

Algoma University
Financial Statements
For the year ended April 30, 2015

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Independent Auditor's Report

To the Board of Governors of Algoma University

We have audited the accompanying financial statements of Algoma University, which comprise the statement of financial position as at April 30, 2015, and the statements of operations and unrestricted net assets, change in net assets and cash flows 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 Algoma University as at April 30, 2015 and the results of its operations and net assets, change in its net assets and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
October 8, 2015

Algoma University
Statement of Financial Position

Restated,
see notes
13, 14 and 15
2014

April 30

2015

Assets

Current

Cash	\$ 1,641,864	\$ 7,045,442
Accounts receivable - fees	698,705	608,375
Accounts receivable - other	1,058,444	603,521
Prepaid expenses and inventory	608,692	595,213
Other short term asset (Note 4)	775,000	-

4,782,705 8,852,551

Investments (Note 2)

4,934,245 4,550,329

Tangible capital assets (Note 3)

46,635,306 49,253,826

\$ 56,352,256 \$ 62,656,706

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 2,581,400	\$ 2,742,807
Fees received in advance	632,788	467,893
Deferred government grants, program and campaign revenue	2,253,019	3,039,608
Current portion of long term debt (Note 7)	5,950,050	2,826,838

11,417,257 9,077,146

Long term debt (Note 7)

7,520,318 13,470,815

Accrued pension obligation (Note 11)

1,521,000 2,187,667

Deferred contributions related to capital assets (Note 10)

29,894,774 28,551,867

50,353,349 53,287,495

Net assets


Unrestricted	1,923,853	4,020,827
Internally restricted (Note 5)	(703,439)	942,597
Endowments	4,778,493	4,405,787

5,998,907 9,369,211

\$ 56,352,256 \$ 62,656,706

On behalf of the Board:


_____ Chair


_____ Vice-Chair

Algoma University
Statement of Changes in Net Assets

For the year ended April 30	Unrestricted	Internally Restricted	Endowments	Total 2015	Restated see notes 13, 14, and 15 Total 2014
Balance, beginning of year	\$ 4,020,827	\$ 942,597	\$ 4,405,787	\$ 9,369,211	\$ 6,277,488
Excess (deficiency) of revenue over expenses	(4,182,032)	-	-	(4,182,032)	2,161,443
Post-employment benefit recovery - remeasurement	619,833	-	-	619,833	314,167
Contribution to endowment fund	-	-	84,062	84,062	98,653
Investment income on externally restricted endowment funds less amounts made available for spending	-	(180,811)	288,644	107,833	517,460
Internal restrictions (Note 5)					
Change in current year	1,465,225	(1,465,225)	-	-	-
Balance, end of year	\$ 1,923,853	\$ (703,439)	\$ 4,778,493	\$ 5,998,907	\$ 9,369,211

The accompanying notes are an integral part of these financial statements.

Algoma University
Statement of Operations and Unrestricted Net Assets

		Restated, see notes 13, 14 and 15
For the year ended April 30	2015	2014
Revenue		
Student fees	\$ 11,654,430	\$ 10,418,921
Government grants	14,693,139	15,513,731
Library	21,740	29,426
Miscellaneous programs	805,243	732,060
Extension operations	1,064,297	1,215,308
Ancillary operations	2,406,787	2,474,491
Non-credit operations	2,233,051	2,466,999
Foundation revenues	958,811	772,228
Amortization of deferred capital contributions	1,225,964	1,139,113
	35,063,462	34,762,277
Expenses		
Salaries and benefits		
Academic	9,707,569	9,603,474
Non-academic	8,094,573	7,486,665
Library	826,340	463,876
Administration	2,533,088	1,902,299
Academic departments	348,757	353,251
Advertising and communications	928,486	929,931
Utilities	514,090	531,902
Repairs and maintenance	883,176	687,956
Student services	341,025	528,808
Municipal taxes	91,350	82,950
Insurance	77,219	59,002
Faculty recruitment	83,216	58,931
Extension operations	1,486,223	1,440,492
Ancillary operations	3,028,200	3,102,587
Non-credit operations	2,393,293	2,746,465
Foundation expenses	1,165,083	567,699
Amortization of tangible capital assets	2,246,713	2,054,546
	34,748,401	32,600,834
Excess of revenue over expenses from operations	315,061	2,161,443
Loss on impairment of Windsor Park Residence (Note 4)	(4,133,640)	-
Loss on sale of other tangible capital assets	(363,453)	-
	(4,182,032)	2,161,443
Excess (deficiency) of revenue over expenses	(4,182,032)	2,161,443
Post-employment benefit recovery - remeasurement	619,833	314,167
Transfer to internally restricted net assets (Note 5)	1,465,225	(2,014,167)
	(2,096,974)	461,443
Change in unrestricted net assets for the year	(2,096,974)	461,443
Unrestricted net assets, beginning of year	4,020,827	3,559,384
	4,020,827	3,559,384
Unrestricted net assets, end of year	\$ 1,923,853	\$ 4,020,827

