



BURMAN
UNIVERSITY

Annual Report

2015-2016

October 2016

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ACCOUNTABILITY STATEMENT



THINK.
BELIEVE.
ACT.

October 30, 2016

The Honourable Marlin Schmidt
Minister of Advanced Education
402 Legislature Building
10800 – 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Schmidt:

Burman University presents the 2015-2016 annual report indicating how the institution has met its responsibilities along with challenges during the past academic year. We are privileged to be a partner in the post-secondary sector providing quality education, not only for Alberta students, but also for those coming to the University from across Canada as well as around the world. The mission of educating students to think with discernment, to believe with insight and commitment and to act with confidence, compassion, and competence continues to inform all campus planning and activity.

As Chair of the Board of Trustees of Burman University, I am pleased to present the 2015-2016 Annual Report and to confirm the following statement:

Burman University's Annual Report for the year ended April 30, 2016, was prepared under the Board's direction in accordance with ministerial guidelines. All material economic, environmental, or fiscal implications of which we are aware have been considered in the preparation of this report.

Sincerely,

Mark Johnson
Chair, Board of Trustees
Burman University

MANAGEMENT'S RESPONSIBILITY FOR REPORTING



THINK.
BELIEVE.
ACT.

October 30, 2016

The Honourable Marlin Schmidt
Minister of Advanced Education
402 Legislature Building
10800 – 97 Avenue
Edmonton, AB T5K 2B6

Dear Minister Schmidt:

Burman University's management is responsible for the preparation, accuracy, objectivity and integrity of the information contained in the Annual Report including the financial statements, performance results, and supporting management information.

Systems of internal control are designed and maintained by management to produce reliable information to meet reporting requirements. The system is designed to provide management with reasonable assurance that transactions are properly authorized, reliable financial records are maintained, and assets are properly accounted for and safeguarded.

The Annual Report is prepared in accordance with Ministerial guidelines.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mark Haynal".

Mark Haynal, EdD
President

MESSAGE FROM THE PRESIDENT

Having adopted to a new institutional name during the 2014-15 academic year, Burman University focused in 2015-16 on important transitions in policy, practice and leadership. In March, 2015, Dr. Noble Donkor was selected to serve as Vice President for Academic Administration. Having earned his doctorate from the University of Alberta and subsequently served this institution for 12 years as a professor of biology, Dr. Donkor understands the context and culture of post-secondary education both in Alberta and on this campus.

Another key change in leadership brought Sergie Ferrer to the position of Vice President for Marketing and Enrolment. The Board of Trustees believes the change in leadership in this important unit will result in steadily increasing enrolment, with significant gains in the number of students from Central Alberta.

To support the institution's efforts to increase the number of Central Alberta students served, administration dramatically increased financial support for advertising and recruiting in the Ponoka-Lacombe-Blackfalds-Red Deer corridor.

In addition to significantly increased advertising and recruitment efforts, Burman University also offers potential students an impressive array of renewable scholarships. In 2015-16 just over 25% of tuition income was returned to student accounts in the form of scholarships.

Burman University's August 2015 opening enrolment was 423.4 FTE, a slight decrease from August 2014's 424.8. Although enrolment remains lower than our strategic goal of 500 FTE, that it was essentially stable between 2014-15 and 2015-16 while at the same time the Province increased funding resulted in a year of relative financial stability, allowing the institution to fulfill all aspects of its mandate.

Enrolment stability and an increase in funding from the province allowed the institution to further expand its support of faculty development and research. Dr. Glen Graham was hired to assist faculty in developing research proposals. Full funding was provided to reduce the teaching loads of faculty engaged in research and scholarly presentations. In 2015-16 59% of faculty were engaged in scholarly research and/or presentations.

During the 2015-16 academic year 87% of Burman University's faculty reported participation in at least one of 485 different local and/or global service events. Nearly all of Burman's faculty reported active involvement in professional development opportunities.

We are especially pleased that our proposal for a 4-year Wellness degree was approved during the 2015-16 academic year. There is strong demand for this degree in Central Alberta.

Enhancements to course offerings and improvements policies and procedures are merely the tools by which this institution accomplishes its most important work: Enabling


students to successfully complete their academic program and enter graduate school or employment. Of particular interest are the results of the 2015-16 Graduation Exit Survey that confirm student satisfaction is high. Shown below are a small sample from those results. (Students responded using a 5-point Likert scale.)

My program will be relevant to my career.	4.38
My program gave me the desire to continue learning.	4.37
The quality of teaching was high in my program.	4.09
Burman University helped me develop problem-solving skills.	4.02
Burman University helped me appreciate other cultures.	4.19

Results from the 2015 administration of the National Survey of Student Engagement revealed many areas in which Burman University's 4th-year students perform well above the Canadian average for their peers. For example, the average number of pages of assigned writing for 4th-year Canadian university students is 100.8. At Burman University it is 112. Across Canada 62% of 4th-year university students report being engaged in what NSSE refers to as "high impact practices." At Burman University it is 75%.

During the 2015-16 academic year Burman University continued its outreach to Lacombe and surrounding communities with a variety of cultural and educational events. The Herr Lecture Series grew in popularity and has attracted the additional donors. The City of Lacombe and SERVUS Credit Union continued their sponsorship the Sunday@7 Concert Series. Burman University also continued to steadily increase the number of classes available to the community through the "Don't Hibernate" continuing education program. As it has for many years, in 2015-16 Burman's aquatics program again taught roughly 1000 area school children how to swim.

While significant challenges persisted, 2015-16 was academically and financially a successful year and I am very pleased to report that Burman University continued with passion and great efficacy to pursue its mission to "educate students to think with discernment, to believe with insight and commitment and to act with confidence, compassion and competence." The following report will provide a more detailed description of how this was accomplished.



Mark Haynal, EdD
President, Burman University

PUBLIC INTEREST DISCLOSURE ACT

Burman University received no disclosures under the Public Interest Disclosure Act for the fiscal year April 1st, 2015 to March 31, 2016.

Description from Alberta Education

Describe any significant changes in the institutional environment from the projections made in the CIP. Key drivers may include any significant changes to international, national, provincial, or regional demographic, social and economic trends, and should also outline the institution’s response to workforce trends.

The operational overview should also include any major changes to programming, in terms of overall increases or decreases as a result of trends. The overall Annual Report should attempt to integrate the information from the operational overview into the results reported in other areas of the report.

Core Programs

The core academic programs at Burman University are offered within four academic units: the Division of Arts, the Division of Science, the School of Business and the School of Education. Following is a list of 39 degree program options and 41 minors that are offered at Burman University.

Division/ School	Degrees	Minors
Division of Arts	Bachelor of Arts (BA) Four-Year Degrees <ul style="list-style-type: none"> ▪ Adventure Based Counselling ▪ Behavioural Science ▪ English ▪ International Studies ▪ Music ▪ Religious Studies 	<ul style="list-style-type: none"> ▪ Applied Christianity ▪ Art ▪ Biblical Languages ▪ Canadian Studies ▪ English ▪ French ▪ History ▪ Music ▪ Music Education ▪ Philosophy ▪ Political Science ▪ Religious Studies ▪ Religious Studies Pre-professional ▪ Writing
	Bachelor of Arts (BA) Three-Year Degrees <ul style="list-style-type: none"> ▪ Adventure Based Counselling ▪ Business Administration ▪ English ▪ General Studies ▪ History ▪ International Health and Wilderness Studies ▪ Music ▪ Outward Pursuits ▪ Religious Studies 	
	Bachelor of Music (BMus) Four-Year Degree <ul style="list-style-type: none"> ▪ Performance 	

Division of Science	Bachelor of Science (BSc) Four-Year Degrees <ul style="list-style-type: none"> ▪ Biology <ul style="list-style-type: none"> ● Biology (General) Track ● Biomedical Track ● Environmental Studies Track ▪ Psychology ▪ Wellness 	<ul style="list-style-type: none"> ▪ Adventure Programming ▪ Biology ▪ Chemistry ▪ Counselling Psychology ▪ Environmental Science ▪ Environmental Studies ▪ Industrial-Org. Behaviour ▪ Mathematics ▪ Outward Pursuits ▪ Physical Education ▪ Physical Science ▪ Psychology ▪ Sociology ▪ Wellness
	Bachelor of Science (BSc) Three-Year Degrees <ul style="list-style-type: none"> ▪ Biology ▪ General Studies ▪ Psychology ▪ Wellness 	
School of Business	Bachelor of Business Administration (BBA) Four-Year degrees <ul style="list-style-type: none"> ▪ Business Administration with four tracks <ul style="list-style-type: none"> ● Accounting ● Human Resource Management ● International Business ● Management 	<ul style="list-style-type: none"> ▪ Business
School of Education	Bachelor of Education (BEd) Four- Year degrees <ul style="list-style-type: none"> ▪ Elementary Education ▪ Secondary Education with seven specializations <ul style="list-style-type: none"> ● Biology ● Business ● English ● Mathematics ● Music ● Religious Studies ● Social Studies Bachelor of Education After Degree-(BEd AD) <ul style="list-style-type: none"> Elementary Education Secondary Education 	<ul style="list-style-type: none"> ▪ Art Education ▪ Biology Education ▪ Business Education ▪ Chemistry Education ▪ English Education ▪ French Education ▪ Mathematics Education ▪ Music Education ▪ Physical Education ▪ Physical Science Education ▪ Religious Studies Education ▪ Social Studies Education

The 2015-16 academic year was the first year the institution operated as Burman University. The Alberta government granted the independent universities the option of dropping “college” from “university college” in 2014. After an intensive process of focus groups, the university chose Burman University as the new name. The university is named after Charles A. and Leona Burman the husband and wife team who founded the institution in 1907. Charles A. Burman served as the first and third President (Principal) of the school that would become CUC (Canadian University College). Leona Burman taught English, science, language, geography, physiology, and acted as school nurse. Both Charles and Leona devoted their entire lives to service. The private bill went through the Alberta Legislature late in 2015 and in April 2016 the university graduated the first class under the new name.

