

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

**RESPONDING MOTION RECORD
(Re: Robinson Stay)
(Returnable April 1, 2022)**

March 28, 2022

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Court File No. CV-21-656040-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

IN THE MATTER OF THE *COMPANIES' CREDITORS
ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Applicant

AFFIDAVIT OF BOBBIE-JO BRINKMAN
(sworn March 28, 2022)

I, Bobbie-Jo Brinkman, of the City of Oshawa, in the Regional Municipality of Durham, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS:**

I. INTRODUCTION

1. I am a law clerk at Thornton Grout Finnigan LLP ("**TGF**"), lawyers for Laurentian University of Sudbury ("**Laurentian**"). As such, I have knowledge of the matters hereinafter deposed to, save where I have obtained information from others. Where I do not possess personal knowledge, I have stated the source of my information and belief and, in all such cases, believe such information to be true.
2. I am advised by Andrew Hanrahan, a lawyer at TGF, that on March 16, 2022, counsel for Barbara Jean Robinson served a motion that sought to lift the stay of proceedings contained in the Amended and Restated Initial Order dated February 11, 2021 (the "**Lift Stay Motion**"). The motion materials do not appear to have been served on the entire Service List.

3. On March 24, 2022, Mr. Hanrahan wrote a letter to Mr. Aron Zaltz, counsel to Ms. Robinson. The letter states that Laurentian has not been able to identify any insurance policy that would respond to Ms. Robinson's claim, provides certain documentary disclosure requested by Ms. Robinson, and provides Laurentian's position on the Lift Stay Motion. A copy of that letter and its attachments is attached hereto as **Exhibit "A"**.
4. Attached hereto as **Exhibit "B"** is a copy of an email chain between Laurentian's insurance counsel, Larry Theall, and the Chief Counsel for Aon Canada, Harris Kaplan, in which Mr. Kaplan advised Mr. Theall that Aon Canada did not have records from the period in or around 1979.

VII. CONCLUSION

5. This affidavit is sworn in response to the Lift Stay Motion and for no other or improper purpose.

SWORN remotely via videoconference,
by Bobbie-Jo Brinkman stated as being
located in the City of Oshawa, in the
Province of Ontario, before me at the City
of Toronto, in Province of Ontario, this 28th
day of March, 2022, in accordance with O.
Reg 431/20, *Administering Oath or
Declaration Remotely*



Commissioner for Taking Affidavits, etc.

Derek Harland
LSO # 79504N



BOBBIE-JO BRINKMAN

This is Exhibit “A” referred to in the Affidavit of Bobbie-Jo Brinkman sworn by Bobbie-Jo Brinkman of the City of Oshawa, in the Regional Municipality of Durham, before me at the City of Toronto, in the Province of Ontario, on March 28, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to read 'Derek Harland', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

DEREK HARLAND

March 24, 2022

VIA EMAIL

Preszler Injury Lawyers
151 Eglinton Avenue West
Toronto, ON M4R 1A6

Attention: Mr. Aron Zaltz

Dear Sir:

Re: In the Matter of the *Companies' Creditors Arrangement Act* and In the Matter of a Plan of Compromise or Arrangement of Laurentian University of Sudbury ("Laurentian"), Court File No.: CV-21-00656040-00CL (the "CCAA Proceeding")

As you know, our firm is insolvency counsel to Laurentian in its CCAA Proceeding. We write with respect to the motion you have filed on behalf of your client, Barbara Jean Robinson, seeking to lift the stay imposed by the Court's Amended and Restated Initial Order dated February 11, 2021 (the "**Lift Stay Motion**") and in response to various email correspondence you have sent related to same.

For the reasons we outline below, Laurentian questions whether the relief sought in the Lift Stay Motion is an appropriate way to proceed given the unavailability of any insurance to indemnify Ms. Robinson's claim, if it succeeds. However, if you have a proposed order that addresses the relief sought by your client, and also addresses the concerns we have identified below, we are happy to consider and discuss that with you further.

Ms. Robinson's Claim Against Laurentian

On July 28, 2021, in accordance with the claims process established through the Amended and Restated Claims Process Order dated June 9, 2021, Ms. Robinson submitted a Proof of Claim (the "**Claim**") to the Court-appointed Monitor, Ernst & Young Inc. (the "**Monitor**") asserting a claim against Laurentian in the amount of \$5 million. Ms. Robinson's Claim alleges that she is a former student at Laurentian and that, in or around 1979, she was sexually assaulted by Professor John Sahadat, who Ms. Robinson alleges was employed by Laurentian.

On February 1, 2022, the Monitor issued a Notice of Revision or Disallowance disallowing the Claim in full. In the NORD, the Monitor noted that Professor Sahadat was never an employee of Laurentian, but rather appears to have been an employee of the University of Sudbury. On February 11, 2022, Ms. Robinson delivered a Dispute Notice to the Monitor. In accordance with

the Amended and Restated Claims Process Order, the Monitor referred the Claim for resolution to the Honourable J. Douglas Cunningham, a Claims Officer appointed by Order of the Court dated December 20, 2021.

In accordance with Mr. Cunningham's direction, the parties submitted legal briefs on a threshold legal issue: whether Laurentian could be found vicariously liable for the alleged actions of Professor Sahadat as set out in the Claim. The parties have each requested that Mr. Cunningham withhold his determination of this threshold issue pending determination of the Lift Stay Motion.

The Lift Stay Motion

On March 16, 2022, Ms. Robinson served the Lift Stay Motion. The Lift Stay Motion indicates that on March 14, 2022, Ms. Robinson issued a Statement of Claim in the Ontario Superior Court of Justice naming the University of Sudbury as the defendant (the "**USudbury Action**"). The USudbury Action relates to the same or substantially similar subject matter as Ms. Robinson's Claim against Laurentian, and seeks to hold the University of Sudbury vicariously liable for the alleged actions of Professor Sahadat.

The Lift Stay Motion seeks leave to lift the stay imposed by the Amended and Restated Initial Order and add Laurentian as a defendant to the USudbury Action.

The Lift Stay Motion indicates that, if the stay is lifted and Laurentian is added as a defendant to the USudbury Action, Ms. Robinson's recovery on any judgment obtained will be limited to "such insurance proceeds (if any) as are determined to be available to [Laurentian]" and she will not seek to recover "as against [Laurentian's] current or future assets".

Ms. Robinson has indicated that she will immediately withdraw her Claim from the CCAA claims process if the Lift Stay Motion is granted.

Laurentian's Efforts to Locate an Applicable Insurance Policy

As we and the Monitor's counsel have discussed with you previously, upon receiving notice of Ms. Robinson's Claim, Laurentian undertook extensive efforts to locate an insurance policy that might provide coverage for Ms. Robinson's Claim, in respect of an event that allegedly occurred more than 40 years ago. Laurentian has been unable to locate an applicable insurance policy or to even identify its liability insurer at the time Ms. Robinson's Claim arose in or around 1979 (the "**Relevant Time**").

On March 8, 2022, Laurentian provided you with sworn affidavits from Raymond Coutu and Normand Lavallee that provided a detailed summary of Laurentian's efforts to locate an applicable insurance policy.

Mr. Coutu, who was Laurentian's Director of Procurement, Contract, and Risk from 2007 to 2021, and was responsible for procuring insurance coverage for Laurentian, indicates the following:

- Laurentian's files related to insurance prior to the mid-1990s consist of two file folders of hard copy documents that were provided to Mr. Coutu by Laurentian's now-retired Vice-President of Administration. The records do not appear to be complete and do not include all of Laurentian's historical insurance policies.
- Mr. Coutu searched the two file folders of records and did not locate a liability policy from the Relevant Time, nor did he locate any information in the files that would identify the name of Laurentian's liability insurer during the Relevant Time.
- The records Mr. Coutu reviewed indicated that W. Bruce Martin Insurance may have been Laurentian's insurance broker in the 1980s. Mr. Coutu understands that W. Bruce Martin Insurance was acquired by BrokerLink in the late 1990s, and so he reached out to BrokerLink to see if they could locate any relevant information in their files. BrokerLink informed Mr. Coutu that it did not have any records available prior to 1996 and did not have any relevant information in its archives.
- Laurentian's in-house legal counsel searched Laurentian's vault that contains certain hard-copy records in Laurentian's possession, for any insurance policies from the Relevant Time and informed Mr. Coutu that no such policies were located.
- Mr. Coutu spoke to numerous current and former Laurentian employees to see if they could provide any further information, but those efforts did not lead to any additional information.
- Mr. Coutu spoke to Laurentian's current liability insurer and insurance broker. Neither were able to provide any additional suggestions or information regarding the identity of Laurentian's liability insurer during the Relevant Time.
- Mr. Coutu has made inquiries of all potential sources of information that he is aware of and does not know of any other sources of information that may assist with locating a policy or identifying an insurer from the Relevant Time.

Mr. Lavallee, who has been Laurentian's Associate Vice President, Finance and Administration, since 2010, indicates the following:

- In response to a request from Mr. Coutu, Mr. Lavallee searched the records in Laurentian's Department of Financial Services to see whether any insurance policies or relevant information from the Relevant Time might be available.
- For the period prior to 2003, Laurentian has in its records a manual ledger, but the ledger does not contain any detailed information identifying specific transactions, payments made, or payees. Laurentian does not have invoices for the time period prior to 2003.

- Laurentian also has in its records year-end working papers for 1998 to present, as well as year-end working papers for the year 1975.
- In April 2021, Mr. Lavallee undertook a search of the records described above and did not locate any files related to insurance or any other relevant information.
- In February 2022, Mr. Lavallee conducted an additional search of Laurentian's records and located the year-end working paper from 1975 regarding Laurentian's calculation of prepaid insurance from 1975. That document is handwritten and difficult to read, but it appears to indicate that Reed, Shaw, Stenhouse, which was an insurance broker, provided some services to Laurentian in 1975.
- Other than what is described in his affidavit, Mr. Lavallee is not aware of any potential sources of information that may assist with locating a policy or identifying an insurer from the Relevant Time.

As we indicated in our covering note to the affidavits, with respect to the reference in the 1975 working paper to Reed, Shaw, Stenhouse, Laurentian's insurance counsel made inquiries with Aon Canada (because we understand that Reed, Shaw, Stenhouse is now part of Aon) to see if any relevant records are available. Aon has confirmed that it reviewed its records and does not have any records available from the time period in or around 1979. Aon has indicated that the Relevant Time is outside of their usual record retention period.

Laurentian is not aware of any other information or potential leads that might identify any liability insurer during the Relevant Time. We therefore do not expect that any insurance policy applicable to Ms. Robinson's claim will be located.

Laurentian Has No Funds Traceable to Self-Insurance

Ms. Robinson's Lift Stay Motion suggests that Laurentian was self-insured during the Relevant Time. This is based on a reference in Laurentian's financial statements for fiscal year ended April 30, 1980 to a liability for "self-insurance".

As an initial matter, we do not agree that the reference to self-insurance in the financial statements indicates that Laurentian was self-insured with respect to general liability claims, such as the Claim filed by Ms. Robinson. We note that Laurentian's records from this time period are incomplete, and the personnel responsible for these financial statements are no longer employed at Laurentian. However, Laurentian's understanding of the reference in the financial statements to self-insurance is that it is purely an accounting entry that sets an internal reserve in Laurentian's operating account. This is likely for payment of insurance deductibles in a particular year, although it may also refer to self-insurance for benefit plans. The reference in the financial statements to self-insurance does not mean that Laurentian was self-insured for liability claims, nor does it indicate that specific funds were segregated or maintained.

In any event, as discussed on our March 21, 2022 call, to the extent Laurentian was ever self-insured for any purpose, Laurentian does not currently have any funds segregated or maintained in respect of self-insurance. Indeed, we are not aware that any funds were ever specifically segregated or maintained in respect of self-insurance, however, to the extent that they ever were, Laurentian no longer possesses such funds and is insolvent.

As stated in the Affidavit of Robert Haché, sworn January 30, 2021 and served in connection with Laurentian's CCAA Application, until December 2020, Laurentian utilized a simple cash management system with a small number of general operating bank accounts into which substantially all funds received by Laurentian were deposited. Laurentian funded its operations and all expenses from this account. In addition to that bank account, Laurentian maintains an investment account which holds excess funds not utilized on a day-to-day basis and primarily designated for the purpose of supporting Laurentian's endowment obligations. In short, at the time of Laurentian's CCAA Application, Laurentian did not have any other account containing funds in respect of any self-insurance that might have previously existed.

Counsel for the Court-appointed Monitor, who is an independent Court officer, has confirmed to you that no funds exist in respect of any self-insurance at Laurentian.

Responses to Ms. Robinson's Document Requests

In your email dated March 17, 2022, you requested that Laurentian provide copies of: (i) Laurentian's financial statements from 1981 to 1989; and (ii) the first general liability policy that CURIE provided to Laurentian.

Copies of the requested financial statements are attached hereto.

With respect to the CURIE policy that you have requested, we have asked CURIE whether there is a copy of the policy available in its records, and if so, to please provide us with a copy. If we receive a copy of the policy from CURIE, we will provide you with a copy, subject to CURIE's consent and to your agreement to accept such copy pursuant to the deemed undertaking rule.

Laurentian's Position on the Lift Stay Motion

Laurentian has considered the relief requested in the Lift Stay Motion and it remains unclear to us how Ms. Robinson is proposing to proceed. As we understand it, the Lift Stay Motion proposes to limit Ms. Robinson's recovery on her Claim against Laurentian to available insurance proceeds, if any, and Ms. Robinson would agree that she will not seek to enforce any judgment against the current or future assets of Laurentian.

However, as we have discussed with you and as detailed above, we have not located any applicable insurance policy nor do we expect that such a policy will be located in the future. There are also no funds available with respect to any self-insurance that may (or may not) have existed at some point in the past. In short, we are not aware of any insurance proceeds that would be available to

indemnify Ms. Robinson's Claim against Laurentian, nor do we anticipate that any will be located in the future.

Laurentian has previously provided various disclosure regarding its search for available insurance, including the affidavits of Messrs. Coutu and Lavallee, Laurentian's historical financial statements, and copies of Laurentian's current insurance policies. If you still believe there are other documents or information that your client needs in order to satisfy herself that there are no applicable insurance proceeds, Laurentian is willing to consider additional, reasonable and targeted document requests to address those concerns.

If Ms. Robinson is content to pursue her Claim against Laurentian outside of the CCAA Claims Process, with recovery limited to any available insurance proceeds, and with the knowledge that there are unlikely to be insurance proceeds available, Laurentian will consider that request. However, we note two concerns that would need to be addressed in that circumstance. First, the issue of whether any insurance proceeds are available would need to be dealt with before the USudbury Action proceeds on the merits following any lifting of the stay. In our view, it is not in either party's interest to spend the time and money to litigate a claim against Laurentian if any judgment cannot ultimately be enforced because there is no insurance available to indemnify the judgment. From Laurentian's perspective, it is not reasonable to assume the cost of defending a claim in that circumstance, and it cannot agree to do so. Second, to the extent the University of Sudbury intends or seeks to file a crossclaim against Laurentian in the USudbury Action, Laurentian would not consent to a lifting of the stay for that purpose.

We are happy to discuss the above further with you in the hope of reaching a consensual resolution of the issues. Given the unavailability of insurance, we do not think the relief requested in the Lift Stay Motion is a preferable way to proceed. However, if you have a proposed order that addresses the relief sought by your client, and also addresses the concerns we have identified above, we are happy to consider and discuss that with you further.

Yours truly,

Thornton Grout Finnigan LLP



Andrew Hanrahan

cc: *Sharon Hamilton, Ernst & Young Inc., the court-appointed Monitor*
Ashley Taylor and Maria Konyukhova, Stikeman Elliott LLP, counsel for the court-
appointed Monitor
Dawne Jubb, Laurentian University of Sudbury, General Counsel (interim)

LAURENTIAN UNIVERSITY OF SUDBURY

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1981

Auditors' Report

Financial Statements

1. Balance Sheet
2. Statement of Operating Revenue and Expenditure
3. Statement of Operating Deficit and Committed Funds
4. Statement of Ancillary Services Deficit
5. Statement of Reserve for Major Building Repairs and
Equipment Replacements of University Residences
6. Statement of Unexpended Capital Funds
7. Statement of Equity in Fixed Assets
8. Statement of Changes in Expendable Trust and Endowment Funds

Notes to Financial Statements



AUDITORS' REPORT

To the Governors of
Laurentian University of Sudbury

We have examined the balance sheet of Laurentian University of Sudbury as at April 30, 1981 and the financial statements for the year then ended as set out in the index thereto. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1981 and the results of its operations and the changes in its capital and trust funds for the year then ended in accordance with accounting principles as set out in note 1 applied on a basis consistent with that of the preceding year.

Sudbury, Ontario
August 10, 1981

Chartered Accountants

LAURENTIAN UNIVERSITY OF SUDBURY

BALANCE SHEET AS AT APRIL 30, 1981

GENERAL

	<u>1981</u>	<u>1980</u>
ASSETS		
CURRENT ASSETS		
Cash		\$ 112,902
Notes and term deposits (note 2)	\$ 1,100,000	1,300,000
Accrued interest	76,255	100,179
Investments, at cost (market value \$42,000; 1980, \$90,900)	21,400	71,400
Accounts receivable	226,066	117,338
Inventories	320,622	336,951
Prepaid expenses	40,270	28,831
	<u>1,784,613</u>	<u>2,067,601</u>
OTHER ASSETS		
Mortgage portfolio, due September 1, 1982	<u>907,390</u>	<u>964,786</u>
FIXED ASSETS (note 3)	<u>43,782,751</u>	<u>43,257,811</u>

\$46,474,754 \$46,290,198

TRUST AND

ASSETS		
Cash	\$ 542,830	\$ 427,525
Notes and term deposits (note 2)	200,000	200,000
Accrued interest	21,545	2,519
Research grants receivable	248,162	412,324
Investments, at cost (market value \$332,000; 1980, \$355,000)	<u>417,576</u>	<u>413,775</u>
	<u>\$ 1,430,113</u>	<u>\$ 1,456,143</u>

Statement 1

FUNDS

LIABILITIES

CURRENT LIABILITIES

	<u>1981</u>	<u>1980</u>
Bank overdraft	\$ 338,346	
Accounts payable and accrued liabilities	1,226,476	\$ 1,557,276
Students' fees and other revenue received in advance	<u>423,464</u>	<u>410,914</u>
	<u>1,988,286</u>	<u>1,968,190</u>

LONG TERM LIABILITIES

Debentures payable (note 4)	18,464,716	18,970,010
Obligations under capital leases (note 5)	<u>5,254,150</u>	<u>5,272,032</u>
	<u>23,718,866</u>	<u>24,242,042</u>

EQUITY

OPERATING FUNDS (DEFICIT)

Operating deficit (statement 3)	(1,357,043)	(1,095,475)
Committed funds (statement 3)	271,338	267,510
Ancillary services deficit (statement 4)	<u>(314,384)</u>	<u>(359,412)</u>
	<u>(1,400,089)</u>	<u>(1,187,377)</u>

CAPITAL FUNDS

Reserve for repairs and replacements of University residences (statement 5)	292,409	270,299
Unexpended (statement 6) (note 6)	1,811,397	1,981,274
Equity in fixed assets (statement 7)	<u>20,063,885</u>	<u>19,015,770</u>
	<u>22,167,691</u>	<u>21,267,343</u>
	<u>20,767,602</u>	<u>20,079,966</u>
	<u>\$46,474,754</u>	<u>\$46,290,198</u>

ENDOWMENT FUNDS

EQUITY

Expendable trust funds (statement 8)	\$ 952,875	\$ 1,004,809
Endowment funds (statement 8)	<u>477,238</u>	<u>451,334</u>

	<u>\$ 1,430,113</u>	<u>\$ 1,456,143</u>
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Contingent liability and commitments (note 7)

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF OPERATING REVENUE AND EXPENDITURE

Statement 2

YEAR ENDED APRIL 30, 1981

	<u>1981</u>	<u>1980</u>
Operating revenue		
Provincial grants for operating purposes		
Formula	\$10,929,088	\$10,225,757
Supplementary	100,000	100,000
Bilingual	1,228,000	1,142,000
Northern Ontario	1,372,787	1,305,193
School of Education supplement	415,016	296,500
Other	285,840	279,938
	<u>14,330,731</u>	<u>13,349,388</u>
Tuition fees	2,515,020	2,301,060
Interest on operating funds	17,011	46,607
Interest transferred from capital funds	298,210	112,000
Other revenue	455,564	420,820
Transfers from expendable trust funds		
(statement 8) - sponsored research	933,409	893,182
- other	342,141	339,601
Provincial grant for debenture interest	<u>1,304,184</u>	<u>1,335,384</u>
	<u>20,196,270</u>	<u>18,798,042</u>
Operating expenditure		
Academic	11,860,538	11,389,119
Library	1,241,158	1,172,623
Student services, scholarships and bursaries	439,006	405,557
Computer services	476,178	444,188
General and administrative	1,599,730	1,584,569
Plant operation and maintenance	1,963,386	1,835,634
Development, public relations and community services	<u>636,421</u>	<u>304,500</u>
	<u>18,216,417</u>	<u>17,136,190</u>
Sponsored research	933,409	893,182
Debenture interest	<u>1,304,184</u>	<u>1,335,384</u>
	<u>20,454,010</u>	<u>19,364,756</u>
EXCESS OF OPERATING EXPENDITURE OVER REVENUE	<u>\$ 257,740</u>	<u>\$ 566,714</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF OPERATING DEFICIT AND COMMITTED FUNDS

Statement 3

YEAR ENDED APRIL 30, 1981

	1981		1980	
	<u>Operating deficit</u>	<u>Committed funds</u>	<u>Operating deficit</u>	<u>Committed funds</u>
BALANCE AT BEGINNING OF YEAR	\$(1,095,475)	\$ 267,510	\$ (499,793)	\$ 238,542
Excess of operating expenditure over revenue (statement 2)	(257,740)		(566,714)	
Committed funds at beginning of year	267,510	(267,510)	238,542	(238,542)
Appropriations for:				
Outstanding purchase orders	(114,764)	114,764	(88,529)	88,529
Unexpended budget appropriations	(132,574)	132,574	(166,981)	166,981
Self insurance	<u>(24,000)</u>	<u>24,000</u>	<u>(12,000)</u>	<u>12,000</u>
BALANCE AT END OF YEAR	<u>\$(1,357,043)</u>	<u>\$ 271,338</u>	<u>\$(1,095,475)</u>	<u>\$ 267,510</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF EQUITY IN FIXED ASSETS

Statement 7

YEAR ENDED APRIL 30, 1981

	<u>1981</u>	<u>1980</u>
BALANCE AT BEGINNING OF YEAR	<u>\$19,015,770</u>	<u>\$17,961,502</u>
Add		
Provincial grants received for repayment of debentures	505,294	474,094
Principal payments under capital leases charged to ancillary services	17,882	16,643
Fixed assets purchased from		
General operating funds	177,399	176,850
Sponsored research funds	52,491	66,467
Capital funds (statement 6)	295,049	320,214
	<u>1,048,115</u>	<u>1,054,268</u>
BALANCE AT END OF YEAR	<u>\$20,063,885</u>	<u>\$19,015,770</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN EXPENDABLE TRUST AND ENDOWMENT FUNDS

YEAR ENDED APRIL 30, 1981

	<u>Sponsored research</u>	<u>Scholarships and bursaries</u>
EXPENDABLE TRUST FUNDS		
BALANCE AT BEGINNING OF YEAR	\$ 625,498	\$ 75,028
Additions		
Gifts and grants	848,026	67,821
Investment income - operating and expendable trust funds		25,300
- endowment funds		35,970
Transfer from capital funds interest		50,000
Transfer to scholarships and bursaries		2,528
	<u>848,026</u>	<u>181,619</u>
	<u>1,473,524</u>	<u>256,647</u>
Transfers		
To operating fund - sponsored research	933,409	
- other		163,952
To capital funds		18,903
To endowment funds		<u>182,855</u>
	<u>933,409</u>	
BALANCE AT END OF YEAR	<u>\$ 540,115</u>	<u>\$ 73,792</u>
ENDOWMENT FUNDS		
BALANCE AT BEGINNING OF YEAR		\$255,530
Transfers to scholarships and bursaries		157,504
Transfer from expendable trust funds		18,903
Donations		<u>3,801</u>
BALANCE AT END OF YEAR		<u>\$435,738</u>

Statement 8

1981					1980
Engineering fund	Falconbridge lecture fund	Museum	Other	Total	Total
<u>\$ 17,664</u>	<u>\$221,884</u>	<u>\$ 4,375</u>	<u>\$ 60,360</u>	<u>\$1,004,809</u>	<u>\$ 994,909</u>
59,300		79,097	113,464	1,167,708	1,205,670
3,032	26,598	3,081	10,021	68,032	66,380
				35,970	36,857
				50,000	50,000
			(2,528)		
<u>62,332</u>	<u>26,598</u>	<u>82,178</u>	<u>120,957</u>	<u>1,321,710</u>	<u>1,358,907</u>
<u>79,996</u>	<u>248,482</u>	<u>86,553</u>	<u>181,317</u>	<u>2,326,519</u>	<u>2,353,816</u>
				933,409	893,182
52,000	30,603	73,142	22,444	342,141	339,601
		3,148	76,043	79,191	116,224
				18,903	
<u>52,000</u>	<u>30,603</u>	<u>76,290</u>	<u>98,487</u>	<u>1,373,644</u>	<u>1,349,007</u>
<u>\$ 27,996</u>	<u>\$217,879</u>	<u>\$ 10,263</u>	<u>\$ 82,830</u>	<u>\$ 952,875</u>	<u>\$1,004,809</u>
			\$195,804	\$ 451,334	\$ 438,434
			(157,504)		
			3,200	18,903	
				7,001	12,900
			<u>\$ 41,500</u>	<u>\$ 477,238</u>	<u>\$ 451,334</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1981

1. ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements have been prepared in accordance with the recommendations of the Committee on Accounting Principles for Colleges and Universities of Ontario except that a consolidated set of annual financial statements reflecting the total economic unit and stewardship of the University is not presented. Instead, the assets and liabilities of the University are segregated into general funds and trust and endowment funds. Changes in equity are accounted for on the basis of the purpose which the funds are held - namely, operating, capital, trust and endowment funds. No attempt is made to consolidate the revenues and expenditures of the aforementioned funds. Details of operating revenues and expenditures of ancillary operations are not included; the losses or profits are applied to the ancillary services deficit.

