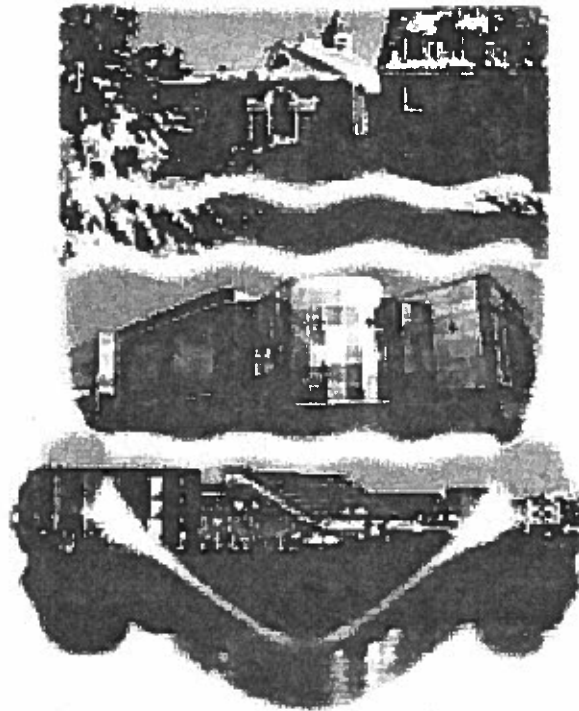


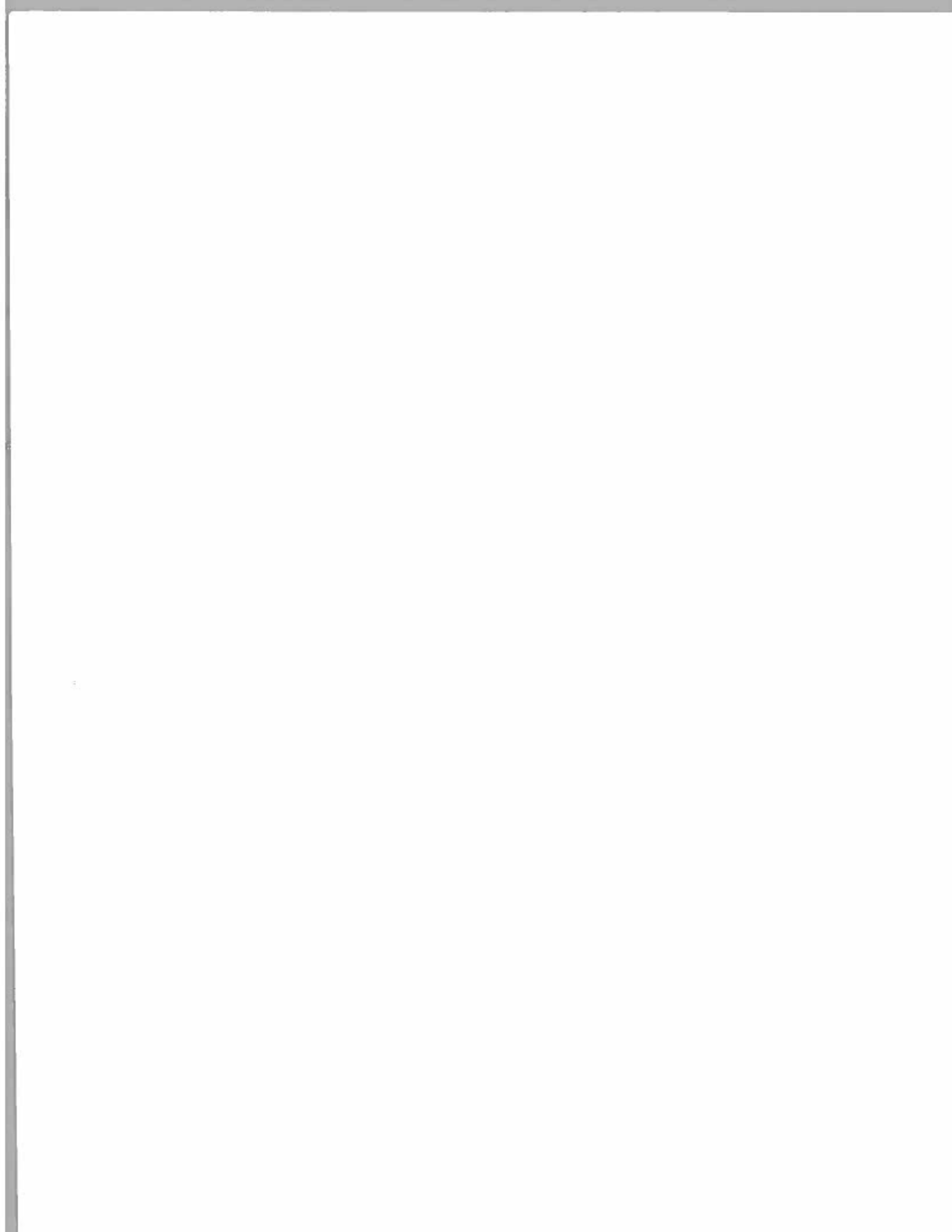


**Memorial**  
University of Newfoundland



Consolidated Financial Statements with Supplementary Schedules of  
**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**

Year ended March 31, 1999





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## AUDITORS' REPORT TO THE BOARD OF REGENTS OF MEMORIAL UNIVERSITY OF NEWFOUNDLAND

We have audited the consolidated statement of financial position of Memorial University of Newfoundland (the "University") as at March 31, 1999, the consolidated statements of operations, statement of changes in net assets and cash flows for the year then ended. These consolidated financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

The University has excluded from liabilities and fund balances certain obligations with respect to vacation and service entitlements and tuition and residence fee revenues as described in note 3 that, in our opinion, should be recorded to conform with generally accepted accounting principles.

