

**Audited Financial Statements
for the year ended April 30, 2017**

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

Statement of Financial Position

Assets

	April 30, 2017	April 30, 2016	Change Increase / (Decrease)	Comments
Cash and cash equivalents	\$ 45,149	\$ 49,139	\$ (3,990)	Refer to the cash flow statements in the financial statements for additional activity.
Accounts receivable <i>(includes student, external organizations and tax rebates)</i>	\$ 21,150	\$ 18,175	\$ 2,975	The change is primarily attributable to a higher student accounts receivable resulting from rate increases and spring term activity \$2,764. The tax rebate receivable balance decreased (\$461) from the prior year. The decrease is due to timing of purchases, primarily related to capital projects at year-end. This is offset with a receivable from Ontario University Application Centre for application revenue of \$315.
Government grants receivable <i>(includes nursing grant, government research grants)</i>	\$ 3,136	\$ 2,716	\$ 420	The change is attributable to the Ontario Research Fund – Research Excellence grant receivable for \$287, an increase in the nursing grant \$98 with the balance related to other operating grants.
Prepaid expenses and other assets <i>(includes payments for future economic benefit)</i>	\$ 191	\$ 132	\$ 59	The change is attributable to a new prepaid license for Workday.
Inventories <i>(includes bookstore, natural gas, and various housekeeping and maintenance supplies)</i>	\$ 1,767	\$ 1,561	\$ 206	The change is attributable to bookstore inventory increasing by \$167 and Central Utilities Building inventory increasing by \$28.
Restricted investments <i>(includes endowments, unspent capital grants, internal sinking fund, investments held for other restricted purposes)</i>	\$ 152,715	\$ 125,870	\$ 26,845	Increase to endowments of \$10,599 and increase to sinking fund of \$766 as a result of investment gains, as well as increases to internally restricted net assets of \$9,180 from the prior year. Unspent donations and government grants for capital contributions increased \$7,272.
Capital assets	\$ 380,464	\$ 382,467	\$ (2,003)	Capital assets purchased were \$16,452, primarily the result of construction related to the Goodman school expansion project, the Brock Linc and DEEP project, offset by amortization of \$18,455.
Employee future benefits asset <i>(includes the accrued benefit asset for the pension plan)</i>	\$ 11,574	\$ -	\$ 11,574	The change is attributable to market returns for the fiscal year which being above 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, 2017	April 30, 2016	Change Increase / (Decrease)	Comments
Accounts payable and accrued liabilities <i>(includes to be paid general operating, payroll and construction (i.e. GSB Building and Brock Linc) related expenses)</i>	\$ 23,209	\$ 25,329	\$ (2,120)	In the prior year there was a large payable related to additional capital costs for the Cairns building totaling \$3,270 that was paid in 2016-17. This is offset by employee deductions payable increasing by \$200 from the prior year. 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>	\$ 30,689	\$ 29,676	\$ 1,013	The change is primarily attributable to increased enrolment and tuition rate for spring term courses.
Deferred contributions <i>(includes unspent external grants and/or donations with restrictions)</i>	\$ 7,285	\$ 7,164	\$ 121	The change is primarily attributable to the awarding and utilization of externally restricted grants.
Current portion of long-term debt	\$ 2,357	\$ 2,261	\$ 96	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, Marilyn I. Walker School of Fine and Performing Arts Building, and Cairns Family Health and Bioscience Research)</i>	\$ 53,682	\$ 56,039	\$ (2,357)	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>	\$ 90,191	\$ 90,149	\$ 42	The change represents the amortization of deferred charges related to bond issuance costs. Deferred charges represented \$2,809 at April 30, 2017.
Deferred capital contributions <i>(represents the unamortized portion of donations and grants received specifically for the acquisition of capital)</i>	\$ 188,073	\$ 181,021	\$ 7,052	Additions include \$5,000 grant for the Goodman School Expansion project, \$6,700 for SIF projects, \$524 for the Facilities Renewal Program and \$2,284 in other grants and donations, offset by amortization of \$7,468.
Employee future benefits obligations <i>(represents non-pension future benefits which includes retiree medical, dental and health care spending accounts)</i>	\$ 24,530	\$ 22,579	\$ 1,951	The change is attributable to the pension obligation changing from a liability in 2015-16 to an asset in 2016-17 and an increase in post-retirement benefits. The liability for post-retirement benefits increased due to a reduction in the discount rates. The pension liability change is discussed on page 1 of this topic sheet under Employee future benefits asset and represents an asset \$11,574.

