

Audited Financial Statements for the year ended April 30, 2015

The following charts provide analytical comments in regards to year over year changes in the financial statements.

Statement of Financial Position

Assets

	April 30, 2015	April 30, 2014	Change Increase / (Decrease)	Comments
Cash and cash equivalents	\$ 44,422	\$ 34,024	\$ 10,398	The change results from the positive financial outcome reflected in the statement of operations. Refer to the cash flow statements in the financial statements for additional activity.
Accounts receivable <i>(includes student, external organizations, sponsoring agencies and tax rebates)</i>	\$ 13,116	\$ 11,366	\$ 1,750	The change is primarily attributable to a higher student accounts receivable resulting from spring/summer activity (\$1,520 increase related to a 4.9% increase in Undergraduate enrolment and an increase in rate) and tax rebate receivable balances (\$270 increase) at year end. The tax rebate receivable is due to timing of purchases, primarily related to MIWSFPA at year end.
Government grants receivable <i>(includes nursing grant, government research grants)</i>	\$ 6,081	\$ 6,668	\$ (587)	The change is attributable to the timing of payments receivable for the Collaborative Nursing Program (\$480 increase) and research grants (\$1,070 decrease).
Prepaid expenses and other assets <i>(includes payments for future economic benefit)</i>	\$ 59	\$ 191	\$ (132)	The change is attributable to Centre for the Arts prepaid expenses for the upcoming season. As the Centre for the Art will be operated by the City of St. Catharines, Brock has no prepaid costs for the upcoming season at the end of 2014/15.
Inventories <i>(includes bookstore, natural gas, and various housekeeping and maintenance supplies)</i>	\$ 1,499	\$ 1,952	\$ (453)	The change is attributable to a targeted effort in reducing bookstore inventory (including textbooks and merchandise). Natural gas inventory also decreased by \$43.
Restricted investments <i>(includes endowments, unspent capital grants, internal sinking fund, investments held for other restricted purposes)</i>	\$ 125,520	\$ 94,657	\$ 30,863	The change is primarily attributable to all Internally Restricted Net Assets now being fully funded and those funds now being set aside in restricted investment in 2014/15. The increase is also attributed to endowments (\$7,168 increase) primarily driven by investment gains and the sinking fund (\$692 increase) also a result of investment gains.
Capital assets	\$ 379,349	\$ 374,871	\$ 4,478	Capital asset purchased were \$20,912, primarily the result of construction related to the MIWSFPA, Mackenzie Chown Fire Alarm Replacement and the General Brock Commemoration Project (Statue), offset by amortization of \$16,434.
Employee future benefits asset <i>(includes the accrued benefit asset for the pension plan)</i>	\$ 8,131	\$ -	\$ 8,131	The change is attributable to a 0.75% increase in the discount rate on defined benefit costs and market returns of 11.7% for the fiscal year which exceeded the targeted actuarial returns of 6%. Important to note is the accounting standards and actuarial calculation used to calculate this asset only reflects in-year market returns. It does not adjust the discount rate on the defined benefit costs. Recognizing the discount rate on the defined benefit costs is a function of the expected future market return and current market returns have exceeded expectation, it is anticipated that

				future market returns may be tempered. This could reduce the discount rate, increase the defined benefit costs reducing this asset value in the future.
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Liabilities