The accompanying notes are an integral part of these financial statements.

Algoma University Statement of Cash Flows

Restated,
see notes
13, 14 and 15
2014

For the year ended April 30

2015

	2015	2014
Cash flows from operating activities		
Excess (deficiency) of revenues over expenses	\$ (4,182,032)	\$ 2,161,443
Items not involving cash		
Amortization of tangible capital assets	2,246,713	2,054,546
Loss on disposal/impairment of tangible capital assets	4,497,093	33,573
Change in unrealized gains on investments	107,833	517,460
Amortization of deferred contributions	<u>(1,225,964)</u>	<u>(1,139,113)</u>
	1,443,643	3,627,909
Changes in non-cash working capital balances		
Accounts receivable - fees	(90,330)	18,187
Accounts receivable - other	(454,923)	72,492
Prepaid expenses and inventory	(13,479)	(143,755)
Accrued pension obligation (net of change in measurement)	(46,834)	(194,073)
Accounts payable and accrued liabilities	(161,407)	94,237
Fees received in advance	164,895	(162,087)
Deferred government grants and program revenue	<u>(786,589)</u>	<u>264,236</u>
	<u>54,976</u>	<u>3,577,146</u>
Cash flows from investing activities		
Net proceeds on sale of tangible capital assets	143,351	-
Purchase of tangible capital assets	(5,043,637)	(996,904)
Purchase of intangible asset	-	(171,521)
Purchase (sale) of investments	(383,916)	(975,916)
Deferred capital contribution	<u>-</u>	<u>-</u>
	<u>(5,284,202)</u>	<u>(2,144,341)</u>
Cash flows from financing activities		
Repayment of long term debt	(2,827,285)	(1,406,731)
Deferred capital contributions	2,568,871	1,323,629
Endowment contributions	<u>84,062</u>	<u>98,653</u>
	<u>(174,352)</u>	<u>15,551</u>
Increase (decrease) in cash and equivalents	(5,403,578)	1,448,356
Cash and cash equivalents, beginning of year	<u>7,045,442</u>	<u>5,597,086</u>
Cash and cash equivalents, end of year	\$ 1,641,864	\$ 7,045,442

The accompanying notes are an integral part of these financial statements.

Algoma University

Notes to Financial Statements

April 30, 2015

1. Summary of significant accounting policies

- Nature of Operations** Algoma University is a provincially funded university offering educational programs and upgrading to the accessing communities. The University is a registered charity and under the provisions of Section 149 of the Income Tax Act (Canada) is exempt from income taxes.
- Basis of Accounting** The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
- Basis of Consolidation** These financial statements reflect the assets, liabilities and results of the Northern Ontario Research, Development, Ideas and Knowledge Institute (Nordik Research Institute), the Coalition for Algoma Passenger Trains (CAPT), the Invasive Species Research Institute (ISRI), the Health Informatics Institute (HII) and Algoma University Foundation.
- Inventories** Inventories are valued at the lower of cost or net realizable value, with cost being determined substantially on a first-in, first-out basis.
- Revenue Recognition** The university follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- Tuition fees for courses which are offered substantially after the fiscal year end are deferred.
- Endowment Funds** Net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the resources be maintained permanently. Net investment income earned is available for distribution according to the terms of the endowment.
- Use of Estimates** The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Specifically, estimates related to rate of return on assets used in valuing the future pension benefit obligation are affected by the uncertainty of predictions concerning future events. Should the underlying assumptions change, the estimated pension benefit obligation disclosed in notes to the financial statements may change by a material amount.

