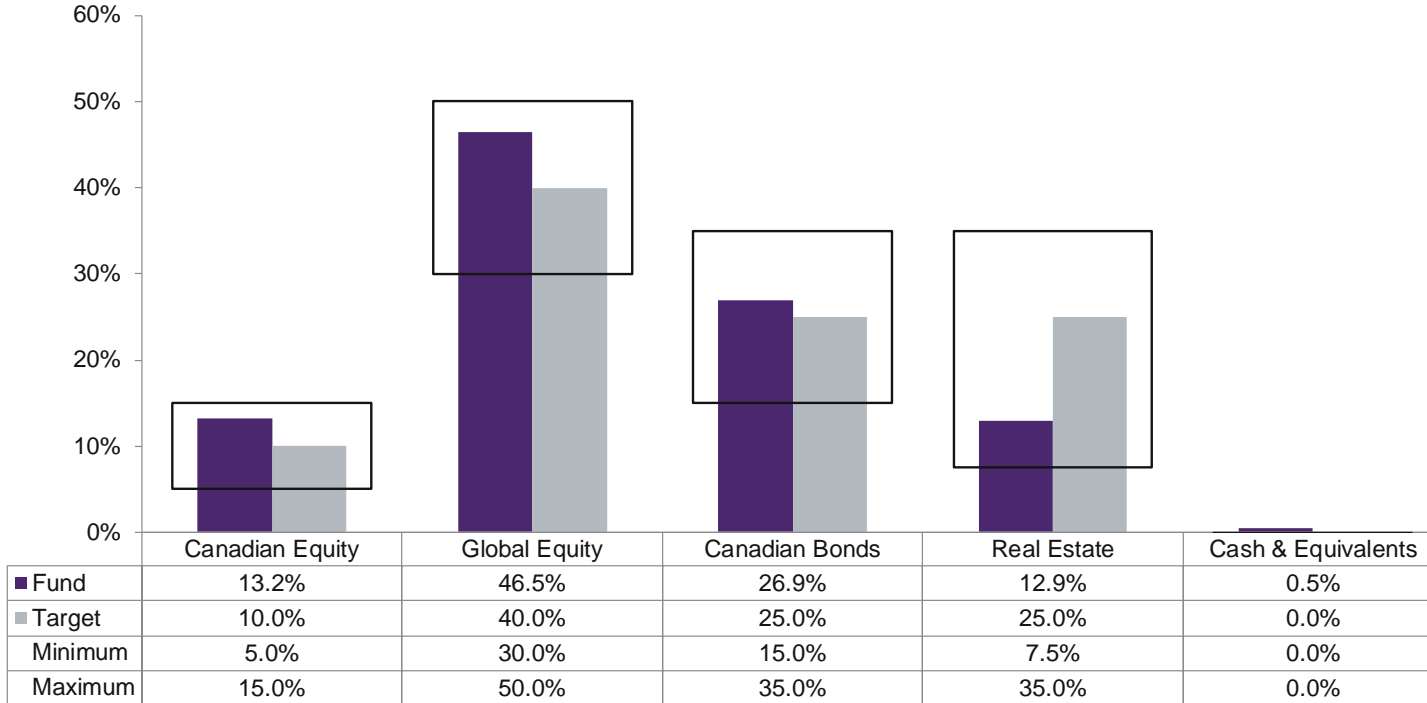
<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon

# Sinking Fund – Compliance Review

As at June 30, 2024

## Asset allocation<sup>1,2</sup>



<sup>1</sup> Figures may not add to 100% due to rounding.

<sup>2</sup> Source: CIBC Mellon

# Appendix

# Appendix: Total Fund Benchmark Composition

From	To	S&P/TSX Composite TR Index	S&P 500 TR Index, net, C\$	S&P 500 TR Hedged Index, net, C\$	MSCI EAFE TR Index, net, C\$	MSCI ACWI TR, net, C\$	FTSE Canada Universe Bond Index	FTSE Canada 91-Day T-Bill Index	Annual Return of 6%	Total
June 30, 2022	Present	10.00%	--	--	--	40.00%	25.00%	--	25.00%	100.00%
Dec. 31, 2012	June 30, 2022	20.00%	10.00%	10.00%	20.00%	--	37.00%	3.00%	--	100.00%

# Glossary of Terms

## **Standard Deviation**

A measure of the variability of a series of returns around the average, or expected value. Typically used as a proxy for a level of risk.

## **Tracking Error**

A measure of the volatility of excess returns relative to a benchmark. It quantifies how closely a portfolio follows its benchmark index, representing the standard deviation of the difference between the portfolio's returns and the benchmark's returns.

## **Sharpe Ratio**

A metric to assess the performance of an investment compared to a risk-free asset, after adjusting for its risk. It is calculated by subtracting the risk-free rate from the return of the investment and then dividing the result by the investment's standard deviation of returns.

## **Information Ratio**

A measure of a portfolio manager's ability to generate excess returns relative to a benchmark, divided by the tracking error of the portfolio. It highlights the consistency and efficiency of generating superior returns.

## **Downside Market Capture**

A statistic that indicates how a portfolio's performance correlates with negative benchmark returns. It represents the percentage of downside movement a portfolio captures when the market declines.

## **Upside Market Capture**

A statistic that measures how a portfolio's performance correlates with positive benchmark returns. It indicates the percentage of upside movement a portfolio captures when the market rises.



## Board Report

**Session:** Open  
**Action Requested:**  Decision;  Discussion/Direction;  Information  
**To:** Board of Governors  
**Date:** October 18, 2024  
**Presented by:** Julie Davis, VP External Relations and Development  
**Subject:** Long-Term Care Home

### Executive Summary:

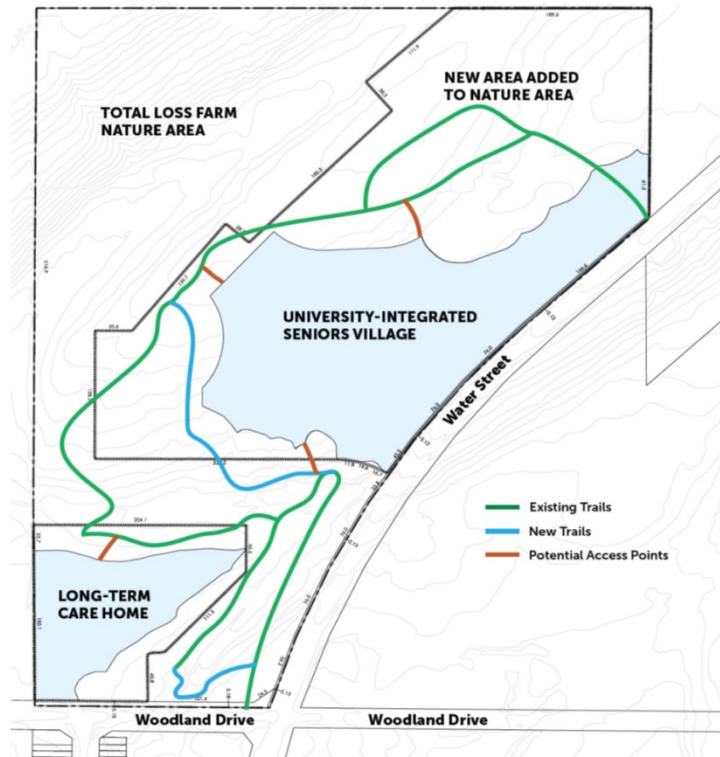
Trent University issued an RFP in 2019 to seek proposals from experienced Long-Term Care operators to develop, own and operate a Long-Term Care facility on University lands. A key goal is to provide Trent students with experiential learning opportunities and advance research and knowledge mobilization. peopleCare was the highest ranked proponent by all reviewers and advisors to the process, and the University subsequently entered into a land lease and teaching & research agreement with them. peopleCare then submitted a proposal to the Ontario Ministry of Long-Term Care (MLTC) for a 224-bed not-for-profit home. That application was successful. Plans are proceeding with expected ground-breaking in Spring 2025.

peopleCare will attend the meeting to introduce themselves and the project.

### Analysis/Alternatives Considered:

Trent's vision is a University-Integrated Seniors Village anchored by a long-term care home. Building on Trent's position as a globally recognized age-friendly university, the research expertise in the Trent Centre for Aging & Society (TCAS) and the Trent/Fleming School of Nursing, the Seniors Village will provide hands-on learning opportunities for our students and advance research into aging while meeting the needs of our community for more housing. It will interest students in geriatric care, offer a proving ground for innovations in seniors living, and will help reduce the long wait list for aged care in Peterborough - the third oldest community in Canada - where almost 2,500 people are waiting two to four years for a bed.

