Trinity College

Financial Statements
April 30, 2006

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers LLP
Chartered Accountants
PO Box 82
Royal Trust Tower, Suite 3000
Toronto Dominion Centre
Toronto, Ontario
Canada M5K 1G8
Telephone +1 416 863 1133
Facsimile +1 416 365 8215

July 14, 2006

Auditors' Report

To the Members of Corporation of Trinity College

We have audited the statement of financial position of **Trinity College** as at April 30, 2006 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of **Trinity College** as at April 30, 2006 and the results of its operations, the changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

PricewaterhouseCoopers LLP

Chartered Accountants

Trinity College

Statement of Financial Position

As at April 30, 2006

(in thousands of dollars)

	2006 $	2005 $
Assets		
Current assets		
Cash and short-term investments	1,625	1,201
Accounts receivable	934	795
Prepaid expenses	141	150
	2,700	2,146
Investments (note 3)	64,701	58,429
Capital assets (note 5)	13,617	14,397
Construction-in-progress (note 5)	100	-
	81,118	74,972
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,481	1,701
Current obligations under capital lease (note 6)	65	66
	1,546	1,767
Long-term obligations under capital lease (note 6)	64	119
Accrued pension liability (note 12)	251	272
Post-employment health plan liability (note 12)	4,880	4,445
Deferred contributions (note 7)	4,004	3,627
Deferred capital contributions (note 9)	10,575	11,337
	21,320	21,567
Net Assets		
Capital assets	3,042	3,060
Endowments (note 8)	37,195	31,560
Unrestricted net assets	19,561	18,785
	59,798	53,405
	81,118	74,972

Approved by the Board of Trustees

_______________________ Member _______________________ Member

Trinity College

Statement of Operations

For the year ended April 30, 2006

(in thousands of dollars)

	2006 $	2005 $
Revenue		
Student fees	4,597	4,482
Grants from University of Toronto	2,076	1,882
Government and other grants	338	287
Donations and bequests (note 10)	1,807	1,982
Grants, donations and investment income used for restricted purposes (note 7)	2,320	1,587
Sales, services and sundry	1,895	1,696
Investment income (note 3)	2,600	2,431
Amortization of deferred capital contributions (note 9)	1,224	1,213
	16,857	15,560
Expenses		
Salaries and benefits	7,404	6,798
Supplies and services	1,851	1,620
Repairs and maintenance	983	774
Utilities	790	752
Amortization of capital assets	1,643	1,619
Student awards	1,071	945
Food service and catering	1,607	1,679
	15,349	14,187
Excess of revenue over expenses for the year, before internal allocations to unrestricted net assets	1,508	1,373
Allocation of unrestricted bequests (note 10)	(926)	(1,027)
Allocation of investment income (note 4)	(1,090)	(972)
Deficiency of revenue over expenses for the year	(508)	(626)

Trinity College

Statement of Changes in Net Assets

For the year ended April 30, 2006

(in thousands of dollars)

	Capital assets $	Endowments $	Unrestricted net assets $	Total $
Net assets - April 30, 2004	3,116	29,693	17,356	50,165
Deficiency of revenue over expenses for the year	(406)	-	(220)	(626)
Allocation of unrestricted bequests (note 10)	-	-	1,027	1,027
Allocation of investment income (notes 3 and 4)	-	855	972	1,827
Unrestricted funds invested in capital assets	350	-	(350)	-
Endowment grants	-	222	-	222
Donations and bequests (note 10)	-	623	-	623
Other endowment contributions	-	10	-	10
Transfer from deferred contributions (note 7)	-	157	-	157
	(56)	1,867	1,429	3,240
Net assets - April 30, 2005	3,060	31,560	18,785	53,405
Deficiency of revenue over expenses for the year	(419)	-	(89)	(508)
Allocation of unrestricted bequests (note 10)	-	-	926	926
Allocation of investment income (notes 3 and 4)	-	2,106	1,090	3,196
Transfer from unrestricted net assets to endowments (note 8)	-	750	(750)	-
Unrestricted funds invested in capital assets	401	-	(401)	-
Endowment grants	-	113	-	113
Donations and bequests (note 10)	-	2,260	-	2,260
Other endowment contributions	-	9	-	9
Transfer from investment income Gain on sale of real estate (note 3)	-	223	-	223
Transfer from deferred contributions (note 7)	-	174	-	174
	(18)	5,635	776	6,393
Net assets - April 30, 2006	3,042	37,195	19,561	59,798

