

LAKEHEAD UNIVERSITY

Index to Financial Reports
at April 30, 1972

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LAKEHEAD UNIVERSITY

Comments on Financial Report for the Year Ended April 30, 1972

General

The fiscal year of Ontario universities was changed to April 30th commencing in 1972; therefore, no comparative figures have been incorporated in the reports.

Operating

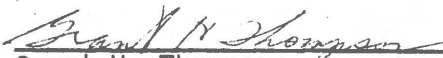
Due in part to the change of year end and seeing the possibility of future deficits, the University adopted a policy of budgeting for a 22 month period, July 1, 1971 to April 30, 1973. It was estimated that a sizeable deficit would occur in the year ending April 30, 1973 (see budget page 11); therefore, we budgeted for an excess of income over expenditures of approximately \$560,000 to be appropriated for future years. Our financial statements show an appropriation of \$596,704.

Capital and Development Fund

The two major capital projects consisted of the additions to the Athletic complex and the construction of an academic building. The total assets of the university increased by \$4,822,468 during the period and unexpended capital funds increased by \$249,000. This increase was made up primarily of development fund receipts and interest earned on investments. The supporting schedule of "Commitment on Unexpended Capital Funds" (Page 13) shows that an estimated free balance of \$374,000 could result at April 30, 1973.

Scholarship Fund

No additional endowment funds were received during the period, but we were able to increase our total fund by way of changes in our investment policy. The increase in expendable funds amounted to \$5,152.


Grant H. Thompson
Comptroller

LAKEHEAD UNIVERSITY

Statement 1

(Incorporated by Special Act of the Province of Ontario)

BALANCE SHEET

APRIL 30, 1972

ASSETS

Accounts receivable	\$ 192,522
Inventory of books for resale, at cost	120,872
Prepaid expenses	10,712
Investments, at cost (which approximates market value)	1,325,000
Accrued interest	32,773
Deferred charges	13,050

1,694,929

Unexpended funds:

Accounts receivable	1,351
Federal sales tax recoverable	145,480
Accrued interest	19,213
Investments, at cost (which approximates market value)	1,465,000
Due from operating fund	17,955

1,648,999

Capital projects

Completed	32,850,596
Uncompleted	10,759,464

43,610,060

45,259,059

Cash	616
Loans receivable	5,245
Investments	396,844

402,705

\$47,356,693

LIABILITIES

Due to bankers	\$ 44,487
Due to building fund	17,955
Accounts payable and accrued charges	501,224
Purchase commitments	132,465
Deferred revenue	63,536
Due to Department of Colleges and Universities	<u>151,000</u>

910,657

125,000

15,373

41,470

596,704

5,715

1,694,929

Provision for study and sabbatical leave
Provision for Biology Station
Provision for repairs and replacements - residence
Appropriation for future years
Surplus - Statement 2

PLANT FUND

Due to bankers	9,899
Accounts payable	843,277
Debentures payable	28,660,545
Mortgages payable	2,531,983
Note payable	45,000

32,090,704

Equity in capital projects - Statement 4

13,168,355

45,259,059

SCHOLARSHIP TRUST AND ENDOWMENT FUND

Scholarship, endowment and loan funds	355,453
Expendable funds	46,252

402,705

\$47,356,693

LAKEHEAD UNIVERSITYSTATEMENT OF OPERATING REVENUE AND EXPENDITURE AND SURPLUSFOR THE YEAR ENDED APRIL 30, 1972

(10 month period)

Revenue:	
Provincial government grants - operating	\$ 6,867,622
- debenture interest	<u>1,408,397</u>
	<u>8,276,019</u>
Fees:	
Tuition	<u>1,847,183</u>
Assisted research	<u>293,795</u>
Other:	
Interest	71,074
Sundry	<u>59,655</u>
	<u>130,729</u>
Total revenue	<u>10,547,726</u>
Expenditures - Schedule 1:	
Academic	5,971,676
Administration	842,126
Plant	1,054,399
Student services	52,407
Assisted research	293,795
Debenture interest	1,408,397
Other	<u>194,537</u>
Total operating expenditures	9,817,337
Provision for sabbatical and study leave	<u>25,000</u>
	<u>9,842,337</u>
Surplus for year before ancillary	705,389
Ancillary enterprises - Schedule 2	
Deficit for year	<u>(92,316)</u>
Surplus for year	613,073
Deficit at beginning of year	<u>(10,654)</u>
Surplus before appropriation for future years	602,419
Appropriation for future years	<u>596,704</u>
Surplus at end of year	\$ <u><u>5,715</u></u>