(b) Inventories

Inventories are recorded at the lower of cost and net realizable value.

(c) Fixed assets

Fixed assets are stated at cost and no depreciation is provided. Depreciation on University housing was provided on a straight-line basis at 5% per annum to April 30, 1973 only.

(d) Accounts payable and accrued liabilities

It has not been the practice to accrue for future expenditures in connection with the University's sabbatical leave commitments, vacation pay or sick leave benefits; such costs are charged in the accounts as they are incurred.

(e) Debentures payable

Debentures payable to the Ontario Universities Capital Aid Corporation do not include the portion assumed on behalf of Algoma College Association; principal and interest payments are recorded accordingly.

Since payments of debenture principal and interest are being met as they fall due by special grants from the Province of Ontario, no provision for interest accrued since the date of the last payment is made in the accounts nor is the current portion of debentures payable included in current liabilities.

(f) Obligations under capital leases

The University and the Ontario Student Housing Corporation have entered into agreements under which the Corporation has constructed student housing on University property. The University has agreed to lease the buildings from the Corporation for 50 year periods, at the expiration of which time the title will vest in the University. In order to reflect the obligation under the lease arrangements, construction costs have been included as fixed assets and the obligations as long term debt. Semi-annual payments on the lease obligations are recorded as a charge against residence ancillary operations.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1981

1. ACCOUNTING POLICIES (concluded)

(g) Committed operating funds

The University follows the practice of recording encumbrances (liabilities for goods and services ordered but not received) as an appropriation of operating deficit.

Net amounts underexpended in certain departmental budgets are being carried forward to 1981-82 budget allotments. Such commitments have been reflected as charges against the operating deficit.

(h) Ancillary services

Ancillary services include the operation of residences, food and beverage services, bookstore, university press, parking services and Fraser Auditorium rental. The expenditures of these ancillary services include the direct costs of providing these services and charges from the operating fund for use of capital and administrative services.

(i) Reserve for repairs and replacements of University residences

The University provides a reserve for replacement of furnishings and major repairs to the student residences. The annual provision is reflected as a charge against residence ancillary operations.

(j) Unexpended capital funds

Certain capital expenditures made from the capital fund are recoverable over a period of years from operating and ancillary operations. The recoveries are reflected in the accounts only as effected.

(k) Statement of operating revenue and expenditure

Tuition fees are recorded as revenue of the academic terms to which they apply; any tuition fees received for an academic term subsequent to the year end have been deferred.

Expenditures made for restricted purposes from operating funds are recovered by transfers from expendable trust funds. The transfers are reflected as operating revenue and the expenditures as operating expenditures.

Government grants for operating purposes are included in revenue of the period designated by the government. Other government grants are added to expendable trust and unexpended capital funds as they are received.

(1) Pension plan funding

The University includes in operating expenditure the amount required to be contributed to the plan as actuarially determined from time to time. Since the plan is administered by a trustee, the assets and liabilities of the plan are not included in the financial statements of the University.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1981

2. NOTES AND TERM DEPOSITS

	<u>1981</u>	<u>1980</u>
Morguard Trust note		
11.0% due June 9, 1981	\$ 700,000	
Credit Foncier Franco-Canadian note		
16.5% due June 9, 1980		\$ 900,000
Term deposit, 17.60% due May 7, 1981	300,000	
Term deposit, 17.25% due June 1, 1981	300,000	
Term deposit, 15.00% due May 25, 1980		600,000
	<u>\$ 1,300,000</u>	<u>\$ 1,500,000</u>

Allocated as follows:

General funds	\$ 1,100,000	\$ 1,300,000
Trust and endowment funds	<u>200,000</u>	<u>200,000</u>
	<u>\$ 1,300,000</u>	<u>\$ 1,500,000</u>

3. FIXED ASSETS

	<u>1981</u>	<u>1980</u>
Land	\$ 407,218	\$ 407,218
Utilities, road, parking lots and landscaping	4,397,491	4,284,491
Buildings, including students' residences	31,105,382	30,919,542
Furniture, equipment and library books	<u>7,823,708</u>	<u>7,597,608</u>
	43,733,799	43,208,859
University housing, less accumulated depreciation of \$8,358	<u>48,952</u>	<u>48,952</u>
	<u>\$43,782,751</u>	<u>\$43,257,811</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1981

4. DEBENTURES PAYABLE

The debentures payable are as follows:

	<u>Gross debentures payable</u>	<u>Assumed by Algoma College Association</u>	<u>Net</u>
Debenture principal outstanding (owing to the Ontario Universities Capital Aid Corporation, with maturities to 2008)	<u>\$19,291,825</u>	<u>\$ 827,109</u>	<u>\$18,464,716</u>
Debentures payable charges retired by the Province of Ontario in the year			
Principal	\$ 517,785	\$ 12,491	\$ 505,294
Interest (at rates varying from 5½% to 9½% per annum)	<u>1,371,511</u>	<u>67,327</u>	<u>1,304,184</u>
Total	<u>\$ 1,889,296</u>	<u>\$ 79,818</u>	<u>\$ 1,809,478</u>

The total annual instalments on debt outstanding at April 30, 1981 amount to \$1,889,296, which are expected to be met as they fall due by special grants from the Province of Ontario. Algoma College Association has issued debentures to Laurentian University for non-formula government assistance received by Laurentian University on behalf of and forwarded to Algoma College Association. The interest rates and due dates are equal to the liability reflected by the University for these funds. The annual instalments of \$79,818, blended principal and interest, are included in the total annual instalments shown above and will be forgiven annually as the repayment is met by the special grants from the Province of Ontario.

5. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1981</u>	<u>1980</u>
On University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$ 1,313,693	\$ 1,319,813
On single-married students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	<u>3,940,457</u>	<u>3,952,219</u>
	<u>\$ 5,254,150</u>	<u>\$ 5,272,032</u>

The above leases are reflected in long term liabilities.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (concluded)

YEAR ENDED APRIL 30, 1981

6. UNEXPENDED CAPITAL FUNDS

The unexpended portion of the University's general capital funds at April 30, 1981 is as follows:

As recorded (statement 6)		\$1,840,974
Add		
Amounts to be recovered from operating and ancillary funds		
Single student residence furnishings, (1976 original amount \$104,995) to be recovered from residence rentals over five years (1981 recovery \$10,500)	\$ 52,495	
Purchase of computer, (1970 original amount \$400,000) to be recovered from general operating funds although no repayment term specified (no recovery since 1972)	253,333	
Preliminary fund raising expenditures to be recovered from campaign proceeds	<u>66,210</u>	<u>372,038</u>
As adjusted		<u><u>\$2,213,012</u></u>

7. CONTINGENT LIABILITY AND COMMITMENTS

- (a) The University has guaranteed bank loans incurred by certain employees for the purpose of acquiring personal residence facilities. The balances unpaid on these loans totalled \$110,711 (April 30, 1980, \$194,887).
- (b) The University has a policy whereby faculty members accumulate entitlement to salary reimbursement for sabbatical leave. The total of such entitlements vested to April 30, 1981, at current salary levels, amounted to approximately \$788,000 (April 30, 1980, \$780,000). The total of accumulations toward such entitlements which were not yet vested has not been determined. The salaries paid to faculty on sabbatical leave in 1981 amounted to \$613,000 (1980, \$582,000).
- (c) The estimated unrecorded liability for vacation pay at April 30, 1981 was \$296,000 (April 30, 1980, \$241,000).
- (d) According to an actuarial report dated May 3, 1979, the pension plan of the University at July 1, 1978 had an unfunded liability of \$357,900. It is expected that this liability will be amortized over the next fifteen years with a minimal increase in regular monthly employer contributions.

LAURENTIAN UNIVERSITY OF SUDBURY

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1982

Auditors' Report

Financial Statements

1. Balance Sheet
2. Statement of Operating Revenue and Expenditure
3. Statement of Operating Deficit and Committed Funds
4. Statement of Ancillary Services Deficit
5. Statement of Reserve for Major Building Repairs and
Equipment Replacements of University Residences
6. Statement of Unexpended Capital Funds
7. Statement of Equity in Fixed Assets
8. Statement of Changes in Expendable Trust and Endowment Funds

Notes to Financial Statements

**AUDITORS' REPORT**

To the Governors of
Laurentian University of Sudbury

We have examined the balance sheet of Laurentian University of Sudbury as at April 30, 1982 and the financial statements for the year then ended as set out in the index thereto. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1982 and the results of its operations and the changes in its capital and trust funds for the year then ended in accordance with accounting principles as set out in note 1 applied on a basis consistent with that of the preceding year.

Sudbury, Ontario
July 2, 1982

Chartered Accountants

BALANCE SHEET AS AT APRIL 30, 1982

GENERAL

	<u>1982</u>	<u>1981</u>
ASSETS		
CURRENT ASSETS		
Notes and term deposits (note 2)	\$ 997,932	\$ 1,100,000
Accrued interest	13,168	76,255
Investments, at cost (market value \$20,000; 1981, \$42,000)	21,400	21,400
Accounts receivable	180,151	226,066
Inventories	367,001	320,622
Prepaid expenses	56,770	40,270
Mortgage portfolio, due September 1, 1982	871,645	
	<u>2,508,067</u>	<u>1,784,613</u>
OTHER ASSETS		
Mortgage portfolio		<u>907,390</u>
FIXED ASSETS (note 3)	<u>44,326,181</u>	<u>43,782,751</u>

<u>\$46,834,248</u>	<u>\$46,474,754</u>
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TRUST AND

ASSETS		
Cash	\$ 817,319	\$ 542,830
Notes and term deposits (note 2)	200,000	200,000
Accrued interest	2,587	21,545
Research grants receivable	272,133	248,162
Investments, at cost (market value \$348,000; 1981, \$332,000)	417,576	417,576
8% Mortgage receivable, due June 30, 1985	93,273	
	<u>\$ 1,802,888</u>	<u>\$ 1,430,113</u>

FUNDS

LIABILITIES

CURRENT LIABILITIES

	<u>1982</u>	<u>1981</u>
Bank overdraft	\$ 459,142	\$ 338,346
Accounts payable and accrued liabilities	1,220,895	1,226,476
Students' fees and other revenue received in advance	585,520	423,464
	<u>2,265,557</u>	<u>1,988,286</u>

LONG TERM LIABILITIES

Debentures payable (note 4)	17,926,129	18,464,716
Obligations under capital leases (note 5)	5,234,937	5,254,150
	<u>23,161,066</u>	<u>23,718,866</u>

EQUITY

OPERATING FUNDS (DEFICIT)

Operating deficit (statement 3)	(1,812,489)	(1,357,043)
Committed funds (statement 3)	167,466	271,338
Ancillary services deficit (statement 4)	(267,260)	(314,384)
	<u>(1,912,283)</u>	<u>(1,400,089)</u>

CAPITAL FUNDS

Reserve for repairs and replacements of University residences (statement 5)	325,949	292,409
Unexpended (statement 6) (note 6)	1,828,844	1,811,397
Equity in fixed assets (statement 7)	21,165,115	20,063,885
	<u>23,319,908</u>	<u>22,167,691</u>
	<u>21,407,625</u>	<u>20,767,602</u>
	<u>\$46,834,248</u>	<u>\$46,474,754</u>

ENDOWMENT FUNDS

EQUITY

Expendable trust funds (statement 8)	\$ 1,208,579	\$ 952,875
Endowment funds (statement 8)	594,309	477,238

	<u>\$ 1,802,888</u>	<u>\$ 1,430,113</u>
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Contingent liability and commitments (note 7)

STATEMENT OF OPERATING REVENUE AND EXPENDITURE

Statement 2

YEAR ENDED APRIL 30, 1982

	<u>1982</u>	<u>1981</u>
Operating revenue		
Provincial grants for operating purposes		
Formula	\$11,894,963	\$10,929,088
Supplementary		100,000
Bilingual	1,356,000	1,228,000
Northern Ontario	1,460,777	1,372,787
School of Education supplement	384,349	415,016
Other	238,847	285,840
	<u>15,334,936</u>	<u>14,330,731</u>
Tuition fees	3,237,196	2,515,020
Interest on operating funds	20,051	17,011
Transfers from capital funds	112,000	298,210
Other revenue	477,703	455,564
Transfers from expendable trust funds		
(statement 8) - sponsored research	1,028,741	933,409
- other	452,265	342,141
Provincial grant for debenture interest	1,270,891	1,304,184
	<u>21,933,783</u>	<u>20,196,270</u>
Operating expenditure		
Academic	13,141,878	11,860,538
Library	1,319,088	1,241,158
Student services, scholarships and bursaries	479,250	439,006
Computer services	582,518	476,178
General and administrative	1,807,728	1,599,730
Plant operation and maintenance	2,359,897	1,963,386
Development, public relations and community services	503,110	636,421
	<u>20,193,469</u>	<u>18,216,417</u>
Sponsored research	1,028,741	933,409
Debenture interest	1,270,891	1,304,184
	<u>22,493,101</u>	<u>20,454,010</u>
EXCESS OF OPERATING EXPENDITURE OVER REVENUE	<u>\$ 559,318</u>	<u>\$ 257,740</u>

STATEMENT OF OPERATING DEFICIT AND COMMITTED FUNDS

Statement 3

YEAR ENDED APRIL 30, 1982

	1982		1981	
	<u>Operating deficit</u>	<u>Committed funds</u>	<u>Operating deficit</u>	<u>Committed funds</u>
BALANCE AT BEGINNING OF YEAR	\$(1,357,043)	\$271,338	\$(1,095,475)	\$ 267,510
Excess of operating expenditure over revenue (statement 2)	(559,318)		(257,740)	
Committed funds at beginning of year	271,338	(271,338)	267,510	(267,510)
Appropriations for:				
Outstanding purchase orders	(95,595)	95,595	(114,764)	114,764
Unexpended budget appropriations	(35,871)	35,871	(132,574)	132,574
Self insurance	<u>(36,000)</u>	<u>36,000</u>	<u>(24,000)</u>	<u>24,000</u>
BALANCE AT END OF YEAR	<u>\$(1,812,489)</u>	<u>\$167,466</u>	<u>\$(1,357,043)</u>	<u>\$ 271,338</u>

STATEMENT OF ANCILLARY SERVICES DEFICIT

Statement 4

YEAR ENDED APRIL 30, 1982

	1982		1981
	Revenue	Expense	Net revenue (expense)
Residences and conferences	\$979,093	\$ 968,560	\$ 10,533
Food services	65,373	59,696	5,677
Pub operations	260,296	259,248	1,048
Parking	33,158	33,326	(168)
Bookstore	747,850	739,197	8,653
Press	367,852	350,427	17,425
Fraser auditorium	9,741	5,785	3,956
	<u>\$2,463,363</u>	<u>\$2,416,239</u>	47,124
DEFICIT AT BEGINNING OF YEAR			<u>314,384</u>
DEFICIT AT END OF YEAR			<u>\$267,260</u>
			<u>359,412</u>
			<u>\$314,384</u>

STATEMENT OF RESERVE FOR MAJOR BUILDING REPAIRS AND EQUIPMENT REPLACEMENTS
OF UNIVERSITY RESIDENCES

Statement 5

YEAR ENDED APRIL 30, 1982

	1982	1981
BALANCE AT BEGINNING OF YEAR	\$292,409	\$270,299
Provision	45,300	45,300
	<u>337,709</u>	<u>315,599</u>
Expended	11,760	23,190
BALANCE AT END OF YEAR	<u>\$325,949</u>	<u>\$292,409</u>

STATEMENT OF UNEXPENDED CAPITAL FUNDS

Statement 6

YEAR ENDED APRIL 30, 1982

	1982			1981
	Accountable advances for capital	General funds	Total	Total
BALANCE AT BEGINNING OF YEAR	<u>\$(29,577)</u>	<u>\$1,840,974</u>	<u>\$1,811,397</u>	<u>\$1,981,274</u>
Add				
Provincial grants	253,610		253,610	154,000
Gifts for capital purposes				76,753
Recovery from ancillary services and operating revenue for previous equipment purchases		10,500	10,500	16,955
Investment income		233,901	233,901	225,674
	<u>253,610</u>	<u>244,401</u>	<u>498,011</u>	<u>473,382</u>
	<u>224,033</u>	<u>2,085,375</u>	<u>2,309,408</u>	<u>2,454,656</u>
Deduct				
Expenditures for fixed assets	210,435	129	210,564	295,049
Transfer to operating revenue		112,000	112,000	298,210
Transfer to expendable trust funds		158,000	158,000	50,000
	<u>210,435</u>	<u>270,129</u>	<u>480,564</u>	<u>643,259</u>
BALANCE AT END OF YEAR	<u>\$ 13,598</u>	<u>\$1,815,246</u>	<u>\$1,828,844</u>	<u>\$1,811,397</u>

STATEMENT OF EQUITY IN FIXED ASSETS

Statement 7

YEAR ENDED APRIL 30, 1982

	<u>1982</u>	<u>1981</u>
BALANCE AT BEGINNING OF YEAR	<u>\$20,063,885</u>	<u>\$19,015,770</u>
Add		
Provincial grants received for repayment of debentures	538,587	505,294
Principal payments under capital leases charged to ancillary services	19,213	17,882
Fixed assets purchased from		
General operating funds	186,477	177,399
Sponsored research funds	81,389	52,491
Capital funds (statement 6)	210,564	295,049
Fixed assets donated	65,000	
	<u>1,101,230</u>	<u>1,048,115</u>
BALANCE AT END OF YEAR	<u>\$21,165,115</u>	<u>\$20,063,885</u>

1982					1981
Engineering fund	Falconbridge lecture fund	Museum	Other	Total	Total
<u>\$ 27,996</u>	<u>\$217,879</u>	<u>\$ 10,263</u>	<u>\$ 82,830</u>	<u>\$ 952,875</u>	<u>\$1,004,809</u>
13,000		109,596	21,565	1,454,602	1,167,708
4,150	31,768	5,998	14,159	81,402	68,032
				42,706	35,970
			108,000	158,000	50,000
<u>17,150</u>	<u>31,768</u>	<u>115,594</u>	<u>143,724</u>	<u>1,736,710</u>	<u>1,321,710</u>
<u>45,146</u>	<u>249,647</u>	<u>125,857</u>	<u>226,554</u>	<u>2,689,585</u>	<u>2,326,519</u>
21,497	36,327	121,294	109,294	1,028,741	933,409
				452,265	342,141
					79,191
					18,903
<u>21,497</u>	<u>36,327</u>	<u>121,294</u>	<u>109,294</u>	<u>1,481,006</u>	<u>1,373,644</u>
<u>\$ 23,649</u>	<u>\$213,320</u>	<u>\$ 4,563</u>	<u>\$117,260</u>	<u>\$1,208,579</u>	<u>\$ 952,875</u>
			\$ 41,500	\$ 477,238	\$ 451,334
		\$ 93,621	3,450	117,071	18,903
		<u>\$ 93,621</u>	<u>\$ 44,950</u>	<u>\$ 594,309</u>	<u>7,001</u>
					<u>\$ 477,238</u>

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1982

1. ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements have been prepared in accordance with the recommendations of the Committee on Accounting Principles for Colleges and Universities of Ontario except that a consolidated set of annual financial statements reflecting the total economic unit and stewardship of the University is not presented. Instead, the assets and liabilities of the University are segregated into general funds and trust and endowment funds. Changes in equity are accounted for on the basis of the purpose which the funds are held - namely, operating, capital, trust and endowment funds. No attempt is made to consolidate the revenues and expenditures of the aforementioned funds.

(b) Inventories

Inventories are recorded at the lower of cost and net realizable value.

(c) Fixed assets

Fixed assets are stated at cost, or fair market value if donated, and no depreciation is provided in the accounts. Replacements are accounted for as a charge against operations. Fixed assets purchased under capital grants are included as fixed assets with the grant proceeds accounted for as an increase in equity in fixed assets.

(d) Accounts payable and accrued liabilities

No liability has been recorded with respect to sabbatical leave commitments, vacation pay or sick leave benefits as such costs are charged in the accounts when paid.

(e) Debentures payable

Debentures payable to the Ontario Universities Capital Aid Corporation do not include the portion assumed on behalf of Algoma College Association. Principal and interest payments are accounted for accordingly.

Since the Province of Ontario pays all debenture principal and interest charges directly to the Corporation as they fall due, no provision for interest accrued since the date of last payment has been provided for in the accounts nor is the current portion of debentures payable included in current liabilities.

(f) Obligations under capital leases

The University and the Ontario Student Housing Corporation entered into agreements whereby the Corporation constructed student housing on University property. The University has agreed to lease the buildings from the Corporation under various 50 year leases, at the expiration of which, title will vest in the University. In order to reflect the obligation under the lease arrangements, the cost of the housing has been included in fixed assets and the obligations as long term debt. Semi-annual payments on the lease obligations are recorded as a charge against residence ancillary operations.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1982

1. ACCOUNTING POLICIES (concluded)

(g) Committed operating funds

The University follows the practice of recording encumbrances (liabilities for goods and services ordered but not received) as an appropriation of the operating deficit.

Net amounts underexpended in certain departmental budgets are being carried forward to 1982-83 budget allotments. Such commitments have been reflected as charges against the operating deficit.

(h) Ancillary services

Ancillary services include the operation of residences, food and beverage services, bookstore, university press, parking services and Fraser Auditorium rental. The expenditures of these ancillary services include the direct costs of providing these services and charges from the operating fund for use of capital and administrative services.

(i) Reserve for repairs and replacements of University residences

The University provides a reserve for replacement of furnishings and major repairs to the student residences. The annual provision is reflected as a charge against residence ancillary operations.

(j) Unexpended capital funds

Certain capital expenditures made from the capital fund are recoverable over a period of years from operating and ancillary operations. The recoveries are reflected in the accounts only as effected.

(k) Statement of operating revenue and expenditure

Tuition fees are recorded as revenue of the academic terms to which they apply; any tuition fees received for an academic term subsequent to the year end are deferred.

Operating expenditures made for restricted purposes from operating funds are recovered by transfers from expendable trust funds and reflected as operating revenue.

Government grants for operating purposes are included in revenue of the period designated by the government. Other government grants are included in expendable trust and unexpended capital funds as received except for research grants which are accounted for on the accrual basis.

(l) Pension plan funding

The University includes in operating expenditure the amount required to be contributed to the plan as actuarially determined from time to time. Since the plan is administered by a trustee, the assets and liabilities of the plan are not included in the financial statements of the University.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1982

2. NOTES AND TERM DEPOSITS

	<u>1982</u>	<u>1981</u>
Notes		
15.30% due May 25, 1982	\$ 197,932	
11.0% matured June 9, 1981		\$ 700,000
Term deposits		
15.50% due May 25, 1982	400,000	
14.75% due May 31, 1982	600,000	
17.60% matured May 7, 1981		300,000
17.25% matured June 1, 1981		300,000
	<u>\$ 1,197,932</u>	<u>\$ 1,300,000</u>

Allocated as follows:

General funds	\$ 997,932	\$ 1,100,000
Trust and endowment funds	200,000	200,000
	<u>\$ 1,197,932</u>	<u>\$ 1,300,000</u>

3. FIXED ASSETS

	<u>1982</u>	<u>1981</u>
Land	\$ 430,218	\$ 407,218
Utilities, road, parking lots and landscaping	4,507,904	4,397,491
Buildings, including students' residences and university housing	31,300,372	31,154,334
Furniture, equipment and library books	8,087,687	7,823,708
	<u>\$44,326,181</u>	<u>\$43,782,751</u>

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1982

4. DEBENTURES PAYABLE

	Gross debentures payable	Assumed by Algoma College Association	Net
Debenture principal outstanding (owing to the Ontario Universities Capital Aid Corporation, with maturities to 2008)	<u>\$18,739,755</u>	<u>\$ 813,626</u>	<u>\$17,926,129</u>
Debenture charges retired by the Province of Ontario during the year Principal	\$ 552,070	\$ 13,483	\$ 538,587
Interest (at rates varying from 5½% to 9½% per annum)	<u>1,337,226</u>	<u>66,335</u>	<u>1,270,891</u>
Total	<u>\$ 1,889,296</u>	<u>\$ 79,818</u>	<u>\$ 1,809,478</u>

The total annual instalments on debt outstanding at April 30, 1982 amount to \$1,889,296 and are expected to be met as they fall due by special grants from the Province of Ontario. Algoma College Association has issued debentures to Laurentian University for non-formula government assistance received by Laurentian University on behalf of and forwarded to Algoma College Association. The interest rates and due dates are equal to the liability reflected by the University for these funds. The annual instalments of \$79,818, blended principal and interest, are included in the total annual instalments shown above and will be forgiven annually as the repayment is met by the special grants from the Province of Ontario.

5. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1982</u>	<u>1981</u>
On University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$ 1,307,144	\$ 1,313,693
On single-married students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	<u>3,927,793</u>	<u>3,940,457</u>
	<u>\$ 5,234,937</u>	<u>\$ 5,254,150</u>

The above leases are reflected in long term liabilities.

NOTES TO FINANCIAL STATEMENTS (concluded)

YEAR ENDED APRIL 30, 1982

6. UNEXPENDED CAPITAL FUNDS

The unexpended portion of the University's general capital funds at April 30, 1982 is as follows:

As recorded (statement 6)		\$1,815,246
Add		
Amounts to be recovered from operating and ancillary funds		
Single student residence furnishings, (1976 original amount \$104,995) to be recovered from residence rentals over the next four years (1982 recovery \$10,500)	\$ 41,995	
Purchase of computer, (1970 original amount \$400,000) to be recovered from general operating funds although no repayment term specified (no recovery since 1972)	253,333	
Preliminary fund raising expenditures to be recovered from campaign proceeds	<u>174,210</u>	<u>469,538</u>
As adjusted		<u>\$2,284,784</u>

7. CONTINGENT LIABILITY AND COMMITMENTS

- (a) The University has guaranteed bank loans incurred by certain employees for the purpose of acquiring personal residence facilities. The balances unpaid on these loans total \$60,800 at April 30, 1982 (1981, \$110,700).
- (b) The University has a policy whereby faculty members accumulate entitlement to salary reimbursement for sabbatical leave. The total of such entitlements vested to April 30, 1982, at current salary levels, amounted to approximately \$937,000 (1981, \$788,000). The total of accumulations toward such entitlements which were not yet vested has not been determined. The salaries paid to faculty on sabbatical leave in 1982 amounted to \$861,000 (1981, \$613,000).
- (c) The estimated unrecorded liability for vacation pay at April 30, 1982 was \$328,000 (1981, \$296,000).
- (d) According to an actuarial report dated April 29, 1982, the pension plan of the University at July 1, 1981 had an unfunded liability of \$113,245. It is expected that this liability will be amortized over the next twelve years with a minimal increase in regular monthly employer contributions.

LAURENTIAN UNIVERSITY OF SUDBURY

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1983

Auditors' Report

Financial Statements

1. Balance Sheet
2. Statement of Operating Revenue and Expenditure
3. Statement of Operating Deficit and Committed Funds
4. Statement of Ancillary Services Deficit
5. Statement of Reserve for Major Building Repairs and
Equipment Replacements of University Residences
6. Statement of Unexpended Capital Funds
7. Statement of Equity in Fixed Assets
8. Statement of Changes in Expendable Trust and Endowment Funds

Notes to Financial Statements

**AUDITORS' REPORT**

To the Governors of
Laurentian University of Sudbury

We have examined the balance sheet of Laurentian University of Sudbury as at April 30, 1983 and the financial statements for the year then ended as set out in the index thereto. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1983 and the results of its operations and the changes in its capital and trust funds for the year then ended in accordance with accounting principles as set out in note 1 applied on a basis consistent with that of the preceding year.

Sudbury, Ontario
July 29, 1983

Thorne Riddell
Chartered Accountants

LAURENTIAN UNIVERSITY OF SUDBURY
(Incorporated by special act under the laws of Ontario)

BALANCE SHEET AS AT APRIL 30, 1983

GENERAL

	<u>1983</u>	<u>1982</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 776,408	
Notes and term deposits (note 2)	1,081,089	\$ 997,932
Accrued interest	9,171	13,168
Investments, at cost (market value \$25,000; 1982, \$20,000)	21,400	21,400
Accounts receivable	154,806	180,151
Inventories	385,787	367,001
Prepaid expenses	70,346	56,770
Mortgage portfolio		871,645
	<u>2,499,007</u>	<u>2,508,067</u>
FIXED ASSETS (note 3)	<u>45,521,247</u>	<u>44,326,181</u>

\$48,020,254 \$46,834,248

TRUST AND

ASSETS		
Cash	\$ 736,550	\$ 817,319
Notes and term deposits (note 2)	200,000	200,000
Accrued interest	2,817	2,587
Research grants receivable	555,037	272,133
Investments, at cost (market value \$403,000; 1982, \$348,000)	489,595	417,576
8% Mortgage receivable, due June 30, 1985	<u>92,174</u>	<u>93,273</u>
	<u>\$ 2,076,173</u>	<u>\$ 1,802,888</u>

Statement 1

FUNDS

19831982

LIABILITIES

CURRENT LIABILITIES

Bank overdraft

	\$ 459,142
	1,220,895

Accounts payable and accrued liabilities

\$ 1,477,312

Students' fees and other revenue received
in advance

536,441	585,520
<u>2,013,753</u>	<u>2,265,557</u>

LONG TERM LIABILITIES

Debentures payable (note 4)

17,352,012 17,926,129

Obligations under capital leases (note 5)

5,214,294	5,234,937
<u>22,566,306</u>	<u>23,161,066</u>

EQUITY

OPERATING FUNDS (DEFICIT)

Operating deficit (statement 3)

(1,748,923) (1,812,489)

Committed funds (statement 3)

240,849 167,466

Ancillary services deficit (statement 4)

(212,545)	(267,260)
<u>(1,720,619)</u>	<u>(1,912,283)</u>

CAPITAL FUNDS

Reserve for repairs and replacements of
University residences (statement 5)

310,644 325,949

Unexpended (statement 6) (note 6)

1,895,229 1,828,844

Equity in fixed assets (statement 7)

22,954,941	21,165,115
<u>25,160,814</u>	<u>23,319,908</u>
<u>23,440,195</u>	<u>21,407,625</u>

<u>\$48,020,254</u>	<u>\$46,834,248</u>
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ENDOWMENT FUNDS

EQUITY

Expendable trust funds (statement 8)

\$ 1,384,140 \$ 1,208,579

Endowment funds (statement 8)

<u>692,033</u>	<u>594,309</u>
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<u>\$ 2,076,173</u>	<u>\$ 1,802,888</u>
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Contingent liability and commitments (note 7)

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF OPERATING REVENUE AND EXPENDITURE

Statement 2

YEAR ENDED APRIL 30, 1983

	<u>1983</u>	<u>1982</u>
Operating revenue		
Provincial grants for operating purposes		
Formula	\$13,285,304	\$11,894,963
Bilingual	1,584,000	1,356,000
Northern Ontario	1,598,640	1,460,777
School of Education supplement	306,088	384,349
Other	289,105	238,847
	<u>17,063,137</u>	<u>15,334,936</u>
Tuition fees	4,274,706	3,237,196
Interest on operating funds	21,279	20,051
Transfers from capital funds	112,000	112,000
Other revenue	524,650	477,703
Transfers from expendable trust funds		
(statement 8) - sponsored research	1,101,021	1,028,741
- other	908,313	452,265
Provincial grant for debenture interest	1,235,361	1,270,891
	<u>25,240,467</u>	<u>21,933,783</u>
Operating expenditure		
Academic	15,195,144	13,141,878
Library	1,461,762	1,319,088
Student services, scholarships and bursaries	501,101	479,250
Computer services	670,855	582,518
General and administrative	1,947,158	1,807,728
Plant operation and maintenance	2,502,051	2,359,897
Development, public relations and community services	489,065	503,110
	<u>22,767,136</u>	<u>20,193,469</u>
Sponsored research	1,101,021	1,028,741
Debenture interest	1,235,361	1,270,891
	<u>25,103,518</u>	<u>22,493,101</u>
EXCESS OF OPERATING REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE)	<u>\$ 136,949</u>	<u>\$ (559,318)</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF OPERATING DEFICIT AND COMMITTED FUNDS

Statement 3

YEAR ENDED APRIL 30, 1983

	1983		1982	
	<u>Operating deficit</u>	<u>Committed funds</u>	<u>Operating deficit</u>	<u>Committed funds</u>
BALANCE AT BEGINNING OF YEAR	\$(1,812,489)	\$ 167,466	\$(1,357,043)	\$ 271,338
Excess of operating revenue over expenditure (expenditure over revenue) (statement 2)	136,949		(559,318)	
Committed funds at beginning of year	167,466	(167,466)	271,338	(271,338)
Appropriations for:				
Outstanding purchase orders	(68,157)	68,157	(95,595)	95,595
Unexpended budget appropriations	(124,692)	124,692	(35,871)	35,871
Self insurance	<u>(48,000)</u>	<u>48,000</u>	<u>(36,000)</u>	<u>36,000</u>
BALANCE AT END OF YEAR	<u>\$(1,748,923)</u>	<u>\$ 240,849</u>	<u>\$(1,812,489)</u>	<u>\$ 167,466</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF ANCILLARY SERVICES DEFICIT

Statement 4

YEAR ENDED APRIL 30, 1983

	1983			1982
	Revenue	Expense	Net revenue (expense)	Net revenue (expense)
Residences and conferences	\$1,075,294	\$1,077,493	\$ (2,199)	\$ 10,533
Food services	72,310	51,603	20,707	5,677
Pub operations	294,691	270,329	24,362	1,048
Parking	33,075	37,860	(4,785)	(168)
Bookstore	857,828	843,877	13,951	8,653
Press	378,333	376,244	2,089	17,425
Fraser auditorium	4,583	3,993	590	3,956
	<u>\$2,716,114</u>	<u>\$2,661,399</u>	54,715	47,124
DEFICIT AT BEGINNING OF YEAR			<u>267,260</u>	<u>314,384</u>
DEFICIT AT END OF YEAR			<u>\$212,545</u>	<u>\$267,260</u>

STATEMENT OF RESERVE FOR MAJOR BUILDING REPAIRS AND EQUIPMENT REPLACEMENTS
OF UNIVERSITY RESIDENCES

Statement 5

YEAR ENDED APRIL 30, 1983

	1983	1982
BALANCE AT BEGINNING OF YEAR	\$325,949	\$292,409
Provision	45,300	45,300
	<u>371,249</u>	<u>337,709</u>
Expended	60,605	11,760
BALANCE AT END OF YEAR	<u>\$310,644</u>	<u>\$325,949</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF UNEXPENDED CAPITAL FUNDS

Statement 6

YEAR ENDED APRIL 30, 1983

	1983			1982
	Accountable advances for capital	General funds	Total	Total
BALANCE AT BEGINNING OF YEAR	\$ 13,598	\$1,815,246	\$1,828,844	\$1,811,397
Add				
Provincial grants	494,900		494,900	253,610
Recovery from ancillary services and operating revenue for previous equipment purchases		10,500	10,500	10,500
Investment income		201,266	201,266	233,901
	<u>494,900</u>	<u>211,766</u>	<u>706,666</u>	<u>498,011</u>
	<u>508,498</u>	<u>2,027,012</u>	<u>2,535,510</u>	<u>2,309,408</u>
Deduct				
Expenditures for fixed assets	478,281		478,281	210,564
Transfer to operating revenue		112,000	112,000	112,000
Transfer to expendable trust funds		50,000	50,000	158,000
	<u>478,281</u>	<u>162,000</u>	<u>640,281</u>	<u>480,564</u>
BALANCE AT END OF YEAR	<u>\$ 30,217</u>	<u>\$1,865,012</u>	<u>\$1,895,229</u>	<u>\$1,828,844</u>

LAURENTIAN UNIVERSITY OF SUDBURY
STATEMENT OF EQUITY IN FIXED ASSETS

Statement 7

YEAR ENDED APRIL 30, 1983

	<u>1983</u>	<u>1982</u>
BALANCE AT BEGINNING OF YEAR	<u>\$21,165,115</u>	<u>\$20,063,885</u>
Add		
Provincial grants received for repayment of debentures	574,117	538,587
Principal payments under capital leases charged to ancillary services	20,643	19,213
Fixed assets purchased from		
General operating funds	177,130	186,477
Sponsored research funds	206,220	81,389
Capital funds (statement 6)	478,281	210,564
Expendable trust funds	333,435	
Fixed assets donated		65,000
	<u>1,789,826</u>	<u>1,101,230</u>
BALANCE AT END OF YEAR	<u>\$22,954,941</u>	<u>\$21,165,115</u>

STATEMENT OF CHANGES IN EXPENDABLE TRUST AND ENDOWMENT FUNDS

YEAR ENDED APRIL 30, 1983

	<u>Sponsored research</u>	<u>Scholarships and bursaries</u>
EXPENDABLE TRUST FUNDS		
BALANCE AT BEGINNING OF YEAR	\$ 766,326	\$ 83,461
Additions		
Gifts and grants	1,099,301	80,402
Investment income - operating and expendable trust funds		21,000
- endowment funds		41,344
Transfer from capital funds		50,000
	<u>1,099,301</u>	<u>192,746</u>
	<u>1,865,627</u>	<u>276,207</u>
Transfers to operating fund		
Sponsored research	1,101,021	
Other		172,712
	<u>1,101,021</u>	<u>172,712</u>
BALANCE AT END OF YEAR	<u>\$ 764,606</u>	<u>\$103,495</u>
ENDOWMENT FUNDS		
BALANCE AT BEGINNING OF YEAR		\$455,738
Donations		<u>2,000</u>
BALANCE AT END OF YEAR		<u>\$457,738</u>

1983						1982
Falconbridge lecture fund	Museum	Laurentian Fund	Arboretum	Other	Total	Total
<u>\$213,320</u>	<u>\$ 7,702</u>	<u>\$ 12,732</u>	<u>\$ Nil</u>	<u>\$125,038</u>	<u>\$1,208,579</u>	<u>\$ 952,875</u>
	111,458	154,440	506,399	8,883	1,960,883	1,454,602
	3,280	9,793		67,317	101,390	81,402
21,018	10,260				72,622	42,706
					50,000	158,000
<u>21,018</u>	<u>124,998</u>	<u>164,233</u>	<u>506,399</u>	<u>76,200</u>	<u>2,184,895</u>	<u>1,736,710</u>
<u>234,338</u>	<u>132,700</u>	<u>176,965</u>	<u>506,399</u>	<u>201,238</u>	<u>3,393,474</u>	<u>2,689,585</u>
					1,101,021	1,028,741
47,277	113,954	23,092	506,399	44,879	908,313	452,265
<u>47,277</u>	<u>113,954</u>	<u>23,092</u>	<u>506,399</u>	<u>44,879</u>	<u>2,009,334</u>	<u>1,481,006</u>
<u>\$187,061</u>	<u>\$ 18,746</u>	<u>\$153,873</u>	<u>\$ Nil</u>	<u>\$156,359</u>	<u>\$1,384,140</u>	<u>\$1,208,579</u>
	\$ 93,621			\$ 44,950	\$ 594,309	\$ 477,238
	<u>92,018</u>			<u>3,706</u>	<u>97,724</u>	<u>117,071</u>
	<u>\$185,639</u>			<u>\$ 48,656</u>	<u>\$ 692,033</u>	<u>\$ 594,309</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1983

1. ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements have been prepared in accordance with the recommendations of the Committee on Accounting Principles for Colleges and Universities of Ontario except that a consolidated set of annual financial statements reflecting the total economic unit and stewardship of the University is not presented. Instead, the assets and liabilities of the University are segregated into general funds and trust and endowment funds. Changes in equity are accounted for on the basis of the purpose which the funds are held - namely, operating, capital, trust and endowment funds. No attempt is made to consolidate the revenues and expenditures of the aforementioned funds.

(b) Inventories

Inventories are recorded at the lower of cost and net realizable value.

(c) Fixed assets

Fixed assets are stated at cost, or fair market value if donated, and no depreciation is provided in the accounts. Replacements are accounted for as a charge against operations. Fixed assets purchased under capital grants are included as fixed assets with the grant proceeds accounted for as an increase in equity in fixed assets.

(d) Accounts payable and accrued liabilities

No liability has been recorded with respect to sabbatical leave commitments, vacation pay or sick leave benefits as such costs are charged in the accounts when paid.

(e) Debentures payable

Debentures payable to the Ontario Universities Capital Aid Corporation do not include the portion assumed on behalf of Algoma College Association. Principal and interest payments are accounted for accordingly.

Since the Province of Ontario pays all debenture principal and interest charges directly to the Corporation as they fall due, no provision for interest accrued since the date of last payment has been provided for in the accounts nor is the current portion of debentures payable included in current liabilities.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1983

1. ACCOUNTING POLICIES (continued)

(f) Obligations under capital leases

The University and the Ontario Student Housing Corporation entered into agreements whereby the Corporation constructed student housing on University property. The University has agreed to lease the buildings from the Corporation under various 50 year leases, at the expiration of which, title will vest in the University. In order to reflect the obligation under the lease arrangements, the cost of the housing has been included in fixed assets and the obligations as long term debt. Semi-annual payments on the lease obligations are recorded as a charge against residence ancillary operations.

(g) Committed operating funds

The University follows the practice of recording encumbrances (liabilities for goods and services ordered but not received) as an appropriation of the operating deficit.

Net amounts underexpended in certain departmental budgets are being carried forward to 1983-84 budget allotments. Such commitments have been reflected as charges against the operating deficit.

(h) Ancillary services

Ancillary services include the operation of residences, food and beverage services, pub, bookstore, university press, parking services and Fraser Auditorium rental. The expenditures of these ancillary services include the direct costs of providing these services and charges from the operating fund for use of capital and administrative services.

(i) Reserve for repairs and replacements of University residences

The University provides a reserve for replacement of furnishings and major repairs to the student residences. The annual provision is reflected as a charge against residence ancillary operations.

(j) Unexpended capital funds

Certain capital expenditures made from the capital fund are recoverable over a period of years from operating and ancillary operations. The recoveries are reflected in the accounts only as effected.

(k) Statement of operating revenue and expenditure

Tuition fees are recorded as revenue of the academic terms to which they apply; any tuition fees received for an academic term subsequent to the year end are deferred.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1983

1. ACCOUNTING POLICIES (concluded)

(k) Statement of operating revenue and expenditure (continued)

Operating expenditures made for restricted purposes from operating funds are recovered by transfers from expendable trust funds and reflected as operating revenue.

Government grants for operating purposes are included in revenue of the period designated by the government. Other government grants are included in expendable trust and unexpended capital funds as received except for research grants which are accounted for on the accrual basis.

(1) Pension plan funding

The University includes in operating expenditure the amount required to be contributed to the plan as actuarially determined from time to time. Since the plan is administered by a trustee, the assets and liabilities of the plan are not included in the financial statements of the University.

2. NOTES AND TERM DEPOSITS

	<u>1983</u>	<u>1982</u>
Notes		
9.10% due July 20, 1983	\$ 635,732	
9.20% due August 22, 1983	96,993	
9.00% due July 1, 1983	74,996	
8.375% due August 15, 1983	39,479	
9.50% due June 15, 1983	33,889	
15.30% matured May 25, 1982		\$ 197,932
Term deposits		
7.25% due May 7, 1983	400,000	
15.50% matured May 25, 1982		400,000
14.75% matured May 31, 1982		600,000
	<u>\$1,281,089</u>	<u>\$1,197,932</u>
Allocated as follows:		
General funds	\$1,081,089	\$ 997,932
Trust and endowment funds	200,000	200,000
	<u>\$1,281,089</u>	<u>\$1,197,932</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1983

3. FIXED ASSETS

	<u>1983</u>	<u>1982</u>
Land	\$ 430,218	\$ 430,218
Utilities, road, parking lots and landscaping	4,658,454	4,507,904
Buildings, including students' residences and university housing	31,966,250	31,300,372
Furniture, equipment and library books	<u>8,466,325</u>	<u>8,087,687</u>
	<u>\$45,521,247</u>	<u>\$44,326,181</u>

4. DEBENTURES PAYABLE

	<u>Gross debentures payable</u>	<u>Assumed by Algoma College Association</u>	<u>Net</u>
Debenture principal outstanding (owing to the Ontario Universities Capital Aid Corporation, with maturities to 2008)	<u>\$18,151,084</u>	<u>\$ 799,072</u>	<u>\$17,352,012</u>
Debenture charges retired by the Province of Ontario during the year			
Principal	\$ 588,671	\$ 14,554	\$ 574,117
Interest (at rates varying from 5½% to 9½% per annum)	<u>1,300,625</u>	<u>65,264</u>	<u>1,235,361</u>
Total	<u>\$ 1,889,296</u>	<u>\$ 79,818</u>	<u>\$ 1,809,478</u>

The total annual instalments on debt outstanding at April 30, 1983 amount to \$1,889,296 and are expected to be met as they fall due by special grants from the Province of Ontario. Algoma College Association has issued debentures to Laurentian University for non-formula government assistance received by Laurentian University on behalf of and forwarded to Algoma College Association. The interest rates and due dates are equal to the liability reflected by the University for these funds. The annual instalments of \$79,818, blended principal and interest, are included in the total annual instalments shown above and will be forgiven annually as the repayment is met by the special grants from the Province of Ontario.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1983

5. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1983</u>	<u>1982</u>
On University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$1,300,135	\$1,307,144
On single-married students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	<u>3,914,159</u>	<u>3,927,793</u>
	<u>\$5,214,294</u>	<u>\$5,234,937</u>

The above leases are reflected in long term liabilities.

6. UNEXPENDED CAPITAL FUNDS

The unexpended portion of the University's general capital funds at April 30, 1983 is as follows:

As recorded (statement 6)		\$1,865,012
Add		
Amounts to be recovered from operating and ancillary funds		
Single student residence furnishings, (1976 original amount \$104,995) to be recovered from residence rentals over the next three years (1983 recovery \$10,500)	\$ 31,495	
Purchase of computer, (1970 original amount \$400,000) to be recovered from general operating funds although no repayment term specified (no recovery since 1972)	<u>253,333</u>	<u>284,828</u>
As adjusted		<u>\$2,149,840</u>

7. CONTINGENT LIABILITY AND COMMITMENTS

- (a) The University has guaranteed bank loans incurred by certain employees for the purpose of acquiring personal residence facilities. The balances unpaid on these loans total \$43,300 at April 30, 1983 (1982, \$60,800).
- (b) The University has a policy whereby faculty members accumulate entitlement to salary reimbursement for approved sabbatical leave. The total of such entitlements to April 30, 1983, at current salary levels, amounted to approximately \$1,055,000 (1982, \$937,000). The total accumulated entitlements for leave not yet approved has not been determined. The salaries paid to faculty on sabbatical leave in 1983 amounted to \$926,000 (1982, \$861,000).

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (concluded)

YEAR ENDED APRIL 30, 1983

7. CONTINGENT LIABILITY AND COMMITMENTS (concluded)

- (c) The estimated unrecorded liability for vacation pay at April 30, 1983 was \$343,000 (1982, \$328,000).
- (d) According to a recent amendment to the pension plan of the University, the unfunded liability according to the latest actuarial report was increased by approximately \$434,000 to \$547,500 as at July 1, 1981. This deficiency is being amortized over the fifteen years ended June 30, 1996.

LAURENTIAN UNIVERSITY OF SUDBURY

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1984

Auditors' Report

Financial Statements

1. Balance Sheet
2. Statement of Operating Revenue and Expenditure
3. Statement of Operating Deficit and Committed Funds
4. Statement of Ancillary Services Deficit
5. Statement of Reserve for Major Building Repairs and
Equipment Replacements of University Residences
6. Statement of Unexpended Capital Funds
7. Statement of Equity in Fixed Assets
8. Statement of Changes in Expendable Trust and Endowment Funds

Notes to Financial Statements

**AUDITORS' REPORT**

To the Governors of
Laurentian University of Sudbury

We have examined the balance sheet of Laurentian University of Sudbury as at April 30, 1984 and the financial statements for the year then ended as set out in the index thereto. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1984 and the results of its operations and the changes in its capital and trust funds for the year then ended in accordance with the accounting principles as set out in note 1 applied on a basis consistent with that of the preceding year.