This academic year saw enrolment holding steady from the year before with less a less than 1% decrease in headcount. One of the greatest challenges to maintaining our enrolment is the increasingly size of the graduating classes. Last year was no exception when we graduated the largest class the institution has ever had. We anticipate the graduating class sizes will be decreasing over the next few years as the classes from our initial decline in enrolment are now graduating. Overall retention is well above our target of 70%. At the forefront of our retention concerns is the steady decline of our new student retention rate.

At the end of the reporting period, we had two professors retire. Two new professors were hired. Jenipher Chitate, Assistant Professor of Business, teaches accounting courses in the business department. Dr. Pekka Määttänen, Assistant Professor of Biology, was hired to replace Dr. Noble Donkor as he moved into the role of Vice-President for Academic Administration. Dr. Määttänen has an enviable research record and over a dozen published articles on his CV. We’re confident that his participation in the biology department will help increase our research output.

The second season of the Herr Lecture Series was even more successful than the first year. A talk from Dr. Samantha Nutt, founder of *War Child*, filled our administration building auditorium. Subsequent lectures from Dr. David Goa and Dr. Don Carmichael, Dr. Arlette Zinck, and Dr. James Daschuk were all very well received and presented to a full amphitheatre classroom. These lectures continue to be an opportunity to engage our students, faculty, staff, and the local community in thoughtful dialogue about a variety of topics under the umbrella of humanities.

Hail and other ongoing damage resulted in the need to demolish North Hall. North Hall housed a student lounge, the Student Success Centre, janitorial services, and the yearbook/newspaper office. Departments were subsequently relocated throughout the campus. The School of Business relocated to the lower level of the McKibbin Centre, giving the department more space. The Office of Academic Administration moved into their old offices on the top floor of the administration building and the old Academic Office was remodeled to accommodate the growing Student Services department.

In keeping with Burman University’s accessibility plan, the entryway of Lakeview Hall was renovated to be wheelchair accessible. We still have a long way to go to make the campus

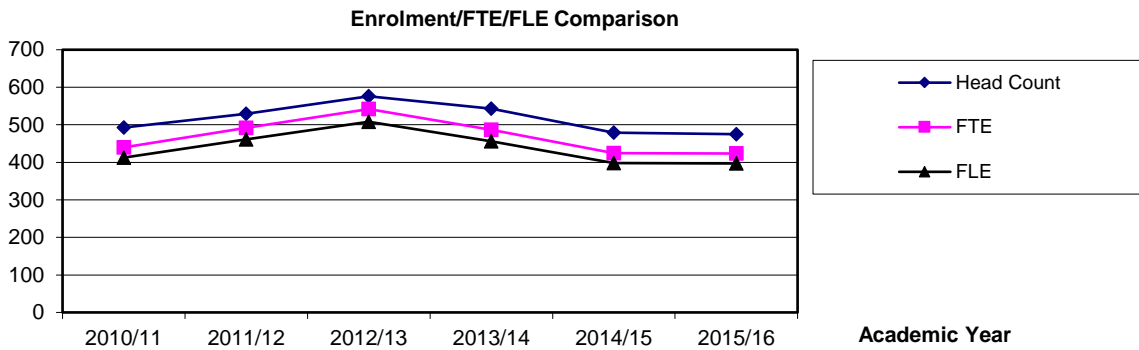
fully accessible – the campus was built on a hill over 100 years ago and our oldest buildings are about 80 years old.

A four-year Bachelor of Science in Wellness was approved by Campus Alberta Quality Council. Burman University has offered a three-year degree since 2001 and has been a consistently strong program. The offering of a four-year degree gives students more opportunities for the pursuit of graduate work and allows students to study higher level content in health education. This upcoming April we anticipate graduating three students from the four-year program.

Burman's faculty and staff are aging and each year comes with a handful of retirements to replace. This continues to present opportunities to reduce the institution's workforce without resorting to involuntarily layoffs. Coping with issues of employee satisfaction and workload during a time of reduction while concurrently planning for retirements and successions within the context of a very competitive labour market create a negative environmental factor administration must deal with for the next ten years.

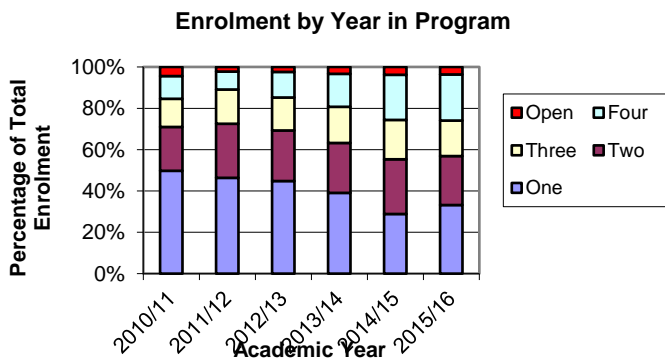
Burman University's most cherished positive environmental factor continues to be the good character, incredible talent and academic achievement of its students. Student behaviour and academic achievement during the 2015-16 academic year were outstanding. The percentage of Burman University students involved in regular community service is above the national average. Student leadership in campus life and their involvement in nearly every governance committee are ongoing positive environmental factors.

ENROLMENT/FTE/FLE COMPARISON	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Total Head-Count Enrolment (All Programs)	493	529	576	543	479	475
Total Full-Time Equivalent (15 crs)	439.6	492.13	541.93	486.73	424.83	423.43
Total Full-Load Equivalent (16 crs)	412.1	461.38	508.06	456.31	398.28	396.97

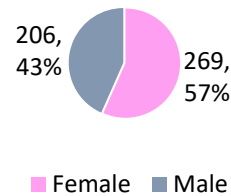


ENROLMENT BY CONFERENCE/AREA	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
Alberta/NW Territories/Nunavut	199	203	238	216	201	196
British Columbia/Yukon	84	99	90	85	72	68
Manitoba/Saskatchewan	15	19	18	22	15	22
Ontario	111	117	136	128	101	101
Quebec	15	22	17	17	21	18
Maritimes	14	14	16	16	15	16
Newfoundland/Labrador	1	1	2	3	0	1
United States	39	31	36	39	39	38
International	15	23	23	17	15	15
TOTAL	493	529	576	543	479	475

ENROLMENT BY YEAR IN PROGRAM	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16
One	245	245	258	212	138	158
Two	105	139	141	131	127	112
Three	67	87	92	95	91	82
Four	54	46	71	87	105	106
Open	22	12	14	18	18	17
TOTAL	493	529	576	543	479	475



Gender



Gender	2011/12	2012/13	2013/14	2014/15	2015/16
Female	269	301	297	248	269
Male	260	275	246	231	206
	529	576	543	479	475

ENROLMENT BY PROGRAM OF STUDY	2011/12	2012/13	2013/14	2014/15	2015/16
Bachelor of Arts (4-Year)					
Adventure Based Counseling	10	9	12	8	8
Behavioural Science	18	18	25	26	26
English	13	16	16	11	11
International Studies (Opened 01 May 2010)	9	10	9	4	7
Music	14	10	9	7	7
Religious Studies	11	8	8	11	14
Religious Studies (ABYL)	4	7	7	4	3
Religious Studies (Pre-Professional)	49	61	45	38	41
Subtotal	128	139	131	109	117
Bachelor of Business Administration (4-Year)					
Accounting Track	22	14	17	19	14
Human Resource Management Track	5	4	2	4	2
International Business Track	10	8	8	3	3
Management Track	15	22	25	23	14
Business Administration	2	3	0	0	0
Subtotal	54	51	52	49	33
Bachelor of Music (4-Year)	8	11	7	4	5
Bachelor of Science (4-Year)					
Biology	22	25	19	13	24
Biology: Bio-Medical Track	63	84	81	64	51
Biology: Environmental Science Track	4	3	2	3	2
Psychology	47	44	36	35	33
Subtotal	136	156	138	115	110
Bachelor of Education					
Elementary	57	66	56	50	44
Secondary	39	36	30	21	25
After Degree Elementary (Opened 2011/12)	1	4	12	13	13
After Degree Secondary (Opened 2011/12)	5	5	5	12	9
Subtotal	102	111	103	96	91
Bachelor of Arts (3-Year)					
Adventure Based Counseling	0	0	2	3	4
Business Administration	3	4	1	4	3
English	2	1	1	1	2
General Studies	23	32	31	25	31
History	4	4	3	2	3
Intern'l Health & Wilderness Studies	4	5	6	4	2
Music	0	0	0	0	1
Outdoor Adventure Business Studies	0	0	0	0	0
Outward Pursuits	5	9	6	8	6
Religious Studies	2	3	1	2	4
Subtotal	43	58	51	49	56

Bachelor of Science (3-Year)					
Biology	12	8	10	5	5
General Studies	12	13	12	12	12
Psychology (Opened 01 May 2001)	3		2	2	3
Wellness Management (Opened 01 May 2001)	19	16	19	20	26
Subtotal	46	37	43	39	46
Open	12	13	18	18	17
TOTAL ENROLMENT	529	576	543	479	475

Retention Statistics: Based on Fall To Fall Enrolment										
Year	Previous Enrolment	Grads	Eligible to Return	Fall Enrolment	New Students	New Previous Year Continuing	Returned	Total New ¹	Overall Retention Rate ²	New Student Retention Rate ³
2005/06	422	72	350	398	119	79	245	153	70%	
2006/07	398	96	302	372	110	81	222	150	74%	68%
2007/08	372	79	293	360	111	86	205	155	70%	78%
2008/09	360	61	299	352	91	68	207	145	69%	61%
2009/10	352	62	290	409	148	71	224	185	77%	78%
2010/11	409	59	350	493	180	118	268	225	77%	80%
2011/12	493	66	427	529	172	130	312	217	73%	72%
2012/13	529	56	473	576	151	133	375	203	79%	77%
2013/14	576	102	474	543	132	119	364	179	77%	79%
2014/15	543	110	433	479	116	92	321	158	74%	70%
2015/16	479	110	369	475	148	78	285	190	77%	67%
										73% Average
¹ Includes										
	1. New Students									
	2. New students in Winter term of the previous year that are returning									
	3. Any returning student that has been away for at least one year									
² (Returned / Eligible to Return)										
³ (New Previous Year Continuing / Previous Year's "New Students")										