LAKEHEAD UNIVERSITY
STATEMENT OF SCHOLARSHIP, TRUST AND ENDOWMENT FUNDS
FOR THE YEAR ENDED APRIL 30, 1972
(10 month period)

Balance at beginning of year	<u>\$383,126</u>
Receipts:	
Scholarship and endowment	18,949
Interest	16,502
Transfer from operating fund	<u>16,695</u>
	<u>52,146</u>
Total funds available	<u>435,272</u>
Disbursements:	
Scholarships and bursaries	27,158
Endowment - Scholarships	3,241
- Faculty grants	1,418
Administrative expense	<u>750</u>
	<u>32,567</u>
Balance at end of year	<u><u>\$402,705</u></u>

SUMMARY

Principal of trust and endowment funds	\$356,453
Expendable funds	<u>46,252</u>
	<u><u>\$402,705</u></u>

LAKEHEAD UNIVERSITY
STATEMENT OF EQUITY IN CAPITAL PROJECTS
FOR THE YEAR ENDED APRIL 30, 1972
(10 month period)

Balance at beginning of year	\$11,882,802
Furniture, equipment, library books from operating	657,917
Grants from Province of Ontario Principal on debentures	288,821
Development Fund and Capital Donations	229,180
Transfer from Operating Fund Mortgage and loan principal Computer	4,662 34,238
Interest on investments	68,250
Rentals - Mall and other	<u>8,924</u>
	<u>13,174,794</u>
Deduct:	
Development Fund expenses	3,054
Other expenses	<u>3,385</u>
	<u>6,439</u>
Balance at end of year	<u><u>\$13,168,355</u></u>

LAKEHEAD UNIVERSITYNOTES TO FINANCIAL STATEMENTSAPRIL 30, 19721. Debentures Payable

The debentures payable balance of \$28,660,545 represents debentures issued to the Ontario Universities Capital Aid Corporation.

The debentures are redeemable over a thirty year period from date of issue through blended payments of principal and interest at rates which vary from 5½% to 8½%. As the payments of principal and interest fall due, the Ontario Ministry of Colleges and Universities is granting funds to the University in the amount of the annual payment, and accordingly no accrued interest has been provided nor has the current portion payable been shown separately in the accompanying statements.

2. Campaign Funds

Collections of \$175,693 on the Development Fund in the year under review have been included in the statement of Equity in Capital Projects on the accompanying financial statements. The amount the University will receive on outstanding pledges is \$1,105,000. No provision is included for possible pledge cancellations. Accordingly, collections will be credited to Equity in Capital Projects as they are received.

3. Commitments

The liabilities do not include the cost of completing and furnishing projects under construction. Capital projects for which final approval have been received are expected to require approximately \$2,100,000 to complete. A balance of \$1,695,500 in provincial grants, relative to these projects was outstanding at April 30, 1972.

In addition \$70,649 has been expended upon contracts for which final approval has not been received and on which the University has received advances on grants of \$67,000. Budgeted costs of these projects amount to \$978,100 which are expected to be financed in full from provincial grants. (See Schedule 4).

4. Contingent Liability

The University has guaranteed and is contingently liable in the amount of \$142,791 for bank loans to employees for their first residence.

5. Comparative Figures

Comparative figures for 1971 have not been incorporated due to the change in the financial year to April 30th.

6. Expenses allocated to Ancillary Enterprises

Certain shared expenses have been allocated to ancillary enterprises on an estimated basis. More precise methods of allocation are being researched and should be instituted in the coming year. However, it is not expected that any change in the method of allocation will result in a material retroactive adjustment to operating results of ancillary enterprises.