Sudbury, Ontario
July 27, 1984

Chartered Accountants

Statement 1

FUNDS

LIABILITIES

19841983

CURRENT LIABILITIES

Accounts payable and accrued liabilities
Students' fees and other revenue received
in advance

\$ 1,845,588

\$ 1,477,312

625,116

536,441

2,470,7042,013,753

LONG TERM LIABILITIES

Debentures payable (note 3)
Obligations under capital leases (note 4)

16,739,974

17,352,012

5,430,111

5,214,294

22,170,08522,566,306

EQUITY

OPERATING FUNDS (DEFICIT)

Operating deficit (statement 3)
Committed funds (statement 3)
Ancillary services deficit (statement 4)

(1,775,386)

(1,748,923)

433,335

240,849

(98,690)

(212,545)

(1,440,741)(1,720,619)

CAPITAL FUNDS

Reserve for repairs and replacements of
University residences (statement 5)
Unexpended (statement 6) (note 5)
Equity in fixed assets (statement 7)

324,684

310,644

1,931,385

1,895,229

25,731,789

22,954,941

27,987,85825,160,81426,547,11723,440,195\$51,187,906\$48,020,254

ENDOWMENT FUNDS

EQUITY

Expendable trust funds (statement 8)
Endowment funds (statement 8)

\$ 1,623,284

\$ 1,384,140

728,459692,033\$ 2,351,743\$ 2,076,173

Contingent liabilities and commitments (note 6)

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF OPERATING REVENUE AND EXPENDITURE

Statement 2

YEAR ENDED APRIL 30, 1984

	<u>1984</u>	<u>1983</u>
Operating revenue		
Provincial grants for operating purposes		
Formula	\$14,500,673	\$13,285,304
Bilingual	1,702,000	1,584,000
Northern Ontario	1,803,088	1,598,640
School of Education supplement	176,448	306,088
Other	552,050	289,105
	<u>18,734,259</u>	<u>17,063,137</u>
Tuition fees	4,929,669	4,274,706
Interest on operating funds	28,821	21,279
Transfers from capital funds	112,000	112,000
Other revenue	564,301	524,650
Transfers from expendable trust funds		
(statement 8) - sponsored research	2,494,851	1,101,021
- other	487,584	908,313
Provincial grant for debenture interest	1,197,440	1,235,361
	<u>28,548,925</u>	<u>25,240,467</u>
Operating expenditure		
Academic	16,472,491	15,195,144
Library	1,679,302	1,461,762
Student services, scholarships and bursaries	566,012	501,101
Computer services	684,057	670,855
General and administrative	2,127,901	1,947,158
Plant operation and maintenance	2,646,584	2,502,051
Development, public relations and community services	514,264	489,065
	<u>24,690,611</u>	<u>22,767,136</u>
Sponsored research	2,494,851	1,101,021
Debenture interest	1,197,440	1,235,361
	<u>28,382,902</u>	<u>25,103,518</u>
EXCESS OF OPERATING REVENUE OVER EXPENDITURE	<u>\$ 166,023</u>	<u>\$ 136,949</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF OPERATING DEFICIT AND COMMITTED FUNDS

Statement 3

YEAR ENDED APRIL 30, 1984

	1984		1983	
	<u>Operating deficit</u>	<u>Committed funds</u>	<u>Operating deficit</u>	<u>Committed funds</u>
BALANCE AT BEGINNING OF YEAR	\$(1,748,923)	\$ 240,849	\$(1,812,489)	\$ 167,466
Excess of operating revenue over expenditure (statement 2)	166,023		136,949	
Committed funds at beginning of year	240,849	(240,849)	167,466	(167,466)
Appropriations for:				
Outstanding purchase orders	(97,945)	97,945	(68,157)	68,157
Unexpended budget appropriations	(277,314)	277,314	(124,692)	124,692
Self insurance	<u>(58,076)</u>	<u>58,076</u>	<u>(48,000)</u>	<u>48,000</u>
BALANCE AT END OF YEAR	<u>\$(1,775,386)</u>	<u>\$ 433,335</u>	<u>\$(1,748,923)</u>	<u>\$ 240,849</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF ANCILLARY SERVICES DEFICIT

Statement 4

YEAR ENDED APRIL 30, 1984

	1984		1983
	Revenue	Expense	Net revenue (expense)
Residences and conferences	\$1,214,638	\$1,132,678	\$ 81,960
Food services	76,761	58,746	18,015
Pub operations	313,082	288,325	24,757
Parking	44,538	40,705	3,833
Bookstore	976,829	981,013	(4,184)
Press	389,939	404,812	(14,873)
Fraser auditorium	8,762	4,415	4,347
	<u>\$3,024,549</u>	<u>\$2,910,694</u>	113,855
DEFICIT AT BEGINNING OF YEAR			<u>212,545</u>
DEFICIT AT END OF YEAR			<u>\$ 98,690</u>

STATEMENT OF RESERVE FOR MAJOR BUILDING REPAIRS AND EQUIPMENT REPLACEMENTS
OF UNIVERSITY RESIDENCES

Statement 5

YEAR ENDED APRIL 30, 1984

	1984	1983
BALANCE AT BEGINNING OF YEAR	\$310,644	\$325,949
Provision	<u>45,300</u>	<u>45,300</u>
	355,944	371,249
Expended	<u>31,260</u>	<u>60,605</u>
BALANCE AT END OF YEAR	<u>\$324,684</u>	<u>\$310,644</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF UNEXPENDED CAPITAL FUNDS

Statement 6

YEAR ENDED APRIL 30, 1984

	1984			1983
	Accountable advances for capital	General funds	Total	Total
BALANCE AT BEGINNING OF YEAR	\$ 30,217	\$1,865,012	\$1,895,229	\$1,828,844
Add				
Provincial grants	1,243,000		1,243,000	494,900
Recovery from ancillary services and operating revenue for previous equipment purchases		10,500	10,500	10,500
Investment income	(*)	205,178	205,178	201,266
Gifts for capital purposes		600	600	
	<u>1,243,000</u>	<u>216,278</u>	<u>1,459,278</u>	<u>706,666</u>
	<u>1,273,217</u>	<u>2,081,290</u>	<u>3,354,507</u>	<u>2,535,510</u>
Deduct				
Expenditures for fixed assets	1,261,122		1,261,122	478,281
Transfer to operating revenue		112,000	112,000	112,000
Transfer to expendable trust funds		50,000	50,000	50,000
	<u>1,261,122</u>	<u>162,000</u>	<u>1,423,122</u>	<u>640,281</u>
BALANCE AT END OF YEAR	\$ 12,095	\$1,919,290	\$1,931,385	\$1,895,229

LAURENTIAN UNIVERSITY OF SUDBURY
STATEMENT OF EQUITY IN FIXED ASSETS

Statement 7

YEAR ENDED APRIL 30, 1984

	<u>1984</u>	<u>1983</u>
BALANCE AT BEGINNING OF YEAR	<u>\$22,954,941</u>	<u>\$21,165,115</u>
Add		
Provincial grants received for repayment of debentures	612,038	574,117
Principal payments under capital leases charged to ancillary services	22,180	20,643
Fixed assets purchased from		
General operating funds	363,627	177,130
Sponsored research funds	517,881	206,220
Capital funds (statement 6)	1,261,122	478,281
Expendable trust funds		333,435
	<u>2,776,848</u>	<u>1,789,826</u>
BALANCE AT END OF YEAR	<u>\$25,731,789</u>	<u>\$22,954,941</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN EXPENDABLE TRUST AND ENDOWMENT FUNDS

YEAR ENDED APRIL 30, 1984

	<u>Sponsored research</u>	<u>Scholarships and bursaries</u>
EXPENDABLE TRUST FUNDS		
BALANCE AT BEGINNING OF YEAR	\$ 764,606	\$103,495
Additions		
Gifts and grants	2,512,177	84,048
Investment income - operating and expendable trust funds		18,960
- endowment funds		45,265
Transfer from capital funds		50,000
	<u>2,512,177</u>	<u>198,273</u>
	<u>3,276,783</u>	<u>301,768</u>
Transfers to operating fund		
Sponsored research	2,494,851	
Other		199,327
Transfer to endowment funds		
	<u>2,494,851</u>	<u>199,327</u>
BALANCE AT END OF YEAR	<u>\$ 781,932</u>	<u>\$102,441</u>

ENDOWMENT FUNDS

BALANCE AT BEGINNING OF YEAR	\$457,738
Donations	
Transfer from expendable trust funds	
BALANCE AT END OF YEAR	<u>\$457,738</u>

Statement 8

1984					1983
Falconbridge lecture fund	Museum	Laurentian Fund	Other	Total	Total
<u>\$187,061</u>	<u>\$ 18,746</u>	<u>\$197,678</u>	<u>\$112,554</u>	<u>\$1,384,140</u>	<u>\$1,208,579</u>
	84,312	220,713	102,873	3,004,123	1,960,883
17,410	12,579	28,528	26,988	104,465	101,390
	20,361			65,626	72,622
				50,000	50,000
<u>17,410</u>	<u>117,252</u>	<u>249,241</u>	<u>129,861</u>	<u>3,224,214</u>	<u>2,184,895</u>
<u>204,471</u>	<u>135,998</u>	<u>446,919</u>	<u>242,415</u>	<u>4,608,354</u>	<u>3,393,474</u>
				2,494,851	1,101,021
34,333	88,415	21,766	143,743	487,584	908,313
	2,635			2,635	
<u>34,333</u>	<u>91,050</u>	<u>21,766</u>	<u>143,743</u>	<u>2,985,070</u>	<u>2,009,334</u>
<u>\$170,138</u>	<u>\$ 44,948</u>	<u>\$425,153</u>	<u>\$ 98,672</u>	<u>\$1,623,284</u>	<u>\$1,384,140</u>
	\$185,639		\$ 48,656	\$ 692,033	\$ 594,309
	31,100		2,691	33,791	97,724
	<u>2,635</u>			<u>2,635</u>	
	<u>\$219,374</u>		<u>\$ 51,347</u>	<u>\$ 728,459</u>	<u>\$ 692,033</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1984

1. ACCOUNTING POLICIES

(a) Basis of presentation

The financial statements have been prepared in accordance with the recommendations of the Committee on Accounting Principles for Colleges and Universities of Ontario except that a consolidated set of annual financial statements reflecting the total economic unit and stewardship of the University is not presented. Instead, the assets and liabilities of the University are segregated into general funds and trust and endowment funds. Changes in equity are accounted for on the basis of the purpose which the funds are held - namely, operating, capital, trust and endowment funds. No attempt is made to consolidate the revenues and expenditures of the aforementioned funds.

(b) Inventories

Inventories are recorded at the lower of cost and net realizable value.

(c) Fixed assets

Fixed assets are stated at cost, or fair market value if donated, and no depreciation is provided in the accounts. Replacements are accounted for as a charge against operations. Fixed assets purchased under capital grants are included as fixed assets with the grant proceeds accounted for as an increase in equity in fixed assets.

(d) Accounts payable and accrued liabilities

No liability has been recorded with respect to sabbatical leave commitments, vacation pay or sick leave benefits as such costs are charged in the accounts when paid.

(e) Debentures payable

Debentures payable to the Ontario Universities Capital Aid Corporation do not include the portion assumed on behalf of Algoma College Association. Principal and interest payments are accounted for accordingly.

Since the Province of Ontario pays all debenture principal and interest charges directly to the Corporation as they fall due, no provision for interest accrued since the date of last payment has been provided for in the accounts nor is the current portion of debentures payable included in current liabilities.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1984

1. ACCOUNTING POLICIES (continued)

(f) Obligations under capital leases

The University and the Ontario Student Housing Corporation entered into agreements whereby the Corporation constructed student housing on University property. The University has agreed to lease the buildings from the Corporation under various 50 year leases, at the expiration of which, title will vest in the University. In order to reflect the obligation under the lease arrangements, the cost of the housing has been included in fixed assets and the obligations as long term debt. Semi-annual payments on the lease obligations are recorded as a charge against residence ancillary operations.

The University has also entered into agreements to lease computer equipment over a five year period and has accounted for this equipment on a similar basis.

(g) Committed operating funds

The University follows the practice of recording encumbrances (liabilities for goods and services ordered but not received) as an appropriation of the operating deficit.

Net amounts underexpended in certain departmental budgets are being carried forward to 1983-84 budget allotments. Such commitments have been reflected as charges against the operating deficit.

(h) Ancillary services

Ancillary services include the operation of residences, food and beverage services, pub, bookstore, university press, parking services and Fraser Auditorium rental. The expenditures of these ancillary services include the direct costs of providing these services and charges from the operating fund for use of capital and administrative services.

(i) Reserve for repairs and replacements of University residences

The University provides a reserve for replacement of furnishings and major repairs to the student residences. The annual provision is reflected as a charge against residence ancillary operations.

(j) Unexpended capital funds

Certain capital expenditures made from the capital fund are recoverable over a period of years from operating and ancillary operations. The recoveries are reflected in the accounts only as effected.

(k) Statement of operating revenue and expenditure

Tuition fees are recorded as revenue of the academic terms to which they apply; any tuition fees received for an academic term subsequent to the year end are deferred.

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1984

1. ACCOUNTING POLICIES (concluded)

(k) Statement of operating revenue and expenditure (continued)

Operating expenditures made for restricted purposes from operating funds are recovered by transfers from expendable trust funds and reflected as operating revenue.

Government grants for operating purposes are included in revenue of the period designated by the government. Other government grants are included in expendable trust and unexpended capital funds as received except for research grants which are accounted for on the accrual basis.

(1) Pension plan funding

The University includes in operating expenditure the amount required to be contributed to the plan as actuarially determined from time to time. Since the plan is administered by a trustee, the assets and liabilities of the plan are not included in the financial statements of the University.

2. FIXED ASSETS

	<u>1984</u>	<u>1983</u>
Land	\$ 430,218	\$ 430,218
Utilities, road, parking lots and landscaping	4,673,454	4,658,454
Buildings, including students' residences and university housing	33,212,372	31,966,250
Furniture, equipment and library books	<u>9,585,830</u>	<u>8,466,325</u>
	<u>\$47,901,874</u>	<u>\$45,521,247</u>

3. DEBENTURES PAYABLE

	<u>Gross debentures payable</u>	<u>Assumed by Algoma College Association</u>	<u>Net</u>
Debenture principal outstanding (owing to the Ontario Universities Capital Aid Corporation, with maturities to 2008)	<u>\$17,523,337</u>	<u>\$ 783,363</u>	<u>\$16,739,974</u>
Debenture charges retired by the Province of Ontario during the year	\$ 627,748	\$ 15,710	\$ 612,038
Principal			
Interest (at rates varying from 5½% to 9½% per annum)	<u>1,261,548</u>	<u>64,108</u>	<u>1,197,440</u>
Total	<u>\$ 1,889,296</u>	<u>\$ 79,818</u>	<u>\$ 1,809,478</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1984

3. DEBENTURES PAYABLE (concluded)

The total annual instalments on debt outstanding at April 30, 1984 amount to \$1,889,296 and are expected to be met as they fall due by special grants from the Province of Ontario. Algoma College Association has issued debentures to Laurentian University for non-formula government assistance received by Laurentian University on behalf of and forwarded to Algoma College Association. The interest rates and due dates are equal to the liability reflected by the University for these funds. The annual instalments of \$79,818, blended principal and interest, are included in the total annual instalments shown above and will be forgiven annually as the repayment is met by the special grants from the Province of Ontario.

4. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1984</u>	<u>1983</u>
On University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$1,292,634	\$1,300,135
On single-married students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	3,899,480	3,914,159
On computer equipment, payable quarterly, and monthly, at approximately \$5,800 and \$4,500 respectively, maturing in 1988/89	<u>237,997</u>	<u> </u>
	<u>\$5,430,111</u>	<u>\$5,214,294</u>

The above leases are reflected in long term liabilities.

5. UNEXPENDED CAPITAL FUNDS

The unexpended portion of the University's general capital funds at April 30, 1984 is as follows:

As recorded (statement 6)	\$1,919,290
Add	
Single student residence furnishings, (1976 original amount \$104,995) to be recovered from residence rentals over the next three years (1984 recovery \$10,500)	<u>20,995</u>
As adjusted	<u>\$1,940,285</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (concluded)

YEAR ENDED APRIL 30, 1984

6. CONTINGENT LIABILITIES AND COMMITMENTS

- (a) The University has guaranteed bank loans incurred by certain employees for the purpose of acquiring personal residence facilities. The balances unpaid on these loans total \$19,500 at April 30, 1984 (1983, \$43,300).
- (b) The University has a policy whereby faculty members accumulate entitlement to salary reimbursement for approved sabbatical leave. The total of such entitlements to April 30, 1984, at current salary levels, amounted to approximately \$1,082,000 (1983, \$1,055,000). The total accumulated entitlements for leave not yet approved has not been determined. The salaries paid to faculty on sabbatical leave in 1984 amounted to \$1,065,000 (1983, \$926,000).
- (c) The estimated unrecorded liability for vacation pay at April 30, 1984 was \$376,000 (1983, \$343,000).
- (d) The latest amendment to the pension plan of the University indicates the unfunded liability was approximately \$547,500 as at July 1, 1981 (the date of the most recent actuarial report). This deficiency is being amortized over the fifteen years ended June 30, 1996.

LAURENTIAN UNIVERSITY OF SUDBURY

FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1985

Auditors' Report

Notes to Financial Statements

Financial Statements

1. Statement of Financial Position
2. Statement of Changes in Appropriated Fund Balances
3. Statement of Changes in Unappropriated Fund Balances
4. Statement of Equity in Capital Assets

Comments on Supplementary Financial Information

1. Schedule of Changes in Expendable Trust Funds
2. Schedule of Changes in Unappropriated Operating Fund Balances
3. Schedule of Changes in Unappropriated Ancillary Enterprises
Fund Balances



AUDITORS' REPORT

To the Governors of
Laurentian University of Sudbury

We have examined the statement of financial position of Laurentian University of Sudbury as at April 30, 1985 and the statements of changes in appropriated fund balances, changes in unappropriated fund balances and equity in capital assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1985 and the results of its operations and the changes in its appropriated and unappropriated fund balances and equity in capital assets for the year then ended in accordance with the basis of accounting described in note 1 applied, after giving retroactive effect to the change in the method of accounting for library book acquisitions as described in note 2, on a basis consistent with that of the preceding year.

Sudbury, Ontario
July 31, 1985

Thorne Riddell
Chartered Accountants

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES

The financial statements of the University have been prepared by management in accordance with the basis of accounting prescribed by the Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada. Because the University receives funding for special purposes, the financial statements have been presented in a manner which segregates the following fund balances:

Expendable Funds, consisting of:

- (i) Operating Fund which presents the day-to-day academic, administrative, and maintenance operations of the University. Costs incurred by the operating fund relating directly to other funds are allocated to the respective funds.
- (ii) Ancillary Enterprises Fund which presents the operations carried on by the University that are not directly related to the academic or administrative functions outlined under Operating Fund. Any deficits incurred are recoverable from their future operations.
- (iii) Capital Fund which presents those monies made available for capital acquisitions from government grants, certain special fund raising activities and debenture proceeds.
- (iv) Trust Fund which presents those funds provided by benefactors and contracts, the expenditure of which is restricted to a specific purpose. Also included are funds administered by the University for activities not directly under University control. Expenses incurred in anticipation of reimbursement are shown as accounts receivable in the balance sheet, and the amount is reflected as income in the year. Funds received in advance of expenditures are shown as income and the unexpended portion is reflected as the fund balance.

Endowed Funds, consisting of endowments provided by benefactors or established by University policy which are restricted as to purpose and expendability. Only income earned on such endowed funds may be expended and in most cases the expenditure is restricted to a specific purpose, however, endowments established by University policy may be expended with approval by the Board of Governors.

The financial statements have been prepared within the framework of accounting policies summarized as follows:

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES (continued)

(a) Inventory Valuation

Inventories are recorded at the lower of cost and net realizable value.

(b) Capital Assets

Capital assets are stated at cost, or fair market value if donated, and no depreciation is provided in the accounts. Replacements are accounted for as a charge against operations. Capital assets purchased under capital grants are included as capital assets with the grant proceeds accounted for as an increase in equity in capital assets.

(c) Long Term Debt

Payments of principal and interest on debentures issued to the Ontario Universities Capital Aid Corporation are made on behalf of the University by the Ministry of Colleges and Universities as they come due. Accordingly, no interest is accrued on these debentures, nor is any current portion of this long term debt reflected. Payments of principal and interest issued to the Ontario Universities Capital Aid Corporation do not include the portion assumed on behalf of Algoma College Association.

(d) Long Term Leases

The University has long term leases (fifty years) with the Ontario Student Housing Corporation which has constructed student residences on University property. The title to the residences will vest in the University on the termination of the leases. The construction costs of these residences are reflected as plant assets and the present value of the lease commitments is reflected as long term debt. The University has also entered into agreements to lease computer equipment over a five year period and has accounted for this equipment on a similar basis.

(e) Expendable Trust Funds

The University allocates investment income earned on endowed funds to the related expendable funds annually.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1985

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES (concluded)

(f) Investment in Capital Assets

Investment in capital assets is only reflected to the extent that:

(i) Debt incurred to acquire such assets has been retired.

(ii) The cost of the assets has been charged against a fund.

(g) Accrual Accounting

The accrual basis of accounting for revenues, expenses and changes in fund balances is followed except for pledges, trust fund benefactions and vacation pay which are accounted for on a cash basis. Encumbrances, which represent commitments for goods and services not yet received, are recorded as an appropriation of the operating deficit.

(h) Reserve for repairs and replacements of University residences

The University provides a reserve for replacement of furnishings and major repairs to the student residences. The annual provision is reflected as a charge against residence ancillary operations.

2. CHANGE IN ACCOUNTING POLICY

In 1985, due to the adoption of accounting principles as prescribed by the Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada, library book acquisitions are accounted for as additions to capital assets. In prior years, such additions were only reflected in the operating fund.

As a result of this change, which has been applied retroactively, capital assets and investment in capital assets have increased by \$4,484,134 (1984, \$4,096,738).

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (continued)

YEAR ENDED APRIL 30, 1985

3. DEBENTURES PAYABLE

	Gross debentures payable	Assumed by Algoma College Association	Net
Debenture principal outstanding (owing to the Ontario Universities Capital Aid Corporation, with maturities to 2008)	<u>\$16,853,865</u>	<u>\$ 766,404</u>	<u>\$16,087,461</u>
Debenture charges retired by the Province of Ontario during the year			
Principal	\$ 669,472	\$ 16,958	\$ 652,514
Interest (at rates varying from 5½% to 9½% per annum)	<u>1,219,824</u>	<u>62,860</u>	<u>1,156,964</u>
Total	<u>\$ 1,889,296</u>	<u>\$ 79,818</u>	<u>\$ 1,809,478</u>

The total annual instalments on debt outstanding at April 30, 1985 amount to \$1,889,296 and are expected to be met as they fall due by special grants from the Province of Ontario. Algoma College Association has issued debentures to Laurentian University for non-formula government assistance received by Laurentian University on behalf of and forwarded to Algoma College Association. The interest rates and due dates are equal to the liability reflected by the University for these funds. The annual instalments of \$79,818, blended principal and interest, are included in the total annual instalments shown above and will be forgiven annually as the repayment is met by the special grants from the Province of Ontario.

4. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1985</u>	<u>1984</u>
University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$1,284,607	\$1,292,634
Students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	3,883,675	3,899,480
Computer equipment, payable quarterly, and monthly, at approximately \$5,400 and \$6,000 respectively, maturing in 1988	<u>273,076</u>	<u>237,997</u>
	<u>\$5,441,358</u>	<u>\$5,430,111</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (concluded)

YEAR ENDED APRIL 30, 1985

5. CONTINGENT LIABILITIES AND COMMITMENTS

- (a) The University has guaranteed bank loans incurred by certain employees for the purpose of acquiring personal residence facilities. The balances outstanding on these loans total \$33,700 at April 30, 1985 (1984, \$19,500).
- (b) Pursuant to the terms of the collective agreement, faculty members become entitled to apply for sabbatical leave after a specified period of service. At April 30, 1985, the salary entitlement for sabbatical leaves approved for the 1985/86 academic year amounted to approximately \$1,332,000 at current salary levels (1984, \$1,082,000). The salaries paid to faculty on sabbatical leave in 1985 amounted to \$1,043,000 (1984, \$1,065,000).
- (c) The estimated unrecorded liability for vacation pay at April 30, 1985 was \$401,000 (1984, \$376,000).
- (d) The University is a defendant in a lawsuit in the amount of approximately \$493,000, plus interest, resulting from a dispute over utility charges. This litigation is in its preliminary stages and the outcome is not currently predictable. Settlement, if any, made with respect to this action, would be expected to be accounted for as a prior period adjustment.

6. COMPARATIVE FIGURES

Certain 1984 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1985.

