

SIMON FRASER UNIVERSITY

S. 82-80

MEMORANDUM

To..... SENATE.

From..... SECRETARY OF SENATE.

Subject..... ANNUAL REPORT - FOR INFORMATION.

Date..... 10 AUGUST 1982.

Section 31 of the University Act states: "The board shall make an annual report of its transactions to the universities council, in which shall be set out a balance sheet and a statement of revenue and expenditure for the year ending on the preceding March 31, and other particulars the universities council may require. A copy of the annual report shall be transmitted promptly to the senate."

A copy of the report is attached.

(Note: As the 1982 Financial Statements are in short supply, following perusal, Senators and others receiving this material are asked to return the Statements to Secretariat Services).

SIMON FRASER UNIVERSITY

FINANCIAL STATEMENTS

AS AT MARCH 31 1982

SIMON FRASER UNIVERSITY
Financial Statements
Year Ended March 31, 1982

Index

Auditor's Report

Balance Sheet

Exhibit A

Statement of Revenue and Expenditure
and Changes in Fund Balances

Exhibit B

Statement of Expenditures by Fund

Exhibit C

Statement of Changes in Appropriated Fund
Balances

Exhibit D

Statement of Ancillary Enterprise Operations

Exhibit E

Statement of Changes in Net Investment
in Land, Buildings and Equipment

Exhibit F

Notes to Financial Statements

Schedule of General Purpose Expenditures

Schedule 1

Schedule of Academic Expenditures

Schedule 2



Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

To the Chairman and Members of the Board of Governors of
Simon Fraser University, and

To the Minister of Universities, Science and Communications
Province of British Columbia;

I have examined the balance sheet of Simon Fraser University as at 31 March 1982 and the statements of revenue and expenditure and changes in fund balances, expenditures by fund, changes in appropriated fund balances, ancillary enterprise operations and changes in net investment in land, buildings and equipment for the year then ended. My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the University as at 31 March 1982 and the results of its operations and the changes in its fund balances for the year then ended in accordance with accounting principles generally accepted for universities applied on a basis consistent with that of the preceding year.

Erma Morrison, F.C.A.
Auditor General

Victoria, British Columbia
18 June 1982

SIMON FRASER UNIVERSITY

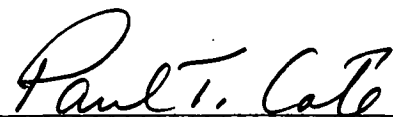
Balance Sheet

as at March 31, 1982

(thousands of dollars)

<u>Assets</u>			<u>Liabilities and Fund Balances</u>		
<u>OPERATING FUNDS</u>	<u>1982</u>	<u>1981</u>	<u>OPERATING FUNDS</u>	<u>1982</u>	<u>1981</u>
Cash and short term deposits	\$15,113	\$14,163	Accounts payable and accrued liabilities	\$ 6,064	\$ 5,198
Accounts receivable	1,539	1,236	General purpose fund		
Prepaid expenses	147	103	Unappropriated (Exhibit B)	1,901	2,408
Inventories (Note 1)	1,230	1,024	Appropriated (Exhibit D)	6,904	6,194
			Specific purpose fund (Exhibit B)	3,160	2,726
	<u>\$18,029</u>	<u>\$16,526</u>		<u>\$18,029</u>	<u>\$16,526</u>
<u>ENDOWMENT AND STUDENT LOAN FUNDS</u>			<u>ENDOWMENT AND STUDENT LOAN FUNDS</u>		
Cash and short term deposits	\$ 1,900	\$ 1,496	Endowment fund	\$ 1,927	\$ 1,507
Investments, at cost (market \$82; 1981 \$90)	82	77	Student loan fund	83	83
Student loans receivable	28	17			
	<u>\$ 2,010</u>	<u>\$ 1,590</u>		<u>\$ 2,010</u>	<u>\$ 1,590</u>
<u>CAPITAL FUND</u>			<u>CAPITAL FUND</u>		
Short term deposits	\$ 4,858	\$ 4,106	Accounts and holdbacks payable (Note 2)	\$ 1,948	\$ 1,203
Accounts receivable (Note 2)	868	588	Bank loans payable (Note 2)	4,742	6,583
Land, buildings and equipment, at cost	91,837	82,881	Long term debt (Note 3)		
			Canada Mortgage and Housing Corporation	3,449	3,472
			Capital Financing Authority - \$26,218		
			Less sinking fund (Note 3) <u>1,219</u>	24,999	15,837
			Net investment in land,		
			buildings and equipment (Exhibit F)	58,457	56,309
			Capital fund balances		
			Unappropriated (Exhibit B)	2,143	2,353
			Appropriated (Exhibit D)	1,825	1,818
	<u>\$97,563</u>	<u>\$87,575</u>		<u>\$97,563</u>	<u>\$87,575</u>