In our opinion, except for the effects on the consolidated financial statements of the matters referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at March 31, 1999, and the results of its operations and the changes in cash flows for the year then ended in accordance with generally accepted accounting principles.

*KPMG LLP*

Chartered Accountants  
St. John's, Canada  
May 21, 1999



# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

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### 1. Authority and Purpose:

Memorial University of Newfoundland (the University) is a corporation operating under the authority of the *Memorial University of Newfoundland Act*. It is a comprehensive research university offering a full range of undergraduate, graduate and continuing studies programs; the academic governance of the University is vested in the Senate. The University is a not-for-profit entity, governed by a Board of Regents, the majority of whom are appointed by the Province of Newfoundland. The University is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

### 2. Significant Accounting Policies:

#### General:

These financial statements have been prepared in accordance with generally accepted accounting principles, except for accrual of obligations for vacation and service entitlements and tuition and residence fee revenues as described in Note 3. The accounting principles are summarized below:

#### (a) Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

#### (b) Consolidated statements:

These financial statements have been prepared on a consolidated basis reporting the operations and the financial position of the University and the following related not-for-profit organizations:

- C-Core - Centre for Cold Ocean Resources Engineering
- The Canadian Centre for Marine Communications (CCMC)
- The Canadian Centre for Fisheries Innovation (CCFI)
- Seabright Corporation Limited
- The Memorial University of Newfoundland Art Gallery Incorporated
- The Memorial University of Newfoundland Botanical Garden Incorporated
- Canada Games Park 1995 Incorporated

# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

### 2. Significant accounting policies (cont'd):

#### (c) Revenue recognition:

The University follows the deferral method of accounting for contributions which includes donations and government grants.

The University receives grants and donations from a number of different sources to cover operating, research and capital expenditures. The operating portions of the grants are recorded as revenue in the period to which they relate. The capital portions of grants are recorded as a deferred contribution and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

During the year the grant revenue from the Province of Newfoundland has been recorded as follows:

	1999	1998
	\$	\$
Total Provincial Government Grant	116,642	119,879
Less portion restricted for capital expenditures	8,371	7,978
<b>Net Provincial Government Grant</b>	<b>108,271</b>	<b>111,901</b>

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized.

Endowment contributions are recognized as direct increases in endowment net assets.

Revenues from tuition and residence fees are recognized on a modified cash basis. Revenues from contracts and sales are recognized when the services are provided or the goods are sold.

## MEMORIAL UNIVERSITY OF NEWFOUNDLAND

### Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

#### 2. Significant accounting policies (cont'd):

##### (d) Contributed services:

A substantial number of volunteers contribute a significant amount of their time to the University each year. Because of the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

##### (e) Investments:

The carrying amounts (cost values) and fair values of investments are summarized as follows:

	1999		1998	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	\$	\$	\$	\$
Fixed income securities	27,147	27,546	31,456	33,163
Equity securities	10,494	9,719	9,423	10,647
	37,641	37,265	40,879	43,810

Fair values have been determined on the basis described in note 12 and are considered to approximate market values.

Details of significant terms and considerations, exposures to interest rate and credit risks on investments are as follows:

- (i) The quality of fixed income securities is supported by federal, provincial and municipal government guarantees or high quality corporate bonds. No significant weightings exist within the corporate bond category that would pose any material credit rate risk to the University.
- (ii) Interest rates on the fixed income securities range from 5.25% to 9.75%, with maturities that range from 1999 to the year 2010.
- (iii) The income earned on the securities is used to pay scholarships and fund endowed chairs. Expenditure levels on these activities are determined based on the performance of the investments.

# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

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### 2. Significant accounting policies (cont'd):

(f) Capital assets:

Purchased capital assets (except art collection assets) are recorded at cost. Donated capital assets (except art collection assets) are recorded at fair value at the date of acquisition. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

The University's permanent art collection is expensed as incurred and the value of donated art is not recognized in these financial statements.

Capital assets are amortized using the following rates. One half year's amortization is taken in the year of acquisition and no amortization in the year of disposal.

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Buildings	8% declining balance
Furniture and Equipment	20% declining balance
Computers	30% declining balance
Vehicles	30% declining balance
Campus Network	20% declining balance
Library Collection	10 years straight line

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(g) Pension costs and obligations:

The employees of the University participate in a defined benefit pension plan administered under the Memorial University (Pensions) Act with any deficiencies being guaranteed by the Province of Newfoundland. Payments to the pension plan consist of contributions from the employees and contributions from the University as prescribed by the Pension Benefits Act (1997). The University's contributions to the pension plan are recorded as an expenditure within the Statement of Operations.

## MEMORIAL UNIVERSITY OF NEWFOUNDLAND

### Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

#### 3. Vacation and Service Entitlements and Tuition and Residence Fees:

It is the practice of the University to account for vacation and service entitlements and tuition and residence fees on a cash basis.

The Canadian Institute of Chartered Accountants (CICA) has determined that for fiscal years commencing on or after January 1, 1989, the accounting principles in the CICA Handbook should apply to all not-for-profit corporations including universities. CICA principles require accrual of these obligations.

If the University had recorded these obligations in accordance with CICA principles it would have recognized accrued liabilities for severance and vacation entitlements in the amount of \$15,268 and unearned revenue in the amount of \$2,568. This change would have had the effect of decreasing the net assets in the beginning of 1998 by \$17,836.