LAURENTIAN UNIVERSITY OF SUDBURY
(Incorporated by special act under the laws of Ontario)

STATEMENT OF FINANCIAL POSITION

APRIL 30, 1985

	<u>1985</u>	<u>1984</u>
ASSETS		
Cash	\$ 548,609	\$ 994,607
Investments held for general purposes (market value 1985, \$4,030,000; 1984, \$2,439,000)	3,973,217	2,423,992
Accrued interest	108,774	64,543
Accounts receivable - tuition and general	360,292	157,193
- research	769,691	732,644
Inventories	460,788	411,157
Prepaid expenses	215,855	73,908
	<u>6,437,226</u>	<u>4,858,044</u>
Investments held for specific purposes (market value 1985, \$749,000; 1984, \$705,000)	<u>773,970</u>	<u>779,731</u>
Capital assets		
Land and site improvements	5,194,534	5,103,672
Buildings	33,311,978	33,212,372
Equipment, furnishings and library acquisitions (note 2)	14,838,605	14,069,964
	<u>53,345,117</u>	<u>52,386,008</u>
	<u>\$60,556,313</u>	<u>\$58,023,783</u>

Approved by the Board

Director

Director

Statement 1

	<u>1985</u>	<u>1984</u>
LIABILITIES AND FUND BALANCES		
Accounts payable and accrued liabilities	\$ 1,824,578	\$ 1,845,588
Deferred revenue	<u>651,786</u>	<u>625,116</u>
	<u>2,476,364</u>	<u>2,470,704</u>
Debentures payable (note 3)	16,087,461	16,739,974
Obligations under capital leases (note 4)	<u>5,441,358</u>	<u>5,430,111</u>
	<u>21,528,819</u>	<u>22,170,085</u>
Expendable funds balances		
Appropriated (statement 2)		
- Operating	924,134	433,335
- Ancillary enterprises	<u>364,210</u>	<u>324,684</u>
	<u>1,288,344</u>	<u>758,019</u>
Unappropriated (statement 3)		
- Operating	(1,379,910)	(1,775,386)
- Ancillary enterprises	60,435	(98,690)
- Capital	1,922,282	1,931,385
- Trust - awards and other	1,148,531	841,352
- sponsored research	<u>934,272</u>	<u>781,932</u>
	<u>2,685,610</u>	<u>1,680,593</u>
Endowed funds balances (statement 3)	<u>760,878</u>	<u>728,459</u>
Investment in capital assets (statement 4)	<u>31,816,298</u>	<u>30,215,923</u>
	<u>\$60,556,313</u>	<u>\$58,023,783</u>
Contingent liabilities and commitments (note 5)		

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN APPROPRIATED
FUND BALANCES

Statement 2

YEAR ENDED APRIL 30, 1985

	<u>Balance Beginning of Year</u>	<u>Returned to Fund Balance</u>	<u>Created this Fiscal Year</u>	<u>Balance End of Year</u>
Operating				
Outstanding purchase orders	\$ 97,945	\$ 97,945	\$166,918	\$ 166,918
Unexpended budget appropriations	277,314	277,314	539,086	539,086
Self insurance	58,076	1,946	12,000	68,130
Equipment and library acquisitions			150,000	150,000
	<u>433,335</u>	<u>377,205</u>	<u>868,004</u>	<u>924,134</u>
Ancillary Enterprises				
Major building repairs and equipment replacements of University Residences	<u>324,684</u>	<u>5,774</u>	<u>45,300</u>	<u>364,210</u>
	<u>\$758,019</u>	<u>\$382,979</u>	<u>\$913,304</u>	<u>\$1,288,344</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN UNAPPROPRIATED FUND BALANCES

YEAR ENDED APRIL 30, 1985

	<u>Operating</u>	<u>Ancillary Enterprises</u>
Income and other additions		
Provincial grants		
Formula	\$15,863,614	
Bilingual	2,015,000	
Northern Ontario	1,976,241	
School of Education supplement	190,076	
Other	446,809	
Debenture principal and interest	<u>20,491,740</u>	
Tuition fees	5,328,982	
Housing, food and other services		\$3,411,314
Interest	93,209	
Research grants and contracts		
Miscellaneous	615,900	
Other grants and gifts	<u>26,529,831</u>	<u>3,411,314</u>
Expenses and other deductions		
Academic	16,975,180	
Library	1,731,441	
Student services and awards	367,694	3,202,163
Computer services	759,407	
General and administrative	2,360,428	
Physical plant	3,054,982	
Development, public relations and community services	552,757	
Debt repayment	<u>25,801,889</u>	<u>3,202,163</u>
Change in year before undernoted item	727,942	209,151
Interfund transfers	<u>158,333</u>	<u>(10,500)</u>
Net change before appropriations	886,275	198,651
Appropriations		
Returned to fund balance	377,205	5,774
Created this fiscal year	<u>(868,004)</u>	<u>(45,300)</u>
Net change in the year	395,476	159,125
Fund balance (deficit) at beginning of year	<u>(1,775,386)</u>	<u>(98,690)</u>
Fund balance (deficit) at end of year	<u>\$(1,379,910)</u>	<u>\$ 60,435</u>

Statement 3

Expendable Funds			Endowed Funds			
Capital	Trust		1985 Total	1984 Total	1985 Total	1984 Total
	Awards, other and Administered	Sponsored Research				
			\$15,863,614	\$14,500,673		
			2,015,000	1,702,000		
			1,976,241	1,803,088		
			190,076	176,448		
\$ 130,400		\$ 545,999	1,123,208	2,053,248		
<u>1,809,478</u>			<u>1,809,478</u>	<u>1,809,478</u>		
1,939,878		<u>545,999</u>	22,977,617	22,044,935		
			5,328,982	4,929,669		
			3,411,314	3,024,549		
243,589	\$ 213,021		549,819	404,090		
		1,590,282	1,590,282	2,253,979		
			615,900	564,301		
	692,585	82,955	775,540	492,546	\$ 14,538	\$ 33,791
<u>2,183,467</u>	<u>905,606</u>	<u>2,219,236</u>	<u>35,249,454</u>	<u>33,714,069</u>	<u>14,538</u>	<u>33,791</u>
	172,536	2,066,896	19,214,612	18,679,085		
			1,731,441	1,679,302		
	227,596		3,797,453	3,411,461		
			759,407	684,057		
			2,360,428	2,127,901		
150,003			3,204,985	3,948,411		
	265,670		818,427	802,521		
<u>1,809,478</u>			<u>1,809,478</u>	<u>1,809,478</u>		
<u>1,959,481</u>	<u>665,802</u>	<u>2,066,896</u>	<u>33,696,231</u>	<u>33,142,216</u>		
223,986	239,804	152,340	1,553,223	571,853		
(233,089)	67,375		(17,881)	(2,635)	17,881	2,635
(9,103)	307,179	152,340	1,535,342	569,218	32,419	36,426
			382,979	226,033		
			(913,304)	(432,559)		
(9,103)	307,179	152,340	1,005,017	362,692	32,419	36,426
<u>1,931,385</u>	<u>841,352</u>	<u>781,932</u>	<u>1,680,593</u>	<u>1,317,901</u>	<u>728,459</u>	<u>692,033</u>
<u>\$1,922,282</u>	<u>\$1,148,531</u>	<u>\$ 934,272</u>	<u>\$ 2,685,610</u>	<u>\$ 1,680,593</u>	<u>\$760,878</u>	<u>\$728,459</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF EQUITY IN CAPITAL ASSETS

Statement 4

YEAR ENDED APRIL 30, 1985

	<u>1985</u>	<u>1984</u>
BALANCE AT BEGINNING OF YEAR		
As previously reported	\$25,731,789	\$22,954,941
Change in method of accounting for library book acquisitions (note 2)	<u>4,484,134</u>	<u>4,096,738</u>
As restated	<u>30,215,923</u>	<u>27,051,679</u>
Add		
Provincial grants received for repayment of debentures	652,514	612,038
Principal payments under capital leases	40,082	22,180
Capital assets purchased from		
General operating funds - library	505,846	387,396
- other	365,807	363,627
Sponsored research funds	286,123	517,881
Capital funds	<u>150,003</u>	<u>1,261,122</u>
	2,000,375	3,164,244
Deduct		
Capital assets disposed from general operating funds	<u>400,000</u> <u>1,600,375</u>	<u>3,164,244</u>
BALANCE AT END OF YEAR	<u>\$31,816,298</u>	<u>\$30,215,923</u>



COMMENTS ON SUPPLEMENTARY FINANCIAL INFORMATION

We have reported to the Governors on our examination made for the purpose of expressing an opinion on the financial statements of Laurentian University of Sudbury for the year ended April 30, 1985.

We do not express an opinion on the following schedules 1 to 3 since our examination did not extend to the detailed information presented therein.

Sudbury, Ontario
July 31, 1985

Thorne Riddell
Chartered Accountants

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS
 (See Comments on Supplementary Financial Information)

YEAR ENDED APRIL 30, 1985

	Scholarships and <u>Bursaries</u>	Falconbridge Lecture <u>Fund</u>
Additions		
Investment income	\$ 70,100	\$ 18,355
Gifts, grants and other income	<u>82,328</u>	<u>18,355</u>
	<u>152,428</u>	<u>18,355</u>
Expenses and other deductions		
Student services and awards	227,596	
Academic		
Development, public relations and community services		<u>9,478</u>
	<u>227,596</u>	<u>9,478</u>
Change in year before undernoted item	(75,168)	8,877
Interfund transfers	<u>85,256</u>	
Net change in the year	10,088	8,877
FUND BALANCE AT BEGINNING OF YEAR	<u>102,441</u>	<u>170,138</u>
FUND BALANCE AT END OF YEAR	<u>\$112,529</u>	<u>\$179,015</u>

Schedule 1

				1985	1984
<u>Museum</u>	<u>Laurentian Fund</u>	<u>CIMMER</u>	<u>Other</u>	<u>Total</u>	<u>Total</u>
\$ 42,973	\$ 54,976		\$ 26,617	\$ 213,021	\$ 170,091
<u>110,647</u>	<u>143,093</u>	<u>\$172,536</u>	<u>183,981</u>	<u>692,585</u>	<u>491,946</u>
<u>153,620</u>	<u>198,069</u>	<u>172,536</u>	<u>210,598</u>	<u>905,606</u>	<u>662,037</u>
				227,596	199,327
		172,536		172,536	
<u>123,005</u>	<u>14,356</u>		<u>118,831</u>	<u>265,670</u>	<u>288,257</u>
<u>123,005</u>	<u>14,356</u>	<u>172,536</u>	<u>118,831</u>	<u>665,802</u>	<u>487,584</u>
30,615	183,713		91,767	239,804	174,453
<u>(5,881)</u>	<u>(12,000)</u>			<u>67,375</u>	<u>47,365</u>
24,734	171,713		91,767	307,179	221,818
<u>44,948</u>	<u>425,153</u>		<u>98,672</u>	<u>841,352</u>	<u>619,534</u>
<u>\$ 69,682</u>	<u>\$596,866</u>	<u>\$ Nil</u>	<u>\$190,439</u>	<u>\$1,148,531</u>	<u>\$ 841,352</u>

SCHEDULE OF CHANGES IN UNAPPROPRIATED OPERATING FUND BALANCES
(See Comments on Supplementary Financial Information)

YEAR ENDED APRIL 30, 1985

	<u>1985</u>	<u>1984</u>
Income and other additions		
Provincial grants		
Formula	\$15,863,614	\$14,500,673
Bilingual	2,015,000	1,702,000
Northern Ontario	1,976,241	1,803,088
School of Education supplement	190,076	176,448
Other	446,809	552,050
	<u>20,491,740</u>	<u>18,734,259</u>
Tuition fees	5,328,982	4,929,669
Interest	93,209	28,821
Miscellaneous	615,900	564,301
	<u>26,529,831</u>	<u>24,257,050</u>
Expenses and other deductions		
Academic	16,975,180	16,184,234
Library	1,731,441	1,679,302
Student services and awards	367,694	366,685
Computer services	759,407	684,057
General and administrative	2,360,428	2,127,901
Physical plant	3,054,982	2,646,584
Development, public relations and community services	552,757	514,264
	<u>25,801,889</u>	<u>24,203,027</u>
Change in year before undernoted item	727,942	54,023
Interfund transfers	<u>158,333</u>	<u>112,000</u>
Net change before appropriations	886,275	166,023
Appropriations		
Returned to fund balance	377,205	194,773
Created this fiscal year	<u>(868,004)</u>	<u>(387,259)</u>
Net change in the year	395,476	(26,463)
Fund deficit at beginning of year	<u>(1,775,386)</u>	<u>(1,748,923)</u>
Fund deficit at end of year	<u>\$(1,379,910)</u>	<u>\$(1,775,386)</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN UNAPPROPRIATED ANCILLARY ENTERPRISES
FUND BALANCES

(See Comments on Supplementary Financial Information)

YEAR ENDED APRIL 30, 1985

	1985		1984
	Revenue	Expense	Net revenue (expense)
Residences and conferences	\$1,304,354	\$1,157,155	\$147,199
Food services	108,385	67,134	41,251
Pub operations	301,504	325,235	(23,731)
Parking	48,444	63,837	(15,393)
Bookstore	1,205,468	1,157,762	47,706
Press	434,343	422,384	11,959
Fraser auditorium	8,816	8,656	160
Change in year before undernoted item	<u>\$3,411,314</u>	<u>\$3,202,163</u>	209,151
Interfund transfers			(10,500)
Net change before appropriations			198,651
Appropriations			
Returned to fund balance			5,774
Created this fiscal year			(45,300)
Net change in the year			159,125
Fund deficit at beginning of year			(98,690)
Fund balance (deficit) at end of year			<u>\$ 60,435</u>

LAURENTIAN UNIVERSITY OF SUDBURY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

APRIL 30, 1986

**AUDITORS' REPORT**

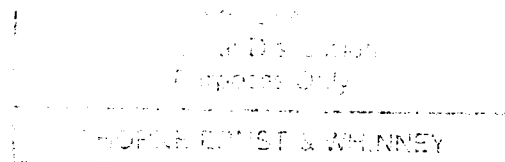
To the Governors of
Laurentian University of Sudbury

We have examined the statement of financial position of Laurentian University of Sudbury as at April 30, 1986 and the statements of changes in appropriated fund balances, changes in unappropriated fund balances and equity in capital assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1986 and the results of its operations and the changes in its appropriated and unappropriated fund balances and equity in capital assets for the year then ended in accordance with the basis of accounting described in note 1 applied on a basis consistent with that of the preceding year.

Sudbury, Ontario
August 1, 1986

Chartered Accountants



LAURENTIAN UNIVERSITY OF SUDBURY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

APRIL 30, 1986

AUDITED FINANCIAL STATEMENTS

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LAURENTIAN UNIVERSITY OF SUDBURY
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED APRIL 30, 1986

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DRAFT
For Client
Internal Discussion
Purposes Only

THORNE ERNST & WHINNEY

GENERAL

The University is incorporated by Special act under the laws of Ontario.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES

The financial statements of the University have been prepared by management in accordance with the basis of accounting prescribed by the Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada. Because the University receives funding for special purposes, the financial statements have been presented in a manner which segregates the following fund balances:

Expendable Funds, consisting of:

- (i) Operating Fund which presents the day-to-day academic, administrative, and maintenance operations of the University. Costs incurred by the operating fund relating directly to other funds are allocated to the respective funds.
- (ii) Ancillary Enterprises Fund which presents the operations carried on by the University that are not directly related to the academic or administrative functions outlined under Operating Fund. Any deficits incurred are recoverable from their future operations.
- (iii) Capital Fund which presents those monies made available for capital acquisitions from government grants, certain special fund raising activities and debenture proceeds.
- (iv) Trust Fund which presents those funds provided by granting agencies, benefactors and contracts, the expenditure of which is restricted to a specific purpose. Also included are funds administered by the University for activities not directly under University control. Expenses incurred in anticipation of reimbursement are shown as accounts receivable in the balance sheet, and the amount is reflected as income in the year. Funds received in advance of expenditures are shown as income and the unexpended portion is reflected as the fund balance.

Endowed Funds, consisting of endowments provided by benefactors or established by University policy which are restricted as to purpose and expendability. Only income earned on such endowed funds may be expended and in most cases the expenditure is restricted to a specific purpose, however, endowments established by University policy may be expended with approval by the Board of Governors.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

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THORNE ERNST & WHINNEY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES (Continued)

Inventory Valuation

Inventories are recorded at the lower of cost and net realizable value.

Capital Assets

Capital assets are stated at cost, or fair market value if donated, and no depreciation is provided in the accounts. Capital assets purchased under capital grants are included as capital assets with the grant proceeds accounted for as an increase in equity in capital assets.

Long Term Debt

Payments of principal and interest on debentures issued to the Ontario Universities Capital Aid Corporation are made on behalf of the University by the Ministry of Colleges and Universities as they come due. Accordingly, no interest is accrued on these debentures, nor is any current portion of this long term debt reflected. Payments of principal and interest issued to the Ontario Universities Capital Aid Corporation do not include the portion assumed on behalf of Algoma College Association.

Long Term Leases

The University has long term leases (fifty years) with the Ontario Student Housing Corporation which has constructed student residences on University property. The title to the residences will vest in the University on the termination of the leases. The construction costs of these residences are reflected as plant assets and the present value of the lease commitments is reflected as long term debt. The University has also entered into agreements to lease computer equipment over a five year period and has accounted for this equipment on a similar basis. (see note 2)

Expendable Trust Funds

The University allocates investment income earned on endowed funds to the related expendable funds annually.

Investment in Capital Assets

Investment in capital assets is only reflected to the extent that:

- (i) Debt incurred to acquire such assets has been retired.
- (ii) The cost of the assets has been charged against a fund.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

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THORNE ERNST & WHINNEY

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES (Continued)

Accrual Accounting

The accrual basis of accounting for revenues, expenses and changes in fund balances is followed except for pledges, trust fund benefactions and vacation pay which are accounted for on a cash basis. Encumbrances, which represent commitments for goods and services not yet received, are recorded as an appropriation of the operating deficit.

Reserve for repairs and replacements of University residences

The University provides a reserve for replacement of furnishings and major repairs to the student residences. The annual provision is reflected as a charge against residence ancillary operations.

1. DEBENTURES PAYABLE

	Gross debentures payable	Assumed by Algoma College Association	Net
Debenture charges retired by the -			
Province of Ontario during the year			
Principal	\$16,853,865	\$ 766,404	\$16,087,461
Interest (at rates varying from			
5½% to 9½% per annum)	<u>1,041,785</u>	<u>61,512</u>	<u>1,103,297</u>
Total	<u>\$17,895,650</u>	<u>\$ 827,916</u>	<u>\$17,190,758</u>

In his October 1985 budget, the Treasurer of Ontario announced plans to wind up the Ontario Universities Capital Aid Corporation and forgive outstanding debenture principal.

At March 31, 1986, the remaining debenture debt in the amount of \$16,188,428 has been forgiven. Accordingly, unmatured debenture debt has been reduced and the equity in capital assets has been increased by the same amount. The debentures held by Laurentian University on behalf of the Algoma College Association are included in the principal amount forgiven by the Ontario Universities Capital Aid Corporation.

LAURENTIAN UNIVERSITY OF SUDBURY
NOTES TO FINANCIAL STATEMENTS (Continued)

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Internal Discussion
Purposes Only

THORNE ERNST & WHINNEY

2. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1986</u>	<u>1985</u>
University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$1,276,016	\$1,284,607
Students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	3,866,660	3,883,675
Computer equipment, payable quarterly, and monthly, at approximately \$5,800 and \$6,500 respectively, maturing in 1989	213,903	273,076
Computer equipment, payable monthly at approximately \$2,800 and maturing in 1991	<u>117,800</u>	<u>-</u>
	<u>\$5,474,379</u>	<u>\$5,441,358</u>

In April 1986 the University installed a telephone system acquired under a long term lease which is to be satisfied by one upfront payment of \$436,000 which is included in accounts payable at April 30, 1986.

It is the intention to fund this payment by an annual charge against operations in the amount of \$87,200 over the five years commencing in the 1986-87 fiscal year, and therefore this expenditure has not been charged to operating or capital funds as at April 30, 1986. This annual charge will in turn increase the investment in capital assets at the same rate.

3. CONTINGENT LIABILITIES AND COMMITMENTS

- (a) Pursuant to the terms of the collective agreement, faculty members become entitled to apply for sabbatical leave after a specified period of service. At April 30, 1986, the salary entitlement for sabbatical leaves approved for the 1986/87 academic year amounted to approximately \$1,017,000 at current salary levels (1985, \$1,332,000). The salaries paid to faculty on sabbatical leave in 1986 amounted to \$1,333,000 (1985, \$1,043,000).
- (b) The estimated unrecorded liability for vacation pay at April 30, 1986 was \$443,000 (1985, \$401,000).

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

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For Client
Internal Discussion
Purposes Only

THORNE FRANK & WHINNEY

3. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

- (c) The University's policy on mandatory retirement at age 65 and relevant provisions of the Ontario Human Rights Code have been challenged in the Supreme Court of Ontario by two professors claiming wrongful dismissal as contravening the Canadian Charter of Rights and Freedoms. No decision has yet been reached and any settlement made with respect to this matter will be accounted for as a charge against operations in the period of payment.

4. SUBSEQUENT EVENT

The University is planning to commence major alterations to the Science I Building in December of 1986. The cost of the project has been estimated at \$5,816,000. The Ministry of Colleges and University will be providing specific grants for this project at the rate of 100% of renovations and 2/3 of new construction to total an estimated \$5,144,000. The remaining costs will be funded through unappropriated capital funds as well as other sources.

5. COMPARATIVE FIGURES

Certain 1985 comparative figures have been reclassified to conform with the financial statement presentation adopted for 1986.

