

Financial Statements of

TRINITY WESTERN UNIVERSITY

April 30, 2005

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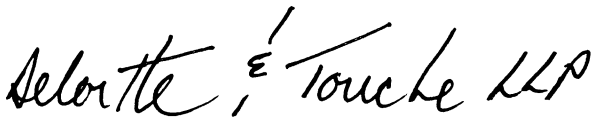
AUDITORS' REPORT

The Board of Governors,
Trinity Western University

We have audited the statement of financial position of Trinity Western University as at April 30, 2005 and the statements of operations and fund balances and cash flows for the year then ended. These financial statements are the responsibility of the University'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 the University as at April 30, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Chartered Accountants
Langley, British Columbia

July 18, 2005

TRINITY WESTERN UNIVERSITY

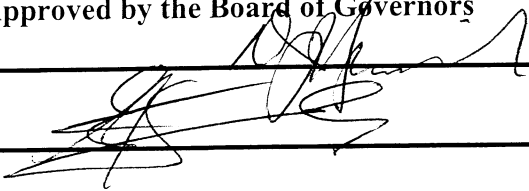
**STATEMENT OF FINANCIAL POSITION
APRIL 30**

	2005	2004
ASSETS		
Current		
Funds held in trust	\$ 117,370	\$ -
Accounts receivable	769,913	790,404
Inventory	352,079	383,869
Prepaid expenses	542,850	455,923
	<u>1,782,212</u>	<u>1,630,196</u>
Investments (Note 4)	5,617,748	4,311,842
Capital assets (Note 5)	44,541,696	42,656,784
	<u>\$ 51,941,656</u>	<u>\$ 48,598,822</u>

LIABILITIES		
Current		
Accounts payable	\$ 2,659,363	\$ 2,207,738
Student deposits and deferred income	4,287,021	4,414,053
Current portion of long term debt (Note 6)	2,457,276	2,946,174
	<u>9,403,660</u>	<u>9,567,965</u>
Long-term debt (Note 6)	18,536,079	16,152,891
	<u>27,939,739</u>	<u>25,720,856</u>

FUND BALANCES		
Restricted funds		
Capital fund	11,620,532	10,892,025
Specific purpose fund (Note 7)	6,702,856	6,978,429
Endowment fund (Note 7)	5,489,777	4,818,760
Unrestricted fund	188,752	188,752
	<u>24,001,917</u>	<u>22,877,966</u>
	<u>\$ 51,941,656</u>	<u>\$ 48,598,822</u>

Approved by the Board of Governors



TRINITY WESTERN UNIVERSITY

STATEMENT OF OPERATIONS AND FUND BALANCES
YEAR ENDED APRIL 30

	Unrestricted	Capital	Specific Purpose	Endowment	Total	
					2005	2004
Revenues						
Tuition and fees	\$ 34,565,500	\$ -	\$ -	\$ -	\$ 34,565,500	\$ 32,480,287
Ancillaries	13,275,897	-	-	-	13,275,897	13,674,653
Donations (Note 8)	735,470	250,238	3,481,666	600,299	5,067,673	4,374,086
Other (Note 9)	2,052,347	-	1,726,783	3,060	3,782,190	2,887,392
	50,629,214	250,238	5,208,449	603,359	\$ 56,691,260	53,416,418
Expenditures						
Compensation	27,992,713	-	1,181,056	-	29,173,769	25,646,790
Operating costs	6,164,266	-	3,729,666	-	9,893,932	8,320,556
Ancillaries	6,918,102	-	-	-	6,918,102	7,744,515
Scholarships and bursaries	4,315,931	-	508,902	-	4,824,833	4,538,904
Interest	-	736,801	87,827	-	824,628	916,198
Overhead	1,066,750	-	-	-	1,066,750	1,027,507
Amortization of capital assets	-	2,865,295	-	-	2,865,295	2,421,150
	46,457,762	3,602,096	5,507,451	-	55,567,309	50,615,620
Excess (deficiency) of revenue over expenditures	4,171,452	(3,351,858)	(299,002)	603,359	1,123,951	2,800,798
Interfund transfers (Note 10)	(4,171,452)	4,080,365	23,429	67,658	-	-
Change in fund balances for the year	-	728,507	(275,573)	671,017	1,123,951	2,800,798
Fund balances at the beginning of the year	188,752	10,892,025	6,978,429	4,818,760	22,877,966	20,077,168
Fund balances at the end of the year	\$ 188,752	\$ 11,620,532	\$ 6,702,856	\$ 5,489,777	\$ 24,001,917	\$ 22,877,966