The location for the LTC home is at the north-west corner of Water Street and Woodland Drive and is on municipal transit routes. Environmental and archaeological studies have been completed in collaboration with the Michi Saagiig First Nations and were discussed at community/campus information sessions in 2021. Stage 1 site plan approval was issued by the City of Peterborough in 2023. Recognizing community members use the trails on the site and wanting to ensure natural recreational opportunities for the residents of the LTC home and the Seniors Village, Trent has invested in new trail connections around the building sites.



### **Financial Implications:**

peopleCare will provide a ground lease payment to Trent, an annual contribution towards teaching and research activities, and will share the costs of a full-time dedicated coordinator for the teaching and research program. Trent will have no financial interest in the construction or operation of the home.

### **Enterprise Risk Assessment:**

A focus of the RFP was to select an operator with an exceptional track record in the sector. peopleCare has been recognized as a Best Managed Company for 11 consecutive years and achieved accreditation with exemplary standing exceeding 100% of the requirements.

### **Next Steps:**

Early introductions to members of TCAS, Careerspace, potential researchers, and community partners such as Fleming College, Age Friendly Peterborough, and PRHC have taken place. Community and campus updates and information sessions will be scheduled in the coming months.

# LIMITLESS

Inspired  
Communities  
Bold Ideas

*A Visionary Strategy*

peopleCare communities



# *A message from our* **CEO AND PRESIDENT**

**We are proud to share peopleCare’s visionary new strategy Limitless.**

This audacious strategy sets the course for our organization over the next five years, illuminating a path towards endless possibilities.

Limitless was shaped through reflective engagement that brought together the voices of peopleCare’s leaders and frontline staff, residents, families and community partners. **We also sought fresh perspectives from visionary thought leaders and influencers** such as elder care pioneers and gerontologists, ethicists, leadership gurus and more.

**peopleCare’s new strategy represents an elevation in our mindset**, to envision our potential as infinite. At the core of Limitless lies our “why” – the driving force behind our vision to change the world of senior living – empowering individuals to realize their fullest potential and fostering vitality in our homes and communities. With a legacy of over five decades of being in service to others, our mission is clear: to create beautiful, caring communities that enrich lives.

Over the next five years and beyond, **we will soar to new heights** through our focus on: transforming experiences with an emphasis on vitality, designing vibrant communities, innovating for tomorrow, and having a lasting positive impact beyond ourselves.



**Brent Gingerich**  
Chairman & CEO



**Megan Allen-Lamb**  
President

peopleCare is on the cusp of significant growth. **Limitless enables us to lead forward with energy and intention** towards a shared future defined by meaning and purpose. It builds on our drive for operational excellence, rooted in our values and passion for exceeding expectations. It animates and activates our commitment to cultivating engaged teams that push boundaries, drive innovation and ignite change.

As we embark on this journey, peopleCare’s stellar senior leadership team, and talented leaders across the organization, will play a crucial role as we **lean into our strengths as a positive disruptor and lead our organization through significant transformation.** Together, we will change the world of senior living, creating inspired communities where bold ideas thrive.

**We look forward to celebrating our collective aspirations and positive impact as we forge ahead.**



# *Transformation and* **THE ART OF THE POSSIBLE**

**Imagine a place alive with fulfillment and purpose**, where every minute of the day is infused with vibrant energy and meaning. Here, everyone's opportunities to contribute, learn and thrive are boundless, rooted in a commitment to fostering vitality and growth.

That's what Limitless – **peopleCare Communities' visionary new five-year strategy** – is all about. At its core, it's about an evolution to more person-centred and holistic experiences for both residents and employees.

Limitless will ensure we continue building on the rich legacy of peopleCare while growing as a purpose-driven organization. It will be **our touchstone to continuously reflect on why we are here and why we do what we do**, as we re-imagine our role in changing the world of senior living, inspire positive change and achieve extraordinary outcomes, together.

At peopleCare, **we are ready to transcend limitations, creating a dynamic culture and communities**. Where minds are alive with inspiration and energy, bold ideas flourish and our potential is limitless.

# LIMITLESS

Together, we are **changing the world of senior living** by creating inspired communities where bold ideas thrive.

## Transforming Experiences

**We foster vitality through purpose and fulfillment**

- **Cultivate meaningful social relationships**, holistic wellbeing and true community as our compass to enrich lives
- **Embrace opportunities** for personalized, human-centered experiences in the way we live and work
- **Optimize lifelong learning** to inspire thriving minds and possibilities for all to flourish



*Vitality. Purpose. Meaning.*

# LIMITLESS



Together, we are **changing the world of senior living** by creating inspired communities where bold ideas thrive.

## Designing Vibrant Communities

**We embrace the art of the possible as we build for the future**

- **Create wellness-centred homes** that enable people to live their best life
- **Design for intentional placemaking** to foster connections between people in the spaces they share
- **Champion sustainable development** to contribute to a greener tomorrow

*Possibility. Connection. Sustainable.*

# LIMITLESS



Together, we are **changing the world of senior living** by creating inspired communities where bold ideas thrive.

## Innovating for Tomorrow

**We are powered by innovation and an entrepreneurial spirit**

- **Fearlessly trailblaze with bold ideas** to create novel market solutions
- **Optimize systems and platforms** to drive operational excellence for future growth
- **Leverage artificial intelligence** to accelerate and unlock responsible transformation

*Trailblaze. Optimize. Accelerate.*

# LIMITLESS

Together, we are **changing the world of senior living** by creating inspired communities where bold ideas thrive.

## Impacting Beyond Ourselves

**We are a force for good in our communities and around the globe**

- **Empower women and youth** in developing countries to unleash their potential
- **Make it possible for refugees and immigrants** to create a new life in Canada and thrive
- **Foster inclusion, support diverse communities** and embrace opportunities to give of ourselves for the betterment of all



*Empower. Thrive. Opportunity.*

# Shared insights REFLECTIVE ENGAGEMENT



Leaders from across peopleCare collaborated on Limitless

**Limitless was co-created through engagement** with our leaders and frontline staff, residents, families, community partners and a wide range of external thought leaders. Each provided unique insight on how we can preserve peopleCare’s decades long legacy of service and innovation, while elevating the positive impact we have on the people and communities we serve today and into the future.

## Key themes that emerged:

**Inflection Point:** peopleCare is poised for significant growth, marking a fundamental shift in our organization. Now is the time for strategic reframing, celebrating past achievements, while focusing on future priorities with clarity.

**Preserving Culture:** Maintaining our roots and the culture of care that defines us is essential. Our employees value the sense of family, connection, and compassion within our organization. As we grow, we must ensure our mission remains steadfast and our values endure.

**Holistic Care:** We’re embracing a more holistic approach to care and wellbeing, recognizing the positive impact of purpose, meaning and fulfillment. By prioritizing emotional and psychological support alongside clinical care, we’ll enrich the lives of those we serve.

**Market Innovation:** As a thought leader in healthcare, we’ll continue driving forward-thinking practices and innovative solutions while embracing sustainable market innovation to accelerate our growth.

**Essential Partnerships:** Collaborating with government and community partners is crucial for maximizing opportunities for growth and impact. Key partnerships outside the health system are vital for staff recruitment and retention.

**Inspired Design:** Our vision extends beyond care to creating vibrant, inspired communities. Through innovative design and integration of art, culture and placemaking, we’ll foster welcoming, inclusive environments that enrich the lives of all.

**Engagement helped us collaboratively reimagine the future of senior living and peopleCare’s role in enhancing the lives of seniors.** The result is an inspiring new strategy and a sense of shared purpose and direction for our organization.

Our sincere thank you to all who took the time to help us explore the possibilities ahead.

*Thank you!*

*A personal invite to...*

# Accelerate and Elevate with peopleCare

They say if you want to go fast, go alone. If you want to go far, go together. At peopleCare, we're not content with one or the other. **We want to do both.**

Our entrepreneurial spirit – from the senior leadership team to our frontline staff – drives our forward-thinking, accelerating our solutions and market innovations.

**We're not afraid to push boundaries, try new things and challenge the status quo.**

**Our strength in building partnerships amplifies our impact.** Working hand in hand with government, sector, health system, community, national and international partners, we're able to achieve even greater results.

As we shape the future of senior living with a focus on healthy aging, vitality and purpose, **we will be guided by a simple yet powerful question: "What more?"**

We'll also shine a positive spotlight on the invaluable work being done within our communities, **inspiring others along the way.**

peopleCare's senior leadership team personally invites you to join us on our journey of discovery, innovation, collaboration, and positive change. Connect with us. Partner with us. **Together, there's no limit to what we can achieve.**

Let's go *fast and far!*



Brent Gingerich  
Chairman & CEO



Megan Allen-Lamb  
President



Iuliana Constantin  
Chief Financial Officer



Heather Gingerich  
Chief Experience Officer



Jennifer Killing  
VP Quality, Research  
and Strategic Partnerships



Sheena Campbell  
VP, Communications  
and Engagement



Jeremy Zinger  
VP, Long-Term Care  
Operations



## Vision

# Changing the world of senior living

## Mission

Create beautiful, caring communities for life-enriching experiences for residents, their families and everyone touched by our services.