GOALS, PRIORITY OUTCOMES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

Goals, Priority Initiatives & Expected Outcomes (Linked to Goals)			
G1: Access	Increase enrolment to a stable minimum of 500 FTE students.	September 30, 2019	Our current target market is the Central Alberta area. The amount of students recruited from Central Alberta public high schools has steadily increased over the past 3 years and we anticipate these numbers to continue climbing as we make a concerted effort to advertise and recruit in this area.
P1a	Increase the number, amount, and awareness of scholarships for students coming from Central Alberta's public high schools.	September 30, 2019	
E01a	A yearly average of 40 1 st year Burman students who graduated from a Central Alberta public high school.	September 30, 2019	
G2: Access	Develop greater awareness and ownership of Burman University among its various constituent groups.	May 30, 2019	The Herr Lecture series continue to be an opportunity to engage our students, faculty, staff, and various constituency groups on issues such as social justice. The Burman university community wellness initiative has been providing the community with public health (physical, mental and emotional), nutrition and lifestyle lectures and seminars.
P2a	Present each year 10 appealing public events that promote physical, mental, or emotional wellness.	September 30, 2018	
E02a	10 successful events promoting wellness	September 30, 2018	
P2b	Increase promotion and advertising of University events in Central Alberta newspapers and radio station.	May 30, 2017	Marketing and Enrolment Services has initiated a Central Alberta campaign focusing on advertisement and public relations in the local area through newspaper and radio.
E02b	Increased community attendance at University events.	May 30, 2017	
G3: Access	Increase enrolment of First Nations students, and improve policies and understanding of First Nations issues in line with the Truth and Reconciliation Recommendations	On-going	An FNMI program director was hired. Her roles on campus include educating faculty, staff, and students of First Nations issues and supporting Aboriginal students.

P3a	FNIM Program Director recruits FNIM students and supports their progress on campus	September 30, 2019	Progress continues to be made on the goal of an opening enrolment of 15 FNMI students. Over the past 4 years the average has been 10 students.
E03a	An opening enrolment of 15 FNIM students.	September 30, 2019	
P3b	FNMI Program Director helps develop policies appropriate to FNIM students and develops program to increase campus awareness and understanding of FNIM culture.	September 30, 2019	One of the greatest challenges faced by FNMI students at Burman University is the lack of a bridging program for those that need help adjusting to the rigours of university education and adjusting to the cultural differences for those living on campus or who have moved away from home. The FNMI program director continues to work closely with admissions, student services, and the student success centre to ensure that our FNMI students are receiving the support they need.
E03b	Policies in place, and documented number of events featuring awareness of FNIM culture.	September 30, 2019	
G4: Access	Fully remodel and expand the library.	August 15, 2020	The Campus of the Future Committee has made this project a top priority. They are working Camdon Construction in the planning phase.
P4a	Development of architectural plans for a remodeled and expanded library.	September 30, 2017	
E04a	Architectural plans and drawings completed.	September 30, 2017	
P4b	\$2 million raised for Phase 1 of the library remodel and expansion.	September 30, 2018	As the planning phase solidifies the plans for the remodel, Advancement will work with donors to develop the fundraising plan. The Advancement department will be experiencing turnover and restructuring within the next year.
E04b	Donors have contributed or pledged a total of \$2 million for the first phase of the library remodel and expansion.	September 30, 2018	
G5: Affordability	Develop a resilient financial base for campus operations.	April 30, 2020	As we remodel and retrofit some of our older buildings, there will be opportunities to save on heating and energy cost. The move to paperless filing systems and online instructional support and learning management systems will save cost on stationery.
P5a	Hire a Comptroller who will research and implement money saving strategies and policies.	September 30, 2017	
E05a	A three-year period of implementation of cost-cutting strategies and policies that	April 30, 2020	

	result in a 1% reduction in operating costs per year.		
P5b	Implement changes in the Office of Advancement that will result in more effective institutional fundraising.	September 30, 2017	The Office of Advancement will undergo some turnover and restructuring over the next year. Implementation is expected to be on track with the projected dates.
E05b	A yearly 5% increase in contributions by alumni and friends for three consecutive years.	September 30, 2019	
P5c	Reduce electrical consumption by transitioning to campus-wide LED bulbs.	September, 30, 2019	As parts of campus undergo renovations and remodeling, LED bulbs are installed. We are on track to meet our goals by the projected date.
E05c	Reduce consumption of electricity by 15%.	September 30, 2019	
G6:Quality	Enhance the Burman University student experience.	May 30, 2019	The application for membership into ACAC has been submitted and rejected due to scheduling conflicts. We are in the process of submitting a second application with scheduling suggestions in answer to ACAC's initial concerns. With regards to all other aspects of our application, ACAC was extremely positive in their evaluation of our application.
P6a	Full membership for the men's and women's basketball teams in Alberta Colleges Athletic Conference (ACAC).	May 30, 2018	
E06a	Membership application to ACAC approved.	May 30, 2018	
P6b	Expand career counseling services and resources for students.	September 30, 2017	The staff at the student success center will double their efforts in providing career counseling and other resources to students, and also invite diverse resource persons to campus to offer seminars and deliver career fairs.
E06b	Career counselling services for students expanded.	September 30, 2017	
P6c	Provide proactive training on strategic campus computer information and communication technologies to campus community.	On-going	The computer services department began a computer security education initiative this year. This initiative is aimed at our faculty, staff, and students to teach them about various aspects of information technology.
E06c	Training on-going and continuous	On-going	

G7: Quality	Ensure the delivery of a consistently high quality educational experience	On-going	The office of academic administration has included an evaluation of transferability as part of faculty annual reporting. Faculty summer tasks include submitting the necessary paperwork to get their courses into the transfer guide.
P7a	Increase courses listed in Alberta Transfer Guide.	On-going	
E07a	Majority of Burman University courses listed in the Alberta Transfer Guide	September 30, 2018	
P7b	Submit phased applications to the Ministry and to CAQC to offer additional degree programs.	Starting Fall 2016 through September, 2019	In June, 2016, our 4-year Wellness degree was approved by CAQC. Our general studies department continues to work towards a proposal for a 4-year Liberal Studies degree.
E07b	Program submission: a) To offer a 4-year Liberal Studies (BA and BSc) degrees (built on the University's current 3-yr. General Studies BA and BSc programs); b) to offer a Physical Education Specialization or 4-year degree in an Allied/Public Health area	Starting September 30, 2016	
P7c	Revise student evaluation forms of courses to better capture student experience of variations in course delivery.	August 30, 2017	The Teaching and Learning Committee will be reviewing current course evaluations over the course of this academic year. We anticipate completing this goals ahead of schedule.
E07c	Revised student course evaluations in place.	September 30, 2017	
G8: Quality	Ensure the delivery of a consistently high quality educational experience through increasing the research involvement of faculty.	On-going	Faculty report on their research activities twice throughout the year. The departments also report annually on research and development of their program. A new report template was implemented this summer. This new template is reflective of a new 6-year cyclical template that was introduced this year.
P8a	Continue to require sustained faculty research output through tightening of research reporting requirements.	September 30, 2016	
E08a	New reporting forms being used.	September 30, 2016	

P8b	Provide additional funding and/or release time to allow for research.	May 1, 2019	The Office of Academic Administration has required all faculty to engage in some research as part of their upcoming summer activities. The Seed Grant budget was increased this year to encourage faculty research. In order to qualify for course release or sabbatical, faculty must have a proven record of research. Research output is a top consideration when hiring new faculty.
E08b	Additional funding in budget.	May 1, 2019	
G9: Quality	Ensure the delivery of a consistently high educational experience through creating practical learning experience opportunities for students.	On-going	Many of our programs have a required practica, study tour, or internship component as part of their programs. This cooperation with the local community and abroad helps fulfill these goals and gives students the work and practical experience that is highly sought after by employers after graduation. Burman University already has a bank of local organizations that work with our students for their practica and continues to expand the list of organizations that are worked with as we continue to require practicum components to more of our programs.
P9a	Locate local sites for internship, co-op and practicum experiences.	August 30, 2018	
E09a	Internship sites in place.	August 30, 2019	
G10: Quality	Ensure the delivery of a consistently high educational experience through creating identifiable plans to focus on the integration of faith and learning.	On-going	Burman university attended the province-wide conference on learning outcomes in May 2015. Part of our fall 2015 faculty colloquium focused on writing learning outcomes. There will be a faculty workshop in spring 2016 on learning outcomes from institutional level all the way to course level. This workshop will provide a variety of best-practice, discipline appropriate learning outcome models for faculty to adopt.
P10a	Review the literature and develop a wide variety of best-practice, discipline appropriate models for faculty to use.	August 30, 2018	
E010a	Best practices known and adopted.	August 30, 2019	

FINANCIAL AND BUDGET INFORMATION

A portion of the Unrestricted Unallocated Net Asset (UUNA) balance was utilized to cover \$270,325.59 in retirement allowances during the year as well as \$600,000 towards the new Facility Maintenance building. There were an abnormally large number of retirements during the year and the board approved use of the UUNA for these purposes. As of April 30, 2016, the UUNA now has a balance of \$565,708; however, the University intends to resume the trend of modest growth in this area as it seeks to establish a resilient financial base. The University also continues to hold external debt to zero.

See Appendix A for audited consolidated financial statements.

INTERNATIONALIZATION

Burman University has sought for years to “integrate and infuse international, intercultural, and global dimensions into the ethos and outcomes” of its educational offerings. In addition to a solid complement of Canadian employees, faculty and staff members have been hired from other countries: India, Sri Lanka, Ghana, Nigeria, Peru, Malaysia, South Africa, El Salvador, Germany, France, Great Britain, Poland, and the United States. While a small but significant portion of its international student body comes from the United States annually, students from almost every continent in the world also enroll. Recent Canadian immigrant populations are also well represented in the University’ student body as well faculty. Such a wealth of ethnic and national diversity creates a rich learning environment on campus and adds significantly to the diversity found in the City of Lacombe and Central Alberta.