TRINITY WESTERN UNIVERSITY

STATEMENT OF CASH FLOWS YEAR ENDED APRIL 30

	2005	2004
Operating activities		
Excess (deficiency) of revenues over expenditures		
Unrestricted fund	\$ 4,171,452	\$ 7,524,142
Specific purpose fund	(299,002)	(2,400,624)
Interest paid by the capital fund	(736,801)	(490,378)
	3,135,649	4,633,140
Change in non-cash operating working capital		
Accounts receivable	20,491	10,278
Inventory	31,790	33,506
Prepaid expenses	(86,927)	(6,967)
Accounts payable	451,626	301,607
Student deposits and deferred income	(127,032)	808,775
	289,948	1,147,199
	3,425,597	5,780,339
Financing activities		
Increase in long-term debt	4,723,551	2,869,760
Repayment of long-term debt	(3,567,146)	(2,831,112)
Capital donations received	250,238	174,244
Endowment additions	603,359	414,564
	2,010,002	627,456
Investing activities		
Funds held in trust	(117,370)	-
Purchase of capital assets	(4,750,208)	(4,958,536)
Increase in investments, net	(1,305,906)	(336,522)
	(6,173,484)	(5,295,058)
Change in cash surplus during the year	(737,885)	1,112,737
Cash surplus applied to long-term debt at beginning of the year	12,571,500	11,458,763
Cash surplus applied to long-term debt at end of the year (Note 6)	\$ 11,833,615	\$ 12,571,500

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2005

1. PURPOSE AND AUTHORITY

The mission of Trinity Western University, as an arm of the Church, is to develop godly Christian leaders: positive, goal-oriented university graduates with thoroughly Christian minds; growing disciples of Jesus Christ who glorify God through fulfilling the Great Commission, serving God and people in the marketplaces of life.

Established in 1962, Trinity Western University (TWU) operates under the authority of the Trinity Western University Act of the Province of British Columbia. TWU is a Christian liberal arts and sciences university offering undergraduate, graduate and continuing education programs. TWU is a not-for-profit entity, governed by a Board of Governors, the majority of whom are appointed by the Evangelical Free Church of Canada and the Evangelical Free Church of America. TWU is a registered charity and is therefore exempt from income taxes under section 149 of the Canadian Income Tax Act and section 501(c)(3) of the Internal Revenue Code in the United States of America.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Generally Accepted Accounting Principles for not-for-profit organizations.

a) Fund accounting

TWU accounts provide for separate fund balances to be maintained at various times in order to recognize restrictions imposed on the use of available resources. The Statements of Financial Position and Cash Flows combine the assets and liabilities of all funds. The Statement of Operations and Fund Balances segregates the Unrestricted, Capital, Specific Purpose and Endowment funds.

TWU follows the restricted fund method of accounting for contributions.

- i) The Unrestricted Fund reports on TWU's program delivery, administrative and ancillary activities.
- ii) The Capital Fund reports the net investment in capital assets.
- iii) The Specific Purpose Fund reports funds received but not yet expended for specific projects.

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Fund accounting (continued)

- iv) The Endowment Fund reports donations received primarily for scholarships. Investment gains and losses from the Endowment Fund are reported in the Unrestricted Fund, unless restricted by the donor.

b) Revenue recognition

Tuition fees and sales of goods and services are recognized as revenue at the time the goods are delivered or the services are provided.