## Values

**People:** Every person touched by our service is treated with care, respect and kindness; with an emphasis on independence, wellness, recognition, education and mentoring.

**Professionalism:** We look and act with an attitude of kindness using skills and knowledge, both internally and externally, befitting the quality customer service of a peopleCare team member.

**Excellence:** We have a passion to consistently exceed expectations.

**Integrity:** We are honest, trustworthy, transparent and consistent in our actions.

**Growth:** We embrace change and maximize every opportunity for our people and our organization.

peopleCare communities





## Board Report

**Session:**  Closed Session;  Open Session

**Action Requested:**  Decision;  Discussion/Direction;  Information

**To:** Board of Governors

**Date:** October 18, 2024

**Presented by:** Jennifer McGarrity, Chair Audit and Investment Committee  
Tariq Al-idrissi, Vice President Finance and Administration

**Subject:** **2023/2024 Audited Financial Statements**

### **Motion for Consideration (if applicable):**

That the Board of Governors approve the Trent University Audited Financial Statements for the fiscal year ending April 30, 2024.

### **Executive Summary:**

Although certain audit procedures remain outstanding, the preliminary audit opinion of the external auditors, KPMG LLP, is that the accompanying draft financial statements (see Appendix A) present fairly, in all material respects, the financial position of Trent University as at April 30, 2024, 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. The final auditor's report will be dated upon the completion of the remaining procedures, including the Board of Governors' approval of the financial statements. The final audited financial statements will be dated October 18, 2024, the date of the Board of Governors' meeting.

For 2023/2024, Trent University had a total revenue of \$297.8 million, primarily from government grants and tuition fees, and total expenses of \$251.9 million, primarily for salaries and benefits, scholarships and bursaries, and supplies, resulting in a total excess of revenue over expenses across all funds of \$45.9 million for the fiscal year. The unrestricted net assets fund balance deficiency decreased to \$60.5 million as at April 30, 2024, of which \$36.3 million is related to employee future benefits and the deficiency in the staff pension plan.

Actual results in the Operating Fund were essentially balanced. Enrolment increased 12.1% from last year to 13,275 FTEs in 2023/2024, which generated \$30.4 million or 27.5% more tuition revenue driven primarily by an increase in post-graduate certificate and professional graduate international enrolment. Tuition revenue now represents 63.4% of total operating revenues, while operating government grants represent only 29.6% of total operating revenues. After \$31.1 million in net appropriations for strategic initiatives and \$1.4 million in contributions to endowments, the Operating Fund ended the

## Page 2 of 7

fiscal year with a nominal surplus of \$0.1 million before fair value and pension actuarial adjustments. This financial result was primarily due to tuition-only enrolment growth.

**Analysis/Alternatives Considered:**

The external audit, performed remotely by KPMG LLP, was conducted in July and August 2024. An additional week of audit fieldwork was required this year as Trent Finance was delayed in preparing the draft financial statements and certain supporting documentation. This delay resulted from two factors: (a) a lack of capacity as Financial Services continues to have staffing vacancies and (b) an error in the manual preparation of the draft statements that took time to discover.

Each year the audit includes unpredictable procedures. This year, KPMG LLP reviewed a sample of expenses based on approval thresholds in the procurement policy to ensure the policy is being followed. KPMG does not have any findings to report as a result of these procedures.

Management worked with the auditors and Trent's and KPMG's actuaries to ensure that the actuarial valuation of the employee future benefits liability was assessed using an acceptable model, the key assumptions were reasonable, and the value calculated was accurate. KPMG also worked with the University's investment managers to ensure the fair value of level III investments was reasonably determined and note disclosures were appropriate.

As indicated in the Audit Planning Report presented by KPMG LLP in April 2024, materiality remained at \$4.0 million and the misstatement posting threshold was unchanged at \$200,000. The auditors identified one misstatement that remains uncorrected in the financial statements, which they identified as judgmental in nature and concurred with Management's representation that it is not material to the financial statements. The judgmental uncorrected difference relates to \$766,864 of revenue earned but not yet settled under the Nursing Enrolment Expansion grant for 2023/2024. This is a timing issue.

KPMG identified two control deficiencies which they determined to be significant deficiencies in internal control over financial reporting:

- Financial reporting processes - KPMG noted that overall system limitations have necessitated manual processes and manual journal entries related to fund accounting. These manual processes and entries increase the risk of error in the financial statements and have resulted in delays in financial statement preparation and audit fieldwork.
- Journal entries – While KPMG noted they did not uncover any issues during the performance of procedures to test journal entries (page 8 of their report), they noted there is not “one-up” level of review for all significant journal entries. Due to the importance of this fundamental key control which ties back to the presumed risk of fraud related to the management override of controls, this observation from prior years has been elevated to a significant deficiency in the current year.

KPMG also identified two new control deficiencies that are not significant deficiencies (control observations) and noted two prior year control observations remain outstanding

## Page 3 of 7

while five prior year control observations have been resolved. Management has provided responses to these observations.

The financial statements enclosed remain draft until all audit procedures are completed, including KPMG's discussions with this Committee, their review of subsequent events up to the date of the auditor's report, receipt of the signed management representation letter and obtaining the Board of Governor's approval. Items highlighted in yellow in the draft financial statements identify subsequent events which are based on assumed terms and provisions of agreements and filings not completed at the time of this report but expected to be finalized before the Board of Governors meeting on October 18, 2024.

The financial statements will be dated October 18, 2024 once Board approval is received.

### **Financial Implications:**

#### **Summary of Revenue and Expense – All Funds**

Trent University had total revenue of \$297.8 million (2022/2023: \$246.1 million) and total expenses of \$251.9 million (2022/2023: \$220.3 million) resulting in excess of revenue over expense of \$45.9 million across all funds for the 2023/2024 fiscal year (2022/2023 - \$25.8 million). Combined with the change in internally restricted net assets, the change in investment in capital assets, internally endowed amounts and remeasurements related to the University's pension plans, the total overall increase in unrestricted fund balance was \$4.0 million for the year (2022/2023 - \$5.1 million). This decreased the unrestricted net assets fund balance deficiency from \$64.5 million to \$60.5 million as at April 30, 2024, \$36.3 million of which results from the employee future benefits and the staff pension plan deficiency.

Total government grants increased by \$9.3 million largely due to the one-time grant for STEM programming received in late March 2024. Enrolment growth is not funded under the current Ministry funding formula. Therefore, Trent, like most other universities, is increasing its reliance on tuition-only growth, which generated \$30.4 million in additional tuition revenue for the year. Government grants represent approximately 26.7% (2022/2023 – 28.5%) of total revenue while tuition fees represent 47.3% (2022/2023 – 44.9%) of total revenue.

Revenue from ancillary sales and services increased largely due to enrolment growth. Ancillary services revenue was \$45.6 million (2022/2023 – \$40.6 million), an increase of \$5.0 million or 12.3% compared to last year. Donation and grant revenue remained stable at \$5.2 million (2022/2023 - \$5.1 million). Other income, comprised of investment income and miscellaneous revenue (OUAC application fees, advanced qualifications, property rental fees, etc.) increased by \$6.7 million to \$21.4 million (2022/2023 - \$14.7 million) as the University took advantage of higher returns on short-term investment of excess cash on hand.

As expected, salaries and benefits represent 64.0% (2022/2023 – 64.3%) of total expenses. Scholarships and bursaries remained relatively stable. Utilities increased by \$0.7 million due to the increased cost of natural gas and electricity. Supplies expense increased by \$9.9 million; this expense category includes \$6.9 million more in operating

supplies (described below), \$1.1 million more in ancillary supplies, and \$1.3 million more trust and research expenses offset by increases in trust and research revenue.

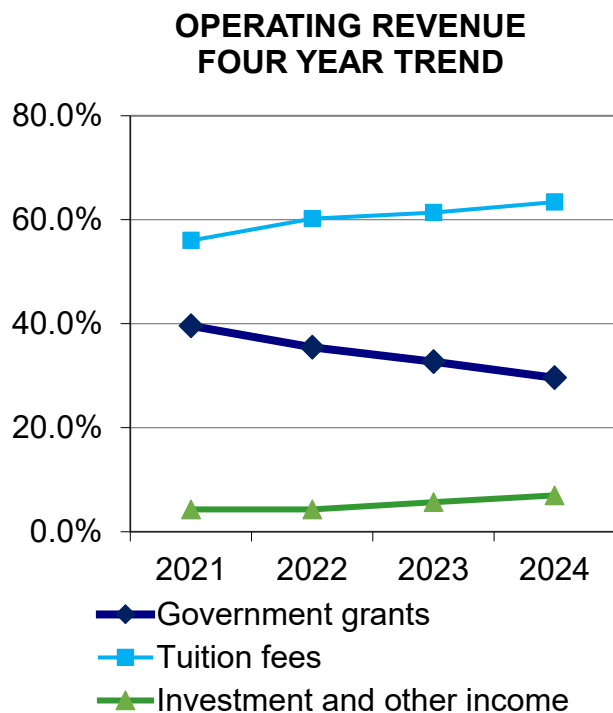
The change in internally restricted net assets (new appropriations less appropriations used in the year) was \$36.2 million, the change in investment in capital assets (net change in capital assets excluding amounts funded by external sources, capital lease financing or long-term debt) was \$4.9 million, and the net increase in internally endowed amounts was \$1.9 million. The net gain on remeasurements predominately related to the University’s pension plans was \$1.0 million, resulting largely from investment gains and actuarial gains/losses on accrued benefit obligations.