LAKEHEAD UNIVERSITYSCHEDULE OF OPERATING EXPENDITURESYEAR ENDED APRIL 30, 1972

Academic:

Salaries	\$3,988,996
Pension and fringe benefits	295,047
Instructional supplies and sundry	496,463
Library - books and sundry	327,560
Library - salaries	327,089
Travel	140,167
Moving	29,812
Computer	190,684
Audio-Visual Aids	47,517
Study leave	128,341
	<u>\$5,971,676</u>

Administration:

Salaries	\$ 518,708
Pension and fringe benefits	47,318
Computer	190,684
Other expenses	85,416
	<u>\$ 842,126</u>

Plant:

Salaries and wages	\$ 627,504
Pension and fringe benefits	54,781
Maintenance and sundry	116,854
Heat, light and water	226,842
Insurance	28,418
	<u>\$1,054,399</u>

Student services

\$ 52,407

Assisted research

\$ 293,795

Debenture interest

\$ 1,408,397

Other:

Convocation	\$ 1,670
Sundry	119,617
Municipal taxes	73,250
	<u>\$ 194,537</u>

LAKEHEAD UNIVERSITY
ANCILLARY ENTERPRISES
SCHEDULE OF SURPLUS (DEFICIT)
YEAR ENDED APRIL 30, 1972
 (10 month period)

	<u>Current Income</u>	<u>Current Expense</u>	<u>Surplus (Deficit)</u>
Residence	\$661,428	\$656,676	\$ 4,752
Bookstore	53,911	61,165	(7,254)
Cafeteria	13,331	16,608	(3,277)
Athletics	66,127	152,664	(86,537)
Parking	<u>22,082</u>	<u>22,082</u>	<u>-</u>
	<u>\$816,879</u>	<u>\$909,195</u>	<u>\$(92,316)</u>

NOTE: Parking expense includes \$769 representing revenue deferred for the 1971/72 year.

LAKEHEAD UNIVERSITYSCHEDULE OF CAPITAL PROJECTSAPRIL 30, 1972

	Cost at June 30, 1971	Additions	Transfers	Cost at April 30, 1972
<u>Completed Projects</u>				
Land	\$ 256,571	\$ 81,190	\$ 53,896	\$ 391,657
Site development	1,841,208			1,841,208
Buildings	19,459,468	17,451	3,424,334	22,901,253
Furniture and equipment	3,744,268	37,746	47,389	3,829,403
Capital expenditures from operating - Library books and equipment	<u>3,229,158</u>	<u>657,917</u>		<u>3,887,075</u>
	<u>28,530,673</u>	<u>794,304</u>	<u>3,525,619</u>	<u>32,850,596</u>
<u>Uncompleted Projects</u>				
No. 8 - Library addition	1,236,914	74,469		1,311,383
No. 17 - Property acquisition	106,709			106,709
No. 19 - University Centre extension	3,466,245	5,478	(3,471,723)	
No. 24 - 480 bed residence	2,866,102	31,786		2,897,888
No. 25 - Athletic building - Phase I	353,216	166,923		520,139
No. 28 - Site services - 1969	667,204	57,667		724,871
No. 30 - Powerhouse - 1970	250,559	5,494		256,053
No. 32 - Academic building	620,996	1,540,447		2,161,443
No. 33 - Site services - 1970	210,940	215,218		426,158
No. 34 - Site services - 1971	200			200
No. 35 - Utilities extension	164,587	57,704		222,291
No. 37 - Powerhouse equipment	102,558	553,567		656,125
No. 38 - Athletic building - Phase II	53,705	921,162		974,867
No. 39 - Temporary accommodation	59	101,582		101,641
No. 40 - Alterations (Faculty of Education)		203,433		203,433
No. 42 - Land acquisition	58,896	(5,000)	(53,896)	
No. 43 - Alterations	98,029	94,642		192,671
- 100 bed residence 1972		<u>3,592</u>		<u>3,592</u>
	<u>\$10,256,919</u>	<u>\$ 4,028,164</u>	<u>\$(3,525,619)</u>	<u>\$10,759,464</u>
	<u>\$38,787,592</u>	<u>\$ 4,822,468</u>		<u>\$43,610,060</u>