During the year, liabilities in the amount of \$1,484 (1998 - \$1,380) would have been recorded and expenditures in the amount of \$940 (1998 - \$1,766) would have been recorded and revenues in the amount of \$544 (1998 - (\$386)) would have been reduced (increased). The net effect on the expenses over revenue for the current year would have been \$1,484 (1998 - \$1,380).

The University has not accrued these amounts as Management and the Board of Regents strongly believes that the recognition of these obligations should coincide with the annual funding required to meet these obligations.

#### 4. Capital Assets:

			1999	1998
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
	\$	\$	\$	\$
Buildings	123,942	53,316	70,626	57,609
Furniture and Equipment	15,934	7,670	8,264	5,136
Computers	5,773	1,722	4,051	2,568
Vehicles	215	62	153	103
Campus Network	1,731	519	1,212	1,558
Library Collection	64,334	37,770	26,564	26,629
	211,929	101,059	110,870	93,603



# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

### 5. Deferred Contributions:

#### (a) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations for research and programs.

	1999	1998
	\$	\$
Balance, beginning of year	22,661	19,635
Revenue received during the year	26,264	24,481
Expenses incurred during the year	20,672	21,455
	<u>28,253</u>	<u>22,661</u>

#### (b) Capital assets:

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

	1999	1998
	\$	\$
Balance, beginning of year	93,802	87,898
Additional contributions received	27,036	16,037
Less amounts amortized to revenue	(12,535)	(10,133)
	<u>108,303</u>	<u>93,802</u>

The balance of deferred capital contributions related to capital assets consists of the following:

	1999	1998
	\$	\$
Unamortized deferred capital contributions	107,877	90,639
Unspent capital contributions	426	3,163
	<u>108,303</u>	<u>93,802</u>

# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

### 5. Deferred Contributions (cont'd):

#### c) Total deferred contributions:

	1999	1998
	\$	\$
Expenses of future periods	28,253	22,661
Capital assets	108,303	93,802
	<u>136,556</u>	<u>116,463</u>

### 6. Net Assets:

#### (a) Restricted for endowment purposes:

The University has total restricted net assets for endowment purposes of \$36,686 (1998 - \$30,512) consisting of internally and externally restricted assets. Restricted assets of \$28,776 (1998 - \$22,858) are subject to externally imposed restrictions requiring the principal to be maintained intact. Additional externally restricted assets of \$1,010 (1998 - \$899) are subject to externally imposed restrictions requiring that the principal be loaned to students and, subject to the collection success, the principal is to be maintained intact. In addition, the General University Endowment fund of \$6,900 (1998 - \$6,755) is an internally restricted endowment asset created by the Board of Regents and the principal is not available for other purposes without their approval. Investment income on the assets externally restricted are restricted as stipulated. Investment income on the internally restricted endowment is recorded as unrestricted income in the Consolidated Statement of Operations and any unspent income is recapitalized to preserve the principal.

#### (b) Unrestricted net assets:

The University has unrestricted net assets consisting of the following:

	1999	1998
	\$	\$
Net assets internally restricted for specific purposes	3,445	6,737
Net assets invested in related entities	3,418	2,978
Net assets invested in VERIP (note 9)	(6,495)	(6,580)
Unrestricted operating net assets	1,445	(345)
	<u>1,813</u>	<u>3,480</u>

All unrestricted income is reported in the Consolidated Statement of Operations.

## MEMORIAL UNIVERSITY OF NEWFOUNDLAND

### Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

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#### 7. Capital Commitments and Contingencies:

##### Capital Leases:

The University has entered into a number of capital lease arrangements with the Royal Bank of Canada. These lease arrangements provide for the acquisition of a number of capital assets which included a major project in 1997 for a campus network. The assets are being financed over various remaining terms up to four years. The required repayments in the next four years are \$913, \$655, \$421, and \$84.

##### Capital Construction Commitment:

The University has commenced a major capital project to construct the new Student Centre. This project is being fully funded from the proceeds of the Opportunity Fund Campaign. Total construction costs are \$16.5 million with \$12.1 million expended to March 31, 1999. The remaining \$4.4 million will be expended during 1999.

##### Contingencies:

###### (a) Reciprocal Exchange of Insurance Risks:

The University, in association with forty-two Canadian universities, participates in a reciprocal exchange (CURIE) of insurance risks. 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.

The projected cost of claims will be funded through members' premiums based on actuarial projections. As of December 31, 1998, CURIE has a surplus of \$10.9 million, of which the University's prorata share is approximately 3% on an ongoing basis. In addition, the reciprocal has obtained \$645 million re-insurance with commercial insurers to cover major property claims in excess of \$5 million per occurrence.

In respect of General Liability, the limit is \$20 million per occurrence. Re-insurance for liability coverage in the amount of \$15 million in excess of a \$5 million per occurrence retention is in place.

In the event premiums are not sufficient to cover claim settlements, the member universities would be subject to an assessment in proportion to their participation.

# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

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### 7. Capital Commitments and Contingencies (cont'd):

#### (b) Guarantee of loan for Council of Students' Union:

In 1994 the Board of Regents, with the authorization of the Province of Newfoundland, guaranteed a loan in the amount of \$1.2 million dollars for the Council of the Students' Union in connection with the renovations to the Thomson Student Centre. The current balance outstanding on the loan is \$733,000.

### 8. Voluntary Early Retirement Plan:

In February and May of 1996, the University offered faculty and non academic staff members, who had reached age 55 and had attained a minimum of ten years pensionable service, an opportunity to take early retirement under the provisions of a Voluntary Early Retirement Program (VERIP). Subject to eligibility criteria, the Program provided an incentive of enhanced pension benefits of up to five years pensionable service and waiver of actuarial reduction, if applicable, or a lump sum early retirement allowance. The early retirement incentive is being funded from operations.

