

SIMON FRASER UNIVERSITY

MEMORANDUM

S. 80-129

To..... SENATE

From.. SECRETARY OF SENATE

Subject..... ANNUAL REPORT - FOR INFORMATION

Date... OCTOBER 16, 1980

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

FINANCIAL STATEMENTS

AS AT MARCH 31 1980

SIMON FRASER UNIVERSITY
Financial Statements
Year Ended March 31, 1980

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SIMON FRASER UNIVERSITY

Balance Sheet

as at March 31, 1980

(thousands of dollars)

	Assets		Liabilities and Fund Balances	
	1980	1979 (Note 6)	1980	1979 (Note 6)
OPERATING FUNDS			OPERATING FUNDS	
Cash and short term deposits	\$13,582	\$ 9,199	Accounts payable and accrued liabilities	\$ 5,815
Accounts receivable	1,327	1,161	General purpose fund	
Inventories	917	935	Unappropriated (Exhibit C)	2,248
			Appropriated (Note 3)	5,464
			Specific purpose fund (Exhibit C)	2,299
	<u>\$15,826</u>	<u>\$11,295</u>		<u>\$15,826</u>
ENDOWMENT AND STUDENT LOAN FUNDS			ENDOWMENT AND STUDENT LOAN FUNDS	
Cash and short term deposits	\$ 1,229	\$ 877	Endowment fund	\$ 1,297
Investments, at cost (market - \$112; 1979 - \$115)	114	114	Student loan fund	83
Student loans receivable	37	61		
	<u>\$ 1,380</u>	<u>\$ 1,052</u>		
			(Exhibit C)	<u>\$ 1,380</u>
CAPITAL FUND			CAPITAL FUND	
Short term deposits	\$ 3,640	\$ 2,803	Accounts and holdbacks payable	\$ 1,836
Accounts receivable	166	130	Bank loans payable (Note 4)	2,412
Land, buildings and equipment, at cost	76,710	68,834	Long term debt (Note 5)	
			Central Mortgage and Housing Corporation	3,493
			Capital Financing Authority - \$14,200	
			Less - sinking fund (Note 2) 273	13,927
			Net investment in land, buildings and equipment	55,350
			Capital fund balances	
			Unappropriated (Exhibit C)	2,256
			Appropriated (Note 3)	1,242
	<u>\$80,516</u>	<u>\$71,767</u>		<u>\$80,516</u>

Approved by the Board of Governors:

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

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

The accompanying notes are an integral part of these financial statements

SIMON FRASER UNIVERSITY
Statement of Revenue and Expenditure
Year Ended March 31, 1980
(thousands of dollars)

	General Purpose	Specific Purpose			Total Operating	Endowment and Student Loan	Capital	Total Funds Year Ended March 31	
		Sponsored Research	Scholarship and Bursary	Other Grants and Programmes				1980	1979 (Note 6)
Revenue									
Province of British Columbia grants	\$48,523	878	19	1,138	50,558		2,328	\$52,886	\$46,864
Government of Canada grants		2,669		33	2,702			2,702	2,330
Other government grants		81	16		97			97	29
Student fees - credit courses	4,392			143	4,535			4,535	4,485
- other	293				293			293	173
Gifts and grants - other	28	214	107	54	403	309	4	716	701
Investment income	1,335		82	61	1,478	19	407	1,904	954
Miscellaneous income	178				178			178	141
Total revenue	54,749	3,842	224	1,429	60,244	328	2,739	63,311	55,677
Expenditures (Exhibit D)	52,224	3,607	169	1,075	57,075		2,230	59,305	51,440
Ancillary enterprises (Schedule 2)	40				40			40	32
Total expenditures	52,264	3,607	169	1,075	57,115		2,230	59,345	51,472
Excess of revenue over expenditure (Exhibit C)	\$ 2,485	235	55	354	3,129	328	509	\$ 3,966	\$ 4,205

SIMON FRASER UNIVERSITY
Statement of Changes in Fund Balances
Year Ended March 31, 1980
(thousands of dollars)

