

SIMON FRASER UNIVERSITY

S.79-119

MEMORANDUM

To SENATE

From SECRETARY OF SENATE

Subject ANNUAL REPORT - FOR INFORMATION

Date NOVEMBER 20, 1979

Section 32 of the Universities Act states: "The Board shall make an annual report of its transactions to the Universities Council, in which shall be set forth a balance-sheet and a statement of revenue and expenditure for the year ending on the preceding thirty-first day of March, and such other particulars as the Universities Council may require. A copy of the annual report shall be forthwith transmitted to the Senate."

A copy of the report is attached.

SIMON FRASER UNIVERSITY

MEMORANDUM

To.....	Mr. Harry M. Evans.....	From.....	Peter Boyle.....
	Registrar, Secretary of Senate.....		Comptroller.....
Subject.....	Annual Report.....	Date.....	October 26, 1979.....

I am forwarding herewith the University's Financial Statements as at March 31, 1979, in accordance with Section 32 (2) of the Universities Act.

:ew
Encl.

Peter

SIMON FRASER UNIVERSITY

FINANCIAL STATEMENTS

AS AT MARCH 31 1979

SIMON FRASER UNIVERSITY

Financial Statements

as at March 31, 1979

Index

Balance Sheet	Exhibit A
Statement of Revenue and Expenditure and Change in Fund Balances	Exhibit B
Notes to Financial Statements	
Auditor's Report	
Schedule of Revenue	Schedule 1
Schedule of Expenditure	Schedule 2
Schedule of Ancillary Enterprise Operations	Schedule 3
Schedule of Academic and Research Expenditures	Schedule 4

SIMON FRASER UNIVERSITY

Balance Sheet

as at March 31, 1979

(thousands of dollars)

<u>Assets</u>	<u>1979</u>	<u>1978</u>	<u>Liabilities and Fund Balances</u>	<u>1979</u>	<u>1978</u>
<u>OPERATING FUNDS</u>					
Cash and short term deposits	\$ 9,199	\$ 6,127	Accounts payable and accrued liabilities	\$ 4,413	\$ 4,076
Accounts receivable	1,161	992	General purposes fund		
Inventories	935	801	Unappropriated (Exhibit B)	1,561	2,320
			Appropriated (Note 2)	3,699	330
			Specific purposes fund (Exhibit B)	1,622	1,194
	<u>\$11,295</u>	<u>\$ 7,920</u>		<u>\$11,295</u>	<u>\$ 7,920</u>
<u>ENDOWMENT AND STUDENT LOAN FUNDS</u>					
Cash and short term deposits	\$ 877	\$ 306	Endowment fund	\$ 970	\$ 372
Investments, at cost			Student loan fund	82	57
(market - \$115; 1978 - \$79)	114	82			
Student loans receivable	61	41			
	<u>\$ 1,052</u>	<u>\$ 429</u>		<u>\$ 1,052</u>	<u>\$ 429</u>
<u>CAPITAL FUND</u>					
Short term deposits	\$ 2,803	\$ 2,488	Accounts and holdbacks payable	\$ 488	\$ 993
Accounts receivable	215		Loans payable (Note 3)	2,021	2,883
Land, buildings and equipment, at cost	68,834	62,402	Debentures and long term loans payable (Note 4)		
			Central Mortgage and Housing Corporation	3,512	3,531
			Capital Financing Authority - \$7,700		
			Less - sinking fund 385	7,315	
			Net investment in land, buildings and equipment	55,998	55,155
			Capital fund		
			Unappropriated (Exhibit B)	1,719	2,328
			Appropriated (Note 2)	799	
	<u>\$71,852</u>	<u>\$64,890</u>		<u>\$71,852</u>	<u>\$64,890</u>

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

Approved by the Board of Governors:

R. Parkinson, M.D.
Chairman, Board of Governors

P.S. Boyle, C.A.
Comptroller

SIMON FRASER UNIVERSITY
Statement of Revenue and Expenditure and Change in Fund Balances
Year ended March 31, 1979
(thousands of dollars)