Algoma University
Notes to Financial Statements

April 30, 2015

1. Summary of significant accounting policies (continued)

Tangible Capital Assets Tangible capital assets are recorded at cost. Amortization, based on the estimated useful life of the asset, is provided by the straight line basis over the following periods:

Buildings	-	40 years
Furniture and equipment	-	5 years
Library books	-	5 years
Parking lot	-	15 years
Computer software system	-	5 years

Construction in progress is capitalized as work is completed. Upon completion of the projects, capitalized construction in progress costs are transferred to the various categories of tangible capital assets and will be amortized on a basis consistent with similar assets. Contributed rare books and other collections are expensed in the year received.

Intangible Assets Intangible assets are recorded at cost. Amortization, based on the estimated useful life of the asset, is provided by the straight line basis over 5 years.

Pension Expense The University maintains a defined benefit plan covering the faculty and management staff employed by the University up to 2006. Contributions to the pension plan are made in accordance with the Pension Commission of Ontario actuarial requirements.

The University accounts for its employee benefit plans using the immediate recognition approach. The University recognizes the amount of the accrued benefit obligations, net of the fair value of plan assets at year end, adjusted for any valuation allowances. Current service and finance costs are expensed during the year. Remeasurements and other items related to actuarial gains and losses and differences between actual and expected returns on plan assets and past service costs are recognized as direct increase or decrease in net asset. The accrued benefit obligations for employee benefit plans are determined based on actuarial valuation reports prepared for funding purposes. These reports are required to be prepared at least on a triennial basis. In years where actuarial valuations are not prepared, the University uses a roll-forward technique to estimate the accrued liability using assumptions from the most recent actuarial valuation reports.

Subsequent to 2006, faculty, management and staff are eligible to participate in a group retirement savings plan.

Cost Allocation Only costs which can be identified with departments are allocated. Unidentifiable costs are included with general and administrative expenditures.

Algoma University
Notes to Financial Statements

April 30, 2015

1. Summary of significant accounting policies (continued)

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all balanced funds, and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

2. Investments

	2015	2014
Marketable securities at cost	<u>\$ 4,516,895</u>	<u>\$ 4,238,263</u>
Marketable securities at market	<u>\$ 4,934,245</u>	<u>\$ 4,550,329</u>

3. Tangible capital assets

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 371,816	\$ -	\$ 438,966	\$ -
Library books	645,303	645,303	645,303	645,303
Buildings	57,728,181	13,695,886	58,376,877	12,794,367
St. Thomas house	-	-	354,503	17,725
Furniture and equipment	7,569,523	6,464,223	7,150,116	5,957,682
Parking lot	2,129,431	1,140,753	2,129,431	998,790
Computer software system	250,616	113,399	250,616	79,095
Construction in progress	-	-	400,976	-
	<u>\$ 68,694,870</u>	<u>\$ 22,059,564</u>	<u>\$ 69,746,788</u>	<u>\$ 20,492,962</u>
Net book value		<u>\$ 46,635,306</u>		<u>\$ 49,253,826</u>

Algoma University
Notes to Financial Statements

April 30, 2015

4. Other short term asset and subsequent events

In April 2015, the University decided to dispose of the Windsor Park Residence by way of sale. The University reached an agreement to sell the building in September 2015 for \$825,000, before realtor and legal fees. The net book value of the Windsor Park Residence was written down to \$775,000 at April 30, 2015, which includes the estimated legal and realtor fees. The loss on impairment of the asset was \$4,133,640 and has been reflected in the current fiscal year.

As well, subsequent to year end, the University entered into a loan agreement for \$2,500,000 related to the expansion of the George Leach Centre.