This past year, Burman University faculty were engaged in international research projects or scholarly activities in India, Sri Lanka, Nigeria, Kenya, Singapore, Greece, Jordan, the Philippines, Peru, and the United States. Current students are participating this summer in a study tour to Costa Rica and a humanitarian trip to Swaziland. This breadth of global scholarly activity is typical in any given year at Burman University.

Study tours are not inexpensive. However, the University believes that such opportunities provide a vital learning environment, so it subsidizes summer study tours by decreasing tuition. The University fosters an ongoing approach to international learning and service. In addition to the activities described above, the University is also an active member in the Adventist Colleges Abroad program. This consortium consists of thirteen universities in North America and Australia as well as six similar institutions in France, Austria, Spain, Argentina, Italy, and Germany. Burman University students who meet eligibility requirements can spend one or two semesters furthering their post-secondary study at one of the institutions in the consortium located outside Canada and the United States. Additionally, they can also participate in summer study programs at the same institutions listed above as well as on campuses in Greece, Mexico, Brazil, Hong Kong, Israel, Lebanon, and Ukraine.

The University also provides opportunities for students to gain global perspectives through specific degree programs. The Bachelor of Arts degree in International Studies provides a full complement of coursework that requires students to engage with the world outside Canada. Students in this program are also required to complete two international study tours or study abroad experiences. One of these two experiences for eligible students can be a semester-long internship with The Washington Center for Internships and Academic Seminars located in Washington, D.C.

Two other Burman University degree programs have specific international foci. The Bachelor of Arts degree in International Health and Wilderness Studies requires students to complete several courses with an international emphasis as well as practicum experiences that are often completed abroad. Furthermore, the international business

track in the Bachelor of Business Administration degree includes courses in international business, marketing, finance, and trade as well as study in a language other than English.

Burman University does not offer any degree programs off campus and does not have any plans to do so. However, two universities from the United States have applied for and been granted Campus Alberta Quality Council approval to offer degree programs on the University's campus. Andrews University, located in Berrien Springs, Michigan, has offered courses at Burman University that lead to a Master of International Development Administration Degree, and La Sierra University, located in Riverside, California, offers courses leading to a Master of Education degree on Burman University's campus each summer. The Andrews University program has been suspended and La Sierra University will be discontinuing their Master of Education degree – they are suspending new applications and will offer courses until the current students have all completed their programs. La Sierra University is discontinuing the program due to cost and staffing challenges.

The University is a member of the Adventist Enrolment Association and as such does market its program offerings to potential students in the United States within certain clearly defined parameters. While administration is open to exploring new international markets, the current marketing strategy focuses largely on Alberta and Canadian students. There are no identifiable plans to deviate significantly from that practice.

Burman University's emphasis on service—local, regional, national, and international—results in multiple international study as well as service opportunities each year. This broadening of the University's perspective that has been ongoing for decades also brings the world to the campus. As the University reaches out beyond its local and national borders, potential students and faculty from outside Canada regard Burman University as a welcoming place to study and work. This reciprocal relationship with the world beyond the University will continue to be nurtured and developed into the foreseeable future.

Burman University is steadily working toward full implementation of its campus management system, Comprehensive Academic Management System (CAMS). The process has been challenging but progress is being made. Recently we have learned that CAMS has been taken over by a larger company, Unit 4. Currently under review are three options that the University is exploring: 1) to migrate to Unit 4's new management system, 2) Partner with Red Deer College and use their management system, or 3) Return to a previously used system and partner with one of the other independent institutions. This is a high priority. At present the University has only started to look at cost estimates, but expects the anticipated costs to be around \$250,000.

Burman University went live with APAS in June, 2016. We are happy to have joined the Alberta-wide application system. The Admissions department is adapting to the new system of application and is working closely with Marketing and Enrolment Services as they aid students through the application process.

As the University grows and technology continues to develop, network bandwidth will need to be increased and hardware as well as software will need updating or replacing.

In addition to exploring collaboration opportunities with its Campus Alberta partners, the following goals outline priority plans for information technologies on campus:

1. Managed deployment and updating of information and communication technologies.
2. Provide proactive training on strategic campus computer information and communication technologies to the campus community.
3. Promote and support the use of educational technologies in the instruction process.

During the 2015-2016 school year Burman University implemented some significant upgrades. Novell eDirectory was replaced with a new Microsoft Active Directory (AD) implementation. This has allowed easier integration with our student information system and other services that have better support for AD built in. Funding was also approved for replacement of our 15 year old core and edge networking switches. Implementation of newer switches is ongoing throughout the summer.

Our Supernet bandwidth was increased to 200 Mbps with the adoption of their Next Generation Networking services which has reduced the cost significantly. Along with the Supernet increase, we increased our commodity Internet bandwidth (provided by the Cybera Buying Group) to 85 Mbps providing adequate bandwidth for our current needs. However, as we look to the possibility of participating in the shared data centre or other shared services provided by ShareIT, we may need to increase this significantly. Finding a cheaper alternative to the Alberta Supernet may be imperative to allow us to participate in such projects.

The increasing reliance of our students on wireless network access continues to be a challenge, especially in our dormitories. This past year we had less complaints about poor

coverage (likely due to less use of legacy 2.4 GHz devices) but we know that a re-design of our access point placement is necessary to provide more consistent coverage. This will take major funding to accomplish.

Priorities for the coming year include having the student residences re-done with higher density wireless at an estimated cost of about \$45,000. The University spends between \$10,000 and \$15,000 a year to keep our wireless equipment up-to-date over all of our campus.

Burman University's three greatest needs are for additional large classrooms, a new library, and increased, sustained funding to maintain existing campus infrastructure. As an independent university, this institution receives no funding for capital projects from the Province of Alberta. The institution relies entirely on the generosity of alumni and other donors to fund capital projects. This poses a significant challenge to Burman University as it strives to provide the infrastructure necessary to adequately serve students in Central Alberta.

The 2015-16 school year saw the completion of a new building for the Facility Maintenance department. In 2013, the old building had a partial roof collapse on due to snow. Along with the roofing, the building also had significant structural problems with the foundation, walls, and mold. Funding for the new building came from the insurance settlement (\$1.2 million), savings from rental income (\$600,000), and a loan anticipated to get paid off in 7 years (\$400,000).

The next capital project to be undertaken will be expansion of the library. Currently in the planning phase, the Campus of the Future Committee is discussing options for expansion and renovation with Camdon Construction. They are also working with Brenda Beck, consultant, to identify what priorities for the remodel and expansion.

APPENDIX A

Audited Consolidated Financial Statements

Please find attached Burman University's audited consolidated financial statement for the fiscal year ending April 30, 2016.

BURMAN UNIVERSITY

Financial Statements and Independent Auditor's Report

April 30, 2016

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of Burman University

Report on the Financial Statements

We have audited the accompanying financial statements of Burman University, which comprise the statement of financial position as at April 30, 2016, and the statements of operations, changes in net assets, cash flows and schedule of components of net assets for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Burman University as at April 30, 2016, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Collins Barrow Red Deer LLP

Red Deer County, Alberta
August 31, 2016

Chartered Professional Accountants

BURMAN UNIVERSITY

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April 30, 2016

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STATEMENT OF FINANCIAL POSITION

As at April 30

	2016										2015
	Operating Funds				Other Funds					All Funds	All Funds
	Burman	Rentals	PAA	Total	Loans	Endowment	Capital	Agency	Research	Total	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current											
Cash [note 3]	2,449,248	-	600	2,449,848	-	-	297,160	-	-	2,747,008	4,785,630
Accounts receivable [note 4]	2,033,339	11,601	220,558	2,265,498	-	7,765	-	-	-	2,273,263	890,505
Short-term investments [note 5]	2,207,242	-	-	2,207,242	-	-	800,000	-	-	3,007,242	1,594,515
Prepaid expenses	230,912	-	2,302	233,214	-	-	-	-	-	233,214	137,913
Due from (to) other funds [note 6]	(1,309,176)	141,153	903,387	(264,636)	139,205	28,702	(48,958)	103,267	42,420	-	-
Current portion of notes and loans receivable [note 7]	10,649	-	-	10,649	2,531	-	-	-	-	13,180	30,469
Total current assets	5,622,214	152,754	1,126,847	6,901,815	141,736	36,467	1,048,202	103,267	42,420	8,273,907	7,439,032
Notes and loans receivable [note 7]	353,417	-	-	353,417	3,522	-	-	-	-	356,939	300,721
Long-term investments [note 8]	1,700,003	-	-	1,700,003	-	1,982,180	5,582,840	-	-	9,265,023	10,431,632
Capital assets, net [note 9]	-	-	6,283	6,283	-	-	13,271,870	-	-	13,278,153	12,225,700
	7,675,634	152,754	1,133,130	8,961,518	145,258	2,018,647	19,902,912	103,267	42,420	31,174,022	30,397,085
LIABILITIES AND NET ASSETS											
Current											
Accounts payable and accrued liabilities [note 10]	1,433,767	9,964	213,213	1,656,944	-	-	-	-	-	1,656,944	1,329,290
Deferred revenue [note 11]	66,758	-	134,030	200,788	-	-	-	-	-	200,788	263,383
Deposits and agency funds	92,824	5,701	59,423	157,948	-	-	50,000	103,267	-	311,215	264,356
Current portion of deferred contributions [note 12]	356,295	-	70,947	427,242	-	-	78,537	-	-	505,779	987,816
Total current liabilities	1,949,644	15,665	477,613	2,442,922	-	-	128,537	103,267	-	2,674,726	2,844,845
Deferred contributions [note 12]	1,076,056	-	23,812	1,099,868	145,258	-	72,595	-	-	1,317,721	1,097,754
Deferred capital contributions [note 13]	-	-	-	-	-	-	5,023,949	-	-	5,023,949	5,345,113
Total liabilities	3,025,700	15,665	501,425	3,542,790	145,258	-	5,225,081	103,267	-	9,016,396	9,287,712
Commitments [note 21]											
Net assets											
Unrestricted unallocated	428,619	137,089	-	565,708	-	-	-	-	-	565,708	1,022,674
Internally restricted [note 14]	4,221,315	-	594,339	4,815,654	-	-	9,776,769	-	42,420	14,634,843	14,356,372
Net assets not subject to external restrictions	4,649,934	137,089	594,339	5,381,362	-	-	9,776,769	-	42,420	15,200,551	15,379,046
Invested in capital assets	-	-	6,283	6,283	-	-	4,901,062	-	-	4,907,345	3,747,882
Permanently restricted	-	-	31,083	31,083	-	2,018,647	-	-	-	2,049,730	1,982,445
Total net assets [schedule]	4,649,934	137,089	631,705	5,418,728	-	2,018,647	14,677,831	-	42,420	22,157,626	21,109,373
	7,675,634	152,754	1,133,130	8,961,518	145,258	2,018,647	19,902,912	103,267	42,420	31,174,022	30,397,085