### 9. Memorial University Act:

In accordance with the Memorial University Act, the University is normally prohibited from recording a deficit on their financial statements. During 1996, pursuant to Section 36 of the Memorial University Act, the University requested approval from the Lieutenant-Governor in Council to record a deficit of up to \$5 million in 1996 and an additional \$10 million in 1997 as a result of the recognition of the liabilities related to Voluntary Early Retirement Plans for faculty and staff. The University has recorded an accumulated deficit with respect to these Voluntary Early Retirement Plans of \$6,495.

### 10. Opportunity Fund:

On March 25, 1997, the University launched a fund raising campaign with a goal to raise a combined total of \$50 million. The five year campaign has raised \$25 million in private sector pledges to date and the Government of Newfoundland and Labrador has agreed to match donor contributions on a dollar for dollar basis up to \$25 million. As at March 31, 1999, the Government has contributed \$15.3 million toward their matching contribution. The balance of uncollected pledges and matching funds has not been reflected in the financial accounts of the University.

# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Notes to Consolidated Financial Statements

Year ended March 31, 1999

(thousands of dollars)

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### 11. Supplemental Retirement Income Fund:

The Board of Regents, at its May 1996 meeting, approved a Supplemental Retirement Income Plan, effective April 1, 1996, to provide benefits to employees of the University whose salaries exceed the Revenue Canada maximum pensionable salary and whose defined-benefit pension, therefore, exceeds the maximum benefits payable from the Plan. The obligation to make benefit payments under this Supplemental Retirement Income Plan is recorded as a liability of general operations. A pension contribution holiday of \$79,561 occurred during the fiscal year ended March 31, 1999, to cover the actuarial value of the accrued benefit at March 31, 1999.

### 12. Fair Value Disclosures:

The following methods and assumptions were used to estimate the fair value of each class of financial instruments.

#### (i) General:

For certain of the University's financial instruments, including:

- (a) cash
- (b) accounts receivable
- (c) accrued interest receivable
- (d) accounts payable and accrued liabilities

The carrying amounts approximate fair value due to the immediate or short-term maturity of these financial instruments.

#### (ii) Investments:

Fair values of investments are determined as follows:

Cash and short term investments maturing within one year are stated at cost which, together with accrued interest income, approximate fair value given the short-term nature of these instruments.

Bonds and equities are valued at year-end quoted market prices received from security dealers or from prices published in financial newspapers.

In determining fair values, adjustments have not been made for transaction costs as they are not considered to be significant.

## **MEMORIAL UNIVERSITY OF NEWFOUNDLAND**

### **Notes to Consolidated Financial Statements**

Year ended March 31, 1999

(thousands of dollars)

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#### **12. Fair Value Disclosures (cont'd):**

(iii) **Mortgage receivable:**

The carrying value of the mortgage receivable approximates its fair market value based on market rates for similar instruments.

(iv) **Voluntary Early Retirement Plan:**

The carrying value of this long term payable is calculated based on an actuarial valuation of this liability discounted to present day values, and consequently represents its fair value.

(v) **Other long term liabilities:**

The carrying value of other long term liabilities approximates fair value based on similar instruments.

#### **13. Uncertainty due to the Year 2000 Issue:**

The Year 2000 Issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the Year 2000 as 1900 or some other date resulting in errors when information using Year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 Issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect an entity's ability to conduct normal business operations. It is not possible to be certain that all aspects of the Year 2000 Issue affecting the University, including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

#### **14. Comparative figures:**

Certain of the 1998 comparative figures have been reclassified to conform with the financial presentation adopted in 1999.



# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Consolidated Statement of Financial Position

March 31, 1999, with comparative figures for 1998

(thousands of dollars)

	1999	1998
<b>Assets</b>		
<b>Current assets:</b>		
Cash and short term investments	\$ 22,655	\$ 9,637
Accounts receivable	22,003	21,624
Inventory and prepaids	3,558	3,775
Accrued interest receivable	1,332	1,008
	<u>49,548</u>	<u>36,044</u>
Mortgage receivable	882	929
Investments (note 2)	37,641	40,879
Capital assets (note 4)	110,870	93,603
	<u>\$ 198,941</u>	<u>\$ 171,455</u>

## Liabilities, Deferred Contributions and Net Assets

<b>Current liabilities:</b>		
Accounts payable and accrued liabilities	\$ 14,566	\$ 11,557
<b>Long term liabilities:</b>		
VERIP	5,878	5,963
Other	3,433	3,033
	<u>9,311</u>	<u>8,996</u>
Deferred contributions (note 5)	136,556	116,463
<b>Net Assets:</b>		
Net assets invested in capital assets	9	447
Net assets restricted for endowment purposes (note 6)	36,686	30,512
Unrestricted net assets (note 6)	1,813	3,480
	<u>38,508</u>	<u>34,439</u>
	<u>\$ 198,941</u>	<u>\$ 171,455</u>

See accompanying notes to consolidated financial statements.