Net Assets

	April 30, 2017	April 30, 2016	Change Increase / (Decrease)	Comments
Endowment	\$ 93,697	\$ 83,098	\$ 10,599	The growth is primarily attributable to investment income of \$1,987 and an unrealized investment gain of \$9,158. Spending from the endowment totaled \$1,999. The balance of the change was new donations of \$1,453.
Invested in capital assets	\$ 76,630	\$ 75,768	\$ 862	Invested in capital assets represents the net carrying value of capital assets. Refer to financial statement note 11 for activity.
Internally restricted	\$ 38,713	\$ 29,533	\$ 9,180	Internally restricted represents amounts internally committed. Refer to appendix 5 of this topic sheet.
Employee future benefits	\$ (12,956)	\$ (22,579)	\$ 9,623	The balance is equal to the employee future benefit obligation. The change is explained on pages 1 and 2 under Employee future benefits asset / obligation.
Unrestricted	\$ 46	\$ 22	\$ 24	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, 2017	April 30, 2016	Change Increase / (Decrease)	Comments
Student fees <i>(includes domestic and international tuition plus University specific ancillary fees)</i>	\$ 158,451	\$ 151,471	\$ 6,980	The change is attributable to an increase in tuition rate and student mix and a 0.9% increase in enrolment.
Government grants <i>(includes the base operating grants and all other grants for general purposes)</i>	\$ 94,160	\$ 92,462	\$ 1,698	The change is driven from an increase in the Undergraduate Accessibility grant as a result of negotiated changes with the Province in how the Registrar reports enrolment for funding purposes.
Ancillary operations <i>(includes revenue from the bookstore, parking, residence, hospitality services, conference services)</i>	\$ 31,329	\$ 32,295	\$ (966)	The change is attributable to a decrease in Campus Store revenue (\$1,390) and offset by an increase in parking revenue \$456 and Residence and Conference Services revenue \$253. Hospitality Services revenue is 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>	\$ 13,771	\$ 12,662	\$ 1,109	The Section 211 claim increased by \$800 from the prior year, the VISA rebate increased by \$68 and interest on student accounts increased by \$417. The remaining portion is attributed to a number of activities in smaller dollar values across the University.
Other revenues for restricted purposes <i>(includes general donations and non-endowed and endowment donation revenue earned)</i>	\$ 4,282	\$ 4,266	\$ 16	The change is primarily attributed to an increase in revenue recognized from spending of non-endowed trust accounts. This is offset with fewer general donations being received.
Investment income	\$ 2,218	\$ 1,195	\$ 1,023	The change is a result of higher yield earned on operating investments \$166 and a 12.96% rate of return earned on the Mawer's balanced fund (2.75% 2015-16) used for investing the sinking fund and employee future benefits reserve \$857.
Research grants for restricted purposes <i>(includes direct research funding and activity)</i>	\$ 12,318	\$ 11,617	\$ 701	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>	\$ 7,468	\$ 7,072	\$ 396	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 Marilyn I. Walker School of Fine and Performing Arts Building had a full year of amortization. This is offset by other assets becoming fully amortized.

Expense

	April 30, 2017	April 30, 2016	Change Increase / (Decrease)	Comments
Salaries and benefits <i>(includes salary and benefits, except those paid through the "research, including fellowships" account)</i>	\$ 201,124	\$ 195,754	\$ 5,370	The increase in salary and benefits relates to BUFA \$2,413 and non BUFA \$2,957.
Operating expenses <i>(includes stationery, photocopying, postage, library acquisitions, printing, teaching supplies, technology operating costs, professional development, recruitment, memberships, advertising and promotion, consulting, legal, audit, insurance fees)</i>	\$ 33,569	\$ 32,515	\$ 1,054	The increase is primarily attributed to an increase in library acquisitions of \$1,200. The remaining change 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>	\$ 19,629	\$ 18,217	\$ 1,412	The increase in scholarships, fellowships and bursaries is related to the planned changes to the scholarships, fellowships and bursaries.
Expendable equipment, repairs and maintenance <i>(includes maintenance of devices, building and grounds, minor repairs, electronic software, cleaning costs for properties)</i>	\$ 7,726	\$ 7,603	\$ 123	Overall spending on expendable equipment, repairs and maintenance remains stable as minor repairs vary from year to year. Slight increase is due to subscription fee related to the new HR system. Some minor repair projects in 2016-17 included the Welch Hall water main break \$15, asbestos remediation \$25, bottle fillers \$15, sewage pump repairs \$20 and additional insulation \$25.
Utilities and taxes <i>(includes hydro, water, natural gas, property taxes)</i>	\$ 8,052	\$ 8,129	\$ (77)	In aggregate, utilities and taxes remained stable year over year. There is a slight increase as a result of rate increases but this was offset by a warm winter and efficiencies from energy projects.
Interest on long-term debt	\$ 7,330	\$ 7,439	\$ (109)	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>	\$ 6,976	\$ 7,221	\$ (245)	The change is consistent with the decrease in Campus Store sales.
Research, including fellowships <i>(includes direct research activity that has corresponding funding)</i>	\$ 12,318	\$ 11,617	\$ 701	This amount matches the research revenue for the year. The change is consistent with the increase in deferred contributions.
Amortization of capital assets	\$ 18,455	\$ 18,130	\$ 325	The change is attributable to the completion of various capital projects. Total capital additions were \$16,452 but only \$4,921 were considered substantially completed and eligible to begin amortizing.