Restricted contributions are recognized as revenue of one of the restricted funds in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recognized as revenue of the Unrestricted Fund in the year received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions subject to internal restrictions are allocated to the appropriate funds through an inter-fund transfer.

Endowment donations are recognized as revenue in the Endowment Fund.

Gifts in kind are recorded at fair market value on the date of their donation, or at nominal value, when fair market value cannot be reasonably determined. Donated services are not recognized in these financial statements.

c) Inventory

Inventory is comprised of items held for resale by the University Bookstore and is valued at the lower of actual cost and net realizable value.

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Long-term investments

Long-term portfolio investments are recorded at the lower of actual cost and fair market value if any impairment in value is other than temporary.

e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at their fair market value on the date of the contribution. No amortization is taken in the year of acquisition and a full year of amortization is taken in the year of disposal. Amortization is provided using the straight-line basis over the estimated useful life of the assets as follows:

Roads and parking lots	40 years
Buildings	40 years
Furniture and equipment	10 years
Library collection	10 years
Computers	3 years
Vehicles	5 years

f) Use of estimates

The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

g) Ancillaries

In the Statement of Operations and Fund Balances, the following areas are included in Ancillaries: Housing Services, Dining Services, Conference Services, Bookstore and Trinity Western University's English as a Second Language (ESL) program. Compensation expenses for Ancillaries are included in the Compensation line of the Statement of Operations and Fund Balances.

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

3. RELATED PARTY TRANSACTIONS

a) **The Associated Canadian Theological Schools (ACTS)**

TWU is a 16.7% participant in the ACTS joint venture and recognizes this interest under the equity method. ACTS forms an instructional consortium of independent seminaries which have in common an extensive doctrinal compatibility and are committed to church leadership training in a manner which preserves the distinct goals of each of the six participating institutions. As ACTS, the six seminaries constitute the Graduate School of Theological Studies of Trinity Western University.

b) **Trinity Western University Foundation (TWUF)**

TWUF was established as a Crown Corporation under the Trinity Western University Foundation Act of the Province of British Columbia on July 20, 1989. Its main purpose is to receive, manage and invest funds to further the purposes of TWU. The Act provides TWUF with the status of an Agent of the Crown in the Right of the Province of British Columbia.

c) **Trinity Western University Foundation - US (TWUF - US)**

TWUF - US was incorporated under the Washington Non-Profit Corporation Act in 1980 to support and benefit Christian colleges with the Evangelical Free Churches of America and receive charitable donations for the benefit of TWU. TWUF - US was also established to provide financial backing for the Seminary and Christian colleges of Evangelical Free Churches of America so that they may be aided in providing liberal arts college education with a Christian emphasis.

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

3. RELATED PARTY TRANSACTIONS (continued)

d) Financial summaries for these controlled related parties are as follows:

	2005			2004	
	ACTS 30-Apr-05	TWUF 31-Mar-05	TWUF - US 31-Dec-04	Total	Total
Financial Position					
Total assets	\$ 39,487	\$ 2,131	\$ 2,403,056	\$ 2,444,674	\$ 2,317,767
Total liabilities	68,934	2,000	1,047,230	1,118,164	1,119,330
Total net assets	\$ (29,447)	\$ 131	\$ 1,355,826	\$ 1,326,510	\$ 1,198,437
Results of Operations					
Total revenues	\$ 357,886	\$ 702	\$ 616,471	\$ 975,059	\$ 1,185,495
Total expenses	(473,180)	(1,607)	(514,871)	(989,658)	(1,077,011)
(Deficiency) excess	(115,294)	(905)	101,600	(14,599)	108,484
Contributions by TWU	100,000	-	137,127	237,127	270,190
	\$ (15,294)	\$ (905)	\$ 238,727	\$ 222,528	\$ 378,674
Cash Flows					
Cash (used) provided by operations	\$ 2,614	\$ (905)	\$ 209,312	\$ 211,021	\$ (19,068)
Cash (used) provided in investing activities	(2,891)	-	(138,334)	(141,225)	24,038
Net cash flow	\$ (277)	\$ (905)	\$ 70,978	\$ 69,796	\$ 4,970

These figures reflect 16.7% of ACTS and 100% of TWUF and TWUF-US.