Approved by the Board of Governors:


P.T. Côté
Chairman, Board of Governors

E.M. Scott, Ph.D.
Executive Director of Finance

SIMON FRASER UNIVERSITY
Statement of Revenue and Expenditure and Changes in Fund Balances
Year Ended March 31, 1982
(thousands of dollars)

	General Purpose Operating	Sponsored Research	Scholarship and Bursary	Other Grants and Programmes	Total	Endowment and Student Loan	Capital	Total Funds Year Ended March 31	
								1982	1981
Revenue									
Government grants - British Columbia	\$61,375	628	14	1,708	2,350		4,146	\$67,871	\$59,455
- Canada		3,868		346	4,214			4,214	3,586
- Other		82	18	125	225			225	111
Student fees - credit courses	5,846			206	206			6,052	5,299
- other	474			30	30			504	335
Gifts, grants and bequests	117	1,025	251		1,276	287		1,680	688
Investment income	2,641		373		373		904	3,918	2,438
Miscellaneous income	311						20	331	380
Total revenue	70,764	5,603	656	2,415	8,674	287	5,070	84,795	72,292
Expenditures (Exhibit C)	68,822	5,489	368	2,304	8,161		5,277	82,260	69,347
Ancillary enterprises (Exhibit E)	102							102	206
Total expenditures	68,924	5,489	368	2,304	8,161		5,277	82,362	69,553
Increase (decrease) in fund balances from current operations	1,840	114	288	111	513	287	(207)	2,433	2,739
Other sources:									
Interfund transfers	42	58		269	327	133	1,583	2,085	1,078
	1,882	172	288	380	840	420	1,376	4,518	3,817
Decrease in fund balances:									
Acquisition of capital assets							1,579	1,579	539
Net increase in appropriated fund balance	710						7	717	1,306
Interfund transfers	1,679	175	226	5	406			2,085	1,078
	2,389	175	226	5	406		1,586	4,381	2,923
Net increase (decrease) during the year	(507)	(3)	62	375	434	420	(210)	137	894
Fund balances, April 1, 1981	2,408	1,859	215	652	2,726	1,590	2,353	9,077	8,183
Fund balances, March 31, 1982 (Exhibit A)	\$1,901	1,856	277	1,027	3,160	2,010	2,143	\$9,214	\$9,077

Exhibit C

SIMON FRASER UNIVERSITY
Statement of Expenditures by Fund
Year Ended March 31, 1982
(thousands of dollars)