April 30

1986

1985

LIABILITIES AND FUND BALANCES

CURRENT LIABILITIES

Accounts payable and accrued liabilities	\$ 2,780,031	\$ 1,824,578
Deferred revenue	<u>662,246</u>	<u>651,786</u>
	3,442,277	2,476,364

LONG TERM DEBT

Debentures payable (note 1)	-	16,087,461
Obligations under capital leases (note 2)	<u>5,474,379</u>	<u>5,441,358</u>
	5,474,379	21,528,819

EXPENDABLE FUNDS BALANCES

Appropriated (statement 2)

- Operating	730,665	924,134
- Ancillary enterprises	<u>409,510</u>	<u>364,210</u>
	1,140,175	1,288,344

Unappropriated (statement 3)

- Operating	(1,258,799)	(1,379,910)
- Ancillary enterprises	68,827	60,435
- Capital	1,954,015	1,922,282
- Trust - awards and other	1,466,413	1,148,531
- sponsored research	<u>666,285</u>	<u>934,272</u>
	2,896,741	2,685,610

ENDOWED FUNDS BALANCES (statement 3)

797,820 760,878

INVESTMENT IN CAPITAL ASSETS (statement 4)

49,514,890 31,816,298
\$63,266,282 \$60,556,313

Contingent liabilities and commitments (note 3)

Subsequent events (note 4)

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS

AWARDS, OTHER AND ADMINISTERED

	Scholarships and Bursaries	Falconbridge Lecture Fund
Additions		
Investment income	\$ 71,280	\$ 16,754
Gifts, grants and other income	<u>105,662</u>	<u>-</u>
	<u>176,942</u>	<u>16,754</u>
Expenses and other deductions		
Student services and awards	217,439	-
Academic	-	-
Development, public relations and community services	<u>-</u>	<u>24,850</u>
	<u>217,439</u>	<u>24,850</u>
Change in year before undernoted item	(40,497)	(8,096)
Interfund transfers	<u>82,695</u>	<u>-</u>
Net change in the year	42,198	(8,096)
Fund balance at beginning of year	<u>112,529</u>	<u>179,015</u>
FUND BALANCE AT END OF YEAR	<u>\$154,727</u>	<u>\$170,919</u>

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Schedule 1

THORNE ERNST & WHINNEY

Year ended April 30

<u>Museum</u>	<u>Laurentian Fund</u>	<u>Other</u>	<u>1986</u>	<u>1985</u>
			<u>Total</u>	<u>Total</u>
\$ 32,114	\$ 70,502	\$ 12,537	\$ 203,187	\$ 213,021
94,646	171,995	141,280	513,583	520,049
<u>126,760</u>	<u>242,497</u>	<u>153,817</u>	<u>716,770</u>	<u>733,070</u>
-	-	-	217,439	227,596
-	-	-	-	-
128,147	3,846	107,301	264,144	265,670
<u>128,147</u>	<u>3,846</u>	<u>107,301</u>	<u>481,583</u>	<u>493,266</u>
(1,387)	238,651	46,516	235,187	239,804
-	-	-	82,695	67,375
(1,387)	238,651	46,516	317,882	307,179
69,682	596,866	190,439	1,148,531	841,352
<u>\$ 68,295</u>	<u>\$835,517</u>	<u>\$236,955</u>	<u>\$1,466,413</u>	<u>\$1,148,531</u>

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Internal Discussion
Purposes Only

Schedule 1

THORNE ERNST & WHINNEY

Year ended April 30

			1986	1985
<u>Museum</u>	<u>Laurentian Fund</u>	<u>Other</u>	<u>Total</u>	<u>Total</u>
\$ 32,114	\$ 70,502	\$ 12,537	\$ 203,187	\$ 213,021
94,646	171,995	141,280	513,583	520,049
<u>126,760</u>	<u>242,497</u>	<u>153,817</u>	<u>716,770</u>	<u>733,070</u>
-	-	-	217,439	227,596
-	-	-	-	-
128,147	3,846	107,301	264,144	265,670
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<u>\$ 68,295</u>	<u>\$835,517</u>	<u>\$236,955</u>	<u>\$1,466,413</u>	<u>\$1,148,531</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN APPROPRIATED FUND BALANCES THORNE EFNST & WHINNEY Statement 2

	Balance Beginning of Year	Year ended April 30, 1986 Returned to Fund Balance	Created this Fiscal Year	Balance End of Year
Operating				
Outstanding purchase orders	\$ 166,918	\$166,918	\$286,510	\$ 286,510
Unexpended budget appropriations	539,086	539,086	332,594	332,594
Self insurance	68,130	7,521	12,000	72,609
Equipment and library acquisitions	<u>150,000</u>	<u>150,000</u>	<u>38,952</u>	<u>38,952</u>
	924,134	863,525	670,056	730,665
Ancillary Enterprises				
Major building repairs and equipment replacements of University Residences	<u>364,210</u>	<u>-</u>	<u>45,300</u>	<u>409,510</u>
	<u>\$1,288,344</u>	<u>\$863,525</u>	<u>\$715,356</u>	<u>\$1,140,175</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN UNAPPROPRIATED FUND BALANCES

	<u>Operating</u>	<u>Ancillary Enterprises</u>
Income and other additions		
Provincial grants		
Formula	\$16,999,114	
Bilingual	2,116,000	
Northern Ontario	2,150,194	
School of Education supplement	104,974	
Other	740,044	
Debenture principal and interest	-	
	<u>22,110,326</u>	
Tuition fees	5,535,085	
Housing, food and other services	-	\$3,337,386
Interest	99,733	-
Research grants and contracts	-	-
Miscellaneous	608,599	-
Other grants and gifts	-	-
	<u>28,353,743</u>	<u>3,337,386</u>
Expenses and other deductions		
Academic	18,779,183	-
Library	1,737,855	-
Student services and awards	459,390	3,273,194
Computer services	844,629	-
General and administrative	2,726,834	-
Physical plant	3,418,231	-
Development, public relations and community services	613,554	-
Debt repayment	-	-
	<u>28,579,676</u>	<u>3,273,194</u>
Change in year before undernoted item	(225,933)	64,192
Interfund transfers	<u>153,575</u>	<u>(10,500)</u>
Net change before appropriations	(72,358)	53,692
Appropriations		
Returned to fund balance	863,525	-
Created this fiscal year	<u>(670,056)</u>	<u>(45,300)</u>
Net change in the year	121,111	8,392
Fund balance (deficit) at beginning of year	<u>(1,379,910)</u>	<u>60,435</u>
Fund balance (deficit) at end of year	<u>\$ (1,258,799)</u>	<u>\$ 68,827</u>

D R A F T
For Client
Internal Discussion
Purposes Only

THORNE ERNST & WHINNEY

Statement 3

Expendable Funds			Endowed Funds	
Capital	Trust	Sponsored Research	Year ended April 30	
	Awards, other and Administered		1986 Total	1985 Total
			\$16,999,114	\$15,863,614
			2,116,000	2,015,000
			2,150,194	1,976,241
			104,974	190,076
\$ 274,400		\$ 101,478	1,115,922	1,123,208
15,440,330		-	15,440,330	1,809,478
15,714,730		101,478	37,926,534	22,977,617
-		-	5,535,085	5,328,982
-		-	3,337,386	3,411,314
236,270	\$ 203,187	3,060	542,250	549,819
-	-	1,065,277	1,065,277	1,590,282
-	-	-	608,599	615,900
-	513,583	744,319	1,257,902	775,540
15,951,000	716,770	1,914,134	50,273,033	35,249,454
		2,182,121	20,961,304	19,214,612
	-	-	1,737,855	1,731,441
217,439	-	-	3,950,023	3,797,453
-	-	-	844,629	759,407
-	-	-	2,726,834	2,360,428
253,167	-	-	3,671,398	3,204,985
-	264,144	-	877,698	818,427
15,440,330	-	-	15,440,330	1,809,478
15,693,497	481,583	2,182,121	50,210,071	33,696,231
257,503	235,187	(267,987)	62,962	1,553,223
(225,770)	82,695	-	-	(17,881)
31,733	317,882	(267,987)	62,962	1,535,342
-	-	-	863,525	382,979
-	-	-	(715,356)	(913,304)
31,733	317,882	(267,987)	211,131	1,005,017
1,922,282	1,148,531	934,272	2,685,610	1,680,593
\$ 1,954,015	\$1,466,413	\$ 666,285	\$ 2,896,741	\$ 2,685,610
				\$797,820
				\$760,878

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For Client
Internal Discussion
Purposes Only

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Statement 4

THOMSON ERNST & WHINNEY

BALANCE AT BEGINNING OF YEAR

\$31,816,298 \$30,215,923

Provincial grants received for repayment
of debentures

16,087,461	652,514
------------	---------

Principal payments under capital leases

84,779 40,082

Capital assets purchased from

General operating funds - library
- other

505,342 505,846

611,631 365,807

Sponsored research funds

478,906 286,123

Capital funds

253,167	150,003
---------	---------

18,021,286 2,000,375

Capital assets disposed from general operating funds

322,694 400,000

17,698,592	1,600,375
------------	-----------

BALANCE AT END OF YEAR

\$49,514,890	\$31,816,298
--------------	--------------

**AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION**

To the Governors of
Laurentian University of Sudbury

The audited financial statements of the University and our report thereon are presented in the preceding section of this report.

The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, changes in appropriated, unappropriated and capital fund balances of the University. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Sudbury, Ontario
August 1, 1986

Chartered Accountants

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS

SPONSORED RESEARCH

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Internal Discussion
Excludes Only

THORNE ERNST & WHIPPNEY Schedule 2

			Year ended April 30	
			1986	1985
	<u>CIMMER</u>	<u>Other Sponsored Research</u>	<u>Total</u>	<u>Total</u>
Additions				
Investment income	\$ 2,935	\$ 125	\$ 3,060	
Grants and other income	<u>744,319</u>	<u>1,166,755</u>	<u>1,911,074</u>	<u>\$2,391,772</u>
	747,254	1,166,880	1,914,134	2,391,772
Academic Expenditures	<u>655,930</u>	<u>1,526,191</u>	<u>-2,182,121</u>	<u>2,239,432</u>
Net change in the year	91,324	(359,311)	(267,987)	152,340
Fund balance at beginning of year	<u>-</u>	<u>934,272</u>	<u>934,272</u>	<u>781,932</u>
FUND BALANCE AT END OF YEAR	<u>\$ 91,324</u>	<u>\$ 574,961</u>	<u>\$ 666,285</u>	<u>\$ 934,272</u>

LAURENTIAN UNIVERSITY OF SUDBURY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

APRIL 30, 1987

LAURENTIAN UNIVERSITY OF SUDBURY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

APRIL 30, 1987

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Thorne Ernst & Whinney

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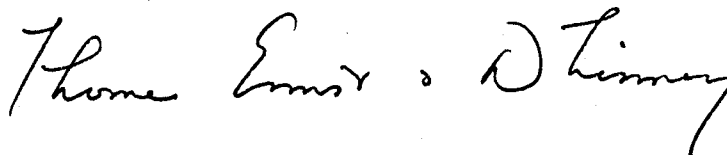
AUDITORS' REPORT

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In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1987 and the results of its operations and the changes in its appropriated and unappropriated fund balances and investment in capital assets for the year then ended in accordance with the accounting principles set out in the Summary of Significant Accounting Policies and Reporting Practices applied on a basis consistent with that of the preceding year.

July 30, 1987



LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1987

GENERAL

The University is incorporated by special act under the laws of Ontario.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES

The financial statements of the University have been prepared by management in accordance with the basis of accounting prescribed by the Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada. Because the University receives funding for special purposes, the financial statements have been presented in a manner which segregates the following fund balances:

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NOTES TO FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES (Continued)

The financial statements have been prepared within the framework of accounting policies summarized as follows:

Inventory Valuation

Inventories are recorded at the lower of cost and net realizable value.

Capital Assets

Capital assets are stated at cost, or fair market value if donated. Capital assets purchased under capital grants are included as capital assets with the grant proceeds accounted for as an increase in equity in capital assets. No depreciation is provided in the accounts.

Capital Leases

The University has entered into certain capital leases for which title to the related assets will vest in the University on the termination of the leases. The cost of these assets is reflected as capital assets and the present value of the lease commitments is reflected as a liability (obligations under capital leases).

Internal Financing

The University follows a practice of making advances to departments and other funds in order to finance the acquisition of certain capital assets. As these advances are repaid, appropriate funds are charged and the repayments are recorded as "Investment in capital assets".

Expendable Trust Funds

The University allocates investment income earned on endowed funds to the related expendable funds annually.

Investment in Capital Assets

Investment in capital assets is only reflected to the extent that:

- (i) Debt incurred to acquire such assets has been retired.
- (ii) The cost of the assets has been charged against a fund.

Accrual Accounting

The accrual basis of accounting for revenues, expenses and changes in fund balances is followed except for pledges, trust fund benefactions and vacation pay which are accounted for on a cash basis. Encumbrances, which represent commitments for goods and services not yet received, are recorded as an appropriation of the operating deficit.

Reserve for Repairs and Replacements

The University provides reserves for building repairs and equipment replacement to the student residences and pub facilities. The annual provision is reflected as an appropriation against annual ancillary enterprise operations and a corresponding increase in appropriate fund balances - ancillary enterprises.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

1. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1987</u>	<u>1986</u>
University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$1,266,823	\$1,276,016
Students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	3,848,339	3,866,660
Computer equipment, payable quarterly, and monthly, at approximately \$5,800 and \$6,500 respectively, maturing in 1989	145,350	213,903
Computer equipment, payable monthly at approximately \$2,800 and maturing in 1991	<u>99,709</u>	<u>117,800</u>
	<u>\$5,360,221</u>	<u>\$5,474,379</u>

2. DEBENTURE PRINCIPAL AND INTEREST

During 1986, all outstanding debenture principal owing to the Ontario Universities Capital Aid Corporation was forgiven by the Treasurer of Ontario.

3. INTERNAL FINANCING

Details of internal financing activities for the year ended April 30, 1987 are summarized as follows:

	<u>April 30, 1986</u>	<u>Advances</u>	<u>Repayments</u>	<u>April 30, 1987</u>
Academic and administrative operations				
Telephone system	\$436,000	\$ 31,916	\$ 90,560	\$377,356
Library automation		150,850		150,850
Ancillary operations				
Great Hall servery		<u>148,957</u>	<u>10,070</u>	<u>138,887</u>
	<u>\$436,000</u>	<u>\$331,723</u>	<u>\$100,630</u>	<u>\$667,093</u>

The University's policy is to recover these advances from the operating and ancillary funds according to a predetermined repayment schedule. As these advances are recovered, the appropriate funds are charged and the repayments are recorded as investment in capital assets. Interest is charged based on the rate of return experienced on temporary investments.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

4. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liability

The University's policy on mandatory retirement at age 65 and relevant provisions of the Ontario Human Rights Code has been challenged in the Supreme Court of Ontario by two professors claiming wrongful dismissal as contravening the Canadian Charter of Rights and Freedoms. The Supreme Court has dismissed the claims, however, the decision has been appealed. No Court of Appeal decision has yet been reached and any settlement made with respect to this matter will be accounted for as a charge against operations in the period of payment.

Three additional professors retired in 1986 have also commenced actions, however, these hearings have been adjourned pending the outcome of the Court of Appeal decision.

(b) Commitments

i) The University commenced major alterations to the Science I Building during 1986. The cost of the project has been estimated at approximately \$5,816,000. The Ministry of Colleges and University will be providing \$5,144,000 in specific grants for this project to cover 100% of the cost of renovations and 2/3 of new construction costs. The unfunded portion of costs will be funded through unappropriated capital funds as well as other sources once final costs are known on completion. As at April 30, 1987 approximately \$1,964,000 had been spent.

ii) On May 26, 1987 the Ministry of Colleges and Universities announced a specific capital grant of \$8,300,000 for the planned construction of a new library building. The cost of the project has been estimated at \$12,500,000 with an estimated completion date of 1991. The remaining costs will be funded through unappropriated capital funds as well as other sources.

iii) Pursuant to the terms of the collective agreement, faculty members become entitled to apply for sabbatical leave after a specified period of service. At April 30, 1987, the salary entitlement for sabbatical leaves approved for the 1987/88 academic year amounts to approximately \$1,145,000 at current salary levels (1986, \$1,017,000). The salaries paid to faculty on sabbatical leave in 1987 amounted to \$1,004,000 (1986, \$1,333,000).

iv) The estimated unrecorded liability for vacation pay at April 30, 1987 was \$464,000 (1986, \$443,000).

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Concluded)

5. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform with the financial statement presentation adopted for 1987.

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF FINANCIAL POSITION

	April 30	
	1987	1986
ASSETS		
Cash	\$ 632,692	\$ 322,400
Investments, at cost (market value 1987, \$7,693,000; 1986, \$4,738,000)	7,545,453	4,624,769
Accrued interest	45,769	99,482
Accounts receivable - tuition and general	339,015	306,916
- research	429,051	1,138,783
Inventories	507,460	486,220
Prepaid expenses	121,569	64,623
	<u>9,621,009</u>	<u>7,043,193</u>
Endowed funds investments, at cost (market value 1987, \$932,000; 1986, \$839,000)	905,692	797,820
Capital assets		
Land and site improvements	5,365,571	5,364,393
Buildings	35,540,106	33,395,286
Equipment, furnishings and library acquisitions	18,699,041	16,665,590
	<u>59,604,718</u>	<u>55,425,269</u>
	<u>\$70,131,419</u>	<u>\$63,266,282</u>

APPROVED BY THE BOARD:

Governor_____
Governor

Statement 1

	April 30	
	1987	1986
LIABILITIES AND FUND BALANCES		
Accounts payable and accrued liabilities	\$ 2,542,076	\$ 2,780,031
Deferred revenue	<u>2,187,284</u>	<u>662,246</u>
	4,729,360	3,442,277
Obligations under capital leases (note 1)	5,360,221	5,474,379
Expendable funds balances		
Appropriated (statement 2)		
- Operating	339,732	730,665
- Ancillary enterprises	<u>555,683</u>	<u>409,510</u>
	895,415	1,140,175
Unappropriated (statement 3)		
- Operating	(1,577,885)	(1,258,799)
- Ancillary enterprises	268,984	68,827
- Capital	2,268,972	1,954,015
- Trust - awards, other and administered	2,542,572	1,466,413
- sponsored research	<u>1,160,684</u>	<u>666,285</u>
	4,663,327	2,896,741
Endowed funds balances (statement 3)	905,692	797,820
Investment in capital assets (statement 4)	<u>53,577,404</u>	<u>49,514,890</u>
	<u>\$70,131,419</u>	<u>\$63,266,282</u>
Contingent liabilities and commitments (notes 3 and 4)		

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN APPROPRIATED FUND BALANCES

Statement 2

	Year ended April 30, 1987			
	<u>Balance Beginning of Year</u>	<u>Returned to Fund Balance</u>	<u>Created this Fiscal Year</u>	<u>Balance End of Year</u>
Operating				
Outstanding purchase orders	\$ 286,510	\$286,510	\$213,008	\$213,008
Unexpended budget appropriations	332,594	332,594	42,803	42,803
Self insurance	72,609	688	12,000	83,921
Equipment and library acquisitions	<u>38,952</u>	<u>38,952</u>		
	730,665	658,744	267,811	339,732
Ancillary Enterprises				
Major building repairs and equipment replacements				
- University residences	409,510		109,400	518,910
- Pub facilities			36,773	36,773
	<u>409,510</u>		<u>146,173</u>	<u>555,683</u>
	<u>\$1,140,175</u>	<u>\$658,744</u>	<u>\$413,984</u>	<u>\$895,415</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN UNAPPROPRIATED FUND BALANCES

	<u>Operating</u>	<u>Ancillary Enterprises</u>
Income and other additions		
Provincial grants		
Formula	\$17,912,918	
Bilingual	2,201,000	
Northern Ontario	2,302,331	
School of Education supplement	222,411	
Other	1,618,139	
Debenture principal and interest (note 2)	<u>24,256,799</u>	
Tuition fees	5,691,300	
Housing, food and other services		\$4,097,694
Interest	108,328	
Research grants and contracts		
Miscellaneous	709,199	
Other grants and gifts	<u>30,765,626</u>	<u>4,097,694</u>
Expenditures and other deductions		
Academic	21,098,986	
Library	2,122,921	
Student services and awards	638,285	3,731,364
Computer services	822,615	
General and administrative	2,983,856	
Physical plant	3,200,038	
Development, public relations and community services	711,510	
Debt repayment (note 2)	<u>31,578,211</u>	<u>3,731,364</u>
Change in year before undernoted item	(812,585)	366,330
Interfund transfers	<u>102,566</u>	<u>(20,000)</u>
Net change before appropriations	(710,019)	346,330
Appropriations		
Returned to fund balance	658,744	
Created this fiscal year	<u>(267,811)</u>	<u>(146,173)</u>
NET CHANGE IN THE YEAR	(319,086)	200,157
Fund balance (deficit) at beginning of year	<u>(1,258,799)</u>	<u>68,827</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$(1,577,885)</u>	<u>\$ 268,984</u>

Statement 3

Expendable Funds				Endowed Funds		
Capital	Trust		Year ended April 30		Year ended April 30	
	Awards, Other and Administered	Sponsored Research	1987 Total	1986 Total	1987 Total	1986 Total
			\$17,912,918	\$16,999,114		
			2,201,000	2,116,000		
			2,302,331	2,150,194		
			222,411	104,974		
\$ 2,312,000		\$ 333,112	4,263,251	1,115,922		
			-	15,440,330		
<u>2,312,000</u>		<u>333,112</u>	<u>26,901,911</u>	<u>37,926,534</u>		
			5,691,300	5,535,085		
			4,097,694	3,473,496		
151,021	\$ 208,212	3,609	471,170	542,250		
		2,331,089	2,331,089	1,065,277		
			709,199	608,599		
	1,608,945		1,608,945	1,257,902	\$ 64,322	\$ 36,942
<u>2,463,021</u>	<u>1,817,157</u>	<u>2,667,810</u>	<u>41,811,308</u>	<u>50,409,143</u>	<u>64,322</u>	<u>36,942</u>
	14,687	2,173,411	23,287,084	20,961,304		
			2,122,921	1,737,855		
	242,697		4,612,346	4,086,133		
			822,615	844,629		
			2,983,856	2,726,834		
2,097,673			5,297,711	3,671,398		
	407,889		1,119,399	877,698		
			-	15,440,330		
<u>2,097,673</u>	<u>665,273</u>	<u>2,173,411</u>	<u>40,245,932</u>	<u>50,346,181</u>		
365,348	1,151,884	494,399	1,565,376	62,962	64,322	36,942
(50,391)	(75,725)		(43,550)	-	43,550	-
<u>314,957</u>	<u>1,076,159</u>	<u>494,399</u>	<u>1,521,826</u>	<u>62,962</u>	<u>107,872</u>	<u>36,942</u>
			658,744	863,525		
			(413,984)	(715,356)		
314,957	1,076,159	494,399	1,766,586	211,131	107,872	36,942
<u>1,954,015</u>	<u>1,466,413</u>	<u>666,285</u>	<u>2,896,741</u>	<u>2,685,610</u>	<u>797,820</u>	<u>760,878</u>
<u>\$ 2,268,972</u>	<u>\$2,542,572</u>	<u>\$1,160,684</u>	<u>\$ 4,663,327</u>	<u>\$ 2,896,741</u>	<u>\$905,692</u>	<u>\$797,820</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

Statement 4

	Year ended April 30	
	1987	1986
Balance at beginning of year	\$49,514,890	\$31,816,298
Add		
Provincial grants received for repayment of debentures (note 2)	-	16,087,461
Principal payments under capital leases	114,158	84,779
Capital assets purchased from		
General operating funds - library	732,150	505,342
- other	922,063	611,631
Sponsored research funds	196,470	478,906
Capital funds	<u>2,097,673</u>	<u>253,167</u>
	4,062,514	18,021,286
Deduct		
Capital assets disposed from general operating funds	-	322,694
	<u>4,062,514</u>	<u>17,698,592</u>
BALANCE AT END OF YEAR	<u>\$53,577,404</u>	<u>\$49,514,890</u>

Thorne Ernst & Whinney

Chartered Accountants

Claridge Centre
144 Pine Street
Box 756
Sudbury, Ontario, Canada
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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION**Laurentian University of Sudbury**

The audited financial statements of the University and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations or changes in fund balances of the University. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

July 30, 1987

Thorne Ernst & Whinney

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS

AWARDS, OTHER AND ADMINISTERED

	Scholarships and <u>Bursaries</u>	Falconbridge Lecture <u>Fund</u>
Additions		
Investment income	\$ 75,987	\$ 13,330
Gifts, grants and other income	<u>80,313</u>	<u>13,330</u>
	156,300	
Expenses and other deductions		
Student services and awards	242,697	
Academic		
Development, public relations and community services		<u>14,340</u>
	<u>242,697</u>	<u>14,340</u>
Change in year before undernoted item	(86,397)	(1,010)
Interfund transfers	<u>24,275</u>	
NET CHANGE IN THE YEAR	(62,122)	(1,010)
Fund balance at beginning of year	<u>154,727</u>	<u>170,919</u>
FUND BALANCE AT END OF YEAR	<u>\$ 92,605</u>	<u>\$169,909</u>

Schedule 1

<u>Museum</u>	<u>Laurentian Fund</u>	<u>Research Chair</u>	<u>Other</u>	Year ended April 30	
				1987	1986
				<u>Total</u>	<u>Total</u>
\$ 37,719	\$ 71,720		\$ 9,456	\$ 208,212	\$ 203,187
<u>119,336</u>	<u>172,572</u>	<u>\$1,000,000</u>	<u>236,724</u>	<u>1,608,945</u>	<u>513,583</u>
157,055	244,292	1,000,000	246,180	1,817,157	716,770
				242,697	217,439
		14,687		14,687	-
142,664	6,774		244,111	407,889	264,144
<u>142,664</u>	<u>6,774</u>	<u>14,687</u>	<u>244,111</u>	<u>665,273</u>	<u>481,583</u>
14,391	237,518	985,313	2,069	1,151,884	235,187
	(100,000)			(75,725)	82,695
14,391	137,518	985,313	2,069	1,076,159	317,882
68,295	835,517		236,955	1,466,413	1,148,531
<u>\$ 82,686</u>	<u>\$973,035</u>	<u>\$ 985,313</u>	<u>\$239,024</u>	<u>\$2,542,572</u>	<u>\$1,466,413</u>

SCHEDULE OF CHANGES IN UNAPPROPRIATED ANCILLARY THOMAS CANET & WINNEY Schedule 4
ENTERPRISES FUND BALANCES

			Year ended April 30	
			1986	1985
			Net	Net
			revenue	revenue
			(expense)	(expense)
	Revenue	Expense		
Residences and conferences	\$1,381,023	\$1,357,602	\$ 23,421	\$147,199
Food services	81,259	87,532	(6,273)	41,251
Pub operations	190,119	195,330	(5,211)	(23,731)
Parking	46,120	45,448	672	(15,393)
Bookstore	1,208,045	1,177,071	30,974	47,706
Press	420,249	405,541	14,708	11,959
Fraser auditorium	10,571	4,670	5,901	160
Change in year before undernoted item	<u>\$3,337,386</u>	<u>\$3,273,194</u>	64,192	209,151
Interfund transfers			<u>(10,500)</u>	<u>(10,500)</u>
Net change before appropriations			53,692	198,651
Appropriations				
Returned to fund balance			-	5,774
Created this fiscal year			<u>(45,300)</u>	<u>(45,300)</u>
Net change in the year			8,392	159,125
Fund (deficit) at beginning of year			<u>60,435</u>	<u>(98,690)</u>
FUND BALANCE AT END OF YEAR			<u>\$ 68,827</u>	<u>\$ 60,435</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS

Schedule 2

SPONSORED RESEARCH

			Year ended April 30	
			1987	1986
	<u>CIMMER</u>	<u>Other Sponsored Research</u>	<u>Total</u>	<u>Total</u>
Additions				
Investment income	\$ 3,452	\$ 157	\$ 3,609	\$ 3,060
Grants and other income	<u>921,709</u>	<u>1,742,492</u>	<u>2,664,201</u>	<u>1,911,074</u>
	925,161	1,742,649	2,667,810	1,914,134
Academic expenditures	<u>797,930</u>	<u>1,375,481</u>	<u>2,173,411</u>	<u>2,182,121</u>
NET CHANGE IN THE YEAR	127,231	367,168	494,399	(267,987)
Fund balance at beginning of year	<u>91,324</u>	<u>574,961</u>	<u>666,285</u>	<u>934,272</u>
FUND BALANCE AT END OF YEAR	<u>\$218,555</u>	<u>\$ 942,129</u>	<u>\$1,160,684</u>	<u>\$ 666,285</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN UNAPPROPRIATED OPERATING FUND BALANCES

Schedule 3

	Year ended April 30	
	1987	1986
Income and other additions		
Provincial grants		
Formula	\$17,912,918	\$16,999,114
Bilingual	2,201,000	2,116,000
Northern Ontario	2,302,331	2,150,194
School of Education supplement	222,411	104,974
Other	1,618,139	740,044
	<u>24,256,799</u>	<u>22,110,326</u>
Tuition fees	5,691,300	5,535,085
Interest	108,328	99,733
Miscellaneous	709,199	608,599
	<u>30,765,626</u>	<u>28,353,743</u>
Expenses and other deductions		
Academic	21,098,986	18,720,070
Library	2,122,921	1,712,855
Student services and awards	638,285	459,390
Computer services	822,615	844,629
General and administrative	2,983,856	2,726,834
Physical plant	3,200,038	3,418,231
Development, public relations and community services	711,510	613,554
Improving environment	-	84,113
	<u>31,578,211</u>	<u>28,579,676</u>
Change in year before undernoted item	(812,585)	(225,933)
Interfund transfers	<u>102,566</u>	<u>153,575</u>
Net change before appropriations	(710,019)	(72,358)
Appropriations		
Returned to fund balance	658,744	863,525
Created this fiscal year	<u>(267,811)</u>	<u>(670,056)</u>
NET CHANGE IN THE YEAR	(319,086)	121,111
Fund deficit at beginning of year	<u>1,258,799</u>	<u>1,379,910</u>
FUND DEFICIT AT END OF YEAR	<u>\$ 1,577,885</u>	<u>\$ 1,258,799</u>

LAURENTIAN UNIVERSITY OF SUDBURY

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SCHEDULE OF CHANGES IN UNAPPROPRIATED OPERATING FUND BALANCES Schedule 3
TODD JOE BENNETT & WHITNEY

	Year ended April 30 <u>1986</u>	<u>1985</u>
Income and other additions		
Provincial grants		
Formula	\$16,999,114	\$15,863,614
Bilingual	2,116,000	2,015,000
Northern Ontario	2,150,194	1,976,241
School of Education supplement	104,974	190,076
Other	740,044	446,809
	<u>22,110,326</u>	<u>20,491,740</u>
Tuition fees	5,535,085	5,328,982
Interest	99,733	93,209
Miscellaneous	608,599	615,900
	<u>28,353,743</u>	<u>26,529,831</u>
Expenses and other deductions		
Academic	18,720,070	16,975,180
Library	1,712,855	1,731,441
Student services and awards	459,390	367,694
Computer services	844,629	759,407
General and administrative	2,726,834	2,360,428
Physical plant	3,418,231	3,054,982
Development, public relations and community services	613,554	552,757
Improving environment	84,113	-
	<u>28,579,676</u>	<u>25,801,889</u>
Change in year before undernoted item	(225,933)	727,942
Interfund transfers	<u>153,575</u>	<u>158,333</u>
Net change before appropriations	(72,358)	886,275
Appropriations		
Returned to fund balance	863,525	377,205
Created this fiscal year	<u>(670,056)</u>	<u>(868,004)</u>
Net change in the year	121,111	395,476
Fund deficit at beginning of year	<u>1,379,910</u>	<u>1,775,386</u>
FUND DEFICIT AT END OF YEAR	<u>\$ 1,258,799</u>	<u>\$ 1,379,910</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN UNAPPROPRIATED ANCILLARY
ENTERPRISES FUND BALANCES

Schedule 4

			Year ended April 30	
			1987	1986
	Revenue	Expense	Net revenue (expense)	Net revenue (expense)
Residences and conferences	\$1,583,780	\$1,386,536	\$197,244	\$ 23,421
Food services	81,207	73,597	7,610	(6,273)
Pub operations	424,543	376,949	47,594	(5,211)
Parking	46,147	47,501	(1,354)	672
Bookstore	1,382,989	1,333,011	49,978	30,974
Press	569,834	504,629	65,205	14,708
Fraser auditorium	9,194	9,141	53	5,901
Change in year before undernoted items	<u>\$4,097,694</u>	<u>\$3,731,364</u>	366,330	64,192
Interfund transfers			<u>(20,000)</u>	<u>(10,500)</u>
Net change before appropriations			346,330	53,692
Appropriations created this fiscal year			<u>(146,173)</u>	<u>(45,300)</u>
NET CHANGE IN THE YEAR			200,157	8,392
Fund balance at beginning of year			<u>68,827</u>	<u>60,435</u>
FUND BALANCE AT END OF YEAR			<u>\$268,984</u>	<u>\$ 68,827</u>

LAURENTIAN UNIVERSITY OF SUDBURY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

APRIL 30, 1988

LAURENTIAN UNIVERSITY OF SUDBURY

AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION

APRIL 30, 1988

AUDITED FINANCIAL STATEMENTS

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Thorne Ernst & Whinney

Chartered Accountants

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AUDITORS' REPORT

To the Governors of
Laurentian University of Sudbury

We have examined the statement of financial position of Laurentian University of Sudbury as at April 30, 1988 and the statements of changes in appropriated fund balances, changes in unappropriated fund balances and investment in capital assets for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the University as at April 30, 1988 and the results of its operations and the changes in its appropriated and unappropriated fund balances and investment in capital assets for the year then ended in accordance with the accounting principles set out in the Summary of Significant Accounting Policies and Reporting Practices applied on a basis consistent with that of the preceding year.

July 12, 1988

Thorne Ernst & Whinney

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1988

GENERAL

The University is incorporated by special act under the laws of Ontario.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES

The financial statements of the University have been prepared by management in accordance with the basis of accounting prescribed by the Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada. Because the University receives funding for special purposes, the financial statements have been presented in a manner which segregates the following fund balances:

Expendable Funds, consisting of:

- (i) Operating Fund which presents the day-to-day academic, administrative, and maintenance operations of the University. Costs incurred by the operating fund relating directly to other funds are allocated to the respective funds.
- (ii) Ancillary Enterprises Fund which presents the operations carried on by the University that are not directly related to the academic or administrative functions outlined under the Operating Fund. Any deficits incurred are recoverable from their future operations.
- (iii) Capital Fund which presents those monies made available for capital acquisitions from government grants, certain special fund raising activities and debenture proceeds.
- (iv) Trust Fund which presents those funds provided by granting agencies, benefactors and contracts, the expenditure of which is restricted to a specific purpose. Expenses incurred in anticipation of reimbursement are shown as accounts receivable in the balance sheet, and the amount is reflected as income in the year. Funds received in advance of expenditures are shown as income and the unexpended portion is reflected as the fund balance.

Endowed Funds, consisting of endowments provided by benefactors or established by University policy which are restricted as to purpose and expendability. Only income earned on such endowed funds may be expended and in most cases the expenditure is restricted to a specific purpose, however, endowments established by University policy may be expended with approval by the Board of Governors.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
AND REPORTING PRACTICES (Continued)

The financial statements have been prepared within the framework of accounting policies summarized as follows:

Inventory Valuation

Inventories are recorded at the lower of cost and net realizable value.

Capital Assets

Capital assets are stated at cost, or fair market value if donated. Capital assets purchased under capital grants are included as capital assets with the grant proceeds accounted for as an increase in equity in capital assets. No depreciation is provided in the accounts.

Capital Leases

The University has entered into certain capital leases for which title to the related assets will vest in the University on the termination of the leases. The cost of these assets is reflected as capital assets and the present value of the lease commitments is reflected as a liability (obligations under capital leases).

Internal Financing

The University follows a practice of making advances to departments and other funds in order to finance the acquisition of certain capital assets. As these advances are repaid, appropriate funds are charged and the repayments are recorded as "Investment in capital assets".

Expendable Trust Funds

The University allocates investment income earned on endowed funds to the related expendable funds annually.

Investment in Capital Assets

Investment in capital assets is only reflected to the extent that:

- (i) Debt incurred to acquire such assets has been retired.
- (ii) The cost of the assets has been charged against a fund.

Accrual Accounting

The accrual basis of accounting for revenues, expenses and changes in fund balances is followed except for pledges, trust fund benefactions and vacation pay which are accounted for on a cash basis. Encumbrances, which represent commitments for goods and services not yet received, are recorded as an appropriation of the operating deficit.

Reserve for Repairs and Replacements

The University provides reserves for building repairs and equipment replacement to the student residences and bookstore. The annual provision is reflected as an appropriation against annual ancillary enterprise operations and a corresponding increase in appropriate fund balances - ancillary enterprises.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

1. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1988</u>	<u>1987</u>
University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$1,256,985	\$1,266,823
Students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	3,828,615	3,848,339
Computer equipment, payable quarterly, and monthly, at approximately \$5,800 and \$6,500 respectively, maturing in 1989	66,584	145,350
Computer equipment, payable monthly at approximately \$2,800 and maturing in 1991	<u>79,221</u>	<u>99,709</u>
	<u>\$5,231,405</u>	<u>\$5,360,221</u>

2. INTERNAL FINANCING

Details of internal financing activities for the year ended April 30, 1988 are summarized as follows:

	<u>April 30, 1987</u>	<u>Advances</u>	<u>Repayments</u>	<u>April 30, 1988</u>
Academic and administrative operations				
Telephone system	\$377,356	\$ 33,210	\$ 59,619	\$350,947
Library automation	150,850		51,794	99,056
Ancillary operations				
Great Hall servery	<u>138,887</u>		<u>6,805</u>	<u>132,082</u>
	<u>\$667,093</u>	<u>\$ 33,210</u>	<u>\$118,218</u>	<u>\$582,085</u>

The University's policy is to recover these advances from the operating and ancillary funds according to a predetermined repayment schedule. As these advances are recovered, the appropriate funds are charged and the repayments are recorded as investment in capital assets. Interest is charged based on the rate of return experienced on temporary investments.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

3. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liability

The University's policy on mandatory retirement at age 65 and relevant provisions of the Ontario Human Rights Code were upheld by the Ontario Court of Appeal as not contravening the Canadian Charter of Rights and Freedoms. Leave to appeal to the Supreme Court of Canada has been granted. Should the Supreme Court render a decision unfavourable to the University, any settlement made with respect to this matter will be accounted for as a charge against operations in the period of the decision.

(b) Commitments

i) The University has recently commenced Phase II of a major alteration program to the Science I Building. The cost of these alterations are estimated at \$2,148,000 and will be funded by the Ministry of Colleges and Universities.

ii) In 1987 the Ministry of Colleges and Universities announced a specific capital grant of \$8,300,000 for the construction of a new library building. The cost of the project has been estimated at \$12,762,000 with an estimated completion date of 1990. The remaining costs will be funded through the Development Campaign as well as other sources.

iii) Effective May 1, 1988 the University agreed to participate in a reciprocal exchange of insurance risks in association with forty other Canadian universities. This self-insurance cooperative involves a contractual agreement to share the insurance property and liability risks of member universities for a term of not less than five years.

iv) Pursuant to the terms of the collective agreement, faculty members become entitled to apply for sabbatical leave after a specified period of service. At April 30, 1988, the salary entitlement for sabbatical leaves approved for the 1988/89 academic year amounts to approximately \$1,424,000 at current salary levels (1987, \$1,145,000). The salaries paid to faculty on sabbatical leave in 1988 amounted to \$1,211,000 (1987, \$1,004,000).

v) The estimated unrecorded liability for vacation pay at April 30, 1988 was \$515,000 (1987, \$464,000).

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Concluded)

4. PENSION PLAN

The University operates a defined contribution pension plan in which the University contributes a set amount to the plan in respect of individual employees, with a guaranteed minimum defined benefit. The most recent actuarial report, dated June 30, 1987, indicates that the guaranteed defined benefit portion of the pension plan is fully funded. Contributions made by the University during the year amounted to \$1,452,000 (1987, \$1,271,000).

5. DEVELOPMENT CAMPAIGN

The University has undertaken a campaign to raise funds for future capital expansion. As at April 30, 1988 the University had obtained pledges of \$4,064,000 of which \$1,040,000 has been received. Funds received are maintained in an expendable trust fund until required.

6. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform with the financial statement presentation adopted for 1988.

LAURENTIAN UNIVERSITY OF SUDBURY
STATEMENT OF FINANCIAL POSITION

Statement 1

	April 30	
	1988	1987
ASSETS		
Cash	\$ 1,166,580	\$ 632,692
Investments, at cost (market value 1988, \$7,798,000; 1987, \$7,693,000)	7,780,319	7,545,453
Accrued interest	142,634	45,769
Accounts receivable - tuition and general	356,452	339,015
- research	640,880	429,051
Inventories	545,311	507,460
Prepaid expenses	163,093	121,569
	<u>10,795,269</u>	<u>9,621,009</u>
Endowed funds investments, at cost (market value 1988, \$1,186,000; 1987, \$932,000)	1,137,865	905,692
Capital assets		
Land and site improvements	5,365,571	5,365,571
Buildings	38,110,899	35,540,106
Equipment, furnishings and library acquisitions	21,429,795	18,699,041
	<u>64,906,265</u>	<u>59,604,718</u>
	<u>\$76,839,399</u>	<u>\$70,131,419</u>
LIABILITIES AND FUND BALANCES		
Accounts payable and accrued liabilities		
Deferred revenue	\$ 2,688,716	\$ 2,542,077
	<u>1,160,705</u>	<u>2,187,284</u>
	<u>3,849,421</u>	<u>4,729,361</u>
Obligations under capital leases (note 1)	5,231,405	5,360,221
Expendable funds balances		
Appropriated (statement 2)		
- Operating	411,512	339,732
- Ancillary enterprises	555,511	518,910
	<u>967,023</u>	<u>858,642</u>
Unappropriated (statement 3)		
- Operating	(1,320,735)	(1,577,885)
- Ancillary enterprises	367,923	268,984
- Capital	2,612,480	2,268,977
- Trust - awards, other and administered	3,592,308	2,579,344
- sponsored research	1,308,936	1,160,684
	<u>6,560,912</u>	<u>4,700,099</u>
Endowed funds balances (statement 3)	1,137,865	905,692
Investment in capital assets (statement 4)	59,092,773	53,577,404
	<u>\$76,839,399</u>	<u>\$70,131,419</u>

Contingent liabilities and commitments (notes 2 and 3)

APPROVED BY THE BOARD:

Governor

Governor

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN APPROPRIATED FUND BALANCES

Statement 2

	Year ended April 30, 1988			
	<u>Balance Beginning of Year</u>	<u>Returned to Fund Balance</u>	<u>Created this Fiscal Year</u>	<u>Balance End of Year</u>
Operating				
Outstanding purchase orders	\$213,008	\$213,008	\$269,091	\$269,091
Unexpended budget appropriations	42,803	42,803	58,500	58,500
Self insurance	83,921			83,921
	<u>339,732</u>	<u>255,811</u>	<u>327,591</u>	<u>411,512</u>
Ancillary Enterprises				
Major building repairs and equipment replacements				
- University residences	518,910	47,199	58,800	530,511
- Bookstore			25,000	25,000
	<u>518,910</u>	<u>47,199</u>	<u>83,800</u>	<u>555,511</u>
	<u>\$858,642</u>	<u>\$303,010</u>	<u>\$411,391</u>	<u>\$967,023</u>

LAURENTIAN UNIVERSITY OF SUBSURY

Statement 3

STATEMENT OF CHANGES IN UNAPPROPRIATED FUND BALANCES

	Expendable Funds				Trust		Endowed Funds	
	Operating	Ancillary Enterprises	Capital	Awards, Other and Administered	Sponsored Research	Year ended April 30 1988 Total	Year ended April 30 1987 Total	Total
Income and other additions								
Provincial grants	\$19,441,861					\$19,441,861	\$17,912,918	
Formula	2,289,000					2,289,000	2,201,000	
Bilingual	3,559,941					3,559,941	2,302,331	
Northern Ontario	161,403					161,403	222,411	
School of Education supplement	3,366,074				\$ 575,675	6,856,049	4,263,251	
Other	28,818,279		\$2,914,300		575,675	32,308,234	26,901,911	
	6,493,407		2,914,300			6,493,407	5,691,300	
Tuition fees	\$4,427,961					4,427,961	4,097,694	
Housing, food and other services	128,594		180,031	\$ 356,659	12,877	678,161	471,170	
Interest					1,878,322	1,878,322	2,331,089	
Research grants and contracts	776,747					776,747	709,199	
Miscellaneous				2,720,058		2,720,058	1,608,945	\$ 64,322
Other grants and gifts	36,217,027	4,427,961	3,094,331	3,076,717	2,466,874	49,282,910	41,811,308	64,322
								126,761
								126,761
Expenditures and other deductions								
Academic	24,653,654			1,386,700	2,293,622	28,333,976	23,287,084	
Library	2,315,132					2,315,132	2,122,921	
Student services and awards	711,105	4,195,765		264,622		5,171,492	4,612,346	
Computer services	845,680					845,680	822,615	
General and administrative	3,278,503					3,278,503	2,983,856	
Physical plant	3,394,416		2,689,010			6,083,426	5,297,711	
Development, public relations and community services	748,378			431,717		1,180,095	1,119,399	
	35,946,868	4,195,765	2,689,010	2,083,039	2,293,622	47,208,304	40,245,932	
Change in year before undernoted items	270,159	232,196	405,321	993,678	173,252	2,074,606	1,565,376	
Interfund transfers	58,771	(96,656)	(61,813)	19,286	(25,000)	(105,412)	(43,580)	
Net change before appropriations	328,930	135,540	343,508	1,012,964	148,252	1,969,194	1,521,826	
								126,761
								105,412
								232,173
								107,872
Appropriations								
Returned to fund balance	255,811	47,199				303,010	658,744	
Created this fiscal year	(327,591)	(83,800)				(411,391)	(366,390)	
NET CHANGE IN THE YEAR	257,150	98,939	343,508	1,012,964	148,252	1,860,813	1,814,180	
Fund balance (deficit) at beginning of year	(1,577,885)	268,984	2,268,972	2,579,344	1,160,684	4,700,099	2,885,919	
FUND BALANCE (DEFICIT) AT END OF YEAR	\$(1,320,735)	\$ 367,923	\$2,612,480	\$3,592,308	\$1,308,936	\$ 6,560,912	\$ 4,700,099	\$1,137,865
								905,692
								797,820
								905,692
								905,692

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LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

Statement 4

	Year ended April 30	
	1988	1987
Balance at beginning of year	<u>\$53,577,404</u>	<u>\$49,514,890</u>
Add		
Principal payments under capital leases	128,816	114,158
Capital assets purchased from		
General operating funds - library	795,624	732,150
- other	1,512,809	922,063
Sponsored research funds	389,110	196,470
Capital funds	<u>2,689,010</u>	<u>2,097,673</u>
	<u>5,515,369</u>	<u>4,062,514</u>
BALANCE AT END OF YEAR	<u>\$59,092,773</u>	<u>\$53,577,404</u>

Thorne Ernst & Whinney

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AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Laurentian University of Sudbury

The audited financial statements of the University and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations, changes in appropriated and unappropriated fund balances or investment in capital assets of the University. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

July 12, 1988

Thorne Ernst & Whinney

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS

Schedule 2

SPONSORED RESEARCH

	CIMMER	Other Sponsored Research	Year ended April 30	
			1988	1987
			<u>Total</u>	<u>Total</u>
Additions				
Investment income	\$ 4,855	\$ 8,022	\$ 12,877	\$ 3,609
Grants and other income	<u>120,457</u>	<u>2,333,540</u>	<u>2,453,997</u>	<u>2,664,201</u>
	125,312	2,341,562	2,466,874	2,667,810
Academic expenditures	<u>245,027</u>	<u>2,048,595</u>	<u>2,293,622</u>	<u>2,173,411</u>
Change in year before undernoted item	(119,715)	292,967	173,252	494,399
Interfund transfers	<u>(25,000)</u>		<u>(25,000)</u>	<u>-</u>
NET CHANGE IN THE YEAR	(144,715)	292,967	148,252	494,399
Fund balance at beginning of year	<u>218,555</u>	<u>942,129</u>	<u>1,160,684</u>	<u>666,285</u>
FUND BALANCE AT END OF YEAR	<u>\$ 73,840</u>	<u>\$1,235,096</u>	<u>\$1,308,936</u>	<u>\$1,160,684</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN UNAPPROPRIATED OPERATING FUND BALANCES

Schedule 3

	Year ended April 30	
	1988	1987
Income and other additions		
Provincial grants		
Formula	\$19,441,861	\$17,912,918
Bilingual	2,289,000	2,201,000
Northern Ontario	3,559,941	2,302,331
School of Education supplement	161,403	222,411
Other	3,366,074	1,618,139
	<u>28,818,279</u>	<u>24,256,799</u>
Tuition fees	6,493,407	5,691,300
Interest	128,594	108,328
Miscellaneous	776,747	709,199
	<u>36,217,027</u>	<u>30,765,626</u>
Expenses and other deductions		
Academic	24,653,654	21,098,986
Library	2,315,132	2,122,921
Student services and awards	711,105	638,285
Computer services	845,680	822,615
General and administrative	3,278,503	2,983,856
Physical plant	3,394,416	3,200,038
Development, public relations and community services	748,378	711,510
	<u>35,946,868</u>	<u>31,578,211</u>
Change in year before undernoted item	270,159	(812,585)
Interfund transfers	<u>58,771</u>	<u>102,566</u>
Net change before appropriations	328,930	(710,019)
Net appropriations	<u>(71,780)</u>	<u>390,933</u>
NET CHANGE IN THE YEAR	257,150	(319,086)
Fund deficit at beginning of year	<u>(1,577,885)</u>	<u>(1,258,799)</u>
FUND DEFICIT AT END OF YEAR	<u>\$(1,320,735)</u>	<u>\$(1,577,885)</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN UNAPPROPRIATED ANCILLARY
ENTERPRISES FUND BALANCES

Schedule 4

			Year ended April 30	
			1988	1987
	Revenue	Expense	Net revenue (expense)	Net revenue (expense)
Residences and conferences	\$1,655,812	\$1,597,296	\$ 58,516	\$197,244
Food services	86,976	73,854	13,122	7,610
Pub operations	430,300	413,644	16,656	47,594
Parking	52,684	53,130	(446)	(1,354)
Bookstore	1,650,554	1,587,322	63,232	49,978
Press	547,352	466,271	81,081	65,205
Fraser auditorium	4,283	4,248	35	53
Change in year before undernoted items	<u>\$4,427,961</u>	<u>\$4,195,765</u>	<u>232,196</u>	<u>366,330</u>
Other items				
Inter fund transfers			96,656	67,594
Net appropriations			<u>36,601</u>	<u>109,400</u>
			<u>133,257</u>	<u>176,994</u>
NET CHANGE IN THE YEAR			98,939	189,336
Fund balance at beginning of year			<u>268,984</u>	<u>79,648</u>
FUND BALANCE AT END OF YEAR			<u>\$367,923</u>	<u>\$268,984</u>

LAURENTIAN UNIVERSITY OF SUDBURY

**AUDITED FINANCIAL STATEMENTS
AND OTHER FINANCIAL INFORMATION**

APRIL 30, 1989

LAURENTIAN UNIVERSITY OF SUDBURY

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

APRIL 30, 1989

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AUDITORS' REPORT

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Laurentian University of Sudbury

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July 4, 1989

Thorne Ernst & Whinney

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED APRIL 30, 1989

GENERAL

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LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Continued)

The financial statements have been prepared within the framework of accounting policies summarized as follows:

Inventory Valuation

Inventories are recorded at the lower of cost and net realizable value.

Capital Assets

Capital assets are stated at cost, or fair market value if donated. Capital assets purchased under capital grants are included as capital assets with the grant proceeds accounted for as an increase in equity in capital assets. No depreciation is provided in the accounts.

Capital Leases

The University has entered into certain capital leases for which title to the related assets will vest in the University on the termination of the leases. The cost of these assets amounting to \$5,684,000 (1988, \$5,802,000) is reflected as capital assets and the present value of the lease commitments is reflected as a liability (obligations under capital leases).

Internal Financing

Advances are made to departments and other funds in order to finance the acquisition of certain capital assets. As these advances are repaid, appropriate funds are charged and the repayments are recorded as "Investment in capital assets".

Expendable Trust Funds

Investment income earned on endowed funds is allocated to the related expendable funds annually.