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended April 30

	2016										2015
	Operating Funds				Other Funds					All Funds	All Funds
	Burman \$	Rentals \$	PAA \$	Total \$	Loans \$	Endowment \$	Capital \$	Agency \$	Research \$	Total \$	Total \$
GENERAL ACTIVITY											
Unrestricted revenue											
Tuition and fees	5,578,892	-	663,179	6,242,071	-	-	-	-	-	6,242,071	6,041,556
Alberta government grants	3,084,394	-	315,171	3,399,565	-	-	-	-	-	3,399,565	3,458,308
Seventh-day Adventist Church in Canada appropriations [note 15]	4,801,534	-	642,664	5,444,198	-	-	-	-	-	5,444,198	5,242,343
Interest and other	404,924	-	72,781	477,705	-	-	-	-	-	477,705	490,969
Resale and ancillary revenue	2,301,440	308,891	207,647	2,817,978	-	-	-	-	-	2,817,978	2,785,713
Donations	157,110	-	-	157,110	-	-	-	-	-	157,110	87,484
Total unrestricted revenue	16,328,294	308,891	1,901,442	18,538,627	-	-	-	-	-	18,538,627	18,106,373
Restricted revenue											
Donations	473,049	-	105,278	578,327	-	-	-	-	800	579,127	672,671
Seventh-day Adventist Church in Canada appropriations [note 15]	10,501	-	-	10,501	-	-	-	-	-	10,501	43,067
Alberta government grants	348,987	-	34,170	383,157	-	-	-	-	-	383,157	57,980
Total restricted revenue [note 12]	832,537	-	139,448	971,985	-	-	-	-	800	972,785	773,718
Total general revenue	17,160,831	308,891	2,040,890	19,510,612	-	-	-	-	800	19,511,412	18,880,091
EXPENSES											
Salaries and non-pension benefits	9,863,167	-	1,109,586	10,972,753	-	-	-	-	774	10,973,527	10,734,593
Pension benefits [note 16]	1,071,874	-	142,226	1,214,100	-	-	-	-	-	1,214,100	1,269,669
Supplies and other	1,952,736	-	133,191	2,085,927	-	-	-	-	5,698	2,091,625	2,056,763
Student services	2,474,968	3,206	316,215	2,794,389	-	-	-	-	-	2,794,389	2,642,034
Plant and maintenance	1,413,945	187,409	212,493	1,813,847	-	-	5,498	-	-	1,819,345	1,629,888
Administrative	378,817	-	19,828	398,645	-	-	132,761	-	-	531,406	371,947
Amortization of capital assets	-	-	7,462	7,462	-	-	801,602	-	-	809,064	894,053
Interest	19,962	-	-	19,962	-	-	-	-	-	19,962	27,801
Total expenses	17,175,469	190,615	1,941,001	19,307,085	-	-	939,861	-	6,472	20,253,418	19,626,748
Excess (deficiency) of general revenue over expenses	(14,638)	118,276	99,889	203,527	-	-	(939,861)	-	(5,672)	(742,006)	(746,657)
CAPITAL ACTIVITY											
Capital revenue (expense)											
Insurance proceeds [note 20]	1,680,827	-	-	1,680,827	-	-	-	-	-	1,680,827	999,035
Amortization of deferred capital contributions	-	-	5,363	5,363	-	-	350,918	-	-	356,281	329,254
Gain on disposal of capital assets	-	-	-	-	-	-	30,290	-	-	30,290	277,385
Insured losses [note 20]	(344,424)	-	-	(344,424)	-	-	-	-	-	(344,424)	(741,998)
Total capital activity	1,336,403	-	5,363	1,341,766	-	-	381,208	-	-	1,722,974	863,676
Excess (deficiency) of total revenue over expenses	1,321,765	118,276	105,252	1,545,293	-	-	(558,653)	-	(5,672)	980,968	117,019
Transfers between funds [note 17]	(824,030)	(649,407)	(222,141)	(1,695,578)	-	-	1,679,695	-	15,883	-	-
Net activity after transfers	497,735	(531,131)	(116,889)	(150,285)	-	-	1,121,042	-	10,211	980,968	117,019
Increase in endowments [note 18]	-	-	2,400	2,400	-	64,885	-	-	-	67,285	32,709
Net assets, beginning of year	4,152,199	668,220	746,194	5,566,613	-	1,953,762	13,556,789	-	32,209	21,109,373	20,959,645
Net assets, end of year	4,649,934	137,089	631,705	5,418,728	-	2,018,647	14,677,831	-	42,420	22,157,626	21,109,373

Burman University

STATEMENT OF CASH FLOWS

Year ended April 30

	2016										2015
	Operating Funds				Other Funds					All Funds	All Funds
	Burman	Rentals	PAA	Total	Loans	Endowment	Capital	Agency	Research	Total	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cash flows from operating activities											
Excess (deficiency) of total revenues over expenses	1,321,765	118,276	105,252	1,545,293	-	-	(558,653)	-	(5,672)	980,968	117,019
Adjustments to reconcile excess (deficiency) of revenue over expense to net cash provided:											
Amortization of capital assets	-	-	7,462	7,462	-	-	801,602	-	-	809,064	894,053
Amortization of deferred capital contributions	-	-	(5,363)	(5,363)	-	-	(350,918)	-	-	(356,281)	(329,254)
Gain on disposal of capital assets	-	-	-	-	-	-	(30,290)	-	-	(30,290)	(277,385)
(Increase) decrease in accounts receivable	(1,406,833)	8,330	(10,757)	(1,409,260)	-	(2,540)	29,042	-	-	(1,382,758)	249,255
(Increase) decrease in prepaid expenses	(94,254)	-	(1,047)	(95,301)	-	-	-	-	-	(95,301)	3,067
(Increase) decrease in due from/to other funds	(661,895)	515,370	44,592	(101,933)	(6,727)	(18,595)	117,863	19,603	(10,211)	-	-
Increase (decrease) in accounts payable and accrued liabilities	235,664	7,431	84,559	327,654	-	-	-	-	-	327,654	(476,948)
Increase (decrease) in deferred revenue	(54,244)	-	(8,351)	(62,595)	-	-	-	-	-	(62,595)	(16,886)
Increase (decrease) in deposits and agency funds	43,325	-	23,137	66,462	-	-	-	(19,603)	-	46,859	(31,850)
Increase (decrease) in deferred contributions	(316,552)	-	(19,743)	(336,295)	(2,794)	-	77,019	-	-	(262,070)	583,049
Transfers between funds	(824,030)	(649,407)	(222,141)	(1,695,578)	-	-	1,679,695	-	15,883	-	-
Cash provided by (used in) operating activities	(1,757,054)	-	(2,400)	(1,759,454)	(9,521)	(21,135)	1,765,360	-	-	(24,750)	714,120
Cash flows from investing activities											
Increase in short-term investments	(2,187,788)	-	-	(2,187,788)	-	-	(800,000)	-	-	(2,987,788)	(724,195)
Decrease in short-term investments	1,575,061	-	-	1,575,061	-	-	-	-	-	1,575,061	1,349,455
Proceeds from sale of capital assets	-	-	-	-	-	-	72,043	-	-	72,043	277,385
Purchases of capital assets	-	-	-	-	-	-	(1,868,153)	-	-	(1,868,153)	(247,169)
Proceeds from long-term investments	-	-	-	-	-	-	-	-	-	-	-
Increase in long-term investments	(700,000)	-	-	(700,000)	-	(51,289)	(542,410)	-	-	(1,293,699)	(1,278,503)
Decrease in long-term investments	1,302,768	-	-	1,302,768	-	7,539	1,150,000	-	-	2,460,307	705,244
Notes receivable issued	(370,000)	-	-	(370,000)	-	-	-	-	-	(370,000)	(2,250)
Payments received on notes receivable	300,467	-	-	300,467	9,521	-	21,084	-	-	331,072	248,681
Cash provided by (used in) investing activities	(79,492)	-	-	(79,492)	9,521	(43,750)	(1,967,436)	-	-	(2,081,157)	328,648
Cash flows from financing activities											
Increase (decrease) in endowments <i>[note 17]</i>	-	-	2,400	2,400	-	64,885	-	-	-	67,285	32,709
Cash provided by (used in) financing activities	-	-	2,400	2,400	-	64,885	-	-	-	67,285	32,709
Net increase (decrease) in cash during the year	(1,836,546)	-	-	(1,836,546)	-	-	(202,076)	-	-	(2,038,622)	1,075,477
Cash, beginning of year	4,285,794	-	600	4,286,394	-	-	499,236	-	-	4,785,630	3,710,153
Cash, end of year	2,449,248	-	600	2,449,848	-	-	297,160	-	-	2,747,008	4,785,630
Supplemental cash flow information:											
Interest paid	19,962	-	-	19,962	-	-	-	-	-	19,962	27,801
Interest received	404,924	-	72,781	477,705	-	-	-	-	-	477,705	490,969

See accompanying notes.