(not audited)

LAKEHEAD UNIVERSITY

Schedule 4

SCHEDULE OF UNCOMPLETED PROJECTS AT APRIL 30, 1972

	1	2	3	4	5	6	7	8
	Approved Budget	Expenditures to April 30/72 incl. acct. pay.	Balance to Complete 1 - 2	Accounts Payable	Remaining cost incl. acct. pay. 3 + 4	Approved Grant	Received	Grants Receivable 6 - 7
<u>PROJECTS WITH FINAL APPROVAL</u>								
LAK 8 Library addition	1,467,880	1,311,383	156,497		156,497	1,247,700	1,247,700	
17 Property acquisition	120,000	106,709	13,291		13,291	114,000	114,000	
19 University Centre	3,470,574	3,471,723	(1,149)		(1,149)	3,297,100	3,297,100	
24 New residence	(591,000	576,042	14,958		14,958	561,500	561,500)	
New residence mortgage	(2,321,846					2,321,846	2,321,846)	
28 Site services 1969	<u>801,695</u>	<u>724,871</u>	<u>76,824</u>	<u>817</u>	<u>77,641</u>	<u>761,700</u>	<u>761,700</u>	
	<u>8,772,995</u>	<u>8,512,574</u>	<u>260,421</u>	<u>817</u>	<u>261,238</u>	<u>8,303,846</u>	<u>8,303,846</u>	<u>0</u>
25 Athletic Building - Phase I	548,000	520,139	27,861	7,507	35,368	548,000	548,000	
30 Powerhouse 1970	259,000	256,053	2,947		2,947	259,000	259,000	
32 Academic building	2,513,400	2,161,443	351,957	399,533	751,490	2,513,400	1,761,200	752,200
33 Site services 1970	374,500	359,301	15,199	15,199		374,500	374,500	
35 Utilities extension	328,500	222,291	106,209	2,643	108,852	328,500	231,000	97,500
37 Powerhouse equipment	981,500	656,125	325,375	99,685	425,060	861,500	594,600	266,900
38 Athletic Building - Phase II	1,842,900	974,867	868,033	290,320	1,158,353	1,208,000	709,000	499,000
39 Temporary accommodation	102,800	101,641	1,159		1,159	102,800	102,800	
40 Alterations (Faculty of Education)	240,800	203,432	37,368	27,573	64,941	240,800	174,000	66,800
42 Property acquisition	53,900	53,896	4		4	53,900	53,900	
43 Alterations	<u>212,100</u>	<u>192,670</u>	<u>19,430</u>		<u>19,430</u>	<u>212,100</u>	<u>199,000</u>	<u>13,100</u>
	<u>7,457,400</u>	<u>5,701,858</u>	<u>1,755,542</u>	<u>842,460</u>	<u>2,567,604</u>	<u>6,702,500</u>	<u>5,007,000</u>	<u>1,695,500</u>
<u>PROJECTS WITHOUT FINAL APPROVAL</u>								
33 Site services 1970	409,600	66,857	342,743		342,743	409,600	67,000	342,600
34 Site services 1971	325,000	200	324,800		324,800	325,000		325,000
37 Powerhouse equipment	243,500		243,500		243,500	243,500		243,500
100 bed residence 1972		<u>3,592</u>	<u>(3,592)</u>		<u>(3,592)</u>			
	<u>978,100</u>	<u>70,649</u>	<u>907,451</u>	<u>0</u>	<u>907,451</u>	<u>978,100</u>	<u>67,000</u>	<u>911,100</u>
	<u>17,208,495</u>	<u>14,285,081</u>	<u>2,923,414</u>	<u>843,277</u>	<u>3,736,294</u>	<u>15,984,446</u>	<u>13,377,846</u>	<u>2,606,600</u>