On behalf of the Board:

  
 Chair of the Board of Regents

  
 Vice-Chair of the Finance Committee



**MEMORIAL UNIVERSITY OF NEWFOUNDLAND**

## Consolidated Statement of Operations

Year ended March 31, 1999, with comparative figures for 1998

(thousands of dollars)

	1999	1998
<b>Revenue:</b>		
Government grants	\$ 133,064	\$ 140,511
Student fees	49,309	47,197
Sales and services	11,310	11,173
Amortization of deferred capital contributions	12,535	10,133
Investment income	5,627	3,149
Other income	14,134	9,679
	<u>225,979</u>	<u>221,842</u>
<b>Expenditures:</b>		
Salaries and employee benefits	153,415	150,817
Travel and hosting	8,556	7,348
Materials and supplies	23,898	24,955
Renovations	5,794	4,945
Books	517	420
Scholarships and bursaries	10,564	9,147
Amortization	12,913	10,457
Utilities	11,543	13,259
Equipment rentals	2,225	1,934
Externally contracted services	8,473	8,194
Professional fees	4,622	4,887
Other	1,693	1,311
External cost recoveries	(15,941)	(14,280)
	<u>228,272</u>	<u>223,394</u>
<b>Deficiency of revenue over expenditures for the year</b>	<b>\$ (2,293)</b>	<b>\$ (1,552)</b>

See accompanying notes to consolidated financial statements.

# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 1999, with comparative figures for 1998

(thousands of dollars)

	Invested in Capital Assets	Restricted for Endowment	Unrestricted	1999 Total	1998 Total
Balance, beginning of year	\$ 447	\$ 30,512	\$ 3,480	\$ 34,439	\$ 34,697
Deficiency of revenue over expenditures	(378)	(188)	(1,727)	(2,293)	(1,552)
Endowment contributions		6,362		6,362	1,294
Addition to invested in capital assets	(60)		60	0	
<b>Balance, end of year</b>	<b>\$ 9</b>	<b>\$ 36,686</b>	<b>\$ 1,813</b>	<b>\$ 38,508</b>	<b>\$ 34,439</b>

See accompanying notes to consolidated financial statements.

# MEMORIAL UNIVERSITY OF NEWFOUNDLAND

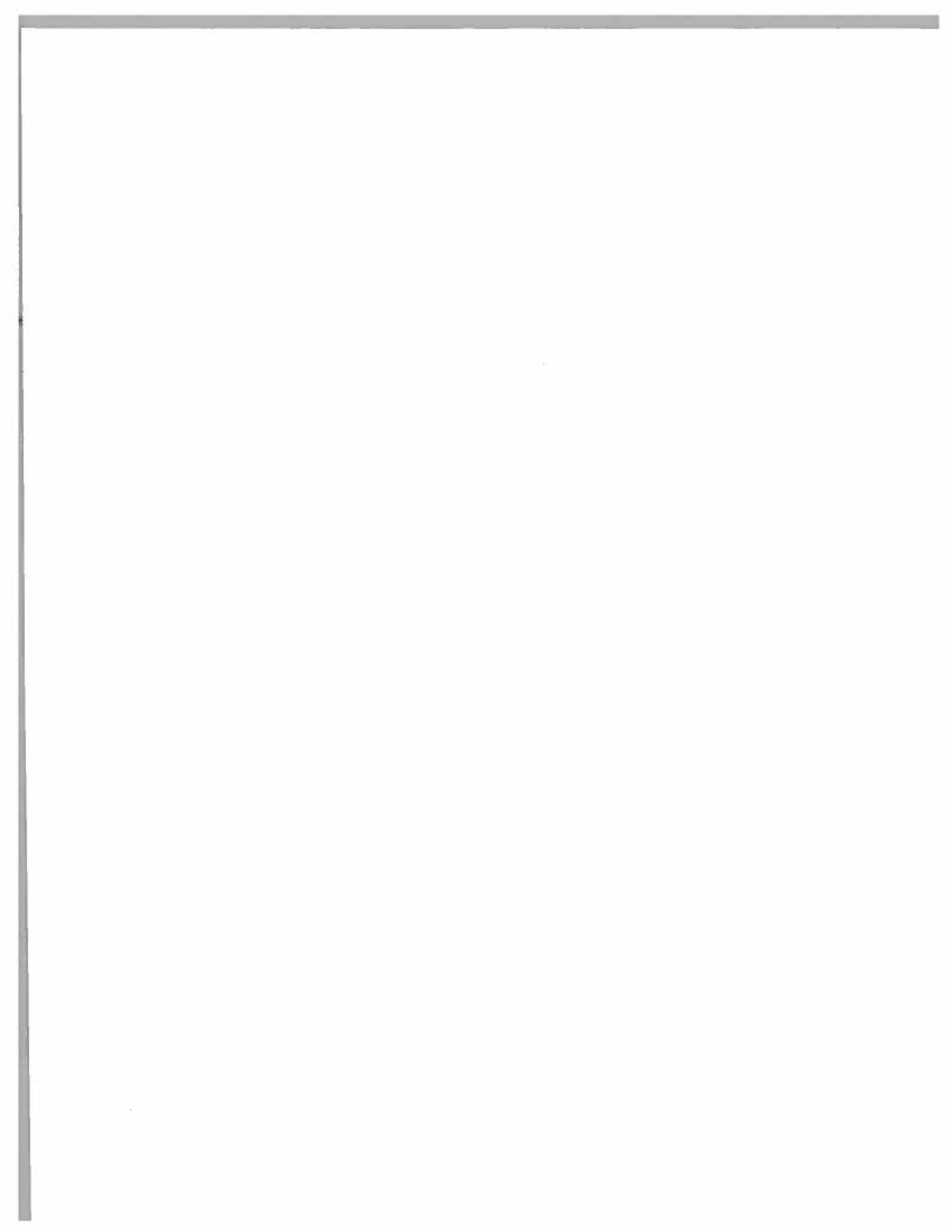
## Consolidated Statement of Cash Flows

Year ended March 31, 1999, with comparative figures for 1998

(thousands of dollars)