SCHEDULE OF COMPONENTS OF NET ASSETS

	2016											2015
	Operating Funds				Other Funds					All Funds		All Funds
	Burman	Rentals	PAA	Total	Loans	Endowment	Capital	Agency	Research	Total	Total	
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Net assets not subject to external restrictions, beginning of year	4,152,199	668,220	709,129	5,529,548	-	-	9,817,289	-	32,209	15,379,046	15,105,727	
Excess (deficiency) of total revenue over expenses	1,321,765	118,276	105,252	1,545,293	-	-	(558,653)	-	(5,672)	980,968	117,019	
Add: amortization of capital assets and deferred capital	-	-	2,099	2,099	-	-	450,684	-	-	452,783	564,799	
Net book value of capital asset disposals	-	-	-	-	-	-	41,754	-	-	41,754	-	
Payments (additional borrowing) capital debt (net)	-	-	-	-	-	-	214,153	-	-	214,153	(161,329)	
Capital assets purchased with unrestricted resources	-	-	-	-	-	-	(1,868,153)	-	-	(1,868,153)	(247,170)	
Transfers between funds <i>[note 17]</i>	(824,030)	(649,407)	(222,141)	(1,695,578)	-	-	1,679,695	-	15,883	-	-	
Net assets not subject to external restrictions, end of year	4,649,934	137,089	594,339	5,381,362	-	-	9,776,769	-	42,420	15,200,551	15,379,046	
Invested in capital assets, beginning of year	-	-	8,382	8,382	-	-	3,739,500	-	-	3,747,882	3,904,182	
Amortization of capital assets and deferred capital	-	-	(2,099)	(2,099)	-	-	(450,684)	-	-	(452,783)	(564,799)	
Net book value of capital asset disposals	-	-	-	-	-	-	(41,754)	-	-	(41,754)	-	
(Payments) additional borrowing, capital debt (net)	-	-	-	-	-	-	(214,153)	-	-	(214,153)	161,329	
Capital assets purchased with unrestricted resources	-	-	-	-	-	-	1,868,153	-	-	1,868,153	247,170	
Invested in capital assets, end of year	-	-	6,283	6,283	-	-	4,901,062	-	-	4,907,345	3,747,882	
Permanently restricted net assets, beginning of year	-	-	28,683	28,683	-	1,953,762	-	-	-	1,982,445	1,949,736	
Increase in endowments	-	-	2,400	2,400	-	64,885	-	-	-	67,285	32,709	
Permanently restricted net assets, end of year	-	-	31,083	31,083	-	2,018,647	-	-	-	2,049,730	1,982,445	
Total net assets, end of year	4,649,934	137,089	631,705	5,418,728	-	2,018,647	14,677,831	-	42,420	22,157,626	21,109,373	

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

1. NATURE OF OPERATIONS

Burman University [the "University"] was incorporated by a special Act of the Province of Alberta and is a member of the Seventh-day Adventist Church in Canada ["SDACC"]. The University was established to provide the opportunity for Christian-based education to Seventh-day Adventists and others. The University operates post-secondary and high school [Parkview Adventist Academy] programs. The University is exempt from income taxes under certain provisions of the Income Tax Act (Canada).

The Alberta Legislature bill that changed the University's name from Canadian University College to Burman University received royal assent on December 11, 2015.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the University have been prepared on an accrual basis. The significant accounting policies of the University are in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below:

Basis of presentation - fund accounting

The accounts are maintained in accordance with the principles of fund accounting to ensure observance of limitations and restrictions placed on the use of resources available to the University. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into funds established according to their nature and purpose. These funds are comprised of the following:

- [i] Operating Funds include current assets, liabilities, and transactions from restricted and unrestricted educational and rental building resources of an operating nature and include Burman University ["Burman"], rental buildings activity ["Rentals"], Parkview Adventist Academy ["PAA"]. The PAA fund also includes capital and endowment activities specifically related to PAA operations.
- [ii] The Loans Fund consists of contributions restricted for the purpose of loans to students.
- [iii] The Endowment Fund represents funds that are subject to restrictions of gift instruments which require that the principal be held in perpetuity, be invested, and only the income from such investments be used. The principal of endowment gifts are reported as permanently restricted net assets. Contributions received for endowment principal are recorded as direct additions to permanently restricted net assets.
- [iv] The Capital Fund [including the Heritage Fund] consists of resources that were donor restricted and used for the acquisition of capital assets [held as deferred capital contributions] or committee allocated [held as internally restricted net assets] for future capital acquisitions. Internally restricted operating funds can be returned to the operating funds by action of the committee. The internally restricted balance includes funds transferred for future capital acquisitions, proceeds from sale of capital assets, and unrestricted capital fund investment earnings. The Capital Fund also consists of the cost of capital assets acquired or contributed, respective accumulated depreciation, any respective debt, and the unamortized portion of deferred capital contributions.
- [v] The Agency Fund represents funds held by the University for student associations and clubs.
- [vi] The Research Fund represents funds internally restricted for research by the operating committee.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of estimates include: allowance for doubtful accounts, estimated useful lives of capital assets and deferred capital contributions, donated art held for sale and employee future benefits. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and cash equivalents

Cash and cash equivalents include highly liquid assets of the Operating Fund that are readily convertible to cash and have maturity dates of less than three months from the date of acquisition.

Capital assets

Capital assets are recorded at cost when purchased or at fair market value at the date of gift. Certain real estate property is stated at a nominal cost of \$1 as they were recorded upon an asset review a number of years ago and no cost was available. Amortization is provided over the estimated useful lives of the respective assets on a straight-line basis as follows:

Land improvements	5 - 40 years
Buildings and building improvements	30 - 40 years
Pipe organ	100 years
Equipment, vehicles and library	5 - 30 years

Uses of operating funds for capital acquisitions and debt service payments are accounted for as transfers to the Capital Fund. Both principal and interest payments made to retire Capital Fund debt are recorded in the Capital Fund.

Investments

Investments subject to significant influence are accounted for using the cost method. Accordingly, investments subject to significant influence are recorded at original cost unless there has been impairment in value, in which case the investment has been written down to its fair value. Income is recognized as received. Gains or losses from the sale of investments recorded at cost are calculated based on the average carrying value of the investment.

Investments not subject to significant influence are initially recorded at their acquisition cost. Investments in publicly-traded securities and debt instruments are subsequently adjusted to fair value at year end, and the corresponding unrealized gain or loss is reflected in the statement of operations or in the deferred contribution account for deferred contribution investments. The investment in donated art held for sale has been written down to an estimated current value.

Impairment of long-lived assets

The University reviews capital assets for impairment whenever events or circumstances arise that indicate that the carrying amount may not be recoverable. Recoverability is assessed by comparing the carrying amount of the asset or group of assets to its fair value, as determined by the undiscounted future cash flows the long-lived assets are expected to generate. An impairment loss is recognized in the period where the carrying amount exceeds the fair value. Impairment charges are not reversed if there is a subsequent increase in its fair value.

Financial instruments

The University measures its financial instruments initially at fair value and subsequently measures them at amortized cost, except for cash and investments which are measured at fair value where fair value is readily available.

The University's financial instruments consist of cash, accounts receivable, short-term investments, notes and loans receivable, long-term investments, accounts payable and accrued liabilities, and deposits and agency funds. Unless otherwise noted, it is management's opinion that the University is not exposed to significant interest, market, liquidity, currency or credit risks arising from these financial instruments.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue recognition

The University follows the deferral method of accounting for donations, Alberta government grants and Seventh-day Adventist Church in Canada appropriations. Gifts of cash and other assets are reported as deferred contributions if they are received with donor stipulations that limit use of the donated assets. When the related expenses are incurred or a stipulated time restriction expires, restricted assets are recognized as income and reported in the statement of operations. Gifts of cash or other assets that must be used to acquire capital assets are also reported as deferred contributions. Deferred contributions that have been spent to acquire capital assets are transferred to deferred capital contributions, and are amortized and recognized as revenue on the same basis as the amortization expense of the related capital assets. Endowment contributions are recognized as direct increases in permanently restricted net assets in the period in which they are recorded.

The value of donated depreciable capital assets, whether or not restricted, is recorded as deferred capital contributions and amortized and recognized as revenue on the same basis as amortization expense is recognized for the related capital assets. The value of donated land is recognized as an increase to net assets invested in capital assets at the time of the gift.

Tuition and fees and resale and ancillary revenue, including rentals, are recognized as revenue in the period when services are provided. Tuition fees received in advance of the next fiscal period are recorded as deferred revenue and recognized over the period of instruction.

Interest and other revenue is recognized in the period earned. Income from investments, loans, and other instruments is accounted for in the fund owning the assets, except for the Endowment Fund. Unrestricted income from Endowment Fund investments is accounted for as income of the Operating Fund. Restricted income from Endowment Fund investments is accounted for as deferred contributions until spent for the restricted purpose designated by the endowment instrument. Restricted investment income that is required to be added to endowment principal is recorded as a direct addition to net assets in the Endowment Fund.

The University actively fundraises and unrestricted contributions are recorded when received. Pledges are not recorded.

Foreign currency translation

Monetary items denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect at the date of the statement of financial position. Non-monetary items are translated into Canadian dollars at the exchange rate in effect on the date of the transaction. Revenues and expenses denominated in a foreign currency are translated into Canadian dollars at the exchange rate in effect on the date of the transactions. Any foreign exchange gain or loss is included in the determination of excess of revenue over expenses for the year.

Volunteer services and contributed materials

The work of the University is dependent on the volunteer services of many individuals and others. The nature and amount of volunteer services are not reflected in these financial statements because of the difficulty of determining their fair value. Contributed materials are recorded in these financial statements only when the fair value can be reasonably estimated.

