

**Audited Financial Statements
for the year ended April 30, 2016**

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

Statement of Financial Position

Assets

| | April 30, 2016 | April 30, 2015 | Change Increase / (Decrease) | Comments |
|--|----------------|----------------|------------------------------|--|
| Cash and cash equivalents | \$ 49,139 | \$ 44,422 | \$ 4,717 | 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> | \$ 18,175 | \$ 18,314 | \$ (139) | The change is primarily attributable to a higher student accounts receivable resulting from rate increases and spring term activity (\$1,975 increase). The tax rebate receivable balance decreased \$527 from the prior year. The decrease is due to timing of purchases, primarily related to capital projects at year end. A non-student receivable balance also decreased \$528 from the prior year. The non-student receivable decrease is due to improved collection efforts on accounts. |
| Government grants receivable <i>(includes nursing grant, government research grants)</i> | \$ 2,716 | \$ 6,081 | \$ 3,365 | The change is attributable to the timing of payments receivable for the Collaborative Nursing Program (\$3,365 decrease). |
| Prepaid expenses and other assets <i>(includes payments for future economic benefit)</i> | \$ 132 | \$ 59 | \$ 73 | The change is attributable to a new prepaid license that was paid in April 2016 and related to the period of April 1, 2016 – March 31, 2017. |
| Inventories <i>(includes bookstore, natural gas, and various housekeeping and maintenance supplies)</i> | \$ 1,561 | \$ 1,499 | \$ 62 | The change is attributable to bookstore inventory increasing by \$58. |
| Restricted investments <i>(includes endowments, unspent capital grants, internal sinking fund, investments held for other restricted purposes)</i> | \$ 125,870 | \$ 125,520 | \$ 350 | The increase is attributed to endowments (\$1,403 increase) primarily driven by investment gains and the sinking fund (\$1,124 increase) as a result of investment gains. Gains were offset by a decrease in internally restricted net assets (\$1,973 decrease). |
| Capital assets | \$ 382,467 | \$ 379,349 | \$ 3,118 | Capital asset purchased were \$21,248, primarily the result of construction related the Aquatic Centre structural repair, artificial turf field, 198 St. Paul equipment, Goodman school expansion project and Cairns that were capitalized, offset by amortization of \$18,130. |
| Employee future benefits asset <i>(includes the accrued benefit asset for the pension plan)</i> | \$ - | \$ 8,131 | \$ (8,131) | The change is attributable to market returns of -0.06% for the fiscal year which was below the targeted actuarial return. Important to note is the accounting standards and actuarial calculation used to calculate this asset only reflects in-year market returns. As previously reported, it does not adjust the discount rate on the defined benefit costs. Looking forward the actuary is advising that we could see a reduced discount rate, which would increase the defined benefit costs and increase the reported liability of the plan in the future. |

Liabilities

| | April 30, 2016 | April 30, 2015 | 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> | \$ 25,329 | \$ 23,123 | \$ 2,206 | The increase is partially attributable to employee deductions related to the pension plan at year end (\$1,399 increase). The increase is also due to additional capital costs related to the Cairns building totaling \$3,270. This increase is offset with a number of invoices being paid by April 30 th to allow for a smoother transition to the new accounting platform, Workday. 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> | \$ 29,676 | \$ 30,780 | \$ (1,104) | The change is primarily attributable to increased enrolment in spring term courses (\$1,409 increase). This increase was offset by a decrease in student credit balances. |
| Deferred contributions <i>(includes unspent external grants and/or donations with restrictions)</i> | \$ 7,164 | \$ 6,823 | \$ 341 | The change is primarily attributable to the awarding and utilization of externally restricted grants. |
| Current portion of long-term debt | \$ 2,261 | \$ 2,171 | \$ 90 | The change is attributable to planned repayment of long-term debt in accordance with borrowing agreements. |
| Long-term debt <i>(includes loans for Earp, Lowenberger, 460 St. David's Road, and Cairns Family Health and Bioscience Research)</i> | \$ 56,039 | \$ 58,300 | \$ (2,261) | The change is attributable to planned repayment of long-term debt in accordance with borrowing agreements. |
| Debenture payable <i>(represents the \$93,000 bullet payment due in 2045)</i> | \$ 90,149 | \$ 90,109 | \$ 40 | The change represents the amortization of deferred charges related to bond issuance costs. Deferred charges represented \$2,851 at April 30, 2016. |
| Deferred capital contributions <i>(represents the unamortized portion of donations and grants received specifically for the acquisition of capital)</i> | \$ 181,021 | \$ 184,509 | \$ (3,488) | Additions include \$1,915 for the Goodman School Expansion project, \$864 for FRP and \$803 in other grants and donations, offset by amortization of \$7,072. |
| Employee future benefits obligations <i>(represents non-pension future benefits which includes retiree medical, dental and health care spending accounts)</i> | \$ 22,579 | \$ 19,646 | \$ 2,933 | The change is attributable to an increase in the pension obligation and post-retirement benefits. The liability for post-retirement benefits increased from \$19,646 to \$20,830 driven by a change in the discount rate, experienced claim costs and the retirement table. The pension liability change is discussed on page 3 of this topic sheet under Employee future benefits asset and represents a liability of \$1,749 which is reflected here. |