	1999	1998
<b>Cash provided by (used for):</b>		
<b>Operating activities:</b>		
Deficiency of revenue over expenditure for the year	\$ (2,293)	\$ (1,552)
Items not involving cash:		
Amortization of capital assets	12,913	10,457
Net increase in deferred contributions related to expenses of future periods	5,592	3,026
Amortization of deferred capital contributions	(12,535)	(10,133)
Change in non-cash working capital	2,523	(194)
	<u>6,200</u>	<u>1,604</u>
<b>Financing and investing activities:</b>		
Endowment contributions	6,362	1,294
Addition to deferred capital contributions	27,036	16,037
Capital assets acquired	(30,180)	(17,824)
Decrease (increase) in investments	3,238	(3,100)
Increase in long term liabilities	315	1,248
Reduction in mortgage receivable	47	44
	<u>6,818</u>	<u>(2,301)</u>
Increase (decrease) in cash and short term investments	13,018	(697)
Cash and short term investments, beginning of year	9,637	10,334
Cash and short term investments, end of year	<u>\$ 22,655</u>	<u>\$ 9,637</u>

See accompanying notes to consolidated financial statements.





**KPMG LLP**  
**Chartered Accountants**

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**AUDITORS' REPORT TO THE BOARD OF REGENTS  
OF MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
ON SUPPLEMENTARY INFORMATION**

We have audited and reported separately herein on the consolidated financial statements of Memorial University of Newfoundland (the "University") as at and for the year ended March 31, 1999.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements of the University taken as a whole. The supplementary information included in Schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such supplementary information has been subject to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

*KPMG LLP*

**Chartered Accountants**  
**St. John's, Canada**  
**May 21, 1999**



MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
 SCHEDULE OF FINANCIAL POSITION  
 AS AT MARCH 31, 1999  
 (Thousands of dollars)

SCHEDULE 1

	OPERATING		ANCILLARY		PLANT		SPONSORED		SPECIAL		TOTAL	TOTAL	
	1998	1998	ENTERPRISE	1998	1998	1998	RESEARCH	1998	PURPOSE AND	TRUST	1998	1999	1998
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Current assets:</b>													
Cash	(5,183)	(7,186)	(225)	(151)	949	140	9,108	4,778	18,018	12,070	22,655	9,637	
Accounts receivable	11,631	11,684	227	178	1,464	626	6,236	7,452	2,445	1,704	22,003	21,624	
Accrued interest receivable	398	201							934	607	1,332	1,008	
Inventory & prepaid expense	1,722	1,783	1,795	1,971	2	1	8	1	31	19	3,558	3,775	
Interfund accounts	1,773	1,892	(1,773)	(1,892)									
	<u>10,331</u>	<u>8,142</u>	<u>24</u>	<u>306</u>	<u>2,415</u>	<u>767</u>	<u>15,350</u>	<u>12,229</u>	<u>21,428</u>	<u>14,600</u>	<u>49,546</u>	<u>36,044</u>	
Mortgage receivable					882	929					882	929	
Investments									37,641	40,879	37,641	40,879	
Capital assets			558	413	106,231	88,989	3,837	4,167	244	54	110,870	93,603	
<b>Total assets</b>	<u>10,331</u>	<u>8,142</u>	<u>582</u>	<u>719</u>	<u>109,528</u>	<u>90,685</u>	<u>19,187</u>	<u>16,398</u>	<u>59,313</u>	<u>55,533</u>	<u>198,941</u>	<u>171,455</u>	
<b>Current liabilities:</b>													
Accounts payable and accrued liabilities	7,907	6,951	109		4,369	2,412	1,839	1,816	352	378	14,566	11,557	
<b>Long term liabilities:</b>													
VERIP	5,878	5,963									5,878	5,963	
Other	1,395	1,215			2,038	1,818					3,433	3,033	
	<u>7,273</u>	<u>7,178</u>			<u>2,038</u>	<u>1,818</u>					<u>9,311</u>	<u>8,996</u>	
Deferred contributions					104,224	87,263	16,638	13,971	15,694	15,229	136,556	116,463	
<b>Net assets</b>													
Net assets invested in capital assets			558	413	(601)	(31)	19	23	33	42	9	447	
Net assets restricted for endowment purposes									38,688	30,512	38,688	30,512	
Unrestricted net assets	(4,849)	(5,987)	(85)	306	(492)	(797)	691	586	6,548	9,372	1,813	3,480	
	<u>(4,849)</u>	<u>(5,987)</u>	<u>473</u>	<u>719</u>	<u>(1,093)</u>	<u>(628)</u>	<u>710</u>	<u>609</u>	<u>43,267</u>	<u>39,926</u>	<u>38,508</u>	<u>34,439</u>	
<b>Total Liabilities, Deferred contributions and Net assets</b>	<u>10,331</u>	<u>8,142</u>	<u>582</u>	<u>719</u>	<u>109,528</u>	<u>90,685</u>	<u>19,187</u>	<u>16,398</u>	<u>59,313</u>	<u>55,533</u>	<u>198,941</u>	<u>171,455</u>	

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
SCHEDULE OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 1999**  
*(Thousands of dollars)*

