



ANNUAL REPORT

2016-17



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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 2016-2017 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 2016-2017 Annual Report and to confirm the following statement:

Burman University's Annual Report for the year ended April 30, 2017, 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

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,

Loren Agrey
President
Burman University

The 2016-2017 academic year saw a major administrative shift at Burman University. At the end of the year, Dr. Mark Haynal, President for the last seven years, accepted an academic position in the United States. The Board of Trustees performed a full search and in February, invited Dr. Loren Agrey to replace Dr. Haynal. His most recent posting was that of Academic Dean at Kettering College in Kettering, OH and previous to that served as President of Asia-Pacific International University located in Thailand for five years. The campus is not new to Dr. Agrey as he has served in various capacities and also been a student on campus for a total of 18 years.

One of the key initiatives is a renewal of the university's strategic plan. The new plan is being constructed on five pillars – growth, excellence, advancement, and student success and community engagement. The Board of Trustees, the management team, along with faculty, staff and students have all engaged in a conversation on how to ensure that Burman University thrives in the future. The discussions have led to a data set of excellent ideas which will enable the institution to build on to ensure success in these areas.

The opening enrolment for the 2016 fall term showed a drop from 475 students the previous year to 456 students enrolling. The full-load equivalency dropped from 423.43 to 402.93. There was a dip in first-year students this year although the retention rate for both first-year to second-year and robust retention overall allowed for the enrolment numbers to remain steady year-over-year. Regarding gender, 55% of the student population at Burman is female with the remaining 45% being male.

The university continues its community outreach through both lecture and performance series. The Herr Lecture series hosted important academic and public figures to campus. This included Lt. Gen. Romeo Dallaire as well as other top thinkers and important individuals who have important things to say in the public sphere. The university also continued to support a strong arts component with its public Sunday at 7 musical concert series. Accomplished musicians provided top-rate concerts throughout the year.

The academic year also witnessed strong efforts and results in the priority initiatives and outcomes as articulated and planned for in the Campus Improvement Plan. The following report will outline how these initiatives are being accomplished to the benefit of students, the institution as well as the community of Lacombe and its surrounding areas. The report provides further information on academic successes and financial stability as well. The institutional mission to “educate students to think with discernment, believe with insight and commitment and to act with confidence, compassion and competence” is continually being accomplished on a daily basis on the campus of Burman University.



Burman University received no disclosures under the Public Interest Disclosure Act for the fiscal year April 1st, 2016 to March 31, 2017.

Core Programs

The core academic programs at Burman University are offered within two academic units: the Faculty of Arts and Social Sciences and the Faculty of Science. Following is a list of degree program options that are offered at Burman University.

Faculty of Arts and Social Sciences

Bachelor of Arts (Four-Year Degrees)

- Adventure Based Counselling
- Behavioural Science
- English
- International Studies
- Music
- Religious Studies

Bachelor of Arts (Three-Year Degrees)

- Adventure Based Counselling
- Business Administration
- English
- General Studies
- History
- International Health and Wilderness Studies
- Music
- Outward Pursuits
- Religious Studies

Bachelor of Business Administration (Four-Year Degree)

- Accounting track
- Human Resource Management track
- International Business track
- Management track

Bachelor of Education (Four-Year Degrees)

- Elementary Education
- Secondary Education
 - Biology specialization
 - Business specialization
 - English specialization
 - Mathematics specialization
 - Music specialization
 - Religious Studies specialization
 - Social Studies specialization

Bachelor of Education After-Degree (Two-Year)

Elementary
Secondary

Bachelor of Music (Four-Year Degree)

Performance

Faculty of Science

Bachelor of Science (Four-Year Degree)

Biology
 General track
 Bio-Medical track
 Environmental track
Psychology
Wellness

Bachelor of Science (Three-Year Degree)

Biology
General Studies
Psychology
Wellness

This academic year saw a 4% decrease in headcount and FTE. This was primarily due to a dip in retention rate and the 2016 graduating class being the largest on record. The end of the reporting period saw a decrease in graduation class size so we are confident that we've reached a plateau for enrolment decline and can begin looking towards increased enrolments in the years to come. Four years ago, our retention officer retired and her position was never filled. We think this is one contributing factor to our declining retention rate. Our retention committee is actively pursuing the creation of an intentional retention plan. Overall retention is still above the goal rate of 70%. See Appendix A for enrolment and retention statistics.

At the end of the reporting period, we had many retirements: four professors, our vice-president for advancement, and our president. Dr. Loren Agrey was chosen by a board appointed search committee as 25th president of Burman University. Dr. Agrey is no stranger to the Burman University campus. From 2005 – 2010, he was the Vice President for Academic Administration and before then served as an associate in the department and as a lecturer in the history department. Prior to rejoining the Burman University campus family, Dr. Agrey served as the Dean for Undergraduate Academic Affairs at Kettering College in Ohio and as President of Asia-Pacific International University in Thailand.

Dr. Shirley Freed was hired as Professor of Education. Dr. Freed has a long established career as an educator and an impressive history of research. She was hired to chair the department and provide guidance to help bolster the research output of the department. Dr. Chloe Weir was hired for the education department as an Assistant Professor of Education. Dr. Weir is fresh out of her PhD from the Western University. In the Biology department, Dr. Sandra Acquah joins the faculty teaching courses in anatomy, physiology, heredity, and vertebrate and invertebrate biology. Dr. Acquah has taught at several universities and community colleges in the Washington, DC area. Rounding out our new hires, Dr. Alison Kilgannon teaches in the music department. Dr. Kilgannon's background is in piano performance and recently graduated with her DMus from the University of Montreal. We're confident that this year's new hires will contribute to the scholarly activity output of their departments and will support the University's goals towards greater research output among our faculty.

The last academic year saw several community outreach initiatives. The third season of the Herr Lecture Series was very successful. The last lecture of the season was Lt. Gen. Romeo Dallaire presenting to an audience of over 800 people. The other speakers for last season's series were Katy Hutchison, Dr. Heather Looy from Kings University, and Dr. Mojtaba Mahdavi from the University of Alberta. These lectures continue to be an opportunity to engage our student, faculty, staff, and the local community in thoughtful dialogue about a variety of topics under the umbrella of humanities.

The Wellness department introduced a speaker series last year called the Burman University Community Wellness Initiative. This series brings in highly qualified speakers to present on a range of wellness topics with the aim of sharing with the community at large.