	General Purpose	Sponsored Research	Specific Purpose		Total Operating	Endowment and Student Loan	Capital	Total Funds	
			Scholarship and Bursary	Other Grants and Programmes				Year Ended March 31 1980	Year Ended March 31 1979
<u>Increases in fund balances</u>									
Operations:									
Excess of revenue over expenditure (Exhibit B)	\$2,485	235	55	354	3,129	328	509	\$ 3,966	\$ 4,205
Other sources:									
Capital Financing Authority							6,500	6,500	7,700
Increase in long term debt							17	17	
Interest earned on sinking fund							207	207	49
Province of British Columbia							1,291	1,291	(1,066)
Sinking fund payments reimbursed								34	525
Interim financing		1		33	34				
Inter-fund transfers									
Total increases	2,485	236	55	387	3,163	328	8,524	12,015	11,413
<u>Decreases in fund balances</u>									
Additions to land, buildings and equipment							7,876	7,876	6,432
Transfers to appropriated fund, net (Note 3)	1,765				1,765		443	2,208	4,168
Sinking fund payments							207	207	49
Transfer of interest earned on sinking fund to net investment in land, buildings and equipment							17	17	
Inter-fund transfers	33		1		34			34	525
Total decreases	1,798		1		1,799		8,543	10,342	11,174
Net increase (decrease) during the year	687	236	54	387	1,364	328	(19)	1,673	239
Fund balances, April 1, 1979	1,561	1,154	96	372	3,183	1,052	2,275	6,510	6,271
Fund balances, March 31, 1980 (Exhibit A)	\$2,248*	1,390	150	759	4,547	1,380	2,256*	\$ 8,183	\$ 6,510

*Unappropriated balance. (Appropriated fund expenditures and net increases have been included in these columns on Exhibits B, C and D. See Note 3.)

SIMON FRASER UNIVERSITY
Statement of Expenditures by Fund
Year Ended March 31, 1980
(thousands of dollars)

<u>Expenditures</u>	<u>General Purpose</u>	<u>Specific Purpose</u>			<u>Total Operating</u>	<u>Capital Fund</u>	<u>Total Expenditures Year Ended March 31</u>	
		<u>Sponsored Research</u>	<u>Scholarship and Bursary</u>	<u>Other Grants and Programmes</u>			<u>1980</u>	<u>1979</u>
								(Note 6)
Salaries								
Academic ranks	\$17,392	532		194	18,118		\$18,118	\$16,473
Other instruction and research	3,002	1,728		118	4,848		4,848	4,352
Other salaries and wages	15,697			268	15,965		15,965	15,045
Employee benefits	3,959	66		45	4,070		4,070	3,703
Travel, moving and entertainment	1,412	321		111	1,844		1,844	1,482
Expendable supplies	5,203	392		258	5,853		5,853	4,005
Equipment and furnishings	610	527		25	1,162	728	1,890	1,243
Equipment rentals	836			14	850		850	885
Books and periodicals	923			18	941		941	855
Utilities	1,253			20	1,273		1,273	1,351
Student awards	1,070		169		1,239		1,239	1,179
Contract services	1,522				1,522		1,522	1,271
Professional fees	409			3	412		412	249
Renovations and alterations	312			1	313		313	155
Interest - short term						432	432	427
- long term						1,070	1,070	164
Insurance	119				119		119	113
Memberships	43				43		43	51
Internal cost allocations	(41)	41						
External cost allocations	(1,497)				(1,497)		(1,497)	(1,563)
Total (Exhibit B)	\$52,224	3,607	169	1,075	57,075	2,230	\$59,305	\$51,440

SIMON FRASER UNIVERSITY
Notes to Financial Statements
March 31, 1980

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 with the exception of renovations financed by capital fund resources which are capitalized;
- 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.