	April 30, 2015	April 30, 2014	Change Increase / (Decrease)	Comments
Accounts payable and accrued liabilities <i>(includes to be paid general operating, payroll and construction (i.e. 198 St. Paul Street) related expenses)</i>	\$ 23,123	\$ 17,513	\$ 5,610	Part of the increase (\$1,046) is due to meal plan dollars now being allowed to be carried forward to be used in the next year. The increase is also attributed to a decrease in credit balances in student accounts to be reclassified to accounts payable (\$3,772). The remaining portion is attributed to the timing of expenses incurred around year end.
Deferred revenue <i>(includes tuition payments for spring/summer, deposits (i.e. residence), and other payments for service in a future fiscal period.)</i>	\$ 25,582	\$ 27,019	\$ (1,437)	The change is primarily attributable to increased enrolment in spring/summer courses (\$1,520) and this is offset by decreasing student credit balances (\$2,840).
Deferred contributions <i>(includes unspent external grants and/or donations with restrictions)</i>	\$ 6,823	\$ 8,501	\$ (1,678)	The change is primarily attributable to the utilization of externally restricted grants.
Current portion of long-term debt	\$ 2,171	\$ 1,367	\$ 804	The change is attributable to the new loan for Marilyn I. Walker School of Fine and Performing Art of \$18,000.
Long-term debt <i>(includes loans for Earp, Lowenberger, 460 St. David's Road, and Cairns Family Health and Bioscience Research)</i>	\$ 58,300	\$ 43,071	\$ 15,229	The change is attributable to planned repayment of long-term debt in accordance with borrowing agreements and the new loan for Marilyn I. Walker School of Fine and Performing Art of \$18,000.
Debenture payable <i>(represents the \$93,000 bullet payment due in 2045)</i>	\$ 90,109	\$ 90,071	\$ 38	The change represents the amortization of deferred charges related to bond issuance costs. Deferred charges represented \$2,891 at April 30, 2015.
Deferred capital contributions <i>(represents the unamortized portion of donations and grants received specifically for the acquisition of capital)</i>	\$ 184,509	\$ 181,177	\$ 3,332	Additions include \$7,962 for 198 St. Paul Street, and \$2,110 in other grants and donations, offset by amortization of \$6,740.
Employee future benefit obligations <i>(represents non-pension future benefits which includes retiree medical, dental and health care spending accounts)</i>	\$ 19,646	\$ 41,728	\$ (22,082)	The change is attributable to an increase in post-retirement benefits and a reduction in the pension plan obligation. The liability for post-retirement benefits increased from \$17,891 to \$19,646 driven by a change in the discount rate, experienced claim costs and the retirement table.

Net Assets

	April 30, 2015	April 30, 2014	Change Increase / (Decrease)	Comments
Endowment	\$ 81,695	\$ 74,527	\$ 7,168	The growth is primarily attributable to investment income which is offset with \$5,000 of the Marilyn I. Walker endowment being unendowed to be used for the MIWSFPA building. Refer to financial statement note 10 for activity.
Invested in capital assets	\$ 67,816	\$ 70,937	\$ (3,121)	Invested in capital assets represents the net carrying value of capital assets. Refer to financial statement note 11 for activity.
Internally restricted	\$ 29,907	\$ 10,874	\$ 19,033	Internally restricted represents amounts internally committed. Refer to section 4 of this topic sheet.
Employee future benefits	\$ (11,515)	(41,728)	\$ 30,213	Employee future benefits are now reported as a separate section within net assets. Balance is equal to the employee future benefit obligation plus the employee future benefit asset.
Unrestricted	\$ 11	\$ (1,328)	\$ 1,339	Unrestricted represents the surplus/deficit of the University adjusted for transactions between other net asset accounts. A small uncommitted surplus which represents uncommitted cash is reflected.