Investment in Capital Assets

Investment in capital assets is only reflected to the extent that:

- Debt incurred to acquire such assets has been retired.
- The cost of the assets has been charged against a fund.

Accrual Accounting

The accrual basis of accounting is followed for revenues, expenses and changes in fund balances except for pledges, trust fund benefactions and vacation pay which are accounted for on the cash basis. Encumbrances, which represent commitments for goods and services not yet received, are recorded as an appropriation of operating funds.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES (Concluded)

Reserve for Repairs and Replacements

The University provides reserves for building repairs and equipment replacement to the student residences and bookstore. The annual provision is reflected as an appropriation against annual ancillary enterprise operations and a corresponding increase in appropriated fund balances - ancillary enterprises.

Appropriations

(a) Operating Fund

Funds are committed as follows:

In order to encourage the judicious timing and purposes of expenditures, the University allows faculties, the Library and administrative departments to carry forward certain unexpended budget allocations to the succeeding year.

At each fiscal year end, there are a number of unfilled purchase orders for which funds have been committed but for which the expense is not recorded until the goods or services are received in the following year.

In addition the University reserves other portions of fund balances for special purposes by means of appropriations, including self-insurance provisions.

(b) Ancillary Operations

The commitment of ancillary operations funds for specific purposes represents funds committed for major building repairs and equipment replacements.

1. OBLIGATIONS UNDER CAPITAL LEASES

	<u>1989</u>	<u>1988</u>
University College residence, payable \$48,542 semi-annually, maturing December 1, 2020	\$1,246,456	\$1,256,985
Students' apartments, payable \$154,475 semi-annually, maturing June 1, 2024	3,807,378	3,828,615
Computer equipment, payable monthly at approximately \$2,800 and maturing in 1991	56,022	79,221
Computer equipment, payable quarterly, and monthly, at approximately \$5,800 and \$6,500 respectively, maturing in 1989	<u>-</u>	<u>66,584</u>
	<u>\$5,109,856</u>	<u>\$5,231,405</u>

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

2. INTERNAL FINANCING

Details of internal financing activities are summarized as follows:

	<u>April 30,</u> <u>1988</u>	<u>Advances</u>	<u>Repayments</u>	<u>April 30,</u> <u>1989</u>
Academic and administrative operations				
Telephone system	\$350,947	\$ 17,057	\$ 73,120	\$294,884
Library automation	99,056	44,907	28,449	115,514
Front-end loader		77,004	20,000	57,004
Ancillary operations				
Great Hall servery	<u>132,082</u>	<u> </u>	<u>11,682</u>	<u>120,400</u>
	<u>\$582,085</u>	<u>\$138,968</u>	<u>\$133,251</u>	<u>\$587,802</u>

As these advances are recovered, the appropriate funds are charged and the repayments are recorded as investment in capital assets. Interest is charged based on the rate of return experienced on temporary investments.

3. CONTINGENT LIABILITIES AND COMMITMENTS

(a) Contingent Liability

The University's policy on mandatory retirement at age 65 and relevant provisions of the Ontario Human Rights Code, being challenged by two professors, were upheld by the Ontario Court of Appeal as not contravening the Canadian Charter of Rights and Freedoms. Leave to appeal to the Supreme Court of Canada has been granted and the matter was heard in May 1989. A decision is expected within the next twelve months.

Should the Supreme Court render a decision unfavorable to the University, any settlement made with respect to this matter will be accounted for as a charge against operations in the period of the decision.

Four additional professors have given the University notice of challenge, but these actions have been stayed pending the result of the Supreme Court Decision.

LAURENTIAN UNIVERSITY OF SUDBURY

NOTES TO FINANCIAL STATEMENTS (Continued)

3. CONTINGENT LIABILITIES AND COMMITMENTS (continued)

(b) Commitments

- (1) In 1987, the Ministry of Colleges and Universities announced a specific capital grant of \$8,300,000 for the construction of a new library building. The cost of the project has been estimated at \$12,762,000 with an estimated completion date of 1990. The remaining costs are being funded through the Development Campaign as well as other sources (note 5).
- (2) Effective May 1, 1988 the University agreed to participate in a reciprocal exchange of insurance risks in association with forty other Canadian universities. This self-insurance co-operative involves a contractual agreement to share the insurance property and liability risks of member universities for a term of not less than five years.
- (3) Pursuant to the terms of the collective agreement, faculty members become entitled to apply for sabbatical leave after a specified period of service. At April 30, 1989, the salary entitlement for sabbatical leaves approved for the 1989/90 academic year amounts to approximately \$1,529,000 at current salary levels (1988, \$1,424,000). The salaries paid to faculty on sabbatical leave in 1989 amounted to approximately \$1,415,000 (1988, \$1,211,000).
- (4) The estimated unrecorded liability for vacation pay at April 30, 1989 was \$593,000 (1988, \$515,000).

4. PENSION PLAN

The University operates a defined contribution pension plan in which the University contributes a set amount to the plan in respect of individual employees, with a guaranteed minimum defined benefit. The most recent actuarial report, dated June 30, 1988, indicates that the guaranteed defined benefit portion of the pension plan is fully funded. Contributions made by the University during the year amounted to approximately \$1,626,000 (1988, \$1,452,000).

LAURENTIAN UNIVERSITY OF SUDBURY**NOTES TO FINANCIAL STATEMENTS (Concluded)****5. DEVELOPMENT CAMPAIGN**

The University has undertaken a campaign to raise funds for future capital expansion. As at April 30, 1989 the University has obtained pledges of approximately \$5,123,000 of which \$2,215,000 has been received. Funds received are maintained in an expendable trust fund until required.

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF FINANCIAL POSITION

	April 30	
	1989	1988
ASSETS		
Cash	\$ 1,192,596	\$ 1,166,580
Investments, at cost (market value 1989, \$14,148,000; 1988, \$7,798,000)	14,029,168	7,780,319
Accrued interest	259,100	142,634
Accounts receivable - tuition and general	538,933	356,452
- research	661,843	640,880
Inventories	617,027	545,311
Prepaid expenses	153,165	163,093
	<u>17,451,832</u>	<u>10,795,269</u>
Endowment funds investments, at cost (market value 1989, \$1,275,000; 1988, \$1,186,000)	<u>1,213,939</u>	<u>1,137,865</u>
Capital assets		
Land and site improvements	5,365,571	5,365,571
Buildings	46,060,355	38,110,899
Equipment, furnishings and library acquisitions	<u>23,202,731</u>	<u>21,429,795</u>
	<u>74,628,657</u>	<u>64,906,265</u>
	<u>\$93,294,428</u>	<u>\$76,839,399</u>

APPROVED BY THE BOARD:

Governor_____
Governor

Statement 1

	April 30	
	1989	1988
LIABILITIES AND FUND BALANCES		
Accounts payable and accrued liabilities	\$ 4,558,254	\$ 2,688,716
Deferred revenue	<u>4,592,868</u>	<u>1,160,705</u>
	<u>9,151,122</u>	<u>3,849,421</u>
Obligations under capital leases (note 1)	<u>5,109,856</u>	<u>5,231,405</u>
Expendable funds balances		
Appropriated (statement 2)		
- Operating	1,416,303	411,512
- Ancillary enterprises	<u>588,709</u>	<u>555,511</u>
	<u>2,005,012</u>	<u>967,023</u>
Unappropriated (statement 3)		
- Operating	(905,885)	(1,320,735)
- Ancillary enterprises	410,051	367,923
- Capital	1,161,975	2,612,480
- Trust - awards, other and administered	4,797,973	3,592,308
- sponsored research	<u>1,419,377</u>	<u>1,308,936</u>
	<u>6,883,491</u>	<u>6,560,912</u>
Endowed funds balances (statement 3)	<u>1,213,939</u>	<u>1,137,865</u>
Investment in capital assets (statement 4)	<u>68,931,008</u>	<u>59,092,773</u>
	<u>\$93,294,428</u>	<u>\$76,839,399</u>
Contingent liabilities and commitments (note 3)		

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF CHANGES IN APPROPRIATED FUND BALANCES

Statement 2

	Year ended April 30, 1989			
	<u>Balance Beginning of Year</u>	<u>Returned to Fund Balance</u>	<u>Created this Fiscal Year</u>	<u>Balance End of Year</u>
Operating				
Outstanding purchase orders	\$269,091	\$269,091	\$ 161,161	\$ 161,161
Unexpended budget appropriations	58,500	58,500	1,154,981	1,154,981
Self insurance	<u>83,921</u>		<u>16,240</u>	<u>100,161</u>
	<u>411,512</u>	<u>327,591</u>	<u>1,332,382</u>	<u>1,416,303</u>
Ancillary Enterprises				
Major building repairs and equipment replacements				
- University residences	530,511	56,602	64,800	538,709
- Bookstore	<u>25,000</u>		<u>25,000</u>	<u>50,000</u>
	<u>555,511</u>	<u>56,602</u>	<u>89,800</u>	<u>588,709</u>
	<u>\$967,023</u>	<u>\$384,193</u>	<u>\$1,422,182</u>	<u>\$2,005,012</u>

STATEMENT OF CHANGES IN UNAPPROPRIATED FUND BALANCES

	<u>Expendable</u>		
	<u>Operating</u>	<u>Ancillary Enterprises</u>	<u>Capital</u>
Income and other additions			
Provincial grants			
Formula	\$22,701,884		
Bilingual	2,392,000		
Northern Ontario	3,681,375		
School of Education supplement			
Other	<u>2,413,147</u>		<u>\$5,979,400</u>
	31,188,406		5,979,400
Tuition fees	7,014,980		
Housing, food and other services		\$5,027,813	
Interest	362,138		321,888
Research grants and contracts			
Miscellaneous	875,960		
Other grants and gifts			
	<u>39,441,484</u>	<u>5,027,813</u>	<u>6,301,288</u>
Expenditures and other deductions			
Academic	25,008,494		
Library	2,555,220		
Student services and awards	767,296	4,929,320	
Computer services	1,028,439		
General and administrative	3,835,110		
Physical plant	4,096,624		7,625,615
Development, public relations and community services	<u>748,562</u>		
	<u>38,039,745</u>	<u>4,929,320</u>	<u>7,625,615</u>
Changes in year before undernoted items	1,401,739	98,493	(1,324,327)
Interfund transfers	<u>17,902</u>	<u>(23,167)</u>	<u>(126,178)</u>
Net change before appropriations	1,419,641	75,326	(1,450,505)
Appropriations			
Returned to fund balance	327,591	56,602	
Created this fiscal year	<u>(1,332,382)</u>	<u>(89,800)</u>	
NET CHANGE IN THE YEAR	414,850	42,128	(1,450,505)
Fund balance (deficit) at beginning of year	<u>(1,320,735)</u>	<u>367,923</u>	<u>2,612,480</u>
FUND BALANCE (DEFICIT) AT END OF YEAR	<u>\$ (905,885)</u>	<u>\$410,051</u>	<u>\$1,161,975</u>

Statement 3

Funds		Trust		Endowment Funds	
Awards, Other and Administered	Sponsored Research	Year ended April 30 1989 Total	Year ended April 30 1988 Total	Year ended April 30 1989 Total	Year ended April 30 1988 Total
		\$22,701,884	\$19,441,861		
		2,392,000	2,289,000		
		3,681,375	3,559,941		
			161,403		
	\$ 652,265	<u>9,044,812</u>	<u>6,856,049</u>		
	652,265	37,820,071	32,308,254		
		7,014,980	6,493,407		
		5,027,813	4,427,961		
\$ 510,516	8,171	1,202,713	678,161		
	1,697,271	1,697,271	1,878,322		
		875,960	776,747		
<u>3,193,900</u>		<u>3,193,900</u>	<u>2,720,058</u>	\$ 68,944	\$ 126,761
<u>3,704,416</u>	<u>2,357,707</u>	<u>56,832,708</u>	<u>49,282,910</u>	<u>68,944</u>	<u>126,761</u>
2,039,125	2,247,266	29,294,885	28,333,976		
		2,555,220	2,315,132		
239,378		5,935,994	5,171,492		
		1,028,439	845,680		
		3,835,110	3,278,503		
		11,722,239	6,083,426		
<u>344,561</u>		<u>1,093,123</u>	<u>1,180,095</u>		
<u>2,623,064</u>	<u>2,247,266</u>	<u>55,465,010</u>	<u>47,208,304</u>		
1,081,352	110,441	1,367,698	2,074,606	68,944	126,761
<u>124,313</u>		<u>(7,130)</u>	<u>(105,412)</u>	<u>7,130</u>	<u>105,412</u>
1,205,665	110,441	1,360,568	1,969,194	76,074	232,173
		384,193	303,010		
		<u>(1,422,182)</u>	<u>(411,391)</u>		
1,205,665	110,441	322,579	1,860,813	76,074	232,173
<u>3,592,308</u>	<u>1,308,936</u>	<u>6,560,912</u>	<u>4,700,099</u>	<u>1,137,865</u>	<u>905,692</u>
<u>\$4,797,973</u>	<u>\$1,419,377</u>	<u>\$6,883,491</u>	<u>\$6,560,912</u>	<u>\$1,213,939</u>	<u>\$1,137,865</u>

LAURENTIAN UNIVERSITY OF SUDBURY

STATEMENT OF INVESTMENT IN CAPITAL ASSETS

Statement 4

	Year ended April 30	
	1989	1988
Balance at beginning of year	<u>\$59,092,773</u>	<u>\$53,577,404</u>
Add		
Principal payments under capital leases	121,549	128,816
Capital assets purchased from		
General operating funds - library	792,136	795,624
- other	1,002,143	1,512,809
Sponsored research funds	296,792	389,110
Capital funds	<u>7,625,615</u>	<u>2,689,010</u>
	<u>9,838,235</u>	<u>5,515,369</u>
BALANCE AT END OF YEAR	<u>\$68,931,008</u>	<u>\$59,092,773</u>

Thorne Ernst & Whinney

Chartered Accountants

Claridge Centre
144 Pine Street
Box 700
Sudbury, Ontario, Canada
P3E 4R6

705/675-6407
Fax: 705/675-7586

AUDITORS' REPORT ON OTHER FINANCIAL INFORMATION

Laurentian University of Sudbury
Sudbury, Ontario

The audited financial statements of the University and our report thereon are presented in the preceding section of this report. The following information is presented for purposes of additional analysis and is not required for a fair presentation of the financial position, results of operations, changes in appropriated and unappropriated fund balances or investment in capital assets of the University. Such information has been subjected to the auditing procedures applied in our examination of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

July 4, 1989

Thorne Ernst & Whinney

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS AWARDS, OTHER AND ADMINISTERED

	Scholarships and <u>Bursaries</u>	Falconbridge Lecture <u>Fund</u>	<u>Museum</u>
Additions			
Investment income	\$102,843	\$ 16,929	\$ 55,165
Gifts, grants and other income	<u>87,124</u>	<u> </u>	<u>211,757</u>
	<u>189,967</u>	<u>16,929</u>	<u>266,922</u>
Expenses and other deductions			
Student services and awards	239,378		
Academic			
Development, public relations and community services		<u>11,198</u>	<u>263,964</u>
	<u>239,378</u>	<u>11,198</u>	<u>263,964</u>
Change in year before undernoted item	(49,411)	5,731	2,958
Interfund transfers	<u>126,146</u>	<u> </u>	<u> </u>
NET CHANGE IN THE YEAR	76,735	5,731	2,958
Fund balance at beginning of year	<u>95,096</u>	<u>169,349</u>	<u>153,477</u>
FUND BALANCE AT END OF YEAR	<u>\$171,831</u>	<u>\$175,080</u>	<u>\$156,435</u>

Schedule 1

Laurentian Fund	Development Campaign	Research Chair	Other	Year ended April 30	
				1989	1988
				Total	Total
\$ 99,119	\$ 133,202	\$ 78,195	\$ 25,063	\$ 510,516	\$ 356,659
	<u>1,023,016</u>		<u>1,872,003</u>	<u>3,193,900</u>	<u>2,720,058</u>
<u>99,119</u>	<u>1,156,218</u>	<u>78,195</u>	<u>1,897,066</u>	<u>3,704,416</u>	<u>3,076,717</u>
				239,378	264,622
		221,835	1,817,290	2,039,125	1,386,700
	<u>69,399</u>			<u>344,561</u>	<u>431,717</u>
	<u>69,399</u>	<u>221,835</u>	<u>1,817,290</u>	<u>2,623,064</u>	<u>2,083,039</u>
99,119	1,086,819	(143,640)	79,776	1,081,352	993,678
			(1,833)	124,313	19,286
99,119	1,086,819	(143,640)	77,943	1,205,665	1,012,964
<u>1,110,917</u>	<u>913,999</u>	<u>935,947</u>	<u>213,523</u>	<u>3,592,308</u>	<u>2,579,344</u>
<u>\$1,210,036</u>	<u>\$2,000,818</u>	<u>\$792,307</u>	<u>\$291,466</u>	<u>\$4,797,973</u>	<u>\$3,592,308</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN EXPENDABLE TRUST FUNDS

Schedule 2

SPONSORED RESEARCH

	Year ended April 30	
	1989	1988
Additions		
Investment income	\$ 8,171	\$ 12,877
Grants and other income	<u>2,349,536</u>	<u>2,453,997</u>
Academic expenditures	<u>2,357,707</u>	<u>2,466,874</u>
	<u>2,247,266</u>	<u>2,293,622</u>
Change in year before undernoted item	110,441	173,252
Interfund transfers	<u> </u>	<u>(25,000)</u>
NET CHANGE IN THE YEAR	110,441	148,252
Fund balance at beginning of year	<u>1,308,936</u>	<u>1,160,684</u>
FUND BALANCE AT END OF YEAR	<u>\$1,419,377</u>	<u>\$1,308,936</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN UNAPPROPRIATED OPERATING FUND BALANCES

Schedule 3

	Year ended April 30	
	1989	1988
Income and other additions		
Provincial grants		
Formula	\$22,701,884	\$19,441,861
Bilingual	2,392,000	2,289,000
Northern Ontario	3,681,375	3,559,941
School of Education supplement		161,403
Other	<u>2,413,147</u>	<u>3,366,074</u>
	31,188,406	28,818,279
Tuition fees	7,014,980	6,493,407
Interest	362,138	128,594
Miscellaneous	<u>875,960</u>	<u>776,747</u>
	<u>39,441,484</u>	<u>36,217,027</u>
Expenditures and other deductions		
Academic	25,008,494	24,653,654
Library	2,555,220	2,315,132
Student services and awards	767,296	711,105
Computer services	1,028,439	845,680
General and administrative	3,835,110	3,278,503
Physical plant	4,096,624	3,394,416
Development, public relations and community services	<u>748,562</u>	<u>748,378</u>
	<u>38,039,745</u>	<u>35,946,868</u>
Changes in year before undernoted items	1,401,739	270,159
Interfund transfers	<u>17,902</u>	<u>58,771</u>
Net change before appropriations	1,419,641	328,930
Appropriations		
Returned to fund balance	327,591	255,811
Created this fiscal year	<u>(1,332,382)</u>	<u>(327,591)</u>
NET CHANGE IN THE YEAR	414,850	257,150
Fund deficit at beginning of year	<u>(1,320,735)</u>	<u>(1,577,885)</u>
FUND DEFICIT AT END OF YEAR	<u>\$ (905,885)</u>	<u>\$(1,320,735)</u>

LAURENTIAN UNIVERSITY OF SUDBURY

SCHEDULE OF CHANGES IN UNAPPROPRIATED ANCILLARY ENTERPRISES FUND BALANCES

Schedule 4

	Year ended April 30			
	1989	1988		
	<u>Revenue</u>	<u>Expense</u>	<u>Net revenue (expense)</u>	<u>Net revenue (expense)</u>
Residences and conferences	\$1,731,094	\$1,780,372	\$(49,278)	\$ 58,516
Food services	147,678	86,262	61,416	13,122
Pub operations	500,704	502,537	(1,833)	16,656
Parking	68,487	59,475	9,012	(446)
Bookstore	1,808,080	1,754,799	53,281	63,232
Press	767,560	723,128	44,432	81,081
Fraser auditorium	<u>4,210</u>	<u>22,747</u>	<u>(18,537)</u>	<u>35</u>
Change in year before undernoted items	<u>\$5,027,813</u>	<u>\$4,929,320</u>	<u>98,493</u>	<u>232,196</u>
Other items				
Inter fund transfers			23,167	96,656
Net appropriations			<u>33,198</u>	<u>36,601</u>
			<u>56,365</u>	<u>133,257</u>
NET CHANGE IN THE YEAR			42,128	98,939
Fund balance at beginning of year			<u>367,923</u>	<u>268,984</u>
FUND BALANCE AT END OF YEAR			<u>\$410,051</u>	<u>\$367,923</u>

This is Exhibit “B” referred to in the Affidavit of Bobbie-Jo Brinkman sworn by Bobbie-Jo Brinkman of the City of Oshawa, in the Regional Municipality of Durham, before me at the City of Toronto, in the Province of Ontario, on March 28, 2022 in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A handwritten signature in black ink, appearing to be 'Derek Harland', written over a horizontal line.

Commissioner for Taking Affidavits (or as may be)

DEREK HARLAND

Bobbie-Jo Brinkman

From: Larry Theall <ltheall@theallgroup.com>
Sent: March 22, 2022 12:16 PM
To: Harris Kaplan
Subject: RE: Request for assistance - Laurentian University

Harris:

Thanks for letting me know.

Regards,

Lawrence G. Theall
LL.B., Q. Arb
 Partner*

The Exchange Tower	Direct	416-304-0884
130 King Street West	Cell	416-579-7839
Suite 2120	Main	416-304-0115
P.O. Box 227	Fax	416-304-1395
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*Practicing through Lawrence Theall Professional Corporation

From: Harris Kaplan <harris.kaplan@aon.ca>
Sent: Tuesday, March 22, 2022 11:58 AM
To: Larry Theall <ltheall@theallgroup.com>
Subject: RE: Request for assistance - Laurentian University

Hi Larry,

Your timing is very appropriate as my admin has actually been in the office last week and yesterday and attempted to locate anything that we could. Unfortunately we simply do not have records that date back to the timeline that you are seeking. I'm very sorry that we couldn't be of additional assistance.

Regards,
 Harris

Harris Kaplan | Chief Counsel
 Aon Canada
 20 Bay Street | Suite 2300 | Toronto, ON M5J 2N9
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harris.kaplan@aon.ca | aon.ca

From: Larry Theall <ltheall@theallgroup.com>
Sent: March 22, 2022 10:19 AM
To: Harris Kaplan <harris.kaplan@aon.ca>
Subject: RE: Request for assistance - Laurentian University

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ALERTE: Ce courriel provient de l'extérieur du réseau d'Aon. **SOYEZ PRUDENT** avant de cliquer sur un lien ou une pièce jointe.

Harris:

My client has asked me to follow up to see if your team has had any luck finding any information. The claimant has been demanding production, failing which they intend to bring a motion before the Superior Court of Justice.

It would be helpful if we could advise the claimant's counsel on what information, if any, Aon has been able to find.

Thanks again for your assistance.

Regards,

Lawrence G. Theall
LL.B., Q. Arb
 Partner*

The Exchange Tower	Direct	416-304-0884
130 King Street West	Cell	416-579-7839
Suite 2120	Main	416-304-0115
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*Practicing through Lawrence Theall Professional Corporation

From: Harris Kaplan <harris.kaplan@aon.ca>

Sent: Thursday, March 3, 2022 1:54 PM

To: Larry Theall <ltheall@theallgroup.com>

Subject: RE: Request for assistance

Hi Larry,

Thanks for the follow up, I can assure you that I am not ignoring you, but finding a record from the 1970's is somewhat of a needle in a haystack, assuming such record even exists. This is most likely outside of our record retention period and therefore, it is unlikely that we have anything here, but I am making inquiries internally and will revert back once I have an answer for you. We have had similar requests before for periods from the 1970s and prior and generally are unable to locate any actual records to assist. Regardless, I will be in touch.

Regards,
 Harris

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From: Larry Theall <ltheall@theallgroup.com>
Sent: March 3, 2022 10:08 AM
To: Harris Kaplan <harris.kaplan@aon.ca>
Subject: Request for assistance

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Harris:

I am writing further to Brian Rosenbaum's email March 1, 2022.

We are coverage counsel for Laurentian University. It is trying to identify a CGL policy issued in the 1970s. Laurentian has been able to find the relevant policies, but it was able to identify that Aon's predecessor was its broker during that time period.

We have been asked to make inquiries with respect to what records, if any, Aon might have.

Could you please direct me to whoever would be the person best positioned to respond to this inquiry.

Regards,

Lawrence G. Theall
LL.B., Q. Arb
 Partner*

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Court File No. 21-CV-656040-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF **LAURENTIAN UNIVERSITY OF SUDBURY**

Court File No.: CV-21-656040-00CL

ONTARIO
**SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

Proceedings commenced at Toronto

**RESPONDING MOTION RECORD
(Returnable April 1, 2022)**

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