**SCHEDULE 2**

	OPERATING		ANCILLARY ENTERPRISE		PLANT		SPONSORED RESEARCH		SPECIAL PURPOSE AND TRUST		TOTAL	TOTAL
	1998	1999	1998	1999	1998	1999	1998	1999	1998	1999	1999	1998
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Revenue</b>												
Government grants	108,271	111,901		250	2,469	935	16,870	21,077	5,454	6,348	133,084	140,511
Amortization of deferred capital contributions					11,982	9,509	570	624	3		12,535	10,133
Student fees	49,200	47,075							109	122	49,309	47,197
Sales & services			11,310	11,173							11,310	11,173
Investment income	2,108	1,471					198		3,325	1,678	5,627	3,149
Other income	5,775	4,806	73	86	185	19	5,801	4,316	2,500	652	14,134	9,679
<b>Total revenue</b>	<b>165,352</b>	<b>165,053</b>	<b>11,383</b>	<b>11,509</b>	<b>14,616</b>	<b>10,463</b>	<b>23,237</b>	<b>26,017</b>	<b>11,391</b>	<b>8,600</b>	<b>225,979</b>	<b>221,842</b>
<b>Expenditure</b>												
Salaries & employee benefits	135,849	132,692	4,086	3,932	1	(6)	9,898	10,418	3,583	3,783	153,415	150,817
Travel & hosting	4,855	3,970	73	49	1	1	2,319	1,968	1,508	1,342	8,556	7,348
Materials & supplies	9,399	9,577	5,799	5,254	5	50	7,718	8,429	977	1,645	23,698	24,955
Renovations	1,048	(260)	413	420	4,295	4,741	15	26	23	38	5,794	4,945
Books	384	239	5	8			102	93	46	80	517	420
Scholarships & bursaries	4,416	4,846		1			2,288	1,980	3,860	2,320	10,564	9,147
Utilities	9,367	10,878	870	1,013	4	9	164	82	1,138	1,277	11,543	13,259
Equipment rentals	1,550	1,467	54	52	1	6	494	578	128	(187)	2,225	1,934
Amortization			70	47	12,255	9,764	576	630	12	16	12,913	10,457
Externally contracted service	6,100	6,959	326	467	1	23	1,060	431	986	314	8,473	8,194
Professional fees	2,399	2,660	14	14	263	28	1,438	1,546	508	619	4,622	4,887
Other	1,319	989	48	52	40	41	133	35	165	194	1,693	1,311
External cost recoveries	(12,780)	(12,599)	(61)	(10)	(2,032)	442		(1)	(1,068)	(2,112)	(15,941)	(14,280)
<b>Total expenditure</b>	<b>163,686</b>	<b>161,418</b>	<b>11,695</b>	<b>11,299</b>	<b>14,834</b>	<b>15,099</b>	<b>26,203</b>	<b>26,229</b>	<b>11,854</b>	<b>9,349</b>	<b>228,272</b>	<b>223,394</b>
<b>Increase (decrease) for the year before the following</b>	<b>1,666</b>	<b>3,635</b>	<b>(312)</b>	<b>210</b>	<b>(218)</b>	<b>(4,636)</b>	<b>(2,966)</b>	<b>(212)</b>	<b>(463)</b>	<b>(549)</b>	<b>(2,293)</b>	<b>(1,552)</b>
<b>Interfund transfers</b>	<b>(528)</b>	<b>(4,567)</b>	<b>66</b>	<b>81</b>	<b>(47)</b>	<b>4,381</b>	<b>3,067</b>	<b>606</b>	<b>(2,558)</b>	<b>(701)</b>		
<b>Net increase (decrease) in net assets for the year</b>	<b>1,138</b>	<b>(932)</b>	<b>(246)</b>	<b>291</b>	<b>(265)</b>	<b>(255)</b>	<b>101</b>	<b>594</b>	<b>(3,021)</b>	<b>(1,250)</b>	<b>(2,293)</b>	<b>(1,552)</b>

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
SCHEDULE OF OPERATING REVENUE  
FOR THE YEAR ENDED MARCH 31, 1999**  
*(Thousands of dollars)*

**SCHEDULE 3**

	<u>1999</u>	<u>1998</u>
	\$	\$
<b>Government Grants</b>		
Province of Newfoundland		
Department of Education	92,309	95,943
Department of Health	15,472	15,366
Other	<u>490</u>	<u>592</u>
	<u>108,271</u>	<u>111,901</u>
<b>Student Fees</b>		
Semester Tuition		
Undergraduates	41,188	38,209
Graduates	3,270	3,253
Non Credit Courses		
Continuing Studies	689	724
Sir Wilfred Grenfell College	240	251
Marine Institute	893	781
Other Fees	<u>2,920</u>	<u>3,857</u>
	<u>49,200</u>	<u>47,075</u>
<b>Investment Income</b>	<u>2,106</u>	<u>1,471</u>
<b>Other Income</b>		
Rental Income	503	382
Miscellaneous Income	4,446	3,455
Medical Practice Associates	<u>826</u>	<u>769</u>
	<u>5,775</u>	<u>4,606</u>
<b>Total Revenue</b>	<u><u>165,352</u></u>	<u><u>165,053</u></u>



**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
SCHEDULE OF OPERATING EXPENDITURE BY FUNCTION  
FOR THE YEAR ENDED MARCH 31, 1999**  
*(Thousands of dollars)*

**SCHEDULE 4**

	<u>1999</u>	<u>1998</u>
	\$	\$
<b>Academic</b>		
Faculty of Arts	18,668	18,320
Faculty of Business Administration	5,721	4,889
Faculty of Education	5,610	5,477
Faculty of Engineering and Applied Science	5,846	5,735
Faculty of Medicine	19,092	18,424
Faculty of Science	25,396	25,468
School of Continuing Education	4,267	3,668
School of Graduate Studies	2,961	2,969
School of Music	1,336	1,150
School of Nursing	2,180	2,097
School of Pharmacy	1,247	1,153
School of Physical Education and Athletics	1,699	1,715
School of Social Work	1,603	1,515
Sir Wilfred Grenfell College	9,980	9,470
Co-operative Education Services Centre	647	709
Labrador Institute of Northern Studies	268	216
Animal Care Unit	245	232
Fisheries and Marine Institute	15,603	15,108
Technical Services	2,030	2,096
	<u>124,399</u>	<u>120,411</u>
<b>Support Services</b>		
Administrative Departments	10,925	11,106
Computing and Communications	6,645	7,826
Library	5,579	5,576
Student Services	4,157	4,256
Facilities Management	11,981	12,243
	<u>39,287</u>	<u>41,007</u>
<b>Total Expenditure</b>	<u><u>163,686</u></u>	<u><u>161,418</u></u>

MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
 SCHEDULE OF OPERATING FUND EXPENDITURE BY OBJECT  
 FOR THE YEAR ENDED MARCH 31, 1999  
 (Thousands of dollars)

SCHEDULE 5

	Academic	1998	Library	1998	Student	1998	Facilities	1998	Computing and	1998	Administration	1998	Total	Total
	\$		\$		\$		\$		\$		\$		\$	\$
Academic Salaries	63,024	81,977	1,625	1,693	459	478					181	108	65,289	64,254
Other Instruction & Research Salaries	1,268	1,310	103	134	942	1,059	4	2	94	132	54	68	2,463	2,695
Other Salaries & Wages	29,580	28,213	2,699	2,724	1,391	1,343	7,015	7,478	2,501	2,256	7,957	7,724	51,143	49,739
Employee Benefits	13,000	12,265	685	828	252	241	1,316	1,249	407	350	1,314	1,271	16,954	16,004
	106,870	103,765	5,092	5,179	3,044	3,121	8,335	8,730	3,002	2,738	9,508	9,159	135,849	132,692
Travel & Hosting	3,613	2,979	42	35	184	159	132	99	46	74	658	824	4,655	3,970
Materials & Supplies	6,775	6,342	480	367	230	198	641	1,083	714	1,094	579	513	9,399	9,577
Buildings & Renovations	218	292	2	5	31	66	732	(957)	53	348	12	(24)	1,048	(280)
Library Acquisitions	1,451	1,315	3,956	3,999	7	11	11	6	2	1	17	23	5,444	5,355
Scholarships & Bursaries	4,008	4,452			379	372					31	22	4,416	4,846
Utilities	2,768	3,082	59	66	251	261	5,973	7,155	155	128	161	186	9,367	10,876
Furniture & Equipment														
Rental	509	448	8	18	1	2	29	7	998	991	5	1	1,550	1,467
Purchase	1,971	1,790	36	56	14	11	151	109	709	436	412	460	3,293	2,862
Externally Contracted Service	2,119	2,240	46	55	60	54	1,130	1,255	2,697	3,251	48	104	6,100	6,959
Professional Fees	1,326	1,507	6	6	4	1	54	110		333	1,009	723	2,399	2,680
Other														
Institutional Memberships	157	130	9	10	10	7	5	4	10	35	164	148	355	334
Property Tax	87	88					48	6					135	94
Insurance	165	98	48	46		2	184	175	2	2	5	6	414	327
Debt Repayments	30	20			6	7	12	10	116	9	4	3	168	49
Space Rental	222	164			2	7	12	12			11	12	247	185
External Cost Recoveries	(4,793)	(5,372)	(193)	(211)	(32)	(12)	(5,327)	(5,432)	(1,150)	(1,178)	(1,285)	(394)	(12,780)	(12,599)
	20,624	19,563	4,479	4,452	1,127	1,146	3,797	3,622	4,352	5,524	1,831	2,407	36,210	36,704
<b>Gross Expenditure</b>	<b>127,494</b>	<b>123,318</b>	<b>9,571</b>	<b>9,631</b>	<b>4,171</b>	<b>4,267</b>	<b>12,132</b>	<b>12,352</b>	<b>7,354</b>	<b>8,262</b>	<b>11,337</b>	<b>11,586</b>	<b>172,059</b>	<b>169,396</b>
Less assets capitalized:														
Capital Assets	1,971	1,790	36	56	14	11	151	109	709	436	412	460	3,293	2,862
Library Collection	1,124	1,117	3,956	3,999									5,080	5,116
<b>Net Expenditure</b>	<b>124,399</b>	<b>120,411</b>	<b>5,579</b>	<b>5,576</b>	<b>4,157</b>	<b>4,256</b>	<b>11,981</b>	<b>12,243</b>	<b>6,645</b>	<b>7,826</b>	<b>10,925</b>	<b>11,106</b>	<b>163,686</b>	<b>161,418</b>

**MEMORIAL UNIVERSITY OF NEWFOUNDLAND  
SCHEDULE OF SPONSORED RESEARCH REVENUE  
FOR THE YEAR ENDED MARCH 31, 1999**

**SCHEDULE 6**

*(Thousands of dollars)*

	<u>1999</u>	<u>1998</u>
	\$	\$
Health and Welfare Canada	342	386
Supply and Services Canada		71
Atlantic Canada Opportunities Agency	2,744	5,163
National Research Council	355	65
Industry Science and Technology Canada	37	4
Federal Government Miscellaneous	5,440	3,163
Social Sciences and Humanities Research Council	255	327
Canadian International Development Agency		30
Medical Research Council	1,717	1,371
Natural Sciences and Engineering Research Council	7,146	5,940
Newfoundland Provincial Government	1,230	365
Foreign Sponsors	1,620	1,065
Business and Industry	5,451	5,435
Foundations	1,046	933
Other Non-Government Agencies	196	2,176
C-CORE Research Trust	176	97
Other	376	570
Memorial University Internal Awards	<u>(1,901)</u>	<u>(1,491)</u>
Gross Revenue (Including Interfund Transfers)	26,230	25,670
Less revenue deferred to future periods	<u>2,993</u>	<u>(347)</u>
Net Revenue	<u><u>23,237</u></u>	<u><u>26,017</u></u>