(b) Fund Accounting

- The university accounts are maintained in compliance with fund accounting procedures 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 purpose operating funds comprise revenues which are administered by the Board of Governors.
 - Specific purpose 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 comprise amounts received for the purchase of land, buildings and original equipment, major renovations and alterations, public work projects and additional equipment.

(c) Inventories

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

(d) 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 include the operating costs of providing these services and debenture payments of interest and principle on the residences. No administrative overhead has been applied.

2. Change in Accounting Policy

In respect of the long term debt issued under the British Columbia Educational Institutions Capital Financing Authority Act, the amount of the sinking fund balance as at March 31, 1979 was calculated on a straight line basis over the 20 year term for financial statement presentation purposes. For 1979/80 and future years, the amounts of sinking fund payments reported on Exhibit C will be the amounts actually funded. The 1979 comparative figures have been restated to conform with the new presentation. On Exhibit A, the net amount of the outstanding debt due to the Capital Financing Authority has been increased by \$336,000 to \$7,651,000, and the net investment in land, buildings and equipment account has been decreased by the same amount to \$55,662,000. Note 6 provides a reconciliation of this latter balance to the final balance reported on Exhibit A. Details of the sinking fund balance are disclosed in Note 5(B).

3. Appropriated Funds

A. Operating - General purpose fund

	<u>1980</u>	<u>1979</u>
	(thousands of dollars)	
<u>Increases in appropriated fund balance</u>		
- Provision for non-recurring allocations in following fiscal year	\$2,266	\$ -
- Annualization for salary costs	1,063	990
- Authorized budget allocations to following fiscal year	730	1,173
- Research grant carryover	294	301
- Provision for payback for provincial operating grant	131	-
- Insurance appraisal and insurance reserve	100	120
- Specified minor provisions	95	405
- General contingencies	77	550
Total increases	<u>4,756</u>	<u>3,539</u>

Operating - General purpose fund - Continued

	<u>1980</u>	<u>1979</u>
	(thousands of dollars)	
<u>Decreases in appropriated fund balance</u>		
- Expended during fiscal year	2,991	170
	<hr/>	<hr/>
Net increase during the year (Exhibit C)	1,765	3,369
Appropriated fund balance, April 1, 1979	3,699	330
	<hr/>	<hr/>
Appropriated fund balance, March 31, 1980 (Exhibit A)	<u>\$5,464</u>	<u>\$3,699</u>

B. Capital

	<u>1980</u>	<u>1979</u>
	(thousands of dollars)	
<u>Increases in appropriated fund balance</u>		
- Authorized budget allocations to following fiscal year	\$ 156	\$587
- Authorized minor projects	512	212
- Designated project funds	42	-
	<hr/>	<hr/>
Total increases	710	799
<u>Decreases in appropriated fund balance</u>		
- Expended during fiscal year	267	-
	<hr/>	<hr/>
Net increase during the year (Exhibit C)	443	799
Appropriated fund balance, April 1, 1979	799	-
	<hr/>	<hr/>
Appropriated fund balance, March 31, 1980 (Exhibit A)	<u>\$1,242</u>	<u>\$799</u>

4. Bank Loans Payable and Commitments

The interim financing of approved capital construction projects is authorized under the provisions of the British Columbia Educational Institutions Capital Financing Authority Act. This financing comprises bank loans in the amount of \$2,412,000 as at March 31, 1980 (\$2,021,000 - March 31, 1979). Accounts and holdbacks payable in the amount of \$1,836,000 (\$488,000 - March 31, 1979) and commitments under building and other contracts of \$2,346,000 (\$9,240,000 - March 31, 1979) will be financed similarly in the next fiscal year. Bank loans are retired from the proceeds of long term debt issued under the authority of the Act.