Employee future benefits

Defined benefit plans accounting is applied to a multi-employer, defined benefit, final average earnings non-contributory pension plan. Accordingly, contributions are expensed as due.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

3. CASH

Included in cash are the following balances restricted as to the use of the funds:

	2016	2015
	\$	\$
Deposits and agency funds	311,215	264,356
Deferred contributions	1,823,500	2,085,570
Total restricted cash	2,134,715	2,349,926
Unrestricted cash	612,293	2,435,704
	2,747,008	4,785,630

Agency funds represent funds held by the University on behalf of student associations and clubs. Deferred contributions represent unspent externally restricted contributions, as described in note 12.

Included in cash is \$9,941 [2015 - \$139,473] denominated in a foreign currency and thus subject to currency price risk.

4. ACCOUNTS RECEIVABLE

	2016	2015
	\$	\$
Students	620,539	503,337
Seventh-day Adventist organizations	80,920	137,370
Insurance receivable	1,541,172	169,103
Other	147,618	178,880
Total accounts receivable	2,390,249	988,690
Less allowance for doubtful accounts	(116,986)	(98,185)
Net accounts receivable	2,273,263	890,505

The University is exposed to credit risk as it grants credit to students and other organizations in the normal course of operations. The University does not have significant credit risk to any one individual organization.

5. SHORT-TERM INVESTMENTS

	2016	2015
	\$	\$
Guaranteed investment certificates	2,987,789	1,574,515
Donated art held for sale	19,453	20,000
	3,007,242	1,594,515

The guaranteed investment certificates bear interest at 1.3% to 2.45% and mature between June 2016 and November 2016. The guaranteed investment certificates bear interest at fixed rates and thus are exposed to interest rate price risk.

Donated art held for sale has been written down to reflect expected current value, however a certified appraisal of the art has not been completed recently and thus the estimated fair value of the art is not determinable with sufficient reliability.

Investments held in the Capital fund are for the Heritage Fund and are reported as long term because of the Universities intent to reinvest maturing investments. However, an \$800,000 investment maturing in June 2016 is shown as short term since the University will not be renewing this particular investment. Rather the funds will be provided as a mortgage from the Heritage Fund for the Facility Maintenance building.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

6. DUE FROM (TO) OTHER FUNDS

The amounts shown as due from or due to other funds represent the transactions in a specific fund for which the Burman Fund holds and transacts the cash. The amount due to the Endowment Fund of \$28,702 (2015 - \$10,106) and the amount due to the Loans Fund of \$139,205 (2015 - \$132,478) bear interest on the same basis as the inter-fund loan [see Note 14], being a blend of the Seventh-day Adventist Church in Canada's revolving fund deposit rate and loan rate, 2% and 3.75%, respectively, at year end (2015 - 2% and 3.75%). Otherwise, inter-fund balances are non-interest bearing and have no specified settlement terms.

7. NOTES AND LOANS RECEIVABLE

	2016	2015
	\$	\$
Operating Funds		
Demand employee housing loan for three-year term expiring October 2018, repayable in monthly instalments of \$1,887 including interest at bank prime rate (currently 2.70%) plus 1%. Loan secured by land and building.	364,066	294,532
Less amounts due within one year	10,649	7,369
	353,417	287,163
Other Funds		
Student loans receivable, no fixed terms of repayment	6,053	15,574
Advance to 1152300 Alberta Ltd., 8% interest with no fixed terms of repayment	-	21,084
Less amounts due within one year	6,053	36,658
	2,531	23,100
	3,522	13,558
Total notes and loans receivable	370,119	331,190
Total amounts due within one year	13,180	30,469
	356,939	300,721

The demand employee housing loan bears interest at a floating interest rate and is therefore exposed to interest rate cash flow risk.

8. LONG-TERM INVESTMENTS

	2016	2015
	\$	\$
Investment in 1152300 Alberta Ltd.	4,000	4,000
Guaranteed investment certificates	2,657,684	4,055,058
Cash on deposit	697	667
Mutual funds - equities	6,602,640	6,369,135
Mega Fund	-	2,770
Equities	1	1
Mineral rights	1	1
	9,265,023	10,431,632

The long-term investments in mutual funds and equities are traded in the market and thus exposed to market rate price risk.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

8. LONG-TERM INVESTMENTS (continued)

The guaranteed investment certificates bear interest at 1.6% to 2.5% and mature between December 2016 and May 2019. The guaranteed investment certificates bear interest at fixed rates and thus are exposed to interest rate price risk. \$350,000 of these GICs have been assigned to the University's "Payment Anytime" agreement in the event that funds required to cover the payroll are not on deposit.

Cash on deposit has been set aside by the board for future investment in equities to fund the activities of the capital fund (including the Heritage Fund). As these funds are not for current operations, they have been presented as long-term on the statement of financial position.

The Mega Fund has been discontinued as of June 2015. Therefore the \$100,000 deductible on property insurance is the responsibility of the University.

9. CAPITAL ASSETS

	2016			
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Amortization Expense \$
Land	346,549	-	346,549	-
Land improvements	2,810,178	1,253,571	1,556,607	74,057
Buildings	13,555,120	8,645,480	4,909,640	338,027
Building improvements	5,401,260	2,079,330	3,321,930	132,740
Pipe organ	527,278	97,467	429,811	6,752
Equipment	2,592,148	2,016,680	575,468	168,062
Vehicles	467,911	408,782	59,129	16,563
Library	1,505,437	1,206,153	299,284	72,863
Construction in Progress - Building	1,779,735	-	1,779,735	-
	28,985,616	15,707,463	13,278,153	809,064

	2015			
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Amortization Expense \$
Land	346,549	-	346,549	-
Land improvements	2,780,746	1,179,514	1,601,232	70,765
Buildings	14,014,009	8,637,021	5,376,988	338,027
Building improvements	5,385,979	1,946,589	3,439,390	139,727
Pipe organ	527,278	92,194	435,084	5,273
Equipment	2,517,569	1,847,139	670,430	240,341
Vehicles	437,157	392,219	44,938	23,038
Library	1,474,016	1,162,927	311,089	76,882
	27,483,303	15,257,603	12,225,700	894,053

The University Board of Trustees has designated certain lands within the city of Lacombe as eligible for sale. The designated lands total approximately 200 acres. Burman University has sold approximately 10 acres to a developer for which payments are received as the lots are sold by the developer to third parties. On February 11, 2015, Burman University signed a Purchase and Sale Agreement for the sale of approximately 31 acres of land with a possession transfer date of September 30, 2015. The transfer date has been delayed due to negotiated delays in removal of conditions. However, it is expected the transfer will occur before the end of the 2016 calendar year.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2016	2015
	\$	\$
Seventh-day Adventist organizations	62,274	1,410
Accrued liability in Mega Fund	4,480	-
Municipal government	11,694	-
Receiver General	215,192	234,987
Vacation and payroll	377,222	404,844
Student credit balances	414,195	372,503
Other	571,887	315,546
	1,656,944	1,329,290

11. DEFERRED REVENUE

Deferred revenue represents funds received in advance of the courses and services being provided.

12. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted contributions which consist of the following:

	2016					
	Beginning Balance	Amount Received During the Year	Amount Used During the Year	Amount Transferred to Permanently Restricted Net Assets	Amount Transferred to Deferred Capital Contributions [note 13]	Ending Balance
	\$	\$	\$	\$	\$	\$
Student loans, aids, and scholarships	1,132,204	313,868	(333,192)	(4,942)	-	1,107,938
Equipment and supplies	489,295	370,999	(240,184)	-	(35,117)	584,993
Government grants	464,071	70,907	(399,409)	(5,000)	-	130,569
	2,085,570	755,774	(972,785)	(9,942)	(35,117)	1,823,500

	2015					
	Beginning Balance	Amount Received During the Year	Amount Used During the Year	Amount Transferred to Permanently Restricted Net Assets	Amount Transferred to Deferred Capital Contributions [note 13]	Ending Balance
	\$	\$	\$	\$	\$	\$
Student loans, aids, and scholarships	1,136,013	372,575	(363,899)	(12,485)	-	1,132,204
Equipment and supplies	327,777	539,331	(351,839)	-	(25,974)	489,295
Government grants	38,731	483,320	(57,980)	-	-	464,071
	1,502,521	1,395,226	(773,718)	(12,485)	(25,974)	2,085,570

Of the total deferred contributions at April 30, 2016, \$505,779 (2015 - \$987,816) is expected to be spent in accordance with the related external restrictions in the upcoming year.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

13. DEFERRED CAPITAL CONTRIBUTIONS

Externally restricted contributions consists of funds used for the acquisition of capital assets and donated capital assets as follows:

	2016			
	Beginning Balance \$	Amount Transferred from Deferred Contributions [note 12] \$	Amount Amortized During the Year \$	Ending Balance \$
Capital projects	5,345,113	35,117	(356,281)	5,023,949

	2015			
	Beginning Balance \$	Amount Transferred from Deferred Contributions [note 12] \$	Amount Amortized During the Year \$	Ending Balance \$
Capital projects	5,648,393	25,974	(329,254)	5,345,113

14. INTERNALLY RESTRICTED NET ASSETS

The University Board and management impose restrictions on net assets which require that the resources be reserved for specific uses. The components of internally restricted net assets as at the year end are as follows:

	2016					
	Burman \$	Rentals \$	PAA \$	Capital \$	Research \$	Total \$
Operating purposes	2,353,023	-	572,758	-	-	2,925,781
Capital purposes	1,868,292	-	21,581	99,763	-	1,989,636
Heritage Fund	-	-	-	9,677,006	-	9,677,006
Research purposes	-	-	-	-	42,420	42,420
Total internally restricted net assets	4,221,315	-	594,339	9,776,769	42,420	14,634,843

	2015					
	Burman \$	Rentals \$	PAA \$	Capital \$	Research \$	Total \$
Operating purposes	2,371,775	-	687,604	-	-	3,059,379
Capital purposes	1,081,479	344,491	21,525	74,067	-	1,521,562
Heritage Fund	-	-	-	9,743,222	-	9,743,222
Research purposes	-	-	-	-	32,209	32,209
Total internally restricted net assets	3,453,254	344,491	709,129	9,817,289	32,209	14,356,372