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2005

3. RELATED PARTY TRANSACTIONS (continued)

e) During the fiscal year TWU received the following amounts from related parties:

	2005			2004
	ACTS	TWUF	TWUF - US	Total
Donations	\$ -	\$ -	\$ 104,517	\$ 79,621
Recovery of salaries	809,105	-	-	790,546
Provision of goods and services	349,588	-	-	339,110
Other	-	-	-	4,073
	\$ 1,158,693	\$ -	\$ 104,517	\$ 1,213,350

These transactions are in the normal course of operations and are measured at the exchange amount, the amount of consideration established and agreed to by the related parties.

f) Included in accounts receivable (payable) are the following amounts with related parties:

	2005	2004
ACTS	\$ (162,781)	\$ (32,919)
TWUF - US	105,417	105,417
	\$ (57,364)	\$ 72,498

4. INVESTMENTS

	2005	2004
Portfolio Investments:		
Marketable securities	\$ 4,987,748	\$ 4,311,842
Shares of private company	630,000	-
	\$ 5,617,748	\$ 4,311,842

TRINITY WESTERN UNIVERSITY

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005**

4. INVESTMENTS (continued)

The fair market value of the marketable securities as at April 30, 2005 was \$5,609,372 (2004 - \$4,867,511).

Net investment gains of \$272,653 realized during the year (2004 - \$251,239) from the endowment resources are recognized in the Unrestricted Fund.

5. CAPITAL ASSETS

	2005		2004	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	\$ 3,395,491	\$ -	\$ 3,395,491	\$ 3,236,491
Roads and parking lots	3,544,565	965,277	2,579,288	2,547,831
Buildings	39,543,324	10,506,213	29,037,111	28,548,531
Furniture and equipment	11,826,093	6,676,002	5,150,091	4,910,142
Library collection	5,990,900	4,057,685	1,933,215	1,891,366
Computers	6,904,910	4,515,927	2,388,983	1,445,179
Vehicles	147,367	89,850	57,517	77,244
	\$ 71,352,650	\$ 26,810,954	\$ 44,541,696	\$ 42,656,784

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

6. LONG-TERM DEBT

	2005	2004
Royal Bank of Canada revolving term facility, bearing interest between 3.47% and 3.50%, maximum borrowing capacity is reduced by \$808,000 at October 31, 2005, the balance maturing May 31, 2006.	\$ 14,213,000	\$ 11,346,249
Royal Bank of Canada non-revolving term facility, payable monthly at \$68,000 including interest at 6.19%, due November 12, 2008.	5,451,064	5,917,721
Royal Bank of Canada demand loan, bearing interest at Royal Bank prime, payable on demand.	951,753	1,487,733
Deposit agreements payable, income contracts with varying terms, bearing interest at an average rate of 2.94%, \$114,977 comes due for renewal within the next fiscal year.	263,799	249,344
GMAC financing, non-interest bearing, repayable in monthly instalments of \$1,400, due April 28, 2007, secured by specific assets.	33,698	50,548
Investment trust agreements, revocable income contracts bearing interest at an average rate of 5.94%. These contracts are for an indefinite term.	47,791	47,470
Loan payable to Canadian Western Trust for TWU's RRSP/RRIF program, revocable indefinite term contracts bearing interest at rates adjusted semi-annually, currently 2.5%, secured by a fixed charge on specific land and building.	32,250	-
	<u>20,993,355</u>	<u>19,099,065</u>
Less current portion	<u>(2,457,276)</u>	<u>(2,946,174)</u>
	<u>\$ 18,536,079</u>	<u>\$ 16,152,891</u>