Expenditures	General	Specific Purpose Operating			Capital	Total Expenditures	
	Purpose Operating	Sponsored Research	Scholarship and Bursary	Other Grants and Programmes		Year Ended March 31 1982	1981
Academic Salaries							
Academic ranks	\$22,732	984		174		\$23,890	\$20,116
Other instruction and research	4,366	2,198		421		6,985	5,770
Other salaries and wages	20,964			615		21,579	19,299
Employee benefits	5,453	137		91		5,681	4,755
Travel, moving and entertainment	1,801	485		275		2,561	2,107
Expendable supplies	5,764	839		529		7,132	6,187
Equipment and furnishings	777	684		62	1,731	3,254	2,485
Equipment rentals	1,799			24		1,823	1,134
Books and periodicals	1,228			21		1,249	1,188
Utilities	1,820			11		1,831	1,448
Student awards	1,375		368			1,743	1,621
Contract services	1,660					1,660	1,510
Professional fees	660	134		72		866	623
Renovations and alterations	382			4		386	343
Interest - short term					856	856	612
- long term					2,690	2,690	1,641
Insurance	123					123	114
Memberships	57					57	55
Internal cost allocations	(33)	28		5			
External cost allocations	(2,106)					(2,106)	(1,661)
Total (Exhibit B)	\$68,822	5,489	368	2,304	5,277	\$82,260	\$69,347

SIMON FRASER UNIVERSITY
Statement of Changes in Appropriated Fund Balances
For the Year Ended March 31, 1982
(thousands of dollars)

	Appropriated Fund Balance March 31, 1981	Deductions During Year	Additions During Year	Appropriated Fund Balance March 31, 1982
<u>General Purpose Operating Fund</u>				
Appropriated annualization cost of salaries	\$1,149	1,149	1,725	\$1,725
Authorized budget allocations to following fiscal year	743	743	831	831
Appropriated for non-recurring expenditures	2,592	2,592	2,176	2,176
Authorized research grants carryover	235	235	208	208
Provision for insurance appraisal and reserve	400			400
Provision for specific expenditure	734	609	1,035	1,160
Provision for contingencies	185	54	143	274
Reserves for ancillary enterprises				
Bookstore	97		6	103
Residence	59	124	92	27
(Exhibit A)	<u>\$6,194</u>	<u>5,506</u>	<u>6,216</u>	<u>\$6,904</u>
<u>Capital Fund</u>				
Authorized major equipment allocations	\$ 880	862	508	\$ 526
Authorized minor projects	470	120	949	1,299
Designated scientific and research equipment	468	468		
(Exhibit A)	<u>\$1,818</u>	<u>1,450</u>	<u>1,457</u>	<u>\$1,825</u>

SIMON FRASER UNIVERSITY
Statement of Ancillary Enterprise Operations
Year Ended March 31, 1982
(thousands of dollars)

	<u>Bookstore</u>		<u>Residences</u>		<u>Food Services</u>		<u>Total</u>	
	<u>1982</u>	<u>1981</u>	<u>1982</u>	<u>1981</u>	<u>1982</u>	<u>1981</u>	<u>1982</u>	<u>1981</u>
<u>Revenue</u>								
Sales	\$1,938	1,694					\$1,938	\$1,694
Rentals			1,007	809			1,007	809
Total revenue	<u>1,938</u>	<u>1,694</u>	<u>1,007</u>	<u>809</u>			<u>2,945</u>	<u>2,503</u>
<u>Expenditure</u>								
Cost of Sales	1,435	1,245					1,435	1,245
Food contract service					(11)	34	(11)	34
Salaries and benefits	298	247	208	191			506	438
Travel and entertainment	4	2	9	18			13	20
External contract services	2	2	10	20	2		14	22
Landscaping			21	42			21	42
Utilities	7	6	147	124	10	16	164	146
Debenture repayment, principal			23	21			23	21
Interest	76	45	225	227			301	272
Equipment	80	59	7	10		7	87	76
Insurance			2	6			2	6
Janitorial	4	4	83	73	16	30	103	107
Repairs and maintenance			293	184	32	24	325	208
Other operating costs	26	20	17	23	21	29	64	72
Total expenditure	<u>1,932</u>	<u>1,630</u>	<u>1,045</u>	<u>939</u>	<u>70</u>	<u>140</u>	<u>3,047</u>	<u>2,709</u>
Net Revenue (Expenditure) (Exhibit B)	<u>\$ 6</u>	<u>64</u>	<u>(38)</u>	<u>(130)</u>	<u>(70)</u>	<u>(140)</u>	<u>\$ (102)</u>	<u>\$ (206)</u>