	Operating Funds			Endowment Student Loan Funds	Capital Fund	Total Funds	1978
	General Purposes	Specific Purposes	Total				
<u>Revenue</u>							
Province of British Columbia Capital Financing Authority	\$44,131	752	44,883		1,357	\$46,240	\$42,099
Student fees	4,658		4,658		7,700	4,658	4,214
Sponsored research		3,341	3,341			3,341	2,875
Services and miscellaneous	1,104		1,104			1,104	1,115
Investment income	663	37	700	8	246	954	632
Gifts and grants	69	261	330	90	8	428	494
Total revenue (Schedule 1)	50,625	4,391	55,016	98	9,311	64,425	51,429
<u>Expenditure</u>							
Academic	30,831	676	31,507		340	31,847	29,818
Library	3,550	187	3,737		1	3,738	3,625
Sponsored research		2,916	2,916			2,916	2,684
Student services	2,061		2,061		1	2,062	2,085
Scholarships and bursaries	802	138	940			940	887
Plant maintenance	5,082		5,082		2	5,084	5,074
Administration and general	5,132	46	5,178		47	5,225	4,837
Capital works					7,108	7,108	6,220
Total expenditure (Schedule 2)	47,458	3,963	51,421		7,499	58,920	55,230
Ancillary enterprises (Schedule 3)	32		32			32	28
	47,490	3,963	51,453		7,499	58,952	55,258
<u>Changes in fund balances</u>							
Excess of revenue over expenditure	3,135	428		98	1,812		
Inter-fund transfer (Note 5)	(525)			525			
Transfer to appropriated fund balance	(3,369)				(799)		
Decrease in authorized capital financing					(1,622)		
Fund balances at April 1, 1978 (Exhibit A)	2,320	1,194		429	2,328		
Fund balances at March 31, 1979 (Exhibit A)	\$ 1,561	1,622		1,052	\$1,719		

SIMON FRASER UNIVERSITY
Notes to Financial Statements
March 31, 1979

1. Significant Accounting Policies

(a) General

These financial statements have been prepared in accordance with accounting principles generally accepted for universities. These principles differ from generally accepted accounting principles in the following respects:

- no provision for depreciation of buildings and equipment is recorded in the accounts. Replacement equipment, renewals, alterations and renovations are recorded as expenditures in the period the costs are incurred;
- library books and periodicals are expensed in the year of acquisition and are not capitalized;
- leases of a capital nature are expensed in the operating fund as payments are made and are not capitalized;
- no accrual for salaried employee vacation pay is provided.

(b) Fund Accounting

- The university accounts are maintained in compliance with the procedures of fund accounting in order to recognize restrictions imposed on the use of available 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 divisions.
- General purposes operating funds comprise revenues which are administered by the Board of Governors.
- Specific purposes operating funds consist of amounts used for projects designated by granting agencies and other donors, together with the income earned on endowment funds.
- Endowment funds are received or appropriated with the understanding the principal will be invested and the related earned income will be expended for specific purposes.
- Capital funds are revenues received for the purpose of acquiring capital assets as described in Note 1(c).

(c) Land, Buildings and Original Equipment

Land, buildings and original equipment are shown on the balance sheet at cost, as well as being recorded as expenditures of the capital fund in the year of acquisition.

(d) Inventories

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

(e) Ancillary Enterprise Operations

Operations designated as ancillary enterprises by the university include residences, bookstore and campus food services. The operations of these enterprises are conducted on a fee-for-service basis. Expenses of these ancillary enterprises include the costs of providing these services other than the costs of facilities and administrative overhead.

2. Appropriated Funds (thousands of dollars)

A. General Purposes

The comparative summary of the fund is as follows:

	<u>1979</u>	<u>1978</u>
Beginning balance	\$ 330	\$360
Transactions		
- Returned to general operating account for expenditure	170	200
	<u>160</u>	<u>160</u>
- Provisions authorized		
- Authorized budget allocations to following fiscal year	1,173	170
- Salary annualization costs	990	
- General contingencies	550	
- Specified minor provisions	405	
- Non-recurring grant allocations	301	
- Insurance appraisal and self insurance reserve	120	
	<u>3,539</u>	<u>170</u>
Ending balance	<u>\$3,699</u>	<u>\$330</u>

B. Capital

Authorized budget allocations to following fiscal year \$799

3. Loans Payable

Under the provisions of the British Columbia Educational Institutions Capital Financing Authority Act, interim financing of approved capital construction projects is authorized. In addition to bank loans in the amount of \$2,020,829 shown on Exhibit A, accounts and holdbacks payable in the amount of \$488,471 and commitments under building contracts of \$9,240,360 will be financed similarly in fiscal year 1979/80. Bank loans will be retired from the proceeds of debentures issued under the authority of the Act.