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

6. LONG-TERM DEBT (continued)

The estimated principal repayments over the next five years, assuming credit facilities are renegotiated with similar terms, are as follows:

2006	\$ 2,457,276
2007	1,914,837
2008	2,100,618
2009	2,129,921
2010	2,267,581

The Royal Bank has established an Approval in Direction of \$50 million for a strategic credit limit for the University. The Royal Bank loans are secured by a general security agreement, a fixed charge on specific land and building (pari passu with the loan payable to Canadian Western Trust) and an agreement to not encumber any land or buildings without prior consent of the Royal Bank.

Total interest paid on all borrowings during the year amounted to \$824,628 (2004 - \$916,198).

Changes in long-term debt during the year:

	2005			2004
	Debt Amortized over a 15 year period	Debt Amortized over a period less than 15 years	Total	Total
Gross debt at the beginning of the year	\$ 21,383,353	\$ 10,287,212	\$ 31,670,565	\$ 31,631,917
Projects transferred	2,283,831	(2,283,831)	-	-
Increase in debt	2,212,351	2,511,200	4,723,551	2,869,760
Debt repayment	(1,524,944)	(2,042,202)	(3,567,146)	(2,831,112)
Gross debt at the end of the year	\$ 24,354,591	\$ 8,472,379	32,826,970	31,670,565
Temporary repayment through cash surplus			(11,833,615)	(12,571,500)
			\$ 20,993,355	\$ 19,099,065

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2005

7. SPECIFIC PURPOSE FUND AND ENDOWMENT FUND

Restrictions imposed on the following funds are:

	2005		2004	
	Specific Purpose	Endowment	Specific Purpose	Endowment
Externally restricted	\$ 1,546,637	\$ 5,215,321	\$ 340,013	\$ 4,550,079
Internally restricted	5,156,219	274,456	6,638,416	268,681
	\$ 6,702,856	\$ 5,489,777	\$ 6,978,429	\$ 4,818,760

8. DONATIONS

During the year TWU received donations from the following sources:

	2005	2004
Business	\$ 559,818	\$ 989,863
Churches	156,201	164,243
Foundations	1,430,843	1,335,747
Individuals	2,920,811	1,884,233
	\$ 5,067,673	\$ 4,374,086

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2005

9. OTHER INCOME

The components of other income are as follows:

	2005				2004
	Unrestricted	Specific Purpose	Endowment	Total	Total
Rental income	\$ 222,813	\$ -	\$ -	\$ 222,813	\$ 222,725
Investment income	299,282	-	-	299,282	251,239
Parking receipts	387,979	-	-	387,979	368,531
Project revenues	-	1,726,783	-	1,726,783	1,113,022
Miscellaneous	1,142,273	-	3,060	1,145,333	931,875
	<u>\$ 2,052,347</u>	<u>\$ 1,726,783</u>	<u>\$ 3,060</u>	<u>\$ 3,782,190</u>	<u>\$ 2,887,392</u>

10. INTERFUND TRANSFERS

Transfers between the various funds during the year are summarized as follows:

	Unrestricted	Capital	Specific Purpose	Endowment
Appropriations	\$ (884,063)	\$ -	\$ 884,063	\$ -
Internal financing	(665,164)	(1,785,964)	2,656,123	(204,995)
Capital assets funded through operations	-	-	-	-
Interest on debt	(824,628)	736,801	87,827	-
Debt repayment - operations	(1,524,944)	1,524,944	-	-
Investment gain (net) realized on endowment resources	(272,653)	-	-	272,653
Capital assets funded by specific purpose fund	-	3,604,584	(3,604,584)	-
	<u>\$ (4,171,452)</u>	<u>\$ 4,080,365</u>	<u>\$ 23,429</u>	<u>\$ 67,658</u>

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

11. INTERFUND LOANS

The loans receivable (payable) between the various funds as outlined below are non-interest bearing and have no specific terms for repayment.