Trinity College

Statement of Cash Flows

For the year ended April 30, 2006

(in thousands of dollars)

	2006 $	2005 $
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses for the year	(508)	(626)
Allocation of unrestricted bequests	926	1,027
Allocation of investment income	1,090	972
	1,508	1,373
Adjustments for non-cash and non-operating items		
Unrealized gain in value of pooled fund investments	(1,689)	(2,930)
Net realized gain on sale of investments	(2,711)	(232)
Allocation of investment income to endowments	2,106	855
Amortization of capital assets	1,643	1,619
Amortization of deferred capital contributions	(1,224)	(1,213)
Pension and post-employment benefit expenses, net of funding	414	447
Net change in non-cash working capital and deferred contribution balances	845	1,218
	892	1,137
Financing activities		
Endowment grants	113	222
Endowment contributions and donations	2,269	633
Repayment of capital lease	(66)	(57)
Sale of real estate	528	-
	2,844	798
Investing activities		
Net purchase of investments	(2,401)	(509)
Purchase of capital assets	(811)	(589)
Expenditure on construction-in-progress	(100)	-
	(3,312)	(1,098)
Increase in cash and short-term investments for the year	424	837
Cash and short-term investments - Beginning of year	1,201	364
Cash and short-term investments - End of year	1,625	1,201

Trinity College (the College) is a university federated with the University of Toronto. Degrees in the Faculty of Arts and Science are awarded, under the terms of federation, by the University of Toronto. Degrees in the Faculty of Divinity are awarded conjointly with the University of Toronto. Affiliated with the College is St. Hilda's College, which provides services for women students at the College.

The College is exempt from income taxes and is a registered charity pursuant to the provisions of the Income Tax Act (Canada).

1 Summary of significant accounting policies and disclosure

The accounting policies followed by the College and the disclosure of its financial information conform with Canadian generally accepted accounting principles.

a) Investments

The College's managed pooled fund investments are recorded at their estimated fair value, which is based on quoted market value. Investments in hedge funds are recorded at their estimated fair value as determined by the College's hedge fund managers.

Investment earnings are measured on a total return basis, which includes both realized and unrealized capital gains and losses. The allocation of investment income depends on the source and use of funds, as described in section (c) below.

Investment in real estate consists of donated property and is recorded at market value at the date of donation as determined by an independent real estate appraisal.

b) Revenue recognition of contributions

The College follows the deferral method of accounting for contributions. Contributions that are restricted as to purpose are recorded as deferred contributions in the statement of financial position and recognized as revenue in the year in which the corresponding expense is incurred.

Contributions for the purchase of capital assets or for construction projects are recorded as deferred contributions until expended or until the project is complete and are then recorded as deferred capital contributions and amortized on the same basis as the assets purchased.

Unrestricted contributions, including unrestricted bequests, are recorded as revenue in the current year.

c) Allocation of investment income

Investment income is allocated in different ways depending on the type of fund.

Deferred contributions

Deferred contributions consist of the unspent accumulation of expendable donations and grants for restricted purposes and the unspent expendable income from endowments.

Unspent expendable income from endowments and non-endowed funds with small balances receive no allocation of investment income. Other deferred contributions are generally allocated investment income based on the 91-day treasury bill rate for the previous year (2006: 2.80%; 2005: 2.20%). For large balances, a 2% premium is applied.

Endowments

Endowments consist mainly of funds, including lectureships, scholarships, prizes and bursaries subject to externally imposed restrictions that the capital be maintained. Endowments include some internally restricted funds (note 8). The objective of the College's policy on allocation of investment income is to preserve the real value of endowments over time. To achieve this objective, investment income is allocated as follows:

- 5% (the expected long-term real rate of return) of the opening balance of each endowment is made available annually for the purpose of the endowment.
- 1% of the opening balance of each endowment is taken as an administrative fee.
- The actual rate of return for the year ended March 31, minus the 5% expendable draw and the 1% administrative fee, is applied to the opening balance of each endowment as capital preservation (indexation). Indexation may be positive or negative.

The actual rate of return on invested funds for the year ended March 31, 2006 was 12.76% (2005: 8.92%).