5. Net assets internally restricted

The following balances represent net assets set aside by the Board of Governors for the specific purpose of:

	<u>2015</u>	<u>2014</u>
Operating	\$ 261,804	\$ 261,804
Future capital projects	1,171,059	3,279,260
Defined benefit pension plan	(1,521,000)	(2,187,667)
Foundation	(666,894)	(486,083)
Nordik Institute	13,561	27,503
HII	16,629	30,070
ISRI	16,820	15,720
CAPT	4,582	1,990
	<u>\$ (703,439)</u>	<u>\$ 942,597</u>

6. Line of credit

The University has an operating line of credit due on demand in the amount of \$2,000,000. The facility bears interest at the bank's prime lending rate minus 0.5% with advances made in multiples of \$25,000. As at April 30, 2015, the entire facility was available to the University.

Algoma University
Notes to Financial Statements

April 30, 2015

7. Long term debt

	2015	2014
Scotiabank consolidated loan, repaid during year	\$ -	\$ 2,299,916
Bank of Montreal parking lot loan, repayable \$5,600 monthly plus interest at 2.75%, maturing January 2016	828,000	895,200
Scotiabank Essar Convergence Centre and WPRR Inc. loan, repayable \$35,200 monthly including interest at 4.3%, secured by property and general security agreement, maturing March 2016	4,862,466	5,070,892
Scotiabank Essar Convergence Centre and WPRR Inc. loan, repayable \$8,280 monthly including interest at 3.31%, secured by property and general security agreement, maturing March 2018	1,228,120	1,285,796
Scotiabank Students' Residence loan, repayable \$32,816 monthly including interest at 3.0%, secured by property and general security agreement, maturing April 2018	6,551,782	6,745,849
	13,470,368	16,297,653
Less current portion	5,950,050	2,826,838
	\$ 7,520,318	\$ 13,470,815

Interest on long term debt during the year amounted to \$545,629 (2014 - \$606,782).

Principal payments required on long term debt for the next five years and thereafter, assuming refinancing under similar terms, are as follows:

Year	Amount
2016	\$ 5,950,050
2017	267,669
2018	276,007
2019	284,605
2020	293,472
Thereafter	6,398,565
	\$ 13,470,368

Algoma University
Notes to Financial Statements

April 30, 2015

8. Contingent liabilities

The University is a member of the Canadian Universities Reciprocal Insurance Exchange ("CURIE"). CURIE is a pooling of property damage and public liability insurance risks of its members. All members pay annual deposit premiums, which are actuarially determined and are subject to further assessment in the event members' premiums are insufficient to cover losses and expenses. No assessment has been made for the year ended April 30, 2015.

The University is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of the administration, a liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the university. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

9. Government remittances

Included in accounts payable and accrued liabilities are the following government remittances:

	2015	2014
EHT payable	\$ 2,197	\$ 32,740
WSIB payable	507	6,312
	\$ 2,704	\$ 39,052

10. Deferred contributions related to tangible capital assets

Deferred contributions related to tangible capital assets relate to grants received for purchase or construction of tangible capital assets and are amortized over the life of the tangible capital assets. The changes in deferred contributions are as follows:

	2015	2014
Balance , beginning of year	\$ 28,551,867	\$ 28,367,351
Contributions	2,568,871	1,323,629
Transfers to revenue	(1,225,964)	(1,139,113)
Balance , end of year	\$ 29,894,774	\$ 28,551,867

Algoma University
Notes to Financial Statements

April 30, 2015

11. Pension plans

Defined benefit pension plan

The University maintains a defined benefit plan covering faculty hired prior to 2006. Actuarial reports, which were based on projections of employee's compensation levels to the time of retirement, indicate the net assets available to provide for benefits, and the present value of accrued pension benefits at April 30, are as follows:

	2015	2014
Asset, at market value	\$ 24,094,000	\$ 23,002,000
Pension benefit obligation	25,615,000	25,189,667
Plan surplus (deficit)	\$ (1,521,000)	\$ (2,187,667)

The most recent actuarial valuation for post-employment benefits was performed as at April 30, 2015.

The plan assets consist of the following asset categories:

	2015	June 30, 2014
Canadian equities	40 %	43 %
Foreign equities	29 %	27 %
Fixed income	26 %	25 %
Cash and short term deposits	5 %	5 %
	100 %	100 %

The pension expense amounts totaled \$548,500 (2014 - \$472,500) and is included in salaries and benefits on the statement of operations. Employer contributions paid and payable during the year were \$635,000 (2014 - \$851,456).