SIMON FRASER UNIVERSITY
Notes to Financial Statements
March 31, 1982

1. Significant Accounting Policies

These financial statements have been prepared in accordance with accounting principles generally accepted for universities. The significant accounting policies followed by Simon Fraser University include:

(a) Fund Accounting

The University accounts are maintained in compliance with fund accounting procedures in order to recognize restrictions imposed on the use of resources. Under these procedures resources are classified into funds in accordance with objectives authorized by the Board of Governors or otherwise specified. Funds have been combined into the following major groups:

- General purpose operating funds comprise revenues used in the general operations of the University.
- Specific purpose operating funds consist of grants and donations for designated projects and the income earned on endowment funds.
- Endowment funds are received or appropriated with the stipulation the principal will be invested and the related earned income will be expended for specific purposes.
- Capital funds comprise amounts received for the purchase of land, buildings and original equipment, major renovations and alterations, public works projects and additional equipment.

(b) Land, Buildings and Equipment

Construction costs for buildings and other facilities, including original equipment and furniture, major renovation costs, and new equipment funded under the Educational Institution Capital Finance Act are capitalized in the Capital Fund. Replacement equipment and furniture, new equipment not specified above, and minor renovations are expensed as the costs are incurred in the various funds.

- No provision has been made for depreciation of buildings and equipment.

(c) Inventories

Inventories of supplies are stated at cost. Inventories of merchandise held for resale are stated at the lower of cost and net realizable value.

(d) Ancillary Enterprise Operations

Ancillary enterprises provide goods and services to the university community on a fee-for-service basis. They include residences, bookstore and campus food services. Expenses include the operating costs of providing these services and debenture payments of interest and principal on the residences. No administrative overhead has been applied.

(e) Other

- Library books and periodicals are expensed in the year of acquisition.
- Leases of a capital nature are expensed in the Operating Fund as payments are made.
- No accrual for employee vacation pay is provided.

2. Short Term Financing - Capital Fund

The interim financing of capital construction projects is authorized under the provisions of the Educational Institution Capital Finance Act. Bank loans are retired from the proceeds of long term debt issued under the authority of the Act. Accounts and holdbacks payable and commitments under building and other contracts will be financed similarly in the next fiscal year.

Accounts payable and receivable include accrued interest in the amount of \$841,000 (1981 - \$588,000) on short and long term borrowings. The interest will be received from the Capital Financing Authority in the next fiscal year.

3. Long Term Debt

A Canada Mortgage and Housing Corporation

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>		<u>Annual Payments Including Interest</u>
		<u>March 31/82</u>	<u>March 31/81</u>	
		<u>(thousands of dollars)</u>		
Jan. 1, 2017	5.375%	\$ 195	\$ 198	\$ 12
Jan. 2, 2018	5.875%	968	975	65
Jul. 1, 2019	6.875%	2,286	2,299	171
		<u> </u>	<u> </u>	<u> </u>
Total (Exhibit A)		<u>\$3,449</u>	<u>\$3,472</u>	<u>\$248</u>

The debentures are secured by a floating charge on the student residences.

B Capital Financing Authority

Supplemental Financial Information						
Maturity Date	Interest Rate	Face Value	Sinking Fund Balance	Balance Outstanding		Annual Payments
				March 31 1982	March 31 1981	
(thousands of dollars)						
Dec 1, 1986	16.875%	\$ 292		\$ 292		\$ 68
June 9, 1998	9.41%	2,000	\$ 245	1,755	\$1,830	237
Jan 10, 1999	9.82%	2,000	184	1,816	1,886	245
Mar 9, 1999	10.16%	3,700	319	3,381	3,503	466
Apr 10, 1999	10.26%	800	70	730	757	102
Nov 9, 1999	10.68%	3,700	214	3,486	3,601	485
Mar 10, 2000	12.74%	2,000	121	1,879	1,950	304
Sep 10, 2000	12.55%	2,100	60	2,040	2,100	315
Mar 10, 2001	13.13%	210	6	204	210	33
Apr 10, 2001	13.66%	2,500		2,500		396
May 8, 2001	13.69%	2,280		2,280		362
Jul 10, 2001	14.81%	1,880		1,880		320
Oct 9, 2001	17.00%	1,000		1,000		192
Mar 10, 2002	16.10%	1,756		1,756		321
Total (Exhibit A)		\$26,218	\$1,219	\$24,999	\$15,837	\$3,846