The beginning of the reporting year saw the completion of a new building for the Facility Maintenance department. In 2013, the old building had a partial roof collapse 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). Other campus renovations completed during the summer of 2016 include stairwell renovations in the main administration building, siding replacement in the Riverton Hall residence, and an upgrade to the entryway of the Lakeview Hall residence hall. The main level is now wheelchair accessible. We continue to strive towards a fully accessible campus – an endeavor that we're taking small steps every year to achieve. The campus was built on a hill over 100 years ago so our oldest buildings still have many necessary upgrades before the campus can be fully accessible. An empty bay in the ABC strip mall on campus was converted into the Edith Fitch department of archives. Named for a long time volunteer, the archives department has a new home with more space as their old space was renovated and repurposed for the Student Success Centre.

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 labor 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 behavior and academic achievement during the 2016-17 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.



GOALS, PRIORITY OUTCOMES, EXPECTED OUTCOMES AND PERFORMANCE MEASURES

Goals, Priority Initiatives, and Expected Outcomes (Linked to Goals)

G1: Affordability	Increase Enrolment to a stable minimum of 500 FTE students.	September 30, 2020	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, 2020	
EO1a	A yearly average of 40 1st 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, 2020	The Herr Lecture series continues 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, 2020	
EO2a	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, 2020	Marketing and Enrolment Services has initiated a Central Alberta campaign focusing on advertisement and public relations in the local area through newspaper and radio. During the reporting period, a new communications coordinator was hired to help with these initiatives and goals.
EO2b	Increased community attendance at University events.	May 30, 2018	
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 Indigenous students. 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.
P3a	FNMI Program Director recruits FNMI students and supports their progress on campus	September 30, 2019	
EO3a	An opening enrolment of 15 FNMI students.	September 30, 2019	
P3b	Burman University's School of Education fosters collaboration with Maskwacis Cultural College.	September 30, 2020	The School of Education started to work on a proposal to collaborate with the Maskwacis Cultural College earlier this year. However, with the retirement of the School Chair and Maskwacis Cultural College's change of focus, the initial proposal has been delayed. There is ongoing discussion between the two institutions.
EO3b	A block transfer agreement established with Maskwacis Cultural College.	September 30, 2020	

Goals, Priority Initiatives, and Expected Outcomes (Linked to Goals)

P3c	FNMI Program Director helps develop policies appropriate to FNMI students and develops program to increase campus awareness and understanding of FNMI culture.	September 30, 2020	The FNMI Program Director continues to organize programming for students, faculty, and staff centered around Indigenous issues as they pertain to education. She worked closely with the School of Education to plan this summer's faculty colloquium which was themed around Indigenous issues.
EO3c	Policies in place, and documented number of events featuring awareness of FNMI 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 rigors 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.
G4: Access	Fully remodel and expand the library.	August 15, 2020	Camdon Construction has completed and exhibited to Campus of the Future Committee architectural plans and drawings for a remodeled and expanded library.
P4a	Development of architectural plans for a remodeled and expanded library.	September 30, 2017	
EO4a	Architectural plans and drawings completed.	September 30, 2017	
P4b	\$2 million raised for Phase 1 of the library remodel and expansion.	September 30, 2018	Funds of up about \$1.5 million are already in place, as Advancement Department continues fundraising activities in earnest.
EO4b	Donors have contributed or pledged a total of \$2 million for the first phase of the library remodel and expansion.	September 30, 2018	
G5: Access	Develop a comprehensive student mental health strategy	August 15, 2018	Burman University applied and received government funding for the Student Mental Health Strategy. We have advertised for a Mental Health Coordinator position. The successful applicant will be responsible for the training, policy development and community sensitization on mental health issues.
P5a	Retrain university counsellor and train relevant units e.g., student services staff and resident hall deans, on mental health issues	August 15, 2018	
P5b	Sensitize campus community on mental health issues.	August 15, 2018	
EO5a-b	Policies in place, and documented number of campus-wide events featuring awareness of mental health issues.	August 15, 2018	
G6: Affordability	Develop a resilient financial base for campus operations.	April 30, 2020	The position of a comptroller was budgeted for in the reporting year, but that position was not filled.
P6a	Hire a Comptroller who will research and implement money saving strategies and policies.	September 30, 2017	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.
EO6a	A three-year period of implementation of cost-cutting strategies and policies that result in a 1% reduction in operating costs per year.	September 30, 2019	

Goals, Priority Initiatives, and Expected Outcomes (Linked to Goals)

P6b	Implement changes in the Office of Advancement that will result in more effective institutional fundraising.	September 30, 2017	The Office of Advancement underwent some staff restructuring with the retirement of the Vice President for Advancement. There is now a director in the department and are working under the guidance of an external consultant to shift emphasis to increasing donations and fundraising.
EO6b	A yearly 5% increase in contributions by alumni and friends for three consecutive years.	September 30, 2019	
P6c	Reduce electrical consumption by transitioning to campus-wide LED bulbs.	September 30, 2019	
EO6c	Reduce consumption of electricity by 15%.	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.
G7: Quality	Enhance the Burman University student experience.	May 30, 2020	During the reporting period, a second application to ACAC was rejected due to scheduling conflicts with a note to reapply only when scheduling issues are resolved. We are now actively seeking alternative options for our athletic teams to participate in.
P7a	Find collegiate athletics membership for the men's and women's basketball teams.	May 30, 2019	
EO7a	Collegiate athletics membership application approved.	May 30, 2019	
P7b	Expand career counseling services and resources for students.	September 30, 2017	The Student Success Center now has a Life Coach who helps students with career counselling, goal setting, and time management. The staff at the Student Success Centre continue their efforts in providing counselling and other resources to students, and also invite diverse resource persons to campus to offer seminars and deliver career fairs.
EO7b	Career counselling services for students expanded.	September 30, 2017	
P7c	Provide proactive training on strategic campus computer information and communication technologies to campus community.	On-going	The Information Technology department continues to offer mandatory security training for faculty and staff. In light of the challenges many universities in Alberta have faced with hacking, malware, and viruses, this is a top priority for the IT department and they continue to require updated training.
EO7c	Training on-going and continuous	On-going	
G8: 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.
P8a	Increase courses listed in Alberta Transfer Guide.	On-going	
EO8a	Majority of Burman University courses listed in the Alberta Transfer Guide	September 30, 2018	
P8b	Submit phased applications to the Ministry and to CAQC to offer additional degree programs.	Starting Fall 2018 through September, 2020	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.
EO8b	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, 2018	