	2005	2004
Unrestricted Fund	\$ 5,352,925	\$ 5,180,347
Capital Fund	(11,927,809)	(12,665,694)
Specific Purpose Fund	6,702,856	6,978,429
Endowment Fund	(127,972)	506,918
	<u>\$ -</u>	<u>\$ -</u>

12. CONTINGENT LIABILITIES

Evangelical Free Church of Canada

TWU has agreed to provide the Evangelical Free Church of Canada (EFCC) perpetual occupancy of specific office premises on campus. In return, the EFCC has contributed certain amounts towards construction costs of their premises.

By an agreement dated July 30, 1996, TWU has agreed to repay the EFCC an amount based on the appraised value of the space occupied by EFCC, should they choose to vacate the office premises.

Canadian University Reciprocal Insurance Exchange

Since 1988 Trinity Western University has been a member of the Canadian University Reciprocal Insurance Exchange (C.U.R.I.E.), a self-insurance co-operative providing property and general liability insurance coverage to 56 university subscribers in Canada. Under this co-operative arrangement, the University participates in the periodic return of excess premiums and shares in any losses realized by C.U.R.I.E., in proportion to its pro rata share.

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

12. CONTINGENT LIABILITIES (continued)

Letter of Guarantee

In accordance with the Post-secondary Education Choice and Excellence Act of the Province of Ontario [S.O. 2000, Chap. 36], the University has provided a \$150,000 letter of guarantee to the Ministry of Training, Colleges and Universities to operate the Laurentian Leadership Centre in Ottawa.

Canada Institute of Linguistics (CANIL) Ground Lease

The University has entered into a ground lease that allows CANIL to construct and occupy a building on University lands for a period of 35 years with four tenant renewal options of five years each. Under the terms of the arrangement, CANIL may vacate the premises at any time and require TWU to purchase its interest in the building according to a reducing balance formula. At April 30, 2005 CANIL's interest in the building totaled approximately \$2,000,000. At the end of the lease term, including all renewals, title and ownership of the building will pass to the University.

13. RETIREMENT PLANS

Trinity Western University makes a defined contribution to registered retirement plans for all employees. Both the employee and employer portions vest immediately. Employees have full discretion to invest the funds within the University sponsored program.

During the year the University contributed \$896,603 (2004 - \$794,682) into the program. The fair market value of the plan assets at April 30, 2005 was \$14,089,155 (2004 - \$12,136,842). There is no past service liability in respect of this program.

TRINITY WESTERN UNIVERSITY

NOTES TO FINANCIAL STATEMENTS APRIL 30, 2005

14. TRINITY WESTERN ADVANCEMENT FUND

Trinity Western University established a permanent Endowment Fund with the Vancouver Foundation in 1986, known as the Trinity Western Advancement Fund:

	<u>2005</u>	<u>2004</u>
Contributed Principal	\$ 387,000	\$ 387,000
Market Value	\$ 442,740	\$ 441,401
Income Earned	\$ 19,105	\$ 19,328
Distribution to TWU	\$ 18,986	\$ 22,927

Under the terms of the Fund, the capital and any addition thereto shall be held permanently by Vancouver Foundation, the income from which shall be used for scholarships, bursaries and for such other educational purposes as may be determined by the University's Board of Governors from time to time.

15. FINANCIAL INSTRUMENTS

The carrying values of accounts receivable and accounts payable approximate their fair values due to their liquidity and short-term maturity. The fair value of the marketable securities is disclosed in Note 4. The fair value of the private company shares cannot be reasonably determined because no quoted market price exists for these shares.

Long-term debt, including the current portion, bear interest at current rates; as a result their carrying values approximate their fair market values.

Unless otherwise noted, it is management's opinion that the University is not exposed to significant interest, currency or credit risks arising from these financial instruments.

16. RECLASSIFICATION OF PRIOR YEARS AMOUNTS

Certain prior year amounts have been reclassified to conform to the current year's presentation.