Unrestricted net assets

Unrestricted net assets, also known as the general endowment, are the accumulation of unrestricted donations, bequests and other unrestricted funds. Unrestricted net assets include some internally designated funds.

Unrestricted net assets generate an important source of operating revenue for the College. Accordingly, they are treated in a manner similar to endowments with the objective of preserving their real value over time. To achieve this objective, the College seeks to achieve a balanced operating budget based on drawing 5% (the expected long-term real rate of return) annually from invested assets earning unrestricted revenue. To smooth market fluctuations, the 5% rate is applied to a five-year average of inflation-adjusted market values.

This policy is accounted for as follows:

- total investment income, after allocations for endowments and deferred contributions, is recorded as revenue in the statement of operations (note 3);
- the 5% draw on funds earning unrestricted revenue, the 1% administrative fee on endowments and income allocated to internally designated funds are deducted (note 4); and
- the balance, which may be positive or negative, is allocated back to unrestricted net assets in the statement of operations (note 4).

d) Capital assets

Capital assets are stated at cost at the date of purchase or fair value at the date of acquisition in the case of gifts. They are amortized over their useful lives on the following bases:

Buildings	25 years straight-line
Equipment	10 years straight-line
Computer hardware	3 years straight-line
Library holdings	5 years straight-line
Telephone system - capital lease	5 years straight-line

e) Collections

Collections consist of archival materials, works of art and silver and are not recorded in the financial statements. Donation receipts are issued for fair market value in accordance with the guidelines of the Canada Revenue Agency.

f) Construction-in-progress

Upon completion of the projects, costs are added to the respective capital asset categories and amortized in accordance with the College's policy.

g) Foreign exchange

Assets and liabilities are translated at the rate of exchange in effect as at the date of the statement of financial position. Transfers of funds to and from US dollar accounts are translated at the rate of exchange in effect on the date of each transaction. Investment income from US securities is translated at the average rate of exchange for the fiscal year.

h) Employee benefit plans

The College accrues its obligation under employee benefit plans net of plan assets. The College has adopted the following policies in respect of the calculation of its obligations and expenses under these plans:

- the cost of pensions and other post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on years of service and management's best estimate of expected plan performance, salary escalation, retirement ages of employees and expected health care costs;

- for the purpose of calculating the expected return on benefit plan assets, those assets are valued at fair value;

- past service costs from plan amendments are amortized on a straight-line basis over the average remaining service period of employees active at the date of amendment; and

- the excess of net actuarial gain (loss) over 10% of the greater of the benefit obligation and the fair value of benefit plan assets is amortized over the average remaining service period of active employees.

2 Arrangements with University of Toronto

Under a 1910 agreement with the University of Toronto and subsequent amending agreements, most of the lands occupied by the College are assigned for its use for as long as the College is federated with the University of Toronto. These lands include the areas occupied by the main building on Hoskin Avenue, the Larkin Academic Building, the main and north wings of St. Hilda's College, the tennis courts, the parking lot and the playing field. No value is recorded for this assignment. The remaining lands (the Devonshire property and the area occupied by the southern portion of St. Hilda's College) are owned freehold by the College (note 5).

The financial relationship between the College and the University of Toronto in Arts and Science is governed by a memorandum of agreement under which the University of Toronto receives credit for government grants and tuition fees generated by the College's students, and in return reimburses the College for space and services provided by the College to Arts and Science students. The reimbursement comes through a block grant which funds library, registrarial, academic support, physical plant and other services on a formula basis, and an instructional grant which funds part of the cost of College academic programs. The College supplements these grants with its own resources.

A separate agreement between the University of Toronto, the Toronto School of Theology (T.S.T.) and its member institutions establishes the financial arrangements for the Faculty of Divinity at the College. All government grants for divinity students flow through the University of Toronto to the T.S.T. where they are distributed to each member institution according to an agreed formula. Tuition and related fees for divinity students, which must comply with regulations of the Ministry of Training, Colleges and Universities (Ontario), are set by the College in consultation with the T.S.T. and are recognized as revenue to the College.

(columnar amounts in thousands of dollars)

3 Investments

The College's investments consist of:

	2006 $	2005 $
Managed pooled funds	59,034	53,081
Hedge funds	5,667	5,043
Real estate	-	305
	64,701	58,429

During the year, the College sold its investment in real estate, consisting of a condominium donated in 1995, for a gain of $223,360. Under the terms of the donation, net proceeds of $528,360 have been used to establish a new endowment, the income from which supports the donor's living costs during his lifetime.