**Summary of Operating Fund**

The Operating Fund had total revenue of \$222.4 million (2022/2023: \$180.0 million) and total expenses of \$222.3 million (\$179.6 million) resulting in a nominal operating surplus before fair value and pension actuarial adjustments of \$0.1 million (2022/2023 - \$0.4 million). This financial result was primarily due to tuition-only enrolment growth.

Enrolment increased 12.1% from 11,844 FTEs in 2022/2023 to 13,275 FTEs in 2023/2024, which generated \$30.4 million or 27.5% more tuition revenue despite the Ministry-mandated freeze on domestic tuition fee rates. The increase in FTEs was primarily driven by growth in international enrolment in post-graduate certificates (largely at the new Advanced Learning Centre at the Durham GTA campus) and professional graduate programs such as AMOD and Masters in Management (MMGT). International tuition fees are unregulated and are higher than domestic tuition fees to offset increased recruitment costs and other resources required to support international students.

Under the Strategic Mandate Agreement 2020-2025 (SMA3), enrolment growth is not funded and regular government operating grants remain relatively fixed. Operating Fund government grants increased by \$7.0 million as Trent received a one-time grant for STEM programming of nearly \$10 million in late March 2024. This increase in funding was partly offset by \$1.7 million in reduced special purpose grants (including \$0.8 million less in Nursing Expansion grant funding recognized in 2022/2023 but not ultimately received and therefore reversed in 2023/2024), and the increased international student recovery fee related to growing international enrolment of \$0.9 million. Government funding represents approximately 29.6% (2022/2023 – 32.7%) of operating revenue while tuition fees now represent 63.4% (2022/2023 – 61.4%) of operating revenue.



**Page 5 of 7**

With current interest rates and the ability to invest excess unrestricted cash on hand in short-term investments, interest income increased from last year by \$4.1 million.

Salaries and benefits (including the pension actuarial adjustment) were approximately 13.5% higher than last year mainly due to increased instructional salaries to support increased enrolment, increases in salary and wage rates per the collective agreements, and SRA pension benefits fund payments.

Scholarships and bursaries increased by \$0.6 million as a result of enrolment growth. Supplies expenses are \$6.9 million more than last year, including an increase of \$2.1 million in international recruitment fees associated with attracting new international students, an increase of \$1.3 million in bad debt expense, and \$1.1 million of new expenses related to the Durham PGC operations.

The University approved net appropriations of \$31.1 million for strategic initiatives (including \$31.45 million in new strategic in-year and year-end appropriations, plus approved departmental carry forwards less prior year appropriations used in this fiscal year) and contributed an additional \$1.4 million to endowments during the year. After the appropriations, transfers to endowments and interfund transfers related to capital assets, the surplus from operations was \$0.1 million (2022/2023 - \$0.4 million). Adjusting for the fair value and pension actuarial adjustments of \$1.0 million, the Operating Fund ended the fiscal year with a total excess of revenue over expense of \$1.1 million (2022/2023 - \$1.6 million).

**Statement of Financial Position**

Cash at April 30, 2024 of \$87.7 million was \$25.5 million higher than last year. At year end, the University had \$71.8 million (2022/2023 - \$50.4 million) in short-term investments consisting of fixed income securities in the form of guaranteed investment certificates which yield interest at rates of 5.30% to 6.40% (2022/2023 – 5.30% to 6.00%) and mature between June 2024 and April 2025. These short-term investments were made possible by excess cash on hand due to increased tuition revenue, additional one-time grant funding, and timing of cash receipts.

At April 30, 2024, the fair value of Trent's long-term endowment investments was nearly \$100.0 million, an increase in fair value of \$6.0 million largely due to better market returns. The University's long-term investments also include \$3.5 million in contributions to the sinking fund for the debentures, which have a fair value at April 30, 2024 of \$3.9 million.

In fiscal 2023/2024, Trent had \$14.1 million in capital asset additions, including the pool restoration, Durham ALC renovations, property acquisitions, building service system improvements and other projects covered by the Facilities Renewal Fund. The University received nearly \$8.9 million in deferred capital contributions for capital assets.

The assets and liabilities of the University's registered faculty pension plan were transferred to the University Pension Plan (UPP) on January 1, 2022. 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 and the SRA has no assets. The latest actuarial valuation prepared for funding purposes (but not filed with regulators) for the registered staff pension plan was performed as of July 1, 2023. The

## Page 6 of 7

obligations as determined at the filing date were extrapolated to April 30, 2024 with adjustments for current service costs, benefit payments, and interest. Employee future benefits liability also includes the health and other benefit plans for the faculty and staff. Accrued benefit obligations (\$228.6 million) exceeded the fair value of plans' assets (\$192.3 million) at April 30, 2024 resulting in a net accrued benefit liability of \$36.3 million (2022/2023 - \$38.5 million). Employee future benefits remeasurements resulted in a \$1.0 million gain this year (2022/2023 - \$5.0 million gain) primarily due to the actuarial gains on accrued benefit obligations. The University is currently using a Letter of Credit to address special solvency payments for the staff pension plan; this Letter of Credit had a cumulative amount of \$2.6 million at April 30, 2024 and will accumulate to \$2.7 million before expiring on the conversion of the pension plan to the University Pension Plan on January 1, 2025.

### **Enterprise Risk Assessment:**

An external audit report provides full assurance to the users of the financial statements that the University's accounting records are fair, complete and in adherence with generally accepted accounting principles, industry standards and regulatory requirements. An external audit process ensures the University's internal controls, processes, guidelines and policies are adequate, effective and in compliance with government requirements, industry standards and the institution's policies, and that reporting mechanisms prevent material errors in financial statements.

### **Next Steps:**

For enhanced transparency and accountability, the annual Audited Financial Statements are posted on the University's public website once approved by the Board of Governors. These statements are also shared with our primary bank lender and DBRS Morningstar, who performs our annual credit rating review. Additionally, these statements are used as the basis for our annual submission to the Council of Ontario Finance Officers (COFO).

### **Alignment with Mission, Vision, Values, Strategic Plan:**

To fulfill their responsibilities, Governors should be informed of the University's financial situation. The annual report on the Audited Financial Statements provides Governors with awareness of the University's current financial status and allows for input and oversight where needed in alignment with Trent's strategic direction to "ensure that it is financially healthy and sustainable."

### **Consultation:**

The external audit of the University's financial statements was conducted by KPMG LLP. AON provided the required actuarial valuation for the employee future benefits.

### **Compliance with Policy/Legislation:**

In accordance with *The Trent University Act, 1962-63*, section 31, the accounts of the University shall be audited at least once a year by an auditor appointed by the Board of Governors. 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.

**Committee/Board Mandate:**

In its audit role, the Audit and Investment Committee is responsible for reviewing results of external audits and ensuring that appropriate financial controls are in place. The Committee monitors the University's legislative compliance and maintains a watching brief on statutory and accountability requirements.

The Committee's mandate includes:

- Receiving reports on the results of the general accounts, interim and other external audits, reviewing the independence of the auditors, and meeting with the external auditors privately at least once per year;
- Reviewing and recommending for Board approval the University's annual financial statements;
- Making recommendations concerning internal financial controls, requesting additional reports from the administration or auditors on matters of concern, or may require a meeting with legal counsel to seek advice on a major audit-related issue;
- Determining subjects for internal audits or review/consulting assignments by the auditors or others; and
- Assessing and monitoring risks related to its responsibilities for audit and statutory compliance matters.

**Supporting Reference Materials (attached):**

Schedule A – 2023/2024 Audited Financial Statements (DRAFT September 26, 2024)



# DRAFT V7 SEP 26, 2024

NOTE: Items highlighted in yellow are placeholders to be confirmed once final documents signed; these items will be deleted if official commitments/agreements are not in place by October 18, 2024, the date of Board final approval

## Financial Statements April 30, 2024

**TRENT UNIVERSITY**  
**Financial Statements**  
**April 30, 2024**

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## **TRENT UNIVERSITY**

### **Statement of Administrative Responsibility**

#### **Year Ended April 30, 2024**

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, 2024 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, 2024 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.