4. Debentures and Long Term Loans Payable

	<u>Maturity Date</u>	<u>Balance Outstanding</u>	<u>Interest Rate</u>	<u>Annual Payments Including Interest</u>
<u>A.</u>	Central Mortgage and Housing Corporation			
1.	Jan. 1, 2017	\$ 200,487	5.375%	\$ 12,433
2.	Jan. 1, 2018	989,579	5.875%	64,925
3.	Jul. 1, 2019	2,322,335	6.875%	170,710
		<u>\$3,512,401</u>		<u>\$248,068</u>

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

B. Capital Financing Authority, net

1.	June 9, 1998	\$1,900,000	9.41 %	\$236,980
2.	Jan. 10, 1999	1,900,000	9.82 %	245,150
3.	Mar. 9, 1999	3,515,000	10.16 %	466,168
		<u>\$7,315,000</u>		<u>\$948,298</u>

For purposes of financial statement presentation, the sinking fund instalment has been calculated on a straight line basis over 20 years expiring in 1998/99 with a full year's portion being recorded in the year of issue of the debentures. Of the \$385,000 instalment recorded in the fiscal year ended March 31, 1979, \$48,780 has been funded. The actual payments to the sinking fund are based on the discounted present values required to fully fund the repayment of the debentures by their respective maturity dates.

C. Current Portion of Debentures Payable

The figures under annual payments above, also represent the payments to be made in 1979/80, which are normally segregated as a current liability.

5. Inter-Fund Transfer

As approved by the Board of Governors, \$25,000 was transferred from General Purpose Operating Funds to Student Emergency Loan Funds, and \$500,000 was transferred from the same fund to Endowment Funds for purposes of research, student financial aid, etc.

6. Comparative Figures

Certain 1978 figures have been restated in order to conform with financial statement presentation adopted in 1979.

7. Management Approval

These financial statements were approved by management on June 21, 1979.



Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

756 Fort Street
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 Education, Science and Technology,
Province of British Columbia:

I have examined the balance sheet of Simon Fraser University as at 31 March 1979 and the statement of revenue and expenditure and change in fund balances 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 1979 and the results of its operations and the change 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, C.A.
Auditor General

Victoria, British Columbia
21 June 1979

SIMON FRASER UNIVERSITY
Schedule of Revenue
 Year ended March 31, 1979
 (thousands of dollars)

<u>Revenue</u>	<u>Government Grants</u>	<u>Student Fees</u>	<u>Sponsored Research</u>	<u>Services & Miscellaneous</u>	<u>Investment Income</u>	<u>Gifts & Grants</u>	<u>Total Funds</u>	<u>1978</u>
Fees - Regular Session		3,611					\$ 3,611	\$ 3,393
- Continuing Education		975					975	755
- Late fees, supplementals, etc.		72					72	66
Government of Canada			2,287			43	2,330	2,126
Province of British Columbia	\$46,240		696	360		13	47,309	43,149
Capital Financing Authority	7,700						7,700	
Other governments						29	29	8
Individual donations			7			90	97	89
Business and industry			259			109	368	262
Foundations and associations			92			144	236	201
Interest					954		954	632
Rentals				18			18	67
Computer service				353			353	338
Parking				174			174	170
Other income				199			199	173
Total (Exhibit B)	\$53,940	4,658	3,341	1,104	954	428	\$64,425	\$51,429
SUMMARY								
General purposes fund	\$44,131	4,658		1,104	663	69	\$50,625	\$46,939
Specific purposes fund	752		3,341		37	261	4,391	3,962
Total operating funds	44,883	4,658	3,341	1,104	700	330	55,016	50,901
Endowment and student loan funds					8	90	98	35
Capital fund	9,057				246	8	9,311	493
Total funds	\$53,940	4,658	3,341	1,104	954	428	\$64,425	\$51,429

SIMON FRASER UNIVERSITY
 Schedule of Expenditure
 Year ended March 31, 1979
 (thousands of dollars)

Expenditure	Academic	Library	Sponsored Research	Student Services	Scholarships & Bursaries	Plant Maintenance	Administration & General	Capital Works	Total Funds	1978
Salaries										
Academic and executive	\$18,698	160	1,943	416		107	661		\$21,990	\$20,402
All other staff	6,043	2,111		1,117		1,473	2,801		13,545	13,561
Employee benefits	2,588	262	66	160		188	426		3,690	3,463
Travel	778	9	304	144		5	97		1,337	1,304
Expendable supplies	1,569	57	257	128		670	439		3,120	2,906
Printing and copying	296	1		14		2	151		464	308
Equipment and furnishings	798	19	231	29		15	90	443	1,625	1,841
Equipment rentals	460	126	19	10		2	153		770	725
Books and periodicals	14	897					2		913	834
Utilities				3		1,348			1,351	1,158
Student awards	239				940				1,179	1,082
Contract services		80				1,091	1		1,172	1,226
Professional fees	62					49	138	559	808	714
Renovations - operating	64	4		2		60	25		155	532
- capital								1,233	1,233	
Interest - short term								512	512	
- long term								164	164	
Grants	105						10		115	94
Insurance						65	48	9	122	102
Memberships							51		51	31
Building contracts								4,078	4,078	4,657
Other expenditures	133	12	91	39		9	132	110	526	290
Total (Exhibit B)	\$31,847	3,738	2,916	2,062	940	5,084	5,225	7,108	\$58,920	\$55,230
SUMMARY										
General purposes fund	\$30,831	3,550		2,061	802	5,082	5,132		\$47,458	\$45,557
Specific purposes fund	676	187	2,916		138		46		3,963	3,453
Total operating funds	31,507	3,737	2,916	2,061	940	5,082	5,178		51,421	49,010
Capital fund	340	1		1		2	47	7,108	7,499	6,220
Total funds	\$31,847	3,738	2,916	2,062	940	5,084	5,225	7,108	\$58,920	\$55,230