Annual payments consist of interest and sinking fund payments. The payments to the sinking fund are based on the discounted present values required to fund fully the repayment of the debt by respective maturity dates. The sinking fund balance consists of total sinking fund instalments to March 31, 1982 plus interest earned thereon. Sinking fund payments, which are financed by the Province of British Columbia, made during 1981/82 amounted to \$402,000 (1980/81 \$346,000). Earned interest thereon recorded for 1981/82 is \$144,000 (1980/81 \$54,000).

The long term debt includes \$250,000 repayable in U.S. funds. This amount has been recorded as \$292,000 Canadian, which is the amount received. If this amount were based on the U.S. exchange rate prevailing on March 31, 1982, the Canadian equivalent would have been increased by \$15,000.

4. Commitments - Capital Fund

Total commitments under contracts for capital projects amount to \$5,871,000 as at March 31, 1982 (March 31, 1981 \$423,000) of which \$5,280,000 are to be financed under the Educational Institution Capital Finance Act.

5. Academic Pension Plan

The Board of Governors approved amendments to the Academic Pension Plan effective July 1, 1981 which included provision for further contributions to the Formula Retirement Benefit Account to finance the account on a sound actuarial basis. A report from the trustees of the plan indicated an actuarial underfunding of the plan as at January 1, 1980 in the amount of \$1,821,000. An updated actuarial report will be obtained. \$500,000 has been appropriated in the Operating Fund as at March 31, 1982.

6. Restatement of Comparative Figures

Certain 1981 figures in the Operating Funds Balance Sheet have been restated in order to conform with the financial statement presentation adopted in 1982. There was no resultant effect on the fund balances.

SIMON FRASER UNIVERSITY
Schedule of General Purpose Expenditures

Year Ended March 31, 1982

(thousands of dollars)

<u>Expenditures</u>	<u>Academic</u>	<u>Library</u>	<u>Student Services</u>	<u>Plant and Maintenance</u>	<u>Computer Centre</u>	<u>Administration & General</u>	<u>Total Expenditures</u>	
							<u>Year Ended March 31</u>	<u>1981</u>
							<u>1982</u>	<u>1981</u>
Academic Salaries								
Academic ranks	\$22,732						\$22,732	\$19,112
Other instruction and research	4,366						4,366	3,640
Other salaries and wages	7,294	2,840	2,056	2,064	2,262	4,448	20,964	18,730
Employee benefits	3,741	343	220	329	275	545	5,453	4,580
Travel, moving and entertainment	1,294	18	207	27	43	212	1,801	1,519
Expendable supplies	2,442	286	374	1,135	866	661	5,764	5,443
Equipment and furnishings	388	30	27		303	29	777	844
Equipment rentals	331	5	12	5	1,410	36	1,799	1,127
Books and periodicals		1,228					1,228	1,161
Utilities	252	32	38	1,412	19	67	1,820	1,440
Student awards			1,375				1,375	1,329
Contract services	3	110	2	1,542		3	1,660	1,510
Professional fees	91	3	10	62	201	293	660	530
Renovations and alterations	192	5	4	122	21	38	382	339
Insurance						123	123	114
Memberships						57	57	55
Internal cost allocations	2,723	265	9	67	(4,783)	1,686	(33)	(49)
External cost recoveries	(135)	(113)	(418)	(300)	(875)	(265)	(2,106)	(1,661)
Total (Exhibit C)	<u>\$45,714</u>	<u>5,052</u>	<u>3,916</u>	<u>6,465</u>	<u>(258)</u>	<u>7,933</u>	<u>\$68,822</u>	<u>\$59,763</u>