The discount rate used is 4.75% (2014 - 4.75%), the estimated rate of salary increases used is 1.25% (2014 - 1.25%) and the estimated rate of return on assets used is 4.75% (2014 - 4.75%).

Group Retirement Savings Plan

Employees hired subsequent to 2006 are eligible to participate in a group retirement savings plan. Employer contributions totaled \$731,240 for 2015 (2014 - \$665,926) and were fully expensed.

April 30, 2015

12. Financial instruments

The University's management monitors, evaluates and manages the principal risks assumed with financial instruments on a daily basis. The risks that arise from transacting financial instruments include liquidity risk, credit and concentration of credit risk.

Liquidity risk

Liquidity risk arises from the University's management of accounts payable, long term debt and other current liabilities. It is the risk that the University will encounter difficulty in meeting its financial obligations as they fall due. The University's policy to minimize this risk is to ensure an adequate line of credit exists for the University.

Credit and concentration of credit risk

Credit risk arises principally from the University's cash and accounts receivable. The cash is held at a reputable institution. The University is also exposed to normal credit risk resulting from the possibility that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The majority of the University's receivables are from student fees and the University sends any overdue accounts more than two years old to the credit bureau for collection. In addition, students are not allowed to register for a future semester if their fees from previous semesters are not paid in full.

Interest rate risk

Interest rate risk arises principally from the University's credit facilities. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The credit facilities have variable interest rates. Changes in the bank's prime lending rate can cause fluctuations in interest payments and cash flows. The University does not use derivative financial instruments to alter the effect of this risk.

13. Adoption of accounting standards for Employee Future Benefits (Section 3463)

Beginning with the 2015 fiscal year, the University adopted the accounting standards for Employee Future Benefits in accordance with section 3463 of the CPA Canada Handbook applied on a retroactive basis. Section 3463.01 provides that a not-for-profit organization applies Section 3462 except as otherwise provided in Section 3463.

In previous years, the University presented remeasurements and other items to its employee benefit plans in the Statement of Operations. Beginning in fiscal 2015 and in accordance with Section 3463, the University has commenced presenting remeasurements and other items related to its employee benefit plans in the Statement of Changes in Net Assets.

In previous years, the University prepared valuations using accounting assumptions for its retirement and post-employment benefit plans (Note 11). Beginning in 2015, the University has commenced using funding assumptions for its retirement and post employment benefit plans, as permitted in Section 3462.

The financial statement amounts that are presented for comparative purposes have been restated for the change in accounting standards as follows:

Decrease in 2014 salaries and benefits	\$190,666
Increase in 2014 accrued pension benefits	\$3,005,044
Decrease in 2014 opening net assets	\$3,509,877
Increase in 2014 remeasurements of pension in net assets	\$314,167

Algoma University
Notes to Financial Statements

April 30, 2015

13. Adoption of accounting standards for Employee Future Benefits (Section 3463)
(continued)

a) Use of funding assumptions

Beginning with the 2015 fiscal year, the University, as provided in Section 3463, measures its defined benefit employee benefit obligations using actuarial valuations based on funding assumptions. In 2014, the University's excess of revenue over expenses decreased by \$190,666 and opening net assets decreased \$3,509,877 as a result of a decrease in employee future benefits caused by the change in the assumption in respect of the discount rate.

b) Remeasurements and other items

Prior to the adoption of Section 3463, remeasurements and other items related to actuarial gains and losses and differences between actual and expected returns on plan assets and past service costs were recognized in the Statement of Operations. Section 3463 requires that remeasurements be recognized directly in net assets and presented as a separately identified item in the Statement of Changes in Net Assets. As a result of this change, the University directly allocated \$314,167 through the Statement of Changes in Net Assets for fiscal 2014.

14. Change in accounting policy

In fiscal 2015, the organization changed its accounting policy related to the accounting for controlled entities to allow for full consolidation, including the Algoma University Foundation, Nordik Institute, Invasive Species Research Institute, Health Informatics Institute, and Coalition for Algoma Passenger Trains.