SIMON FRASER UNIVERSITY
Schedule of Ancillary Enterprise Operations
Year ended March 31, 1979
(thousands of dollars)

	<u>Bookstore</u>		<u>Residences</u>		<u>Food Services</u>		<u>Total</u>	
	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>	<u>1979</u>	<u>1978</u>
<u>Revenue</u>								
Sales	\$1,212	1,062					\$1,212	\$1,062
Rentals			701	643			701	643
	<u>1,212</u>	<u>1,062</u>	<u>701</u>	<u>643</u>			<u>1,913</u>	<u>1,705</u>
<u>Expenditure</u>								
Cost of sales	941	796					941	796
Food contract service					15	(8)	15	(8)
Salaries and benefits	191	195	131	120			322	315
Utilities	12	11	110	78	3	6	125	95
Debenture repayment, principal			19	17			19	17
Interest	26	20	229	231			255	251
Equipment						33		33
Insurance			10	10			10	10
Janitorial			85	81	8	7	93	88
Repairs and maintenance	2		96	85	4	2	102	87
Other operating costs	13	14	33	19	17	16	63	49
	<u>1,185</u>	<u>1,036</u>	<u>713</u>	<u>641</u>	<u>47</u>	<u>56</u>	<u>1,945</u>	<u>1,733</u>
<u>Net Revenue (Expenditure)</u>	<u>\$ 27</u>	<u>26</u>	<u>(12)</u>	<u>2</u>	<u>(47)</u>	<u>(56)</u>	<u>\$ (32)</u>	<u>\$ (28)</u>

SIMON FRASER UNIVERSITY
Schedule of Academic and Research Expenditures
Year ended March 31, 1979
(thousands of dollars)

	General Purposes Fund	Specific Purposes Fund	Capital Fund	Total	1978
Faculty of Arts					
Dean's Office	\$ 385	25	2	\$ 412	\$ 270
Archaeology	532	297		829	766
Economics and Commerce	2,701	54	5	2,760	2,481
English	1,721	8	1	1,730	1,691
Geography	1,039	25	1	1,065	1,043
History	986	96	1	1,083	983
Languages, Literatures and Linguistics	1,244	6	22	1,272	1,330
Philosophy	456	5		461	432
Political Science	580			580	554
Psychology	1,595	31	1	1,627	1,548
Sociology and Anthropology	779			779	780
	<u>12,018</u>	<u>547</u>	<u>33</u>	<u>12,598</u>	<u>11,878</u>
Faculty of Education	<u>3,681</u>	<u>407</u>	<u>9</u>	<u>4,097</u>	<u>4,307</u>
Faculty of Interdisciplinary Studies					
Dean's Office	284	49		333	197
Centre for the Arts	967		7	974	847
Communication Studies	740	88		828	739
Computing Science	990	60	17	1,067	918
Criminology	593	47	2	642	572
Interdisciplinary Programs	51			51	26
Kinesiology	764	110	61	935	816
	<u>4,389</u>	<u>354</u>	<u>87</u>	<u>4,830</u>	<u>4,115</u>
Faculty of Science					
Dean's Office	212	84		296	135
Biological Sciences	2,332	557	69	2,958	2,707
Chemistry	2,304	540	47	2,891	2,690
Mathematics	1,477	116	1	1,594	1,491
Physics	1,332	327	75	1,734	1,574
Science Workshops	322			322	298
Western Canadian Universities Marine Biological Society Grant	99			99	91
	<u>8,078</u>	<u>1,624</u>	<u>192</u>	<u>9,894</u>	<u>8,986</u>
Animal Research Facility	30			30	35
Audio Visual Centre	819		15	834	832
Continuing Studies	1,182	214	4	1,400	1,285
Co-op Education	41			41	
Graduate Studies	413	446		859	903
Reading and Study Skills Centre	180			180	161
	<u>30,831</u>	<u>3,592</u>	<u>340</u>	<u>\$34,763</u>	<u>\$32,502</u>