Goals, Priority Initiatives, and Expected Outcomes (Linked to Goals)

P8c	Revise student evaluation forms of courses to better capture student experience of variations in course delivery.	August 30, 2017	New course evaluations have been implemented as well as a revised schedule for distributing them. Course evaluations were developed by sampling from other universities and colleges in our sector.
EO8c	Revised student course evaluations in place.	September 30, 2017	
G9: Quality	Ensure the delivery of a consistently high quality educational experience through increasing the research involvement of faculty.	On-going	Faculty report on their individual research activities twice throughout the year in August and in May. The departments report annually on research and development of their program. The templates for both the annual report and 6-year cyclical reports continue to be refined and updated. The annual report is reflective of the 6-year cyclical template in order to streamline the report preparation process when departments work on their 6-year reviews. The Office of Academic Administration has required all faculty to engage in some research as part of their summer activities. The Seed Grant budget was increased this year to encourage faculty research. As well, professional development funds were redistributed in order to bolster the pool of available funds for faculty needing extra money for professional development activities. 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.
P9a	Continue to require sustained faculty research output through tightening of research reporting requirements.	On-going	
EO9a	New reporting forms being used.	On-going	
P9b	Provide additional funding and/or release time to allow for research.	May 1, 2019	
EO9b	Additional funding in budget.	May 1, 2019	
G10: 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.
P10a	Locate local sites for internship, co-op and practicum experiences.	August 30, 2019	
EO10a	Internship sites in place.	August 30, 2019	
G11: 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	During the reporting period, a professional development workshop was held for faculty to review learning outcomes and SWOT analysis – both essential components to departmental reporting. We also offered workshops regarding online training, D2L, and other technology related components of teaching to keep training current.
P11a	Review the literature and develop a wide variety of best-practice, discipline appropriate models for faculty to use.	August 30, 2019	
EO11a	Best practices known and adopted.	August 30, 2019	

The University was able to increase the consolidated Unrestricted Unallocated Net Asset (UUNA) balance by 43% (or \$242,418) which restored some of the previous year reduction to UUNA. The University intends to continue a trend of modest growth in the UUNA as it seeks to establish a resilient financial base. The University also continues to hold external debt to zero.

See Appendix B for audited consolidated financial statements.

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, Jamaica, Zimbabwe, 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 as 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 Cambodia and a humanitarian trip to Nepal. 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.

With security continuing to rise in prominence as an issue for educational institutions to deal with, Burman began a mandatory security awareness training program using the KnowBe4 service. This has been rolled out for all of our faculty and staff that are assigned institutional devices. Simulated phishing campaigns run after training show substantially lower 'click' responses.

We continue to have concerns about our campus management system, Comprehensive Academic Management System (CAMS). Since being purchased by Unit4, the team we worked with has been moved to other projects and our support model has changed, and response to our issue seems to have slowed. We still have major promised reporting and APAS components not completed. We have done further exploration of options, but partnering with Red Deer College is not possible due to licensing issues. Since the price to continue with the Unit4 CAMS replacement has risen since initial investigation, our options are becoming more limited.

With our goal of promoting and supporting the use of educational technologies in the instruction process in mind, the Computer Serviced Director was placed on the Teaching and Learning Committee. However, that Committee has only met one time this school year and initiatives raised did not get much traction. We need to find more effective ways to engage with faculty and promote professional development in the appropriate use of technology in teaching strategies.

During the 2016-2017 school year Burman University replaced the 15 year old core and edge networking switches across campus and completed implementing structured network wiring in room hosting the servers and core switches. Progress has also been made in segmenting our previously flat network to enhance security. A new wireless SSID on its own VLAN using 802.1x authentication has been in use for the second semester. Also, a separate VLAN for Security and camera equipment was implemented. This will continue with similar new networks for faculty/Staff use.

A budget request for implementing higher density wireless in the dormitories has been submitted, and is waiting for approval.

Computer Services staff all participated in professional development activities during the past year. An Info-Tech Research CIO Business Vision diagnostic was conducted, and showed that the campus units viewed the value and quality of services they were receiving very highly. This also helped us identify areas where more effort should be directed to get the most benefit in satisfaction.

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 2016-17 school year saw the completion of a new building for the Facility Maintenance department. In 2013, the old building had a partial roof collapse 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).

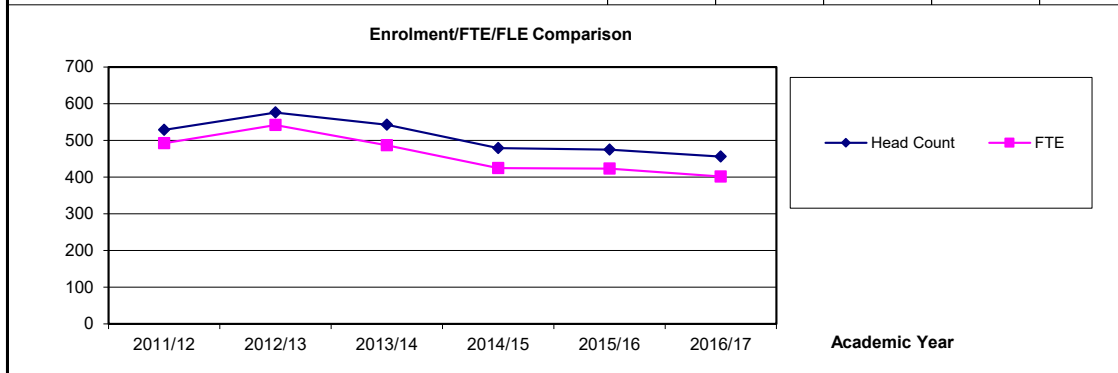
Architectural plans and drawings for a remodeled and expanded library has been completed. Currently our Advancement department is busily raising funds for the phase I of this project.