The financial statement amounts that are presented for comparative purposes have been restated for the change in accounting policy as follows:

Increase in 2014 Cash	\$949,923
Increase in 2014 Investments	\$4,550,329
Increase in 2014 Accounts receivable - other	\$45,353
Increase in 2014 Prepaid expenses	\$7,842
Decrease in 2014 Due from related parties	\$276,967
Increase in 2014 Accounts payable and accrued liabilities	\$57,911
Increase in 2014 Deferred government grants and program revenues	\$1,223,582
Increase in 2014 Opening net assets	\$3,181,087
Adjustments to 2014 net assets for contributed endowments and unrealized gains on endowment investments	\$616,113
Increase in 2014 revenues	\$1,282,356
Increase in 2014 expenses	\$1,084,569

15. Comparative figures

Comparative figures have been restated where necessary to conform to the presentation adopted during the fiscal year.



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Independent Auditor's Comments on Supplementary Financial Information

To the Board of Governors of
Algoma University

We have audited the financial statements of Algoma University, which comprise the statement of financial position as at April 30, 2015, and the statements of operations and unrestricted net assets, change in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated October 8, 2015 which contained an unmodified opinion on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The individual schedules of supplemental financial information are presented for the purposes of additional analysis and are not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
October 8, 2015

Algoma University
Schedule of Ancillary Operations

For the year ended April 30, 2015	Downtown Residence	George Leach Centre	Varsity	Other Ancillary Services	Campus Residence	Parking Lot	Student Bar	Total
Revenue	\$ 368,047	\$ 490,264	\$ 128,591	\$ 71,577	\$ 1,126,829	\$ 184,111	\$ 37,368	\$ 2,406,787
Expenses								
Cost of sales	-	-	-	-	-	-	18,612	18,612
Salaries and benefits	69,897	319,055	297,142	-	94,746	-	25,644	806,484
Utilities	162,884	59,259	-	-	176,110	-	-	398,253
Maintenance	186,351	43,966	-	-	131,523	58,606	-	420,446
Interest	164,939	-	-	-	249,161	23,913	-	438,013
Other operating expenses	20,792	129,138	506,019	-	37,034	248,365	5,044	946,392
	604,863	551,418	803,161	-	688,574	330,884	49,300	3,028,200
Excess (deficiency) of revenue over expenses	\$ (236,816)	\$ (61,154)	\$ (674,570)	\$ 71,577	\$ 438,255	\$ (146,773)	\$ (11,932)	\$ (621,413)
For the year ended April 30, 2014								
Excess (deficiency) of revenue over expenses	\$ (265,481)	\$ (50,470)	\$ (311,719)	\$ 73,575	\$ 242,819	\$ 5,716	\$ (36,615)	\$ (342,175)

**Algoma University
Schedule of Non-credit Operations**

For the year ended April 30, 2015		ISRI	NORDIK	CAPT	Health Informatics Institute	First Generation Project	Research	Shingwauk Residential ESLSchool Project	Total		
Revenue	\$	-	\$ 45,479	\$ 444,573	\$ 27,601	\$ 40,363	\$ 162,010	\$ 535,644	\$ 827,900	\$ 149,481	\$ 2,233,051
Expenses											
Salaries and benefits	-	40,180	373,495	-	46,099	12,032	-	396,014	192,563	1,060,383	
Other operating expenses	-	4,199	85,020	25,009	7,705	79,597	599,178	384,907	147,295	1,332,910	
	-	44,379	458,515	25,009	53,804	91,629	599,178	780,921	339,858	2,393,293	
Excess (deficiency) of revenue over expenses	\$	-	\$ 1,100	\$ (13,942)	\$ 2,592	\$ (13,441)	\$ 70,381	\$ (63,534)	\$ 46,979	\$ (190,377)	\$ (160,242)
For the year ended April 30, 2014											
Excess (deficiency) of revenue over expenses	\$	-	\$ (19,686)	\$ 28,935	\$ 1,034	\$ (17,025)	\$ (12,768)	\$ (3,885)	\$ (56,751)	\$ (114,212)	\$ (174,672)