5. Long Term Debt

A. Central Mortgage and Housing Corporation

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Balance Outstanding</u>		<u>Annual Payments Including Interest</u>
		<u>March 31/80</u>	<u>March 31/79</u>	
		(thousands of dollars)		
Jan. 1, 2017	5.375%	\$ 199	\$ 200	\$ 12
Jan. 2, 2018	5.875%	983	990	65
Jul. 1, 2019	6.875%	2,311	2,322	171
Total (Exhibit A)		<u>\$3,493</u>	<u>\$3,512</u>	<u>\$248</u>

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

B. Capital Financing Authority

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Face Value</u>	<u>Sinking Fund Balance</u>	<u>Balance Outstanding</u>		<u>Annual Payments</u>
				<u>March 31 1980</u>	<u>March 31 1979</u>	
				(thousands of dollars)		
Jun. 9, 1998	9.41%	\$ 2,000	\$107	\$ 1,893	\$1,951	\$ 237
Jan. 10, 1999	9.82%	2,000	54	1,946	2,000	245
Mar. 9, 1999	10.16%	3,700	92	3,608	3,700	466
Apr. 10, 1999	10.26%	800	20	780	-	102
Nov. 9, 1999	10.68%	3,700	-	3,700	-	485
Mar. 10, 2000	12.74%	2,000	-	2,000	-	277
Total (Exhibit A)		<u>\$14,200</u>	<u>\$273</u>	<u>\$13,927</u>	<u>\$7,651</u>	<u>\$1,812</u>

Annual payments comprise interest and sinking fund payments. The actual payments to the sinking fund are based on the discounted present values required to fully fund the repayment of the debt by their respective maturity dates. The sinking fund balance consists of total sinking fund instalments to March 31, 1980 plus interest earned thereon. Sinking fund payments made during 1979/80 amounted to \$207,000 (1978/79 - \$49,000). Earned interest thereon recorded to date is \$17,000 (1978/79 - nil).

6. Restatement of Prior Year Amounts

During the current fiscal year, it became apparent that certain transactions in the Capital Fund had been incorrectly recorded in the previous year. In order to show the financial amounts which would have been reported had these transactions been correctly recorded, the 1979 comparative figures have been retroactively adjusted. In addition to these restatements and those referred to in Note 2, the 1979 figures have been restated to conform with financial

statement presentation changes adopted in 1980. The composition of the major changes made to the 1979 comparative figures is disclosed in the following reconciliations.

Exhibit A - Capital Fund

	<u>Accounts Receivable</u>	Net Investment in Land, Buildings and Equipment (thousands of dollars)	<u>Capital Fund Unappropriated</u>
Balance per 1978/79 financial statements	\$215	\$55,998	\$1,719
Adjustment as per Note 2		(336)	
Revised balances	<u>215</u>	<u>55,662</u>	<u>1,719</u>
Restatements due to corrections:			
Short term interest Funding source	(85)	(85) (556)	556
Balance per 1979/80 financial statements	<u>\$130</u>	<u>\$55,021</u>	<u>\$2,275</u>

Exhibit B - Total Funds

	<u>Province of B.C. Grants</u>	<u>Total Revenue</u>	<u>Total Expenditure</u>	Excess of Revenue Over Expenditure	<u>Interim Financing</u>
		(thousands of dollars)			
Balance per 1978/79 financial statements	\$46,240	\$64,425	\$58,920	\$5,473	\$(1,622)
Restatements due to format revisions	709	(963)	(963)		
Transferred to Exhibit C - long term transactions relating to Capital Financing Authority		(7,700)	(6,432)	(1,268)	
Revised balance	<u>46,949</u>	<u>55,762</u>	<u>51,525</u>	<u>4,205</u>	<u>(1,622)</u>
Restatements due to corrections:					
Short term interest Funding source	(85)	(85)	(85)		556
Balance per 1979/80 financial statements	<u>\$46,864</u>	<u>\$55,677</u>	<u>\$51,440</u>	<u>\$4,205</u>	<u>\$(1,066)</u>



Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

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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 1980 and the statements of revenue and expenditure, changes in fund balances and expenditures by fund 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 1980 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, after giving retroactive effect to the change in the method of calculating the sinking fund balance as referred to in note 2 to the financial statements, on a basis consistent with that of the preceding year.