APPENDICES



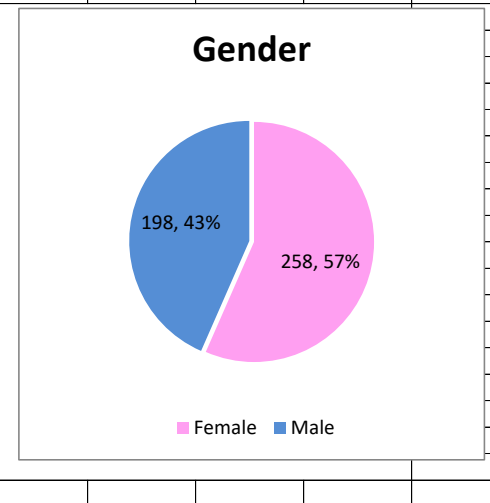
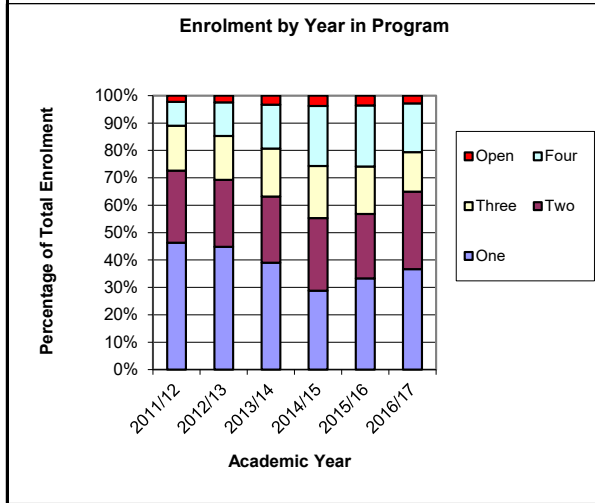
APPENDIX A
ENROLMENT AND RETENTION STATISTICS

ENROLMENT/FTE/FLE COMPARISON	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Total Head-Count Enrolment (All Programs)	529	576	543	479	475	456
Total Full-Load Equivalent (15 crs)	492.13	541.93	486.73	424.83	423.43	401.67



ENROLMENT BY CONFERENCE/AREA	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Alberta/NW Territories/Nunavut	203	238	216	201	196	193
British Columbia/Yukon	99	90	85	72	68	74
Manitoba/Saskatchewan	19	18	22	15	22	19
Ontario	117	136	128	101	101	75
Quebec	22	17	17	21	18	15
Maritimes	14	16	16	15	16	16
Newfoundland/Labrador	1	2	3	0	1	2
United States	31	36	39	39	38	39
International	23	23	17	15	15	23
TOTAL	529	576	543	479	475	456

ENROLMENT BY YEAR IN PROGRAM	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
One	245	258	212	138	158	167
Two	139	141	131	127	112	129
Three	87	92	95	91	82	66
Four	46	71	87	105	106	81
Open	12	14	18	18	17	13
TOTAL	529	576	543	479	475	456



Gender	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Female	269	301	297	248	269	258
Male	260	275	246	231	206	198
TOTAL	529	576	543	479	475	456

ENROLMENT BY PROGRAM OF STUDY	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17
Bachelor of Arts (4-Year)							
Adventure Based Counseling	14	10	9	12	8	8	4
Behavioural Science	14	18	18	25	26	26	22
English	13	13	16	16	11	11	3
International Studies (Opened 01 May 2010)	4	9	10	9	4	7	9
Music	13	14	10	9	7	7	9
Religious Studies	8	11	8	8	11	14	8
Religious Studies (ABYL)	7	4	7	7	4	3	2
Religious Studies (Pre-Professional)	39	49	61	45	38	41	43
Subtotal	112	128	139	131	109	117	100
Bachelor of Business Administration (4-Year)							
Accounting Track	16	22	14	17	19	14	17
Human Resource Management Track	1	5	4	2	4	2	2
International Business Track	14	10	8	8	3	3	3
Management Track	10	15	22	25	23	14	14
Business Administration	2	2	3	0	0	0	
Subtotal	43	54	51	52	49	33	36
Bachelor of Music (4-Year)	9	8	11	7	4	5	2
Bachelor of Science (4-Year)							
Biology	28	22	25	19	13	24	25
Biology: Bio-Medical Track	44	63	84	81	64	51	44
Biology: Environmental Science Track	5	4	3	2	3	2	4
Psychology	46	47	44	36	35	33	33
Wellness (Opened 2016/17)							7
Subtotal	123	136	156	138	115	110	113
Bachelor of Education							
Elementary	65	57	66	56	50	44	49
Secondary	37	39	36	30	21	25	28
After Degree Elementary (Opened 2011/12)		1	4	12	13	13	15
After Degree Secondary (Opened 2011/12)		5	5	5	12	9	7
Subtotal	102	102	111	103	96	91	99
Bachelor of Arts (3-Year)							
Adventure Based Counseling	1	0	0	2	3	4	1
Business Administration	5	3	4	1	4	3	3
English	0	2	1	1	1	2	3
General Studies	14	23	32	31	25	31	34
History	4	4	4	3	2	3	0
Intern'l Health & Wilderness Studies	2	4	5	6	4	2	2
Music	1	0	0	0	0	1	2
Outdoor Adventure Business Studies	0	0	0	0	0	0	0
Outward Pursuits	4	5	9	6	8	6	4
Religious Studies	0	2	3	1	2	4	5
Subtotal	31	43	58	51	49	56	54
Bachelor of Science (3-Year)							
Biology	16	12	8	10	5	5	3
General Studies	7	12	13	12	12	12	13
Psychology (Opened 01 May 2001)	5	3		2	2	3	2
Wellness Management (Opened 01 May 2001)	20	19	16	19	20	26	21
Subtotal	48	46	37	43	39	46	39
Diploma (2-Year) (Closed 10/11)							
Adventure Based Counseling	3	0	0	0			
Subtotal	3	0	0	0			
Open	22	12	13	18	18	17	13
TOTAL ENROLMENT	493	529	576	543	479	475	456

Retention Statistics: Based on Fall To Fall Enrolment														
Year	Previous Enrolment	Grads	Eligible to Return	Fall Enrolment	New Students	Freshmen	Transfer	New Previous Year Continuing	Returned	Total New*	New Winter Returning	Returning	Overall Retention Rate♦	New Student Retention Rate◆
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%
2016/17	475	116	359	456	138	107	31	94	271	185	14	33	75%	64%
													74%	73% Average
* 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													
◆ (Returned / Eligible to Return)														
❖ (New Previous Year Continuing / Previous Year's "New Students")														