SIMON FRASER UNIVERSITY

Schedule of Academic Expenditures

Year Ended March 31, 1982

(thousands of dollars)

	General Purpose Fund	Specific Purpose Fund		Capital Fund	Total Expenditures Year Ended March 31	
		Sponsored Research	Other Grants and Programmes		1982	1981
Faculty of Arts						
Dean's Office	\$ 473		52	1	\$ 526	\$ 479
Archaeology	801	273	11	21	1,106	915
Business Administration	2,676	36	17	28	2,757	3,722
Economics	1,830	3	7	2	1,842	
English	2,456	64	40	1	2,561	2,145
Geography	1,397	15		25	1,437	1,328
History	1,333	49	15		1,397	1,272
Languages, Literatures and Linguistics	1,849		62	23	1,934	1,681
Philosophy	681	1	43	2	727	629
Political Science	770		4		774	705
Psychology	2,094	99	1	69	2,263	1,935
Sociology and Anthropology	1,065	21	7	1	1,094	956
	17,425	561	259	173	18,418	15,767
Faculty of Education	4,801	148	516	51	5,516	4,840
Faculty of Interdisciplinary Studies						
Dean's Office	359	9		6	374	288
Centre for the Arts	1,752			24	1,776	1,420
Communication Studies	939	6	102	22	1,069	1,022
Computing Science	2,325	121		166	2,612	1,806
Criminology	1,200	400	57	4	1,661	1,360
Interdisciplinary Programs	517	8	2	16	543	412
Kinesiology	1,363	236	9	93	1,701	1,383
	8,455	780	170	331	9,736	7,691
Faculty of Science						
Dean's Office	346	87		3	436	455
Biological Sciences	3,088	1,474		169	4,731	4,095
Chemistry	2,596	1,027		381	4,004	3,397
Mathematics	2,303	197		14	2,514	2,274
Physics	1,900	669		181	2,750	2,230
Science Workshops	441			16	457	399
Western Canadian Universities Marine Biological Society Grant	131				131	116
	10,805	3,454		764	15,023	12,966
Other Expenditures						
Animal Research Facility	81			16	97	63
Continuing Studies	2,206	21	883	3	3,113	2,018
Co-op Education	175				175	136
Graduate Studies	225	525			750	741
Instructional Media Centre	1,056			44	1,100	1,014
Programs of Distinction	259				259	79
Reading and Study Skills Centre	226				226	215
	4,228	546	883	63	5,720	4,266
Total Academic Expenditures	\$45,714	5,489	1,828	1,382	\$54,413	\$45,530

Exhibit FSIMON FRASER UNIVERSITYStatement of Changes in Net Investment in Land, Buildings and EquipmentYear Ended March 31, 1982

(thousands of dollars)

	<u>Year Ended March 31</u>	
	<u>1982</u>	<u>1981</u>
Increases in net investment during the year:		
Additions to land, buildings, and equipment	\$ 8,956	\$ 6,171
Sinking fund payments -		
British Columbia Educational Institutions	402	346
Capital Financing Authority	144	54
Interest earned on the sinking fund		
Principal repayments - Canada Mortgage	23	21
and Housing Corporation debentures		
	<u>9,525</u>	<u>6,592</u>
Decreases in net investment during the year:		
Increase in long term debt -		
British Columbia Educational Institutions	9,708	2,310
Capital Financing Authority	(2,331)	3,323
Interim financing on projects		
	<u>7,377</u>	<u>5,633</u>
Net increase during the year	2,148	959
Net investment in land, buildings and equipment, April 1, 1981	<u>56,309</u>	<u>55,350</u>
Net investment in land, buildings and equipment, March 31, 1982 (Exhibit A)	<u>\$58,457</u>	<u>\$56,309</u>