The College's pooled fund investments are managed by an independent investment counsel. A summary of the holdings is set out below:

	Cost		Market value	
	2006 $	2005 $	2006 $	2005 $
Pooled fund investments				
Addenda Capital	21,540	19,852	21,999	20,876
Jarislowsky Fraser	9,925	10,391	17,008	15,294
Legg Mason	9,720	8,540	9,390	8,392
Barclays Global Investors	-	7,135	-	8,519
Boston Mellon	9,635	-	10,637	-
	50,820	45,918	59,034	53,081
Hedge funds				
Pine Grove Offshore Fund	1,956	1,886	2,280	1,997
K2 Master Fund	2,863	2,823	3,387	3,046
	4,819	4,709	5,667	5,043

(columnar amounts in thousands of dollars)

Sources and allocations of investment income are as follows:

	2006 $	2005 $
Unrealized gain in value of pooled fund investments	1,689	2,930
Net realized gain on sale of investments	2,711	232
Interest and dividends	2,414	1,809
	6,814	4,971
Investment fees	(215)	(179)
	6,599	4,792
Deferred for restricted purposes (note 7)	(1,670)	(1,506)
Gain on sale of real estate transferred to endowment capital	(223)	-
Allocation to endowment capital (indexation)	(2,106)	(855)
Investment income	2,600	2,431

4 Allocation of investment income to unrestricted net assets

Investment income included in revenue in the statement of operations is allocated for the purposes of capital preservation of unrestricted net assets as follows:

	2006 $	2005 $
Investment income (note 3)	2,600	2,431
Less		
Expected long-term real rate of return on unrestricted net assets (5%)	1,177	1,159
Administrative fee on endowments	325	294
Allocation to internally designated funds	8	6
	1,510	1,459
Allocation of investment income to unrestricted net assets	1,090	972

(columnar amounts in thousands of dollars)

5 Capital assets and construction-in-progress

	2006			2005		
	Cost $	**Accumulated amortization** $	**Net book value** $	**Cost** $	**Accumulated amortization** $	**Net book value** $
Capital assets						
Land	1	-	1	1	-	1
Buildings	26,435	15,245	11,190	25,912	14,429	11,483
Equipment	5,437	3,903	1,534	5,327	3,561	1,766
Computer hardware	386	354	32	353	341	12
Library holdings	3,631	2,882	749	3,434	2,466	968
Telephone system	278	167	111	278	111	167
	36,168	22,551	13,617	35,305	20,908	14,397
Construction-in-progress						
Trinity Quadrangle	5	-	5	-	-	-
Centre for Ethics	95	-	95	-	-	-
	100	-	100	-	-	-

The College owns the land on which certain of its buildings have been constructed. This land has been included in capital assets at a nominal value, since it is not practicable to generate an original cost figure.

6 Capital lease

During the year ended April 30, 2004, the College entered into lease arrangements with CitiCapital Technology Finance Ltd. to acquire a telephone system. The following is an analysis of the equipment under capital lease:

	2006 $	**2005** $
Equipment	278	278
Less: Accumulated amortization	167	111
	111	167

The equipment under capital lease is being amortized on a straight-line basis over its economic life of five years. The amount of amortization charged to expense in 2006 was $55,592 (2005: $57,331).

(columnar amounts in thousands of dollars)

The following is a schedule of future minimum lease payments under the capital lease expiring on August 31, 2008:

	$
2007	66
2008	65
2009	22
	153
Less: Amount representing interest at an average rate of 6.2%	24
Present value of net minimum lease payments	129
Less: Current obligations under capital lease	65
Long-term obligations under capital lease	64

7 Deferred contributions

Changes in the deferred contribution balances are summarized as follows:

	2006 $	2005 $
Grants	249	515
Donations (note 10)	973	367
Investment income (note 3)	1,670	1,506
Other deferred contributions	389	339
Expenditures included in operations	(2,320)	(1,587)
Transfer to endowments	(174)	(157)
Transfer to deferred capital contributions (note 9)	(410)	(265)
Change during the year	377	718
Balance - Beginning of year	3,627	2,909
Balance - End of year	4,004	3,627

8 Endowments

As a result of donation matching agreements and the College’s decisions to use unrestricted bequests in support of certain capital campaigns, unrestricted net assets are, from time to time, transferred to endowments and classified as internally restricted funds. These funds are not available for other purposes without the approval of the College’s Board of Trustees.