APPENDIX B
AUDITED FINANCIAL STATEMENTS

BURMAN UNIVERSITY

Financial Statements and Independent Auditor's Report

April 30, 2017

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, 2017, 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, 2017, 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 29, 2017

Chartered Professional Accountants

BURMAN UNIVERSITY

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April 30, 2017

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Burman University

STATEMENT OF FINANCIAL POSITION

As at April 30

	2017									2016	
	Operating Funds				Other Funds				All Funds	All Funds	
	Burman	Rentals	PAA	Total	Loans	Endowment	Capital	Agency	Research	Total	Total
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
ASSETS											
Current											
Cash [note 3]	2,132,876	-	600	2,133,476	-	-	100,473	-	-	2,233,949	2,747,008
Accounts receivable [note 4]	1,352,019	18,060	207,759	1,577,838	-	8,483	-	-	-	1,586,321	2,273,263
Short-term investments [note 5]	2,018,784	-	-	2,018,784	-	-	-	-	-	2,018,784	3,007,242
Prepaid expenses	118,995	-	1,052	120,047	-	-	-	-	-	120,047	233,214
Due from (to) other funds [note 6]	(635,668)	30,091	813,250	207,673	136,132	(113,291)	(373,096)	102,271	40,311	-	-
Current portion of notes and loans receivable [note 7]	-	-	-	-	2,016	-	-	-	-	2,016	13,180
Total current assets	4,987,006	48,151	1,022,661	6,057,818	138,148	(104,808)	(272,623)	102,271	40,311	5,961,117	8,273,907
Notes and loans receivable [note 7]	-	-	-	-	9,870	-	-	-	-	9,870	356,939
Long-term investments [note 8]	1,903,660	-	-	1,903,660	-	2,224,674	6,771,554	-	-	10,899,888	9,265,023
Capital assets, net [note 9]	-	-	66,955	66,955	-	-	13,303,604	-	-	13,370,559	13,278,153
	6,890,666	48,151	1,089,616	8,028,433	148,018	2,119,866	19,802,535	102,271	40,311	30,241,434	31,174,022
LIABILITIES AND NET ASSETS											
Current											
Accounts payable and accrued liabilities [note 10]	1,103,466	1,235	125,436	1,230,137	-	-	-	-	-	1,230,137	1,656,944
Deferred revenue [note 11]	63,793	-	151,672	215,465	-	-	-	-	-	215,465	200,788
Deposits and agency funds	84,759	5,701	66,634	157,094	-	-	50,000	102,271	-	309,365	311,215
Current portion of deferred contributions [note 12]	344,816	-	67,095	411,911	-	-	137,874	-	-	549,785	505,779
Total current liabilities	1,596,834	6,936	410,837	2,014,607	-	-	187,874	102,271	-	2,304,752	2,674,726
Deferred contributions [note 12]	1,127,121	-	23,990	1,151,111	148,018	-	79,232	-	-	1,378,361	1,317,721
Deferred capital contributions [note 13]	-	-	-	-	-	-	4,695,811	-	-	4,695,811	5,023,949
Total liabilities	2,723,955	6,936	434,827	3,165,718	148,018	-	4,962,917	102,271	-	8,378,924	9,016,396
Commitments [note 21]											
Net assets											
Unrestricted unallocated	766,911	41,215	-	808,126	-	-	-	-	-	808,126	565,708
Internally restricted [note 14]	3,399,800	-	556,251	3,956,051	-	-	9,787,297	-	40,311	13,783,659	14,634,843
Net assets not subject to external restrictions	4,166,711	41,215	556,251	4,764,177	-	-	9,787,297	-	40,311	14,591,785	15,200,551
Invested in capital assets	-	-	66,955	66,955	-	-	5,052,321	-	-	5,119,276	4,907,345
Permanently restricted	-	-	31,583	31,583	-	2,119,866	-	-	-	2,151,449	2,049,730
Total net assets [schedule]	4,166,711	41,215	654,789	4,862,715	-	2,119,866	14,839,618	-	40,311	21,862,510	22,157,626
	6,890,666	48,151	1,089,616	8,028,433	148,018	2,119,866	19,802,535	102,271	40,311	30,241,434	31,174,022