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

14. INTERNALLY RESTRICTED NET ASSETS (continued)

Included in the capital fund are the following loans advanced from the Heritage Fund for the purpose of purchase of capital assets. The terms and conditions related to these advances are as follows:

	2016	2015
	\$	\$
Loan receivable from the Capital Fund payable to the Capital Fund (Heritage Fund), repayable in blended annual installments of \$129,662 from May 1, 2011 to January 31, 2035 with interest at a blend of the SDACC's revolving fund deposit rate and loan rate, 2.875% at April 30, 2016 [2015 - 2.875%]		
(PE Centre Expansion)	1,877,896	1,952,725
Loan receivable from the Capital Fund payable to the Capital Fund (Heritage Fund), repayable in blended annual installments of \$107,435 from June 1, 2011 to December 31, 2024 with interest at a blend of the SDACC's revolving fund deposit rate and loan rate, 2.875% at April 30, 2016 [2015 - 2.875%]		
(Riverton Hall)	828,714	911,183
Loan receivable from the Capital Fund payable to the Capital Fund (Heritage Fund), repayable in blended annual installments of \$16,256 from August 1, 2011 to August 31, 2037 with interest at a blend of the SDACC's revolving fund deposit rate and loan rate, 2.875% at April 30, 2016 [2015 - 2.875%]		
(Beardsley Duplex)	260,110	268,797
Loan receivable from the Capital Fund payable to the Capital Fund (Heritage Fund), repayable in blended annual installments of \$65,642 from May 1, 2016 to April 30, 2031 with interest at a blend of the SDACC's revolving fund deposit rate and loan rate, 2.875% at April 30, 2016.		
(Facility Maintenance Building)	380,138	-
	2,966,720	3,132,705

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

15. RELATED PARTY TRANSACTIONS

Related parties and related party transactions are as follows:

Seventh-day Adventist Church in Canada ["SDACC"]

The University is affiliated with the SDACC, which has headquarters in Oshawa, Ontario. This national church organization covers all of Canada and the French possessions of St. Pierre and Miquelon; comprising the Alberta, British Columbia, Manitoba-Saskatchewan, Maritime, Ontario, and Quebec Conferences and the Seventh-day Adventist Church in Newfoundland and Labrador, which represent the interests of the Seventh-day Adventist Church in one or more provinces. The President of the SDACC is the Chair of the University's Board of Trustees.

During 2016, the SDACC subsidized the operations of the University in the amount of \$5,454,699 [2015 - \$5,285,410]. Included in these balances is \$5,444,198 [2015 - \$5,242,343] recognized as unrestricted revenues and \$10,501 [2015 - \$43,067] recognized as restricted revenues. As a result, the University is dependent on the SDACC to fund a significant portion of its operations.

The University receives services and provides services to various other Seventh-day Adventist organizations in the normal course of operations. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Canadian University College Foundation

The Letters Patent incorporating the Canadian University College Foundation [the "Foundation"] were issued effective September 21, 2000, pursuant to Part II of the Canada Corporations Act. The Foundation is located in Lacombe, Alberta. The objectives of the Foundation are to receive gifts, bequests, trusts, funds and property and beneficially, or as a trustee or agent, to hold, invest, develop, manage, accumulate and administer funds and property for the purpose of disbursing funds and property exclusively to the University and such other qualified donees as are associated with or related to the University or adhere to, promote or proclaim the doctrines and tenets of the Seventh-day Adventist Church. The members of the Foundation are the President of the University, Chairman of the Board of Trustees of the University, Vice President for Financial Administration of the University; and those persons whose applications for admittance as a member of the Foundation have been approved by the three persons named above.

The Foundation has not initiated any transactions during the year, nor has any assets, liabilities, revenues, expenses, gains or losses.

16. PENSION PLANS

The University is a participating employer in the following non-contributory, defined benefit pension plans:

1) Seventh-day Adventist Church Retirement Plan for Canadian Employees [the "Registered Plan"] is registered with the Financial Services Commission of Ontario and with the Canada Revenue Agency. The Registered Plan covers substantially all employees who have completed two years of service and provides a defined benefit pension based on a benefit rate factor, pension factor, and credited service. Under the terms of the Registered Plan, each participating employer's required contribution consists of two parts; a pro-rated "amortization" portion of the unfunded past service cost and a "normal cost" amount for current service cost of active employees.

2) Supplemental Plan for Canadian Retired Employees [the "Supplemental Plan"] provides benefits for healthcare, pension, and funeral allowance for all employees who meet the specified requirements. The Supplemental Plan is not a registered plan. The Supplemental Plan is unfunded; it receives contributions from participating employers in amounts sufficient only to cover the benefits actually paid each year.

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

16. PENSION PLANS (continued)

The Registered Plan and Supplemental Plan are considered multi-employer plans for accounting purposes only. It is not reasonably possible to determine the actuarial present value of the accumulated benefit obligation or the plans net assets for employees of the University apart from other plan participants. As a result, the University is required to account for its participation as if the plans were defined contribution plans. Required contributions during the year are included in salaries and wage related expense in the statement of operations.

Based on the latest actuarial information of the Registered Plan as a whole, as at December 31, 2015, the actuarially computed value of accumulated plan benefits was estimated to be \$149,633,000, and the market value of Registered Plan's net assets were estimated to be \$127,436,000 for that plan as a whole, resulting in a funding deficit of \$22,197,000. As a participating employer, the Organization is required to make contributions to the Registered Plan in amounts which are subject to change as determined by the Registered Plan's governing board.

The Registered Plan was amended January 1, 2012, to cover substantially all employees who have completed two years of service. Prior to the amendment the Registered Plan covered substantially all employees who had completed three years of service.

The required contributions, and expense recorded, by the University are as follows:

	2016	2015
	\$	\$
Registered Plan		
Amortization payment	619,181	638,414
Normal cost	256,943	269,050
Supplemental Plan		
Pension benefits	155,190	167,293
Other post-retirement benefits	182,786	194,912
	1,214,100	1,269,669

17. TRANSFERS BETWEEN FUNDS

	2016						
	Burman	Rentals	PAA	Endowment	Capital	Research	Total
	\$	\$	\$	\$	\$	\$	\$
Inter-fund services	274,255	(30,273)	(243,982)	-	-	-	-
Capital funding	(1,147,928)	(619,134)	-	-	1,767,062	-	-
Inter-fund Heritage Fund interest	65,526	-	21,841	-	(87,367)	-	-
Research	(15,883)	-	-	-	-	15,883	-
	(824,030)	(649,407)	(222,141)	-	1,679,695	15,883	-

	2015						
	Burman	Rentals	PAA	Endowment	Capital	Research	Total
	\$	\$	\$	\$	\$	\$	\$
Inter-fund services	269,847	(25,617)	(244,230)	-	-	-	-
Capital funding	(424,322)	-	-	-	424,322	-	-
Inter-fund Heritage Fund interest	69,019	-	23,006	-	(92,025)	-	-
Research	(16,137)	-	-	-	-	16,137	-
	(101,593)	(25,617)	(221,224)	-	332,297	16,137	-

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

18. INCREASE IN ENDOWMENTS

	2016	2015
	\$	\$
Endowment contributions	58,583	15,997
Interest earned on endowments	54,541	68,735
Interest transferred to operating fund	(50,781)	(64,509)
	62,343	20,223
Reclassified contributions	4,942	12,486
Increase in endowments	67,285	32,709

19. RECOMMENDED WORKING CAPITAL

The following is a summary of working capital and liquidity as recommended and defined by the Working Policy [S73] of the North American Division of the General Conference of Seventh-day Adventists. Recommended working capital is defined as 20% of operating expenses of the latest complete fiscal year. Working capital is defined as the amount of current assets above the total of current liabilities.

	2016	2015
	\$	\$
Working capital		
Total current assets		
Operating Funds	6,901,815	6,515,860
Total current liabilities		
Operating Funds	2,442,922	2,669,043
Total working capital	4,458,893	3,846,817
Recommended working capital	3,861,417	3,727,175
Working capital surplus	597,476	119,642
Percent of recommended working capital	115%	103%
Current ratio	2.83	2.44
Liquidity		
Cash	2,449,848	4,286,394
Total liquid assets	2,449,848	4,286,394
Less commitments as defined by policy		
Current liabilities	2,442,922	2,669,043
Liquidity surplus	6,926	1,617,351
Percent of liquid assets to commitments	100%	161%
Calculation of recommended working capital		
20% operating expenses	3,861,417	3,727,175
Recommended working capital	3,861,417	3,727,175

NOTES TO FINANCIAL STATEMENTS

April 30, 2016

20. INSURED LOSSES

During the 2016 fiscal year the University continued to process two (2) insurance claims and added one (1) more.

The first of the two continuing claims occurred in October 2013 regarding explosion/fire and water damage to the Chan Shun Science Centre. As of April 30, 2016, expenses of \$1,148,079 were incurred and insurance funds received totaled \$821,826. In addition to funds received the University recognized a receivable in the amount of \$160,000. Additional proceeds may be available as the claim is finalized.

The second of the two continuing claims occurred in December 2013 regarding the roof collapse of the Plant Services building. As of April 30, 2016, expenses of \$335,298 were incurred in addition to replacement of the building structure which is approximately 65% complete as of April 30, 2016. Insurance funds received totaled \$1,012,881 which included a payment of \$712,027 for the assessed cash value of the building loss. In addition to the funds received the University recognized a receivable in the amount of \$500,000. Additional proceeds may be available as the claim is finalized.

The new claim occurred in July 2015 regarding hail damage to substantially all the University's buildings. As of April 30, 2016, expenses of \$20,427 were incurred and no insurance funds were received. The University has recognized a receivable in the amount of \$881,172 and has subsequently received the same as the initial payment from the insurer representing the initial ACV for estimated damages.

21. COMMITMENTS

The University has contracted with Camdon Construction to build the new Facility Maintenance building. As of April 30, 2016, the construction on the building was 65% complete with an estimated future commitment of \$745,090 including GST.

The University has contracted with Research and Development to develop a new web site. Estimated cost for this project is \$120,000.