Erma Morrison, C.A.
Auditor General

Victoria, British Columbia
23 June 1980

SIMON FRASER UNIVERSITY
Schedule of General Purpose Expenditures
 Year Ended March 31, 1980
 (thousands of dollars)

	Year Ended March 31, 1980					Total Expenditures	
	Academic	Library	Student Services	Plant and Maintenance	Computer Centre	Administration & General	Year Ended March 31 1979
<u>Expenditures</u>							
Salaries	\$17,392						\$15,763
Academic ranks	3,002						2,842
Other instruction and research	5,305	2,217	1,630	1,443	1,877	3,225	14,875
Other salaries and wages	2,639	246	174	210	258	432	3,612
Employee benefits	896	15	237	13	22	229	1,062
Travel, moving and entertainment	2,034	221	319	1,161	643	825	3,514
Expendable supplies	475	17	34	16	23	45	574
Equipment and furnishings	105	5	11		701	14	800
Equipment rentals		923					923
Books and periodicals	184	34	23	958	14	40	1,351
Utilities			1,070				1,041
Student awards	108	112					1,271
Contract services	92			1,244	106	160	244
Professional fees	127	6	13	51	19	33	153
Renovations and alterations				114		119	113
Insurance						43	51
Memberships	1,996	157	13	15	(3,249)	1,027	(1,563)
Internal cost allocations	(57)	(85)	(429)	(176)	(583)	(167)	
External cost recoveries							
Total (Exhibit D)	\$34,298	3,868	3,095	5,049	(169)	6,083	\$46,495

SIMON FRASER UNIVERSITY
Schedule of Academic Expenditures
Year Ended March 31, 1980
(thousands of dollars)

	General Purpose Fund	Specific Purpose Fund Sponsored Research	Other Grants and Programmes	Capital Fund	Total Expenditures Year Ended March 31	
					1980	1979
Faculty of Arts	\$ 329	29	2	2	\$ 362	\$ 412
Dean's Office	663	138	3	13	817	829
Archaeology	2,954	15		6	2,975	2,760
Economics and Commerce	1,900	2	1		1,903	1,730
English	1,178	45		14	1,237	1,065
Geography	1,025	17	12	1	1,055	1,083
History	1,444	11		8	1,463	1,272
Languages, Literatures and Linguistics	532		1		533	461
Philosophy	595	5		62	600	580
Political Science	1,687	31		1	1,780	1,627
Psychology	878	2			881	779
Sociology and Anthropology						
Faculty of Education	13,185	295	19	107	13,606	12,598
Faculty of Education	4,002	176	392	31	4,601	4,097
Faculty of Interdisciplinary Studies						
Dean's Office	334			1	335	333
Centre for the Arts	1,109			22	1,131	974
Communication Studies	768	39	13	8	828	828
Computing Science	1,202	71	6	40	1,313	1,067
Criminology	841	147	13	2	996	642
Interdisciplinary Programs	126	20	9	10	169	51
Kinesiology	910	201		89	1,209	935
Faculty of Science	5,290	478	41	172	5,981	4,830
Dean's Office	359	79		1	439	296
Biological Sciences	2,605	898		73	3,576	2,958
Chemistry	2,428	750	1	64	3,243	2,891
Mathematics	1,692	125	7	2	1,826	1,594
Physics	1,493	372		26	1,891	1,734
Science Workshops	336			11	347	322
Western Canadian Universities Marine Biological Society Grant	108				108	99
Animal Research Facility	9,021	2,224	8	177	11,430	9,894
Audio Visual Centre	42			3	45	30
Continuing Studies	870			37	907	834
Co-op Education	1,449		432	1	1,882	1,400
Graduate Studies	58			1	59	41
Reading and Study Skills Centre	200	434		4	638	620
Total Academic Expenditures	181			2	183	180
	<u>\$34,298</u>	<u>3,607</u>	<u>892</u>	<u>535</u>	<u>\$39,332</u>	<u>\$34,524</u>