Burman University

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

Year ended April 30

	2017										2016
	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	5,663,237	-	785,649	6,448,886	-	-	-	-	-	6,448,886	6,242,071
Alberta government grants	3,146,081	-	309,455	3,455,536	-	-	-	-	-	3,455,536	3,399,565
Seventh-day Adventist Church in Canada appropriations [note 15]	4,797,098	-	640,938	5,438,036	-	-	-	-	-	5,438,036	5,444,198
Interest and other	832,050	-	226,020	1,058,070	-	-	-	-	-	1,058,070	477,705
Resale and ancillary revenue	2,177,240	260,341	144,527	2,582,108	-	-	-	-	-	2,582,108	2,817,978
Donations	278,500	-	-	278,500	-	-	-	-	-	278,500	157,110
Total unrestricted revenue	16,894,206	260,341	2,106,589	19,261,136	-	-	-	-	-	19,261,136	18,538,627
Restricted revenue											
Donations	546,169	-	47,280	593,449	-	-	-	-	400	593,849	579,127
Seventh-day Adventist Church in Canada appropriations [note 15]	14,312	-	-	14,312	-	-	-	-	-	14,312	10,501
Alberta government grants	258,476	-	33,118	291,594	-	-	-	-	-	291,594	383,157
Total restricted revenue [note 12]	818,957	-	80,398	899,355	-	-	-	-	400	899,755	972,785
Total general revenue	17,713,163	260,341	2,186,987	20,160,491	-	-	-	-	400	20,160,891	19,511,412
EXPENSES											
Salaries and non-pension benefits	9,684,513	-	1,158,593	10,843,106	-	-	-	-	4,355	10,847,461	10,703,201
Pension benefits [note 16]	1,288,550	-	166,110	1,454,660	-	-	-	-	-	1,454,660	1,484,426
Supplies and other	1,815,430	-	118,906	1,934,336	-	-	-	-	13,802	1,948,138	2,091,625
Student services	2,398,769	1,500	339,635	2,739,904	-	-	-	-	-	2,739,904	2,794,389
Plant and maintenance	1,393,241	243,905	124,449	1,761,595	-	-	7,210	-	-	1,768,805	1,819,345
Administrative	250,051	-	21,646	271,697	-	-	61,292	-	-	332,989	531,406
Amortization of capital assets	-	-	17,791	17,791	-	-	832,932	-	-	850,723	809,064
Interest	9,541	-	-	9,541	-	-	-	-	-	9,541	19,962
Total expenses	16,840,095	245,405	1,947,130	19,032,630	-	-	901,434	-	18,157	19,952,221	20,253,418
Excess (deficiency) of general revenue over expenses	873,068	14,936	239,857	1,127,861	-	-	(901,434)	-	(17,757)	208,670	(742,006)
CAPITAL ACTIVITY											
Capital revenue (expense)											
Insurance proceeds [note 20]	317,605	-	-	317,605	-	-	-	-	-	317,605	1,680,827
Amortization of deferred capital contributions	-	-	-	-	-	-	373,708	-	-	373,708	356,281
Loss on disposal of capital assets	-	-	-	-	-	-	(5,983)	-	-	(5,983)	30,290
Insured losses [note 20]	(1,290,835)	-	-	(1,290,835)	-	-	-	-	-	(1,290,835)	(344,424)
Total capital activity	(973,230)	-	-	(973,230)	-	-	367,725	-	-	(605,505)	1,722,974
Excess (deficiency) of total revenue over expenses	(100,162)	14,936	239,857	154,631	-	-	(533,709)	-	(17,757)	(396,835)	980,968
Transfers between funds [note 17]	(383,061)	(110,810)	(217,273)	(711,144)	-	-	695,496	-	15,648	-	-
Net activity after transfers	(483,223)	(95,874)	22,584	(556,513)	-	-	161,787	-	(2,109)	(396,835)	980,968
Increase in endowments [note 18]	-	-	500	500	-	101,219	-	-	-	101,719	67,285
Net assets, beginning 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
Net assets, end of year	4,166,711	41,215	654,789	4,862,715	-	2,119,866	14,839,618	-	40,311	21,862,510	22,157,626

See accompanying notes.

Burman University

STATEMENT OF CASH FLOWS

Year ended April 30

	2017										2016
	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	(100,162)	14,936	239,857	154,631	-	-	(533,709)	-	(17,757)	(396,835)	980,968
Adjustments to reconcile excess (deficiency) of revenue over expense to net cash provided:											
Amortization of capital assets	-	-	17,791	17,791	-	-	832,932	-	-	850,723	809,064
Amortization of deferred capital contributions	-	-	-	-	-	-	(373,708)	-	-	(373,708)	(356,281)
Loss on disposal of capital assets	-	-	-	-	-	-	5,983	-	-	5,983	(30,290)
(Increase) decrease in accounts receivable	681,320	(6,459)	12,799	687,660	-	(718)	-	-	-	686,942	(1,382,758)
(Increase) decrease in prepaid expenses	111,917	-	1,250	113,167	-	-	-	-	-	113,167	(95,301)
(Increase) decrease in due from/to other funds	(673,508)	111,062	90,137	(472,309)	3,073	141,993	324,138	996	2,109	-	-
Increase (decrease) in accounts payable and accrued liabilities	(330,301)	(8,729)	(87,777)	(426,807)	-	-	-	-	-	(426,807)	327,654
Increase (decrease) in deferred revenue	(2,965)	-	17,642	14,677	-	-	-	-	-	14,677	(62,595)
Increase (decrease) in deposits and agency funds	(8,065)	-	7,211	(854)	-	-	-	(996)	-	(1,850)	46,859
Increase (decrease) in deferred contributions	39,586	-	(3,674)	35,912	2,760	-	65,974	-	-	104,646	(262,070)
Transfers between funds	(383,061)	(110,810)	(217,273)	(711,144)	-	-	695,496	-	15,648	-	-
Cash provided by (used in) operating activities	(665,239)	-	77,963	(587,276)	5,833	141,275	1,017,106	-	-	576,938	(24,750)
Cash flows from investing activities											
Increase in short-term investments	-	-	-	-	-	-	-	-	-	-	(2,987,788)
Decrease in short-term investments	188,458	-	-	188,458	-	-	800,000	-	-	988,458	1,575,061
Proceeds from sale of capital assets	-	-	-	-	-	-	82,116	-	-	82,116	72,043
Purchases of capital assets	-	-	(78,463)	(78,463)	-	-	(907,195)	-	-	(985,658)	(1,868,153)
Increase in long-term investments	(203,657)	-	-	(203,657)	-	(242,494)	(1,188,714)	-	-	(1,634,865)	(1,293,699)
Decrease in long-term investments	-	-	-	-	-	-	-	-	-	-	2,460,307
Notes receivable issued	-	-	-	-	(8,165)	-	-	-	-	(8,165)	(370,000)
Payments received on notes receivable	364,066	-	-	364,066	2,332	-	-	-	-	366,398	331,072
Cash provided by (used in) investing activities	348,867	-	(78,463)	270,404	(5,833)	(242,494)	(1,213,793)	-	-	(1,191,716)	(2,081,157)
Cash flows from financing activities											
Increase (decrease) in endowments <i>[note 18]</i>	-	-	500	500	-	101,219	-	-	-	101,719	67,285
Cash provided by (used in) financing activities	-	-	500	500	-	101,219	-	-	-	101,719	67,285
Net increase (decrease) in cash during the year	(316,372)	-	-	(316,372)	-	-	(196,687)	-	-	(513,059)	(2,038,622)
Cash, beginning of year	2,449,248	-	600	2,449,848	-	-	297,160	-	-	2,747,008	4,785,630
Cash, end of year	2,132,876	-	600	2,133,476	-	-	100,473	-	-	2,233,949	2,747,008

Supplemental cash flow information:

Interest paid	9,541	-	-	9,541	-	-	-	-	-	9,541	19,962
Interest received	819,603	-	226,020	1,045,623	-	-	-	-	-	1,045,623	477,705
Donated capital assets	-	-	-	-	-	-	45,570	-	-	45,570	-

See accompanying notes.