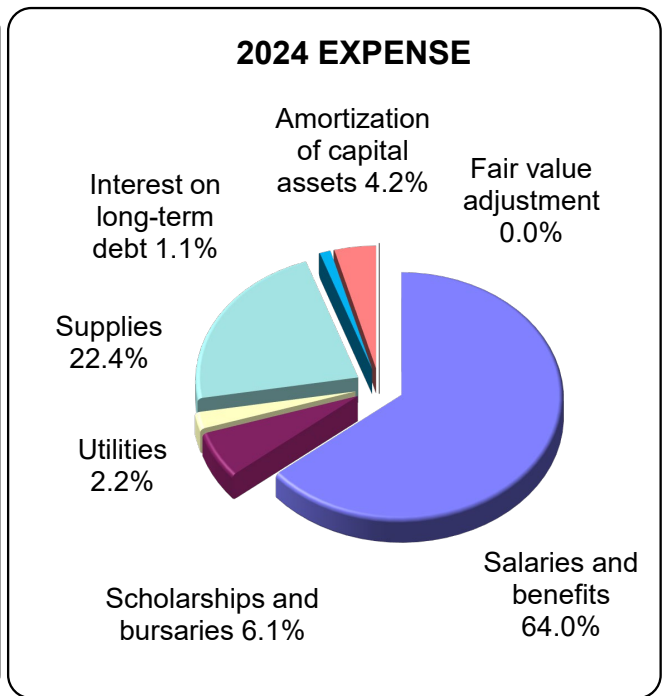
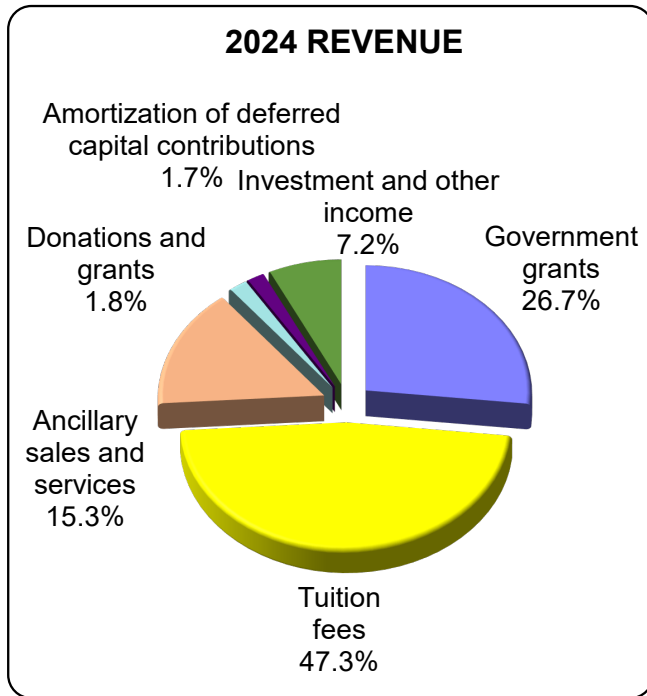
Tariq Al-Idrissi  
Vice-President, Finance and Administration

Cathy Bruce, PhD  
President and Vice-Chancellor

October 18, 2024

**TRENT UNIVERSITY**  
**Summary of Revenue and Expense - All Funds**  
**Year Ended April 30, 2024**  
 (millions of dollars)

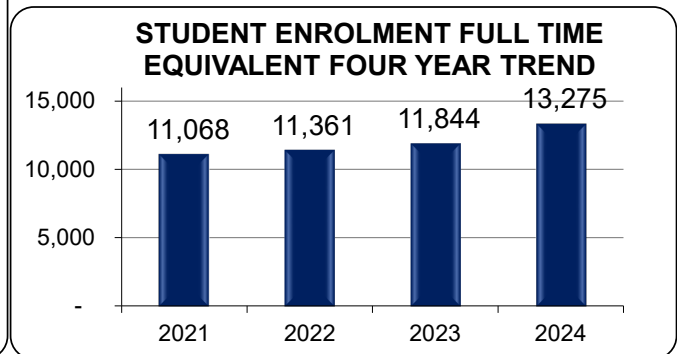
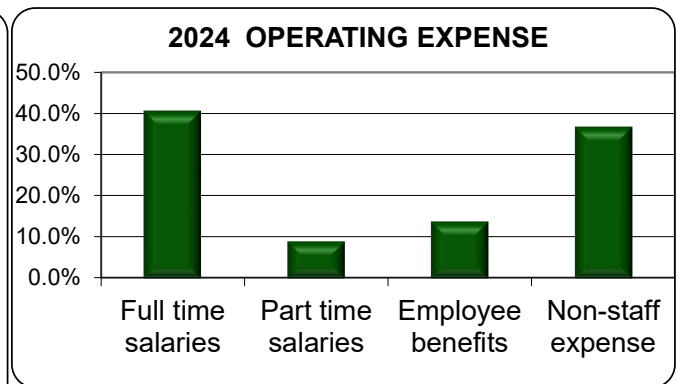
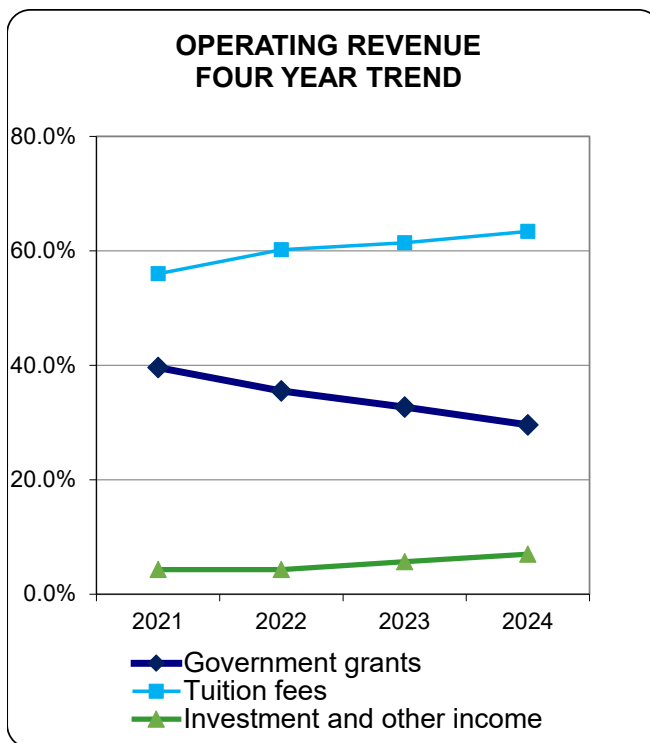
2024	2023	2022	2021		2024	2023	2022	2021
\$79.4	\$70.1	\$67.0	\$70.1	Government grants	26.7%	28.5%	30.5%	35.7%
141.0	110.6	97.2	88.9	Tuition fees	47.3%	44.9%	44.2%	45.3%
45.6	40.6	34.8	18.7	Ancillary sales and services	15.3%	16.5%	15.9%	9.5%
5.2	5.1	5.2	3.4	Donations and grants	1.8%	2.1%	2.4%	1.7%
5.2	5.0	4.9	4.8	Amortization of deferred capital contributions	1.7%	2.0%	2.2%	2.5%
21.4	14.7	10.6	10.3	Investment and other income	7.2%	6.0%	4.8%	5.3%
<b>\$297.8</b>	<b>\$246.1</b>	<b>\$219.7</b>	<b>\$196.2</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
\$161.1	\$141.6	\$133.6	\$126.9	Salaries and benefits	64.0%	64.3%	64.9%	68.5%
15.4	14.8	14.5	13.2	Scholarships and bursaries	6.1%	6.7%	7.0%	7.1%
5.6	4.9	4.3	4.0	Utilities	2.2%	2.2%	2.1%	2.2%
56.3	46.4	40.2	29.1	Supplies	22.4%	21.1%	19.5%	15.7%
2.9	2.9	2.9	2.9	Interest on long-term debt	1.1%	1.3%	1.4%	1.6%
10.6	9.7	9.6	9.7	Amortization of capital assets	4.2%	4.4%	4.7%	5.2%
0.0	0.0	0.7	(0.5)	Fair value adjustment	0.0%	0.0%	0.4%	(0.3%)
<b>\$251.9</b>	<b>\$220.3</b>	<b>\$205.8</b>	<b>\$185.3</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>