LAKEHEAD UNIVERSITY
PROJECTED OPERATING REVENUE 1972/73

	1972/73 Official <u>Projection</u>	1972/73 June 10 <u>Revised</u>
Full-time equivalent students	<u>3,775</u>	<u>3,644</u>
Basic income units	<u>5,116</u>	<u>5,017</u>
Unit value	\$ <u>1,765</u>	\$ <u>1,765</u>
Basic operating income	9,029,740	8,855,005
Emerging grant	<u>715,000</u>	<u>833,000</u>
	\$ 9,744,740	\$ 9,688,005
Less formula fees	<u>2,026,055</u>	<u>1,975,080</u>
Net grant	7,718,685	7,712,925
Add: Tuition fees	2,248,500	2,150,000
Sundry	<u>20,000</u>	<u>20,000</u>
Estimated income	\$ <u><u>9,987,185</u></u>	\$ 9,882,925
Estimated expense per Exhibit "A"		<u>10,451,949</u>
Deficit		\$ (569,024)
Add: Appropriation from prior year		<u>596,704</u>
Appropriation for subsequent years		\$ <u><u>27,680</u></u>

LAKEHEAD UNIVERSITY
PRELIMINARY OPERATING BUDGET 1972/73

ACADEMIC

Salaries - academic	\$ 4,158,143
Salaries - non-academic	654,630
Pension and fringe benefits	352,705
Instructional supplies and sundry	575,498
Library - books and sundry	339,122
Library - salaries	450,191
Travel	129,900
Moving	15,500
Computer	227,240
Media Services	48,782
Study leave	161,559
Contingency - durables	167,965
Total	<u>\$ 7,281,235</u>

ADMINISTRATION

Salaries	\$ 722,513
Pension and fringe benefits	74,283
Computer	227,239
Other expenses	185,047
Total (including durables \$12,000)	<u>\$ 1,209,082</u>

PLANT

Salaries	\$ 932,661
Pension and fringe benefits	70,170
Maintenance and sundry	32,821
Heat, light and water	455,000
Insurance	26,000
Total (including durables of \$45,000)	<u>\$ 1,516,652</u>

STUDENT SERVICES (including durables of \$200)\$ 72,480OTHER

Convocation	\$ 2,400
Sundry	10,100
Contingencies - Graduate students	\$ 50,000
- General university	<u>200,000</u>
Ancillary	110,000
	<u>\$ 372,500</u>

TOTAL UNIVERSITY BUDGET

\$10,451,949ACADEMIC ALLOCATIONS

Faculty of Arts	\$ 2,013,647
Faculty of Science	1,527,388
Faculty of University Schools	1,456,301
Faculty of Education	598,540
Summer School	491,375
Indirect academic (Library, Computer, Media Services, etc.)	<u>1,193,984</u>
	<u>\$ 7,281,235</u>

LAKEHEAD UNIVERSITY

COMMITMENT ON UNEXPENDED CAPITAL FUNDS

			\$.000's
Unexpended funds at June 30, 1971			\$1,390
Add: Receipts for period	\$3,950		
Less: Purchase of fixed assets	<u>3,701</u>		<u>249</u>
Unexpended funds at April 30, 1972			\$1,639
Deduct commitment on uncompleted projects			
Pre-Formula			
LAK 8 Library	\$ 156		
LAK 17 Property acquisition	13		
LAK 24 New residence	15		
LAK 28 Site services	77		
Formula (current projects)	60		
Non-Formula (current projects)	194		
Athletic Building Phase II	635		
Powerhouse equipment	<u>120</u>		<u>1,270</u>
			\$ 369
Planned expenditures for 1972/73			
Alterations - Faculty of Education Building	10		
Alterations - Main Building	20		
Renovations and equipment - Engineering & Forestry	100		
Utility metering	50		
President's residence	<u>50</u>		<u>230</u>
			\$ 139
Add:			
Estimated Development Fund receipts for 1972/73	145		
Interest and other revenue for 1972/73	<u>90</u>		<u>235</u>
Estimated uncommitted funds at April 30, 1972			\$ <u><u>374</u></u>

NOTE: The estimated cash flow for the year is \$2,606,600, but the Government Grants anticipated at this time amount to \$1,959,000. Temporary borrowing may be required for this difference.