SCHEDULE OF COMPONENTS OF NET ASSETS

Year ended April 30

	2017										2016
	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	4,649,934	137,089	594,339	5,381,362	-	-	9,776,769	-	42,420	15,200,551	15,379,046
Excess (deficiency) of total revenue over expenses	(100,162)	14,936	239,857	154,631	-	-	(533,709)	-	(17,757)	(396,835)	980,968
Add: amortization of capital assets and deferred capital	-	-	17,791	17,791	-	-	459,224	-	-	477,015	452,783
Net book value of capital asset disposals	-	-	-	-	-	-	88,099	-	-	88,099	41,754
Payments (additional borrowing) capital debt (net)	-	-	-	-	-	-	208,613	-	-	208,613	214,153
Capital assets purchased with unrestricted resources	-	-	(78,463)	(78,463)	-	-	(907,195)	-	-	(985,658)	(1,868,153)
Transfers between funds [note 17]	(383,061)	(110,810)	(217,273)	(711,144)	-	-	695,496	-	15,648	-	-
Net assets not subject to external restrictions, end of year	4,166,711	41,215	556,251	4,764,177	-	-	9,787,297	-	40,311	14,591,785	15,200,551
Invested in capital assets, beginning of year	-	-	6,283	6,283	-	-	4,901,062	-	-	4,907,345	3,747,882
Amortization of capital assets and deferred capital	-	-	(17,791)	(17,791)	-	-	(459,224)	-	-	(477,015)	(452,783)
Net book value of capital asset disposals	-	-	-	-	-	-	(88,099)	-	-	(88,099)	(41,754)
(Payments) additional borrowing, capital debt (net)	-	-	-	-	-	-	(208,613)	-	-	(208,613)	(214,153)
Capital assets purchased with unrestricted resources	-	-	78,463	78,463	-	-	907,195	-	-	985,658	1,868,153
Invested in capital assets, end of year	-	-	66,955	66,955	-	-	5,052,321	-	-	5,119,276	4,907,345
Permanently restricted net assets, beginning of year	-	-	31,083	31,083	-	2,018,647	-	-	-	2,049,730	1,982,445
Increase in endowments	-	-	500	500	-	101,219	-	-	-	101,719	67,285
Permanently restricted net assets, end of year	-	-	31,583	31,583	-	2,119,866	-	-	-	2,151,449	2,049,730
Total net assets, end of year	4,166,711	41,215	654,789	4,862,715	-	2,119,866	14,839,618	-	40,311	21,862,510	22,157,626

See accompanying notes.

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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).

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.

Cash and cash equivalents

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

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 asset no longer has any long-term service potential. A write-down is recorded to reduce the carrying amount of the asset to its residual value when there is no longer any service potential. Write-downs are not reversed if there is a subsequent change in circumstances.

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, unless otherwise noted.

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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, 2017

3. CASH

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

	2017	2016
	\$	\$
Deposits and agency funds	309,365	311,215
Deferred contributions	1,928,146	1,823,500
Total restricted cash	2,237,511	2,134,715
Unrestricted cash	(3,562)	612,293
	2,233,949	2,747,008

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 \$27,145 [2016 - \$9,941] denominated in United States dollars and thus subject to currency price risk.

4. ACCOUNTS RECEIVABLE

	2017	2016
	\$	\$
Students	646,642	620,539
Seventh-day Adventist organizations	107,618	80,920
Insurance receivable	821,181	1,541,172
Other	145,828	147,618
Total accounts receivable	1,721,269	2,390,249
Less allowance for doubtful accounts	(134,948)	(116,986)
Net accounts receivable	1,586,321	2,273,263

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

	2017	2016
	\$	\$
Guaranteed investment certificates	1,999,331	2,987,789
Donated art held for sale	19,453	19,453
	2,018,784	3,007,242

The guaranteed investment certificates bear interest at 1.5% to 2.5% and mature between May 2017 and January 2018. 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.

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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. Amounts due to the Endowment Fund of \$0 (2016 - \$28,702) and the amount due to the Loans Fund of \$136,132 (2016 - \$139,205) 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 (2016 - 2% and 3.75%). Otherwise, inter-fund balances are non-interest bearing and have no specified settlement terms.

7. NOTES AND LOANS RECEIVABLE

	2017	2016
	\$	\$
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
Less amounts due within one year	-	10,649
	-	353,417
Other Funds		
Student loans receivable, no fixed terms of repayment	11,886	6,053
Less amounts due within one year	2,016	2,531
	9,870	3,522
Total notes and loans receivable	11,886	370,119
Total amounts due within one year	2,016	13,180
	9,870	356,939

8. LONG-TERM INVESTMENTS

	2017	2016
	\$	\$
Investment in 1152300 Alberta Ltd.	4,000	4,000
Guaranteed investment certificates	3,230,376	2,657,684
Cash on deposit	1,101,883	697
Mutual funds - equities	6,559,970	6,602,640
Mega Fund	3,657	-
Equities	1	1
Mineral rights	1	1
	10,899,888	9,265,023

Included in long-term investments is \$976 (2016 - \$523) denominated in United States dollars and thus exposed to currency price risk. The long-term investments in mutual fund equities are traded in the market and thus exposed to market price rate risk.

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, 2017

8. LONG-TERM INVESTMENTS (continued)

The guaranteed investment certificates bear interest at 1.55% to 2.45% and mature between May 2018 and October 2021. 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 and are intended to be invested in the long-term, they have been presented as long-term on the statement of financial position. Investments held in the Capital fund are for the Heritage Fund and are reported as long term because of the University's intent to reinvest maturing investments over the long-term. Included in the long-term GIC's are GIC's with a maturity date of less than one year totaling \$610,376 in the endowment fund and \$370,000 in the capital fund.

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

	2017			
	Cost	Accumulated	Net	Amortization
	\$	Amortization	Book	Expense
	\$	\$	Value	\$
Land	346,263	-	346,263	-
Land improvements	2,873,602	1,329,598	1,544,004	76,028
Buildings	15,921,722	9,025,425	6,896,297	379,945
Building improvements	5,401,260	2,212,070	3,189,190	132,740
Pipe organ	527,278	102,740	424,538	6,752
Equipment	2,823,076	2,173,369	649,707	166,230
Vehicles	467,911	426,255	41,656	17,473
Library	1,523,414	1,244,510	278,904	71,555
	29,884,526	16,513,967	13,370,559	850,723

	2016			
	Cost	Accumulated	Net	Amortization
	\$	Amortization	Book	Expense
	\$	\$	Value	\$
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

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. 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 2017 calendar year.