Net Assets

| | April 30, 2016 | April 30, 2015 | Change Increase / (Decrease) | Comments |
|-----------------------------------|----------------|----------------|------------------------------|---|
| Endowment | \$ 83,098 | \$ 81,695 | \$ 1,403 | The growth is primarily attributable to investment income. Investment returns of \$2,460 included a realized currency hedge gain of \$1,143 on April 29, 2016 which explains the higher cash balance in the endowment investment pool at April 30, 2016. Spending from the endowment totaled \$1,995. The balance of the change was new donations of \$938. |
| Invested in capital assets | \$ 75,768 | \$ 67,816 | \$ 7,952 | Invested in capital assets represents the net carrying value of capital assets. Refer to financial statement note 11 for activity. |
| Internally restricted | \$ 29,533 | \$ 29,907 | \$ (374) | Internally restricted represents amounts internally committed. Refer to section 4 of this topic sheet. |
| Employee future benefits | \$ (22,579) | \$ (11,515) | \$ (11,064) | The balance is equal to the employee future benefit obligation. The change is explained on pages 3 and 4 under Employee future benefits asset / obligation. |
| Unrestricted | \$ 22 | \$ 11 | \$ 11 | 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, 2016 | April 30, 2015 | Change Increase / (Decrease) | Comments |
|--|----------------|----------------|------------------------------|--|
| Student fees <i>(includes domestic and international tuition plus University specific ancillary fees)</i> | \$ 152,369 | \$ 145,946 | \$ 6,423 | The change is attributable to an increase in tuition rate increases and student mix offset by a 2% headcount reduction. |
| Government grants for general operations <i>(includes the base operating grants and all other grants for general purposes)</i> | \$ 88,784 | \$ 90,783 | \$ (1,999) | The change is consistent with budget forecasts and primarily attributable to Ministry funding reductions related to the Faculty of Education. |
| Ancillary operations <i>(includes revenue from the bookstore, parking, residence, Brock One Card, conference services)</i> | \$ 32,073 | \$ 31,576 | \$ 497 | The change is attributable to an increase in Campus Store (\$177) and Conference Services (\$536) revenue which is offset by a decrease in Dining & Hospitality (\$164). Parking revenue was consistent with the prior year. |
| Sales and services <i>(includes interest earned on student accounts, deferral fees, facility rentals, membership fees, application fees and athletic fees)</i> | \$ 11,986 | \$ 15,472 | \$ (3,486) | In the prior year there was a lawsuit settlement for \$600. The Section 211 claim decreased by \$190 from the prior year. Since the Centre for the Arts is now run by the City of St. Catharines, there were no ticket sales in 2015-16. Prior year ticket sales were \$990. 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> | \$ 7,944 | \$ 8,398 | \$ (454) | The change is primarily attributed to a one-time adjustment in the prior year to recognize revenue previously deferred several years ago in error. |
| Investment income | \$ 1,195 | \$ 1,759 | \$ (564) | The change is attributable lower interest rates resulting in a decrease in returns in the operating fund (\$109) and a decrease in returns on the sinking fund (\$445). |
| Research grants for restricted purposes <i>(includes direct research funding and activity)</i> | \$ 11,617 | \$ 12,059 | \$ (442) | This amount matches the research expenditures for the year. The change is consistent with the increase in deferred contributions. |
| Amortization of deferred capital contributions <i>(includes the amortization of grants and donations received for the acquisition of capital)</i> | \$ 7,072 | \$ 6,740 | \$ 332 | 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, General Brock Commemoration Project and the Goodman School Expansion Project that were offset by other assets becoming fully amortized. |

Expense

| | April 30, 2016 | April 30, 2015 | Change Increase / (Decrease) | Comments |
|--|----------------|----------------|------------------------------|---|
| Salaries and benefits <i>(includes salary and benefits, except those paid through the "research, including fellowships" account)</i> | \$ 195,501 | \$ 193,041 | \$ 2,460 | The increase in salary and benefits is primarily due to rate increases offset by in-year temporary vacancies partially stemming from the six-month hiring delay and decrease in personnel costs of \$660 related to the transition of the Performing Arts Centre to the City of St. Catharines. |
| 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> | \$ 30,613 | \$ 25,797 | \$ 4,816 | The increase is primarily attributed to the new Performing Art Centre fee of \$670, the new Finance system \$2,277 and legal fees increasing by \$675. The remaining portion is attributed to a number of activities in smaller dollar values across the University. |
| Scholarships, fellowships and bursaries <i>(includes graduate fellowships that are not included in "research, including fellowship" accounts, undergraduate bursaries and scholarships.</i> | \$ 18,217 | \$ 17,695 | \$ 522 | The increase in scholarships, fellowships and bursaries is related to the planned changes to the scholarships, fellows and bursaries. |
| 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> | \$ 9,758 | \$ 8,255 | \$ 1,503 | The increase year over year is a result of an increase in IT related maintenance fees of \$200, an increase in Health and Fitness Centre minor repairs of \$72 and an increase of repairs and maintenance in the statement of operations of \$960. |
| Utilities and taxes <i>(includes hydro, water, natural gas, property taxes)</i> | \$ 8,129 | \$ 7,914 | \$ 215 | In aggregate utilities and taxes remained stable year over year. The slight increase is a result of rate increases. |
| Interest on long-term debt | \$ 7,439 | \$ 7,487 | \$ (48) | The change is attributable to planned repayment of long-term debt in accordance with borrowing agreements. |
| Cost of sales <i>(includes cost of purchasing items for resale by Ancillary operations)</i> | \$ 7,221 | \$ 7,176 | \$ 45 | The change is consistent with the increase in Campus Store sales. |
| Research, including fellowships <i>(includes direct research activity that has corresponding funding)</i> | \$ 11,617 | \$ 12,059 | \$ (442) | This amount matches the research revenue for the year. The change is consistent with the increase in deferred contributions. |
| Amortization of capital assets | \$ 18,130 | \$ 16,434 | \$ 1,696 | The change is attributable to the completion of various capital projects. Total capital additions were \$21,248 but only \$13,138 were considered substantially completed and eligible to begin amortizing. |