**TRENT UNIVERSITY**  
**Summary of Operating Fund**  
**Year Ended April 30, 2024**  
 (millions of dollars)

**April 30, 2024**

2024	2023	2022	2021		2024	2023	2022	2021
\$65.8	\$58.8	\$57.4	\$62.8	Government grants	29.6%	32.7%	35.5%	39.6%
141.0	110.6	97.2	88.9	Tuition fees	63.4%	61.4%	60.2%	56.0%
0.1	0.3	0.0	0.2	Donations and grants	0.0%	0.2%	0.0%	0.1%
15.5	10.3	6.9	6.9	Investment and other income	7.0%	5.7%	4.3%	4.3%
<b>\$222.4</b>	<b>\$180.0</b>	<b>\$161.5</b>	<b>\$158.8</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
\$140.1	\$123.4	\$120.9	\$117.6	Salaries and benefits	63.0%	68.7%	75.0%	74.1%
11.8	11.3	11.0	10.4	Scholarships and bursaries	5.3%	6.3%	6.8%	6.6%
4.2	3.6	3.2	3.0	Utilities	1.9%	2.0%	2.0%	1.9%
18.0	11.1	8.9	9.6	Supplies	8.1%	6.2%	5.5%	6.0%
2.0	2.0	2.0	2.0	Interest on long-term debt	0.9%	1.1%	1.2%	1.3%
31.1	21.2	7.5	3.4	Appropriated earnings	14.0%	11.8%	4.7%	2.1%
13.7	6.3	7.1	10.7	Interfund transfers	6.2%	3.5%	4.4%	6.7%
1.4	0.7	0.7	2.0	Transfer to endowments	0.6%	0.4%	0.4%	1.3%
<b>222.3</b>	<b>179.6</b>	<b>161.3</b>	<b>158.7</b>		<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>
\$0.1	\$0.4	\$0.2	\$0.1	Excess (deficit) from operations				
0.0	0.0	(0.2)	(0.2)	Fair value adjustment				
1.0	1.2	3.8	4.9	Pension actuarial adjustment				
<b>\$1.1</b>	<b>\$1.6</b>	<b>\$3.8</b>	<b>\$4.8</b>					



## 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, 2023
- 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, 2023 and the 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 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.

PLACEHOLDER ONLY FOR AUDITORS REPORT

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 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 also 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.

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.

**DRAFT**

Chartered Professional Accountants, Licensed Public Accountants Kingston, Canada  
October 13, 2023



**TRENT UNIVERSITY**  
**Statement of Financial Position**  
**April 30, 2024**  
 (thousands of dollars)

	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Current		
Cash	\$ 87,740	\$ 62,214
Accounts receivable (note 3)	17,570	17,975
Prepaid expenses	2,909	2,285
Current portion of investments (note 4)	<u>71,797</u>	<u>34,342</u>
	<b>180,016</b>	116,816
Investments (note 4)	<b>103,935</b>	113,286
Capital assets (note 5)	<u>238,317</u>	<u>234,463</u>
	<b>\$ 522,268</b>	<b>\$ 464,565</b>
<b>LIABILITIES AND NET ASSETS</b>		
Current		
Accounts payable and accrued liabilities (note 6)	\$ 28,290	\$ 25,662
Deferred revenue (note 7)	62,111	61,369
Current portion of capital lease obligation (note 9)	<u>99</u>	<u>-</u>
	<b>90,500</b>	87,031
Long-term debt (note 8(a))	<b>71,000</b>	71,000
Capital lease obligation (note 9)	<b>334</b>	-
Deferred capital contributions (note 10)	<b>103,699</b>	99,963
Employee future benefits liability (note 11)	<u>36,344</u>	<u>38,470</u>
	<b>301,877</b>	296,464
<b>Net Assets</b>		
Unrestricted	<b>(60,479)</b>	(64,476)
Internally restricted (note 12)	<b>105,616</b>	69,431
Investment in capital assets (note 13)	<b>72,942</b>	68,027
Endowments (note 14)	<u>102,312</u>	<u>95,119</u>
	<b>220,391</b>	168,101
Contingent liabilities and commitments (note 17)	<u>\$ 522,268</u>	<u>\$ 464,565</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, 2024**  
**(thousands of dollars)**

	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
	2023				
	Unrestricted	Internally Restricted	Investment in Capital Assets	Endowments	Total
Net assets (deficit), beginning of year as previously stated	\$ (69,543)	\$ 44,881	\$ 68,025	\$ 86,909	\$ 130,272
Change in accounting policy (note 2(f) and note 11)	336	-	-	-	\$ 336
Revised net assets (deficit), beginning of year	(69,207)	44,881	68,025	86,909	130,608
Excess of revenue over expense	25,826	-	-	-	25,826
Change in internally restricted net assets (note 12)	(24,550)	24,550	-	-	-
Change in investment in capital assets (note 13)	(2)	-	2	-	-
Employee future benefits remeasurements (note 11)	4,671	-	-	-	4,671
Change in endowments (note 14)	(1,214)	-	-	8,210	6,996
Net assets (deficit), end of year	\$ (64,476)	\$ 69,431	\$ 68,027	\$ 95,119	\$ 168,101

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

**TRENT UNIVERSITY**  
**Statement of Operations**  
**Year Ended April 30, 2024**  
**(thousands of dollars)**

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
Government grants	\$ 79,447	\$ 70,126
Tuition fees	140,973	110,649
Ancillary sales and services	45,589	40,620
Donations and grants	5,218	5,094
Amortization of deferred capital contributions (note 10)	5,158	4,971
Investment income (note 4)	11,768	6,741
Miscellaneous	9,669	7,960
	<u>297,822</u>	<u>246,161</u>
<b>EXPENSE</b>		
Salaries and benefits	161,057	141,595
Scholarships and bursaries	15,389	14,806
Utilities	5,638	4,853
Supplies	56,268	46,451
Interest on long-term debt	2,939	2,939
Amortization of capital assets	10,575	9,684
Change in fair value of employee future benefits financial instruments	12	7
	<u>251,878</u>	<u>220,335</u>
<b>EXCESS OF REVENUE OVER EXPENSE</b>	<b>45,944</b>	<b>25,826</b>
Change in internally restricted net assets (note 12)	(36,185)	(24,550)
Change in investment in capital assets (note 13)	(4,915)	(2)
Employee future benefits remeasurements (note 11)	1,017	5,007
Internally endowed amounts (note 14)	(1,864)	(1,214)
	<u>3,997</u>	<u>5,067</u>
<b>INCREASE IN UNRESTRICTED FUND BALANCE FOR THE YEAR</b>	<b>3,997</b>	<b>5,067</b>
<b>UNRESTRICTED FUND BALANCE - beginning of year</b>	<b>(64,476)</b>	<b>(69,543)</b>
<b>UNRESTRICTED FUND BALANCE - end of year</b>	<b>\$ (60,479)</b>	<b>\$ (64,476)</b>

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

**TRENT UNIVERSITY**  
**Statement of Cash Flows**  
**Year Ended April 30, 2024**  
**(thousands of dollars)**

	<u>2024</u>	<u>2023</u>
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expense for the year	\$ 45,944	\$ 25,826
Add (deduct) non-cash items:		
Amortization of capital assets	10,575	9,684
Amortization of deferred capital contributions (note 10)	(5,158)	(4,971)
Loss on disposal of capital assets	359	34
Change in fair value of financial instruments	(4,119)	(8,365)
Change in employee future benefits liability	(2,126)	(6,261)
Employee future benefits remeasurements (note 11)	1,017	5,007
	<u>46,492</u>	<u>20,954</u>
Change in non-cash working capital items (note 16)	3,151	9,760
	<u>49,643</u>	<u>30,714</u>
<b>INVESTMENT ACTIVITIES</b>		
Change in investments	(23,985)	(23,666)
Purchase of capital assets	(14,089)	(8,997)
	<u>(38,074)</u>	<u>(32,663)</u>
<b>FINANCING ACTIVITIES</b>		
Change in external endowments	5,329	6,996
Capital lease payments	(266)	-
Deferred capital contributions received (note 10)	8,894	4,556
	<u>13,957</u>	<u>11,552</u>
<b>INCREASE IN CASH</b>	<b>25,526</b>	<b>9,603</b>
<b>CASH - beginning of year</b>	<u>62,214</u>	<u>52,611</u>
<b>CASH - end of year</b>	<u>\$ 87,740</u>	<u>\$ 62,214</u>

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

**TRENT UNIVERSITY**  
**Notes to the Financial Statements**  
**April 30, 2024**  
**(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, 2024**  
 (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, 2024**  
**(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) 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 for the Non-Faculty Pension Plan is measured using the most recently completed actuarial valuation prepared for funding purposes at the time of the financial statements. 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, 2024**  
**(Tabular amounts in thousands of dollars)**

**2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (continued)**

**(f) Retirement plans (continued)**

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, 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, 2024**  
 (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. Actual results could differ from those estimates.