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

10. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2017	2016
	\$	\$
Seventh-day Adventist organizations	2,626	62,274
Accrued liability in Mega Fund	-	4,480
Municipal government	89,837	11,694
Receiver General	1,074	215,192
Vacation and payroll	414,069	377,222
Retirement Allowances	180,680	-
Student credit balances	320,745	414,195
Other	221,106	571,887
	1,230,137	1,656,944

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:

	2017					
	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	1,107,938	535,887	(465,343)	-	-	1,178,482
Equipment and supplies	579,993	304,606	(137,668)	(19,225)	(32,610)	695,096
Government grants	135,569	228,703	(296,744)	-	(12,960)	54,568
	1,823,500	1,069,196	(899,755)	(19,225)	(45,570)	1,928,146

	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

Of the total deferred contributions at April 30, 2017, \$549,785 (2016 - \$505,779) is expected to be spent in accordance with the related external restrictions in the upcoming year.

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

13. DEFERRED CAPITAL CONTRIBUTIONS

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

	2017			
	Beginning Balance \$	Amount Transferred from Deferred Contributions [note 12] \$	Amount Amortized During the Year \$	Ending Balance \$
Capital projects	5,023,949	45,570	(373,708)	4,695,811

	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

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:

	2017				
	Burman \$	PAA \$	Capital \$	Research \$	Total \$
Operating purposes	2,739,215	537,443	-	-	3,276,658
Capital purposes	660,585	18,808	96,678	-	776,071
Heritage Fund	-	-	9,690,619	-	9,690,619
Research purposes	-	-	-	40,311	40,311
Total internally restricted net assets	3,399,800	556,251	9,787,297	40,311	13,783,659

	2016				
	Burman \$	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

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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:

	2017	2016
	\$	\$
<p>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, 2017 [2016 - 2.875%]</p> <p style="text-align: right;">(PE Centre Expansion)</p>	1,800,900	1,877,896
<p>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, 2017 [2016 - 2.875%]</p> <p style="text-align: right;">(Riverton Hall)</p>	743,858	828,714
<p>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, 2017 [2016 - 2.875%]</p> <p style="text-align: right;">(Beardsley Duplex)</p>	251,171	260,110
<p>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, 2017 [2016 - 2.875%]</p> <p style="text-align: right;">(Facility Maintenance Building)</p>	759,543	380,138
	3,555,472	3,346,858

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

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 2017, the SDACC subsidized the operations of the University in the amount of \$5,452,348 [2016 - \$5,454,699]. Included in these balances is \$5,438,036 [2016 - \$5,444,198] recognized as unrestricted revenues and \$14,312 [2016 - \$10,501] 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, 2017

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.

However, based on the latest actuarial information of the Registered Plan as a whole, as at December 31, 2016, the actuarially computed value of accumulated plan benefits was estimated to be \$163,443,000, and the market value of Registered Plan's net assets were estimated to be \$131,324,000 for that plan as a whole, resulting in a funding deficit of \$32,119,000. As a participating employer, the University 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 required contributions, and expense recorded, by the University are as follows:

	2017	2016
	\$	\$
Registered Plan		
Amortization payment	567,512	619,181
Normal cost	272,187	256,943
Supplemental Plan		
Pension benefits	149,461	155,190
Retirement Allowance	291,332	270,326
Other post-retirement benefits	174,168	182,786
	1,454,660	1,484,426

17. TRANSFERS BETWEEN FUNDS

	2017						
	Burman	Rentals	PAA	Endowment	Capital	Research	Total
	\$	\$	\$	\$	\$	\$	\$
Inter-fund services	268,921	(26,034)	(242,887)	-	-	-	-
Capital funding	(713,177)	(84,776)	-	-	797,953	-	-
Inter-fund Heritage Fund interest	76,843	-	25,614	-	(102,457)	-	-
Research	(15,648)	-	-	-	-	15,648	-
	(383,061)	(110,810)	(217,273)	-	695,496	15,648	-

	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	-

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

18. INCREASE IN ENDOWMENTS

	2017	2016
	\$	\$
Endowment contributions	45,417	58,583
Interest earned on endowments	257,355	54,541
Interest transferred to operating fund	(220,053)	(50,781)
	82,719	62,343
Reclassified contributions	19,000	4,942
Increase in endowments	101,719	67,285

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.

	2017	2016
	\$	\$
Working capital		
Total current assets		
Operating Funds	6,057,818	6,901,815
Total current liabilities		
Operating Funds	2,014,607	2,442,922
Total working capital	4,043,211	4,458,893
Recommended working capital	3,806,526	3,861,417
Working capital surplus	236,685	597,476
Percent of recommended working capital	106%	115%
Current ratio	3.01	2.83
Liquidity		
Cash	2,133,476	2,449,848
Total liquid assets	2,133,476	2,449,848
Less commitments as defined by policy		
Current liabilities	2,014,607	2,442,922
Liquidity surplus	118,869	6,926
Percent of liquid assets to commitments	106%	100%
Calculation of recommended working capital		
20% operating expenses	3,806,526	3,861,417
Recommended working capital	3,806,526	3,861,417

NOTES TO FINANCIAL STATEMENTS

April 30, 2017

20. INSURED LOSSES

During the 2017 fiscal year the University continued to process two insurance claims and completed one.

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, 2017, expenses of \$1,148,079 were incurred and insurance funds received totaled \$982,386. Additional proceeds may be available as the claim is finalized.

The second of the two continuing claims occurred in July 2015 regarding hail damage to substantially all of the University's buildings. As of April 30, 2017, expenses of \$1,171,851 were incurred and insurance funds of \$881,172 were received. The University has recognized a receivable in the amount of \$380,000. Additional proceeds may be available as the claim is finalized.

The completed claim occurred in December 2013 regarding the roof collapse of the Plant Services building. As of April 30, 2017, expenses of \$335,298 were incurred in addition to replacement of the building structure which was completed in July 2016. Insurance funds received totaled \$1,454,062.

21. COMMITMENTS

The University has contracted with Research and Design Ltd. develop a new web site. Estimated cost for this project is \$123,000. As of April 30, 2017, the project was 90% complete and the same percentage of payments was made.

22. COMPARATIVE FIGURES

Certain of the prior year figures have been restated to conform to the current year's presentation.