Statement of Operations

Revenue

	April 30, 2015	April 30, 2014	Change Increase / (Decrease)	Comments
Student fees <i>(includes domestic and international tuition plus University specific ancillary fees)</i>	\$ 145,946	\$ 135,142	\$ 10,804	The change is attributable to an increase of 138 student headcount which has translated into an estimated \$1,821 and an estimated increase in tuition rates as approved by the Board of Trustees through the budget process \$8,983.
Government grants for general operations <i>(includes the base operating grants and all other grants for general purposes)</i>	\$ 90,783	\$ 91,966	\$ (1,183)	The change is consistent with budget forecasts and primarily attributable to Ministry funding cuts on operating grants (i.e. reduction of \$769 to operating grants and \$416 related to the international student recovery tax)
Ancillary operations <i>(includes revenue from the bookstore, parking, residence, brock one card, conference services)</i>	\$ 31,576	\$ 31,393	\$ 183	The change is attributable to a decline in Campus Store revenue which is offset by an increase in Conference Services and Parking revenue.
Sales and services <i>(includes interest earned on student accounts, deferral fees, facility rentals, membership fees, application fees and athletic fees)</i>	\$ 15,472	\$ 13,489	\$ 1,983	The increase is primarily a result of settling a lawsuit for \$600 and filing a Section 211 claim for \$440. The remaining portion is attributed to a number of activities in smaller dollar values across the University.
Grants and other revenues for restricted purposes <i>(includes general and non-endowed operating grants and donations)</i>	\$ 8,398	\$ 6,396	\$ 2,002	The change is primarily attributed to a one-time adjustment to recognize revenue previously deferred several years ago in error.
Investment income	\$ 1,759	\$ 1,647	\$ 112	The change is attributable to a higher average cash balance offset by reduced interest rates.
Research grants for restricted purposes <i>(includes direct research funding and activity)</i>	\$ 12,059	\$ 12,347	\$ (288)	This amount matches the research expenditures for the year. The change is directionally consistent with the reduction in deferred contributions.
Amortization of deferred capital contributions <i>(includes the amortization of grants and donations received for the acquisition of capital)</i>	\$ 6,740	\$ 6,897	\$ (157)	The amount of revenue recorded is based on the grant and/or donations multiplied by an amortization rate that mirrors the amortization rate of the asset for which the grant and/or donation was received. In year there were additions attributed to the FRP funding and General Brock Commemoration Project that were offset by other assets becoming fully amortized.

Expense

	April 30, 2015	April 30, 2014	Change Increase / (Decrease)	Comments
Salaries and benefits <i>(includes salary and benefits, except those paid through the "research, including fellowships" account)</i>	\$ 193,041	\$ 193,048	\$ (7)	Salaries and benefit expenses look flat year over year even as compensation for employees increased. The offset to the compensation increase was \$3,480 in savings resulting from reduced pension payment requirements following an updated actuarial valuation that put the plan as almost fully funded. The other major contributing factor was the in-year reduction of staffing as previously announced during the 2014-15 budget process.
Operating expenses <i>(includes stationery, photocopying, postage, printing, teaching supplies, technology operating costs, professional development, recruitment, memberships, advertising and promotion, consulting, legal, audit, insurance fees)</i>	\$ 25,797	\$ 25,227	\$ 570	The increase is attributed to Centre for the Arts artists fees increasing by \$257 and recruitment, relocation and start-up expenses increasing by \$218.
Scholarships, fellowships and bursaries <i>(includes graduate fellowships that are not included in "research, including fellowship" accounts, undergraduate bursaries and scholarships.</i>	\$ 17,695	\$ 17,912	\$ (217)	In aggregate scholarships, fellowships and bursaries expenses remained stable year over year.
Expandable equipment, repairs and maintenance <i>(includes maintenance of devices, building and grounds, minor repairs, electronic acquisitions for the library, software, cleaning costs for properties)</i>	\$ 8,255	\$ 10,513	\$ (2,258)	The reduction here is expected given the capital and related project underspending in-year. This is illustrated by the increase in the capital infrastructure and related project reserve included in internally restricted net assets.
Utilities and taxes <i>(includes hydro, water, natural gas, property taxes)</i>	\$ 7,914	\$ 8,090	\$ (176)	In aggregate utilities and taxes remained stable year over year. The decrease is a result of efficiencies realized with the cogeneration plant.
Interest on long-term debt	\$ 7,487	\$ 7,246	\$ 241	The change is attributable to the new loan for Marilyn I. Walker School of Fine and Performing Art of \$18,000.
Cost of sales <i>(includes cost of purchasing items for resale by Ancillary operations)</i>	\$ 7,176	\$ 7,921	\$ (745)	The reduction is consistent with the decline in Campus Store sales.
Research, including fellowships <i>(includes direct research activity that has corresponding funding)</i>	\$ 12,059	\$ 12,347	\$ (288)	This amount matches the research revenue for the year. The change is directionally consistent with the reduction in deferred contributions.
Amortization of capital assets	\$ 16,434	\$ 15,991	\$ 443	The change is attributable to the completion of various capital projects. Total capital additions were \$20,912 but only \$5,279 were considered substantially completed and eligible to begin amortizing.