**3. ACCOUNTS RECEIVABLE**

	2024	2023
Student receivables	\$ 11,660	\$ 8,934
Government receivables	3,388	5,612
Research receivables	1,158	1,894
Other receivables	4,195	3,703
	20,401	20,143
Less allowance for doubtful accounts	(2,831)	(2,168)
	\$ 17,570	\$ 17,975

**TRENT UNIVERSITY**  
**Notes to the Financial Statements**  
**April 30, 2024**  
 (Tabular amounts in thousands of dollars)

**4. INVESTMENTS AND INVESTMENT INCOME**

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Cash equivalents	\$ 634	\$ 634	\$ 714	\$ 711
Fixed income securities	71,797	71,797	50,351	50,351
Bonds	23,556	24,040	23,469	22,997
Equities	59,357	46,644	52,542	45,142
Infrastructure funds	10,923	10,000	10,265	10,000
Real estate funds	9,465	10,749	10,287	10,678
	<u>175,732</u>	<u>163,864</u>	<u>147,628</u>	<u>139,879</u>
Less current portion of fixed income securities	<u>(71,797)</u>	<u>(71,797)</u>	<u>(34,342)</u>	<u>(34,342)</u>
	<u>\$ 103,935</u>	<u>\$ 92,067</u>	<u>\$ 113,286</u>	<u>\$ 105,537</u>

Fixed income securities consist of guaranteed investment certificates which yield interest at rates of 5.30% to 6.40% (2023 - 5.30% to 6.00%) and mature between June 2024 and April 2025 (2023 - July 2023 and April 2025).

Investments, at fair value, are allocated as follows:

	2024	2023
	Fair Value	Fair Value
Endowment funds	\$ 99,968	\$ 93,986
Sinking funds related to long-term debt	3,967	3,291
Short-term fixed income securities	71,797	50,351
	<u>\$ 175,732</u>	<u>\$ 147,628</u>

Investment income is comprised of the following:

	2024	2023
Realized income on investments	\$ 10,989	\$ 5,116
Unrealized gains on investments	779	1,625
	<u>\$ 11,768</u>	<u>\$ 6,741</u>

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**5. CAPITAL ASSETS**

	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>
	Cost	2023 Accumulated Amortization	Net Book Value
Land and site improvements	\$ 38,096	\$ -	\$ 38,096
Buildings and components	302,389	132,448	169,941
Building and leasehold improvements under capital lease	14,624	2,395	12,229
Equipment, vehicles, furnishings and software	64,991	55,324	9,667
Library books and serials	24,347	24,311	36
Collections	1	-	1
Work-in-progress	4,493	-	4,493
	<u>\$ 448,941</u>	<u>\$ 214,478</u>	<u>\$ 234,463</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 \$1,869,362 (2023 - \$1,614,864).

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**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:

	2024	2023
Externally restricted donations	\$ 1,582	\$ 1,731
Trust funds	14,742	14,140
Research funds	10,906	11,910
Student fees	27,737	26,625
Federal and Provincial government grants	45	45
Other	7,099	6,918
	<u>\$ 62,111</u>	<u>\$ 61,369</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, 2024, the fair value of the sinking fund is \$3,966,568 (2023 - \$3,291,008 ).

**(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, 2024 (2023 - \$Nil). This bank credit facility is currently being used to accommodate the Standby Letter of Credit to address pension solvency payments. Please refer to note 11(b).

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**9. CAPITAL LEASE OBLIGATION**

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

	2024	2023
2025	\$ 120	\$ -
2026	120	-
2027	120	-
2028	120	-
2029	45	-
Total minimum lease payments	<u>525</u>	<u>-</u>
Less amount representing interest	<u>(92)</u>	<u>-</u>
Present value of net minimum capital lease payments	433	-
Less current portion of capital lease obligation	<u>(99)</u>	<u>-</u>
	<u>\$ 334</u>	<u>\$ -</u>

Interest and lease charges of \$12,682 (2023 - \$Nil) relating to capital lease obligations has been included in interest expense. The net book value of vehicles under capital lease is \$617,143 (2023 - \$Nil).

**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:

	2024	2023
Balance, beginning of year	\$ 99,963	\$ 100,378
Contributions received for capital acquisitions	8,894	4,556
Amortization of deferred capital contributions	<u>(5,158)</u>	<u>(4,971)</u>
Balance, end of year	<u>\$ 103,699</u>	<u>\$ 99,963</u>

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**11. EMPLOYEE FUTURE BENEFITS LIABILITY**

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

	2024	2023
Discount rate - non-faculty pension plan	5.50%	5.50%
Discount rate - all other plans	5.19%	4.79%
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%

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

	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	<u>\$ 26,172</u>	<u>\$ 5,250</u>	<u>\$ 4,922</u>	<u>\$ 36,344</u>
Current service costs	\$ 219	\$ 4,329	\$ 109	\$ 4,657
Finance costs	1,167	336	224	1,727
Net benefit cost	<u>\$ 1,386</u>	<u>\$ 4,665</u>	<u>\$ 333</u>	<u>\$ 6,384</u>
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 (losses) and other items	<u>\$ (1,293)</u>	<u>\$ 2,401</u>	<u>\$ (91)</u>	<u>\$ 1,017</u>

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

	2023			Total
	Faculty Pension Plans	Non-Faculty Pension Plan	Other Plans	
Accrued benefit obligation	\$ 25,234	\$ 186,176	\$ 7,414	\$ 218,824
Fair value of plan assets	-	(177,821)	(2,533)	(180,354)
Accrued benefit liability	<u>\$ 25,234</u>	<u>\$ 8,355</u>	<u>\$ 4,881</u>	<u>\$ 38,470</u>
Current service costs	\$ 132	\$ 4,126	\$ 83	\$ 4,341
Finance costs	1,190	536	220	1,946
Net benefit cost	<u>\$ 1,322</u>	<u>\$ 4,662</u>	<u>\$ 303</u>	<u>\$ 6,287</u>
Actuarial gains from May 1, 2022 change in accounting policy (note 2(f))	\$ 187	\$ -	\$ 149	\$ 336
Investment losses	-	(265)	(32)	(297)
Actuarial gains on accrued benefit obligation	1,147	3,760	73	4,980
Past service costs	-	-	(12)	(12)
Net remeasurements gains and other items	<u>\$ 1,334</u>	<u>\$ 3,495</u>	<u>\$ 178</u>	<u>\$ 5,007</u>

The discount rate for all other plans was adjusted from 5.25% per year for April 30, 2022 to 4.59% per year for May 1, 2022 opening to reflect the amendment to CPA Section 3462 where defined benefit plans without a funding valuation requirement are measured on an accounting basis.

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

**(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). 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.

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, 2024 indicated an actuarial surplus on a going concern basis of \$249,278,000 (January 1, 2023 - \$379,642,000).

Employer contributions made to the UPP for the fiscal year amounted to \$5,024,505 (2023 - \$4,602,579). 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. During the fiscal year, the University made payments in the amount of \$1,339,370 (2023 - \$Nil) towards its past service pension obligation as determined by the actuarial valuation for the UPP as at January 1, 2023. Refer to Note 17(k) 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, 2024, the actuarial valuation for the SRA and other faculty-related plans used the economic assumptions consistent with the Non-Faculty Pension Plan (unless otherwise noted) and the demographic assumptions of the faculty membership consistent with the demographics of the Faculty Pension Plan prior to conversion to the UPP.



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

**(b) Non-Faculty Pension Plan**

The latest actuarial valuation for funding purposes filed with the regulators for the registered Non-Faculty Pension Plan was performed as of July 1, 2022. The next required actuarial valuation will be July 1, 2025. 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.

In May 2021, the University issued a Standby Letter of Credit to cover special solvency payments of \$2,331,780 required for the period July 2021 to June 2022. This Standby Letter of Credit was amended and extended in June 2022, June 2023 and finally in June 2024. The Standby Letter of Credit had a cumulative amount of \$2,634,593 on April 30, 2024, and its cumulative value is \$2,706,106 to December 31, 2024, at which time it will expire.

In January 2023, the University and Ontario Public Sector Employees Union Local 365 (OPSEU) entered into a Memorandum of Agreement pursuant to which OPSEU agreed to consent to the merger of the Non-Faculty Pension Plan into the UPP on behalf of its members and to support the University's application to merge the Non-Faculty Pension Plan into the UPP, with an anticipated conversion date of January 1, 2025. In May 2023, the Board of Governors authorized the University to proceed with the transfer of the assets and liabilities to the UPP, subject to regulatory approval. The members' consent process was successfully completed in December 2023 and the conversion has been approved by the UPP and the UPP Joint Sponsors. The required applications were filed with the Financial Services Regulatory Authority (FSRA) in April 2024, and approved by FSRA in August 2024. The University will fund any going concern pension liability transferred into the UPP as calculated using actuarial assumptions at the date of conversion in accordance with the terms and conditions of the Transfer Agreement entered into with the Joint Sponsors of the UPP. After joining the UPP, the University will no longer be required to make special payments in respect of solvency for the Non-Faculty Pension Plan and the Standby Letter or Credit will expire.