(columnar amounts in thousands of dollars)

During the year, the College received $709,921 from various donors for the Margaret E. Fleck Chair in Anglican Studies as part of a pledge of $1.5 million. As agreed with the lead donor, the College is matching the total from its unrestricted funds in two instalments of $750,000 each as at April 30, 2006 and 2007. The first instalment is included below with internally restricted funds.

Undesignated donations made in connection with the College's Spirit of Leadership Capital Campaign (1996 - 2004) were transferred to campaign-related endowments. During the year, the College transferred $20,000 (2005: $150,000) in such donations. While restricted to the objects of the campaign, these donations may, by a decision of the Board of Trustees, be transferred among campaign-related endowments. The donations and their associated indexation are known as campaign-related restricted funds.

As at April 30, endowments consisted of:

	2006 **$**	**2005** **$**
Externally restricted funds	32,108	27,517
Campaign-related restricted funds	3,070	2,856
Internally restricted funds	2,017	1,187
	37,195	31,560

9 Deferred capital contributions

Changes in the deferred capital contribution balances are summarized as follows:

	2006 **$**	**2005** **$**
Donations (note 10)	52	232
Transfer from deferred contributions (note 7)	410	265
Amortization of deferred capital contributions	(1,224)	(1,213)
Change during the year	(762)	(716)
Balance - Beginning of year	11,337	12,053
Balance - End of year	10,575	11,337

(columnar amounts in thousands of dollars)

10 Donations and bequests

During the year, donations and bequests amounting to $5,092,031 (2005: $3,204,357) were received by the College on account of:

	2006 $	2005 $
Operations		
Annual fund	881	955
Unrestricted bequests allocated to unrestricted net assets	926	1,027
	1,807	1,982
Endowment contributions	2,260	623
Deferred contributions (note 7)	973	367
Deferred capital contributions (note 9)	52	232
	5,092	3,204

11 Ontario Student Opportunity Trust Fund

Endowments include a number of funds established under the following provincial programs, which provided matching grants for eligible donations for student aid:

Ontario Student Opportunity Trust Fund - Phase 1 (OSOTF 1) 1996 - 2000
Ontario Student Opportunity Trust Fund - Phase 2 (OSOTF 2) 2003 - 2005
Ontario Trust for Student Support (OTSS) 2005 - ongoing

The University of Toronto matched donations to OSOTF 1 and has matched certain donations to OSOTF 2 and OTSS. Provincial guidelines require disclosure of OSOTF 1 funds in these notes. OSOTF 2 and OTSS funds are required to be reported in the notes to the University of Toronto's financial statements and are reported here for information.

(columnar amounts in thousands of dollars)

	2006 $	2005 $
OSOTF 1		
Fund balance - Beginning of year	5,423	5,269
Allocation to endowment capital	367	154
Fund balance - End of year	5,790	5,423
Expendable balance - Beginning of year	407	354
Investment income (5% of opening capital)	271	264
Bursaries awarded (2006: 173; 2005: 129)	(270)	(211)
Expendable balance - End of year	408	407

The market value of the OSOTF 1 endowment as at April 30, 2006 was $6,198,374.

	2006 $	2005 $
OSOTF 2		
Fund balance - Beginning of year	753	435
Transfer to OTSS	(68)	-
Donations	-	83
Matching grants	-	222
Allocation to endowment capital	46	13
Fund balance - End of year	731	753
Expendable balance - Beginning of year	9	-
Investment income (5% of opening capital)	34	23
Bursaries awarded (2006: 10; 2005: 11)	(12)	(14)
Expendable balance - End of year	31	9
OTSS		
Fund balance - Beginning of year	-	-
Transfer from OSOTF 2	68	-
Donations	69	-
Matching grants	112	-
Allocation to endowment capital	5	-
Fund balance - End of year	254	-
Expendable balance - Beginning of year	-	-
Investment income (5% of opening capital)	3	-
Bursaries awarded (nil)	-	-
Expendable balance - End of year	3	-

(columnar amounts in thousands of dollars)

12 Pension and post-employment health benefits

The College provides pension and post-employment health benefits to its employees. Information on these plans is as follows:

	2006		2005	
	Pension benefits $	**Health benefits $**	**Pension benefits $**	**Health benefits $**
Projected benefit obligation				
Projected obligation - Beginning of year	16,352	5,328	15,430	3,928
Valuation adjustment	-	-	(596)	713
Current service cost	699	195	601	158
Interest cost	935	309	921	290
Benefits paid	(874)	(99)	(805)	(91)
Actuarial loss	532	330	801	330
Projected obligation - End of year	17,644	6,063	16,352	5,328
Plan assets				
Market value - Beginning of year	15,617	-	14,654	-
Employer contributions	493	99	404	91
Employee contributions	162	-	142	-
Return on plan assets	2,191	-	1,222	-
Benefits paid	(874)	(99)	(805)	(91)
Market value - End of year	17,589	-	15,617	-
Projected funded status	(55)	(6,063)	(735)	(5,328)
Unamortized past service cost	64	-	71	-
Unamortized (gain) loss	(260)	1,183	392	883
Accrued liability recognized on statement of financial position	(251)	(4,880)	(272)	(4,445)

(columnar amounts in thousands of dollars)

	2006		2005	
	Pension benefits $	**Health benefits $**	**Pension benefits $**	**Health benefits $**
Plan expense				
Current service cost	699	195	601	158
Employee contributions	(162)	-	(130)	-
Interest cost	935	309	921	290
Expected return on assets	(1,007)	-	(944)	-
Amortization of net (gain) loss	7	30	7	9
Net plan expense	472	534	455	457
Reconciliation of accrued liability				
Balance - Beginning of year	(272)	(4,445)	(191)	(4,079)
Employer contributions (cash basis)	493	99	374	91
Net plan expense	(472)	(534)	(455)	(457)
Balance - End of year	(251)	(4,880)	(272)	(4,445)

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligations are as follows:

	2006		2005	
	Pension benefits %	**Health benefits %**	**Pension benefits %**	**Health benefits %**
Discount rate	5.50	5.50	5.75	5.75
Expected return on plan assets	6.50	n/a	6.50	n/a
Rate of compensation increase	4.50	n/a	4.50	n/a
Expected average remaining service life	11.0 years	11.7 years	11.0 years	11.7 years

Health care cost trend rate: 7.50% annual increase assumed for 2006 (2005: 7.50%), decreasing by 0.50% per year to 4.50% for 2012 onwards.

Dental care cost trend rate: 4.50% annual increase assumed for 2006 (2005: 4.50%) and thereafter.

The College measures its accrued benefit obligation and the fair value of plan assets for accounting purposes as at the College's fiscal year-end.

The most recent actuarial valuation for funding purposes was performed as at July 1, 2004. The next funding valuation will be as at July 1, 2006.

(columnar amounts in thousands of dollars)

Plan assets consist of:

	2006		2005	
	$	%	$	%
Canadian equity securities	4,617	26.25	3,621	23.18
Foreign equity securities	3,176	18.06	2,384	15.27
Debt securities	9,119	51.84	9,296	59.53
Cash	677	3.85	316	2.02
	17,589	100.00	15,617	100.00

13 Subsequent event

In May 2006, the College approved an improvement in the benefit accrual formula for all members of the pension plan except faculty and librarians (for whom an improvement was approved in March 2005). The improvement is effective July 1, 2006 and is estimated to increase the projected pension plan obligation as at July 1, 2006 by $900,000 using current actuarial assumptions. The expense of this improvement will be recognized in 2006-2007 and subsequent years.

14 Contingency

The College participates in a reciprocal exchange of insurance risks in association with 50 other Canadian universities named CURIE (the Canadian Universities Reciprocal Insurance Exchange). This self-insurance co-operative involves a contractual agreement to share the property and liability insurance risks of member universities for a term, which expires on December 31, 2007.

The projected cost of claims is funded through members' premiums based on actuarial projections. CURIE has obtained reinsurance from commercial insurers to cover claims in excess of $5,000,000 to a maximum of $650,000,000 per occurrence for property losses and claims in excess of $10,000,000 to a maximum of $20,000,000 per occurrence for liability and errors and omissions losses. In the event premiums are not sufficient to cover claims settlements, the member universities would be subject to assessments in proportion to their participation.

As at December 31, 2005, CURIE had a surplus of $11,175,000 (2004: $5,995,000), of which the College's pro rata share is approximately 0.35% (2004: 0.36%) on an ongoing basis.