CAPITAL REPORT

OUTLINE OF CAPITAL WORK TO BE DONE 1972-1973 FISCAL YEAR

LAK 28 LIBRARY ADDITION

After non-library users vacate the Library Building the ground floor and 4th. floor have to be remodelled to accommodate Library usage. The ground floor will be Library service areas while the 4th. floor will be readers space.

LAK 17 PROPERTY ACQUISITION

See LAK 33

LAK 24 RESIDENCE

Upgrade heating and electrical systems to provide adequate controls.

LAK 28 SITE SERVICES 1969

See LAK 33

LAK 25 ATHLETIC BUILDING EXTENSION PHASE I

Completion of Project

LAK 32 ACADEMIC BUILDING

Completion of Project

LAK 33 SITE SERVICES & DEVELOPMENT 1970

This project combined with LAK 17 and LAK 28 will provide exterior lighting, road paving, walkways, landscaping and planting on the entire campus. The main areas of work will be adjacent to the Field House, Academic Building, Power House, Faculty of Education and Library with the major roads all being paved. The bulk of this work should be completed by the fall of this year.

LAK 35 UTILITIES EXTENSION

Completion of Project

LAK 37 POWER HOUSE EQUIPMENT

Completion up to partial approval.
Balance (central control system) scheduled for
1973-1974 fiscal year.

LAK 38 ATHLETIC BUILDING EXTENSION PHASE II

Completion of Project

LAK 39 TEMPORARY STRUCTURE

Completion of Project

LAK 40 ALTERATION & ADDITION FACULTY OF EDUCATION BLDG

Completion of Project

LAK 43 ALTERATIONS 1970-1971

Completion of Project

PROPOSED ADDITIONAL CAPITAL WORK TO BE DONE
1972-1973 FISCAL YEAR

1) CENTENNIAL BUILDING RENOVATIONS

The new programmes in Forestry and Engineering will necessitate extensive renovations which along with furniture and equipment will require an appropriation of \$100,000.

2) UTILITY METERING

In order to properly assess the cost of operation of Residences, Regional School of Nursing, Cafeteria, etc., it is desirable to metre all the utilities at several points on campus. This will require an appropriation of \$50,000.

3) PRESIDENT'S RESIDENCE

Purchase of Residence.
This will require an appropriation of \$50,000.

4) FACULTY OF EDUCATION

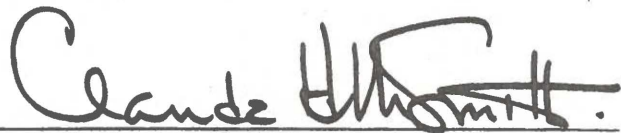
- (a) Dean's Office
- (b) Storage Area for Gymnasium

This will require an appropriation of \$10,000.

5) MAIN BUILDING

- (a) Physical Planning & Construction Office Area
- (b) Media Services Office & Work Area

This will require an appropriation of \$20,000.



CLAUDE H. M. SMITH, CHIEF,
PHYSICAL PLANNING & CONSTRUCTION.

JUNE 13, 1972

LAKEHEAD UNIVERSITY
STATEMENT OF DEVELOPMENT FUND
FOR THE YEAR ENDED APRIL 30, 1972
(10 month period)

Pledges after write-offs to June 30, 1972		\$3,703,272
Pledge increases	\$ 50,127	
Pledge decreases	<u>36,776</u>	<u>13,351</u>
		\$3,716,623
Deduct payments - to June 30, 1972	2,382,434	
- year ended April 30, 1972		
- pledges	177,943	
- capital donations	<u>51,246</u>	<u>2,611,623</u>
Pledges receivable as at April 30, 1972		\$1,105,000
Less: City of Thunder Bay		<u>780,000</u>
Other pledges receivable		\$ <u><u>325,000</u></u>

Estimated Receipts - Future Years

1972 - 1973	\$ 145,000	
1973 - 1974	138,000	
1974 - 1975	118,000	
1975 - 1976	104,000	
1976 - 1977	110,000	
1977 - 1981	<u>430,000</u>	
	\$1,045,000	
Estimated cancellations	<u>60,000</u>	\$ <u><u>1,105,000</u></u>