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**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:

	2024	2023
Departmental operating budget carryforward funds	\$ 20,639	\$ 19,168
Capital and infrastructure projects	35,644	24,547
Sinking fund for debenture retirement (note 8(a))	3,500	3,000
Ancillary operations	11,732	8,618
Research and trust funds	5,081	3,080
Other funds committed for specific purposes	29,020	11,018
	<u>\$ 105,616</u>	<u>\$ 69,431</u>

**13. INVESTMENT IN CAPITAL ASSETS**

	2024	2023
Capital assets (note 5)	\$ 238,317	\$ 234,463
Add: Unspent deferred capital contributions	5,004	38
Less: Long-term debt pertaining to capital assets	(64,068)	(64,068)
Capital lease obligation (note 9)	(433)	-
Deferred capital contributions (note 10)	(103,699)	(99,963)
Donated assets (note 17(g))	(1,850)	(1,850)
Financed internally	(329)	(593)
	<u>\$ 72,942</u>	<u>\$ 68,027</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.

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**14. ENDOWMENTS (continued)**

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Student assistance	\$ 55,649	\$ 42,292	\$ 50,849	\$ 39,482
General endowment	5,861	4,020	5,693	3,974
Library	3,395	2,237	3,131	2,045
Research	2,870	2,583	2,133	1,920
Colleges, departments, other	34,537	28,637	33,313	27,570
Reinvested realized earnings	-	11,063	-	12,624
	<u>\$ 102,312</u>	<u>\$ 90,832</u>	<u>\$ 95,119</u>	<u>\$ 87,615</u>

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% (2023 - 3.5%) on the average four-year rolling unit value at at December 31.

	2024		
	Externally Restricted	Internally Restricted	Total
Balance, beginning of year, at fair value	\$ 80,514	\$ 14,605	\$ 95,119
Endowment contributions	3,183	1,427	4,610
Investment income (loss) net of fees and expenses	4,823	923	5,746
Transfer to disbursement fund	(2,677)	(486)	(3,163)
Balance, end of year, at fair value	<u>\$ 85,843</u>	<u>\$ 16,469</u>	<u>\$ 102,312</u>

	2023		
	Externally Restricted	Internally Restricted	Total
Balance, beginning of year, at fair value	\$ 73,518	\$ 13,391	\$ 86,909
Endowment contributions	5,574	673	\$ 6,247
Investment income (loss) net of fees and expenses	4,044	850	\$ 4,894
Transfer to disbursement fund	(2,622)	(309)	\$ (2,931)
Balance, end of year, at fair value	<u>\$ 80,514</u>	<u>\$ 14,605</u>	<u>\$ 95,119</u>

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, 2024, the total book value of the internally restricted endowment funds under the Declaration of Trust Agreement was \$3,918,752 (2023 - \$2,782,982). In September 2024, the Board of Governors approved an additional \$1,956,860 in internally restricted endowment funds to be added to the Declaration of Trust Agreement.

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**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:

	2024	2023
Expendable funds available for awards, beginning of year	\$ 709	\$ 651
Net transfers from endowment fund	300	306
Bursaries awarded	(192)	(248)
Expendable funds available for awards, end of year	\$ 817	\$ 709
Total OSOTF, Phase I, end of year	\$ 7,132	\$ 7,024
Number of bursaries awarded	220	245

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

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Endowment balance, beginning of year	\$ 8,264	\$ 6,315	\$ 7,125	\$ 6,315
Unrealized gain (loss) for the year	(870)	-	1,139	-
Investment income, net of fees and expenses	300	300	306	306
Net transfer to expendable funds	(300)	(300)	(306)	(306)
Endowment balance, end of year	\$ 7,394	\$ 6,315	\$ 8,264	\$ 6,315

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**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:

	2024	2023
Expendable funds available for awards, beginning of year	\$ 242	\$ 208
Net transfers from endowment fund	67	68
Bursaries awarded	(41)	(34)
Expendable funds available for awards, end of year	<u>\$ 268</u>	<u>\$ 242</u>
Total OSOTF, Phase II, end of year	<u>\$ 1,758</u>	<u>\$ 1,731</u>
Number of bursaries awarded	<u>75</u>	<u>59</u>

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

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Endowment balance, beginning of year	\$ 1,924	\$ 1,489	\$ 1,670	\$ 1,489
Unrealized gain (loss) for the year	(194)	1	254	-
Investment income, net of fees and expenses	67	67	68	68
Net transfer to expendable funds	<u>(67)</u>	<u>(67)</u>	<u>(68)</u>	<u>(68)</u>
Endowment balance, end of year	<u>\$ 1,730</u>	<u>\$ 1,490</u>	<u>\$ 1,924</u>	<u>\$ 1,489</u>

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**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:

	2024	2023
Expendable funds available for awards, beginning of year	\$ 1,330	\$ 1,183
Net transfers from endowment fund	491	456
Bursaries awarded	(296)	(309)
Expendable funds available for awards, end of year	<u>\$ 1,525</u>	<u>\$ 1,330</u>
Total OTSS, end of year	<u>\$ 12,946</u>	<u>\$ 12,664</u>
Number of bursaries awarded	<u>521</u>	<u>528</u>

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

	2024		2023	
	Fair Value	Cost	Fair Value	Cost
Endowment balance, beginning of year	\$ 13,985	\$ 11,334	\$ 12,659	\$ 11,238
Unrealized gains (losses) for the year	(912)	-	1,230	-
Investment income, net of fees and expenses	578	578	551	551
Net transfer to expendable funds	(491)	(491)	(455)	(455)
Endowment balance, end of year	<u>\$ 13,160</u>	<u>\$ 11,421</u>	<u>\$ 13,985</u>	<u>\$ 11,334</u>

**16. CHANGE IN NON-CASH WORKING CAPITAL ITEMS**

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

	2024	2023
Accounts receivable	\$ 405	\$ (4,933)
Prepaid expenses	(624)	(151)
Accounts payable and accrued liabilities	2,628	859
Deferred revenue	742	13,985
	<u>\$ 3,151</u>	<u>\$ 9,760</u>

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**17. 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 nine 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, 2023, the date of the latest financial statements available, CURIE had an accumulated comprehensive income of \$107,548,349 (2022 - \$99,851,371).

**(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, 2024, 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 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.

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**17. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**

**(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, 2024 is \$8,075,303 (2023 - \$8,315,280). 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. Once fully operational, the TEC will provide growing ventures with access to both specialized facilities and value-adding business support services that stimulate new company creation and attract future tenants to Cleantech Commons. The project originally had an expected completion date of March 31, 2024. In March 2022, the Contribution Agreement was amended to extend the project for an additional year. In February 2024, the Contribution Agreement was amended a final time to extend the project to March 31, 2026.

In September 2024, the University entered into a contract with a modular building company to design and build the TEC facility. The estimated cost of constructing the building is \$8,177,675 plus taxes and associated fees, which will be partly funded from University appropriations and donations. Construction will begin in the Fall 2024 with the aim to have the TEC fully completed, including installation and testing of all equipment, fixtures and fittings in the lab and pilot spaces, by December 31, 2025 in order to meet the requirements of the amended Contribution Agreement.

In September 2024, the University entered into a sublease with the City for the TEC at no cost to the University for the term of the head ground lease with the City.



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**17. 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 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 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, 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 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 \$709,809 (2023 - \$595,308) 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.

In September 2024, the University entered into an amending agreement to change the use of space currently housing xxx student residence beds to office space for academic and administrative use effective September 1, 2024. The term of this change in use agreement is for three years at no additional cost to the University, and will help mitigate future guaranteed occupancy payments.

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**17. 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 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.

**(i) 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.

**(j) Property Acquisitions**

In June 2024, the University signed a purchase agreement to acquire a property adjacent to the Durham campus in Oshawa. The closing date was June 21, 2024.

In July 2024, the University signed a purchase agreement to acquire a property adjacent to the Traill campus in Peterborough. The closing date is October 31, 2024.

The total purchase price of both properties is \$1,751,000 plus commissions and closing costs.

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**17. CONTINGENT LIABILITIES AND COMMITMENTS (continued)**

**(k) University Pension Plan**

As stated in Note 11(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. Based on the actuarial valuation performed as at January 1, 2024, the University has a pre-conversion service deficit of \$18,973,000, which will require special payments of \$1,878,000 over 15 years starting in 2024. The University's past service deficit is not recorded in the University's financial statements. The University has a provision in its operating budget to cover the required past service pension obligations.

**(l) 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:

	2024	2023
2024	-	4,610
2025	5,299	4,060
2026	3,899	3,048
2027	3,592	3,062
2028	1,084	733
2029	275	-
	<b>\$ 14,149</b>	<b>\$ 15,513</b>

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**18. 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 2024.

**(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 2024.

**(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 2024.

**(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 2024.

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**18. FINANCIAL RISKS (continued)**

**(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 2024.