

YORK UNIVERSITY

FINANCIAL STATEMENTS

APRIL 30, 2001

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YORK UNIVERSITY

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY

The administration of the University is responsible for the preparation of the financial statements, the notes thereto and all other financial information contained in this annual report.

The financial statements were prepared in accordance with accounting principles generally accepted for Canadian universities and in accordance with guidelines developed by the Canadian Association of University Business Officers and accounting standards developed by The Canadian Institute of Chartered Accountants. The administration believes the financial statements present fairly, in all material respects, the University's financial position as at April 30, 2001 and the results of its operations for the year then ended. In order to achieve the objective of fair presentation in all material respects, the use of reasonable estimates and judgments were employed. Additionally, management has ensured that all financial information presented in this report has been prepared in a manner consistent with that in the financial statements.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

William M. Mercers Limited has been retained by the University in order to provide an estimate of the University's pension liability and other post-employment benefits for the current year. Management has provided the valuation actuary with the information necessary for the completion of the University's report and retains ultimate responsibility for the determination and estimation of the pension liabilities reported.

The Board of Governors carries out its responsibility for review of the financial statements and this annual report principally through its Audit Committee. The majority of the members of the Audit Committee are not officers or employees of the University. The Audit Committee meets regularly with the administration, as well as the internal auditors and the external auditors, to discuss the results of audit examinations and financial reporting matters, and to satisfy itself that each party is properly discharging its responsibilities. The auditors have full access to the Audit Committee with and without the presence of the administration.

The financial statements for the year ended April 30, 2001 have been reported on by Ernst & Young LLP Chartered Accountants, the auditors appointed by the Board of Governors. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

(Signed)

Phyllis Clark
Vice-President, Finance and Administration

(Signed)

Lorna R. Marsden, PhD
President and Vice-Chancellor

INTRODUCTION TO YORK UNIVERSITY'S FINANCIAL STATEMENTS - 2000-2001

The 2000-2001 fiscal year presented York with significant financial challenges. There was a disruption to the academic year due to the strike by part-time instructors and graduate students. The disruption delayed the completion of the Fall academic term for the majority of Faculties and delayed the start and end date for the Winter academic term. The impact of the strike was both complex and far-reaching. There was the need for a 0.25% budget cut across units towards the end of the fiscal 2000-2001. Despite this budget cut, the University ended fiscal 2000-2001 with an increase in the deficit. Since the University's approach to financial planning is multi-year budget and an essential element of this planning is a sound financial position, the University has implemented multi-year budgets cuts to all units over the period ending 2004-2005.

In addition to the strike, three other issues with significant financial implications for the University are important to note:

- As the 2000-2001 fiscal year drew to a close, the University was in the midst of bargaining with other employee groups. The outcome of these bargaining processes will have a significant impact on the University's budgets and plans for 2001-2002 and beyond.
- Under the provincial SuperBuild program, two new academic buildings are being constructed. Since SuperBuild funds only a portion of the total costs, the University will be required to obtain additional funding through donations and debt financing to complete the buildings. Additional fundraising and debt financing will also be required to complete several other building projects, including parking structures, a new residence, and the Executive Learning Centre.
- The 2% annual increases for regulated tuition fees over the next four years, as allowed by the Provincial government, necessitated a 1% budget cut in order to balance the operating budget for 2000-2001. The limitation to 2% fee increases considerably reduces the University's financial flexibility in the years ahead.

This is the fourth year that the University has included accrued liabilities associated with post-employment benefits. This means York recognizes the cost of retiree benefits over employees' working lifetimes, and recognizes the liabilities for future retiree benefits for both active employees and current retirees. The liability at April 30, 2001 was \$37.4 million. The required date of incorporation of The Canadian Institute of Chartered Accountants (CICA) accounting policy was this fiscal year. The University chose to adopt the recommendation early as a number of accounting changes were happening and thought it prudent to reflect all known accounting changes during one year.

The Statement of Operations and Changes in Deficit show revenues continuing to grow year over year. The 2000-2001 revenues of \$485.2 million represented an increase of \$25.5 million, or 5.5% over the prior year. However, total expenses increase by \$31.0 million to \$472.6, an increase of 7.0%. The major factors contributing to the higher expenses included higher salary and benefit costs, a significant increase in the cost of utilities, largely as a result of rising natural gas prices, and higher spending on scholarships and bursaries.

The Statement of Operations and Changes in Deficit shows an overall cumulative deficit of \$63.0. This is increase of \$2.5 million in the deficit relative to the previous year, and was not in line with the \$7.5 million reduction in the deficit assumed in the University's deficit reduction plan. Budget cuts have been implemented for the next four years, and other measures will be reviewed during the 2001-2002 fiscal year to ensure the deficit balance is managed responsibly.

In addition to the Net Asset Deficit, the Balance Sheet shows the growth in the internally restricted net assets from \$22.8 million to \$31.1 million, largely as a result of an increase in departmental carryforwards. Investment in capital assets has increased from \$66.7 million to \$74.4 million, while endowments continued to grow. Endowments increased from \$105.4 million to \$116.0 million (book value), with a market value of \$146.1 million at the end of the year.

Looking ahead, the University will continue to manage its finances responsibly. This will be a challenge, in the face of limited tuition fee flexibility, the requirement to fund a large capital building program, constant pressure for increased salaries for faculty and non-academic staff, the gearing up for increased student enrolments expected in 2003 and the management of budget cuts throughout the University.

(signed)
Phyllis Clark
Vice-President, Finance and Administration

YORK UNIVERSITY

SUMMARY OF REVENUE AND EXPENSES

Total Revenue and Expenses (millions of dollars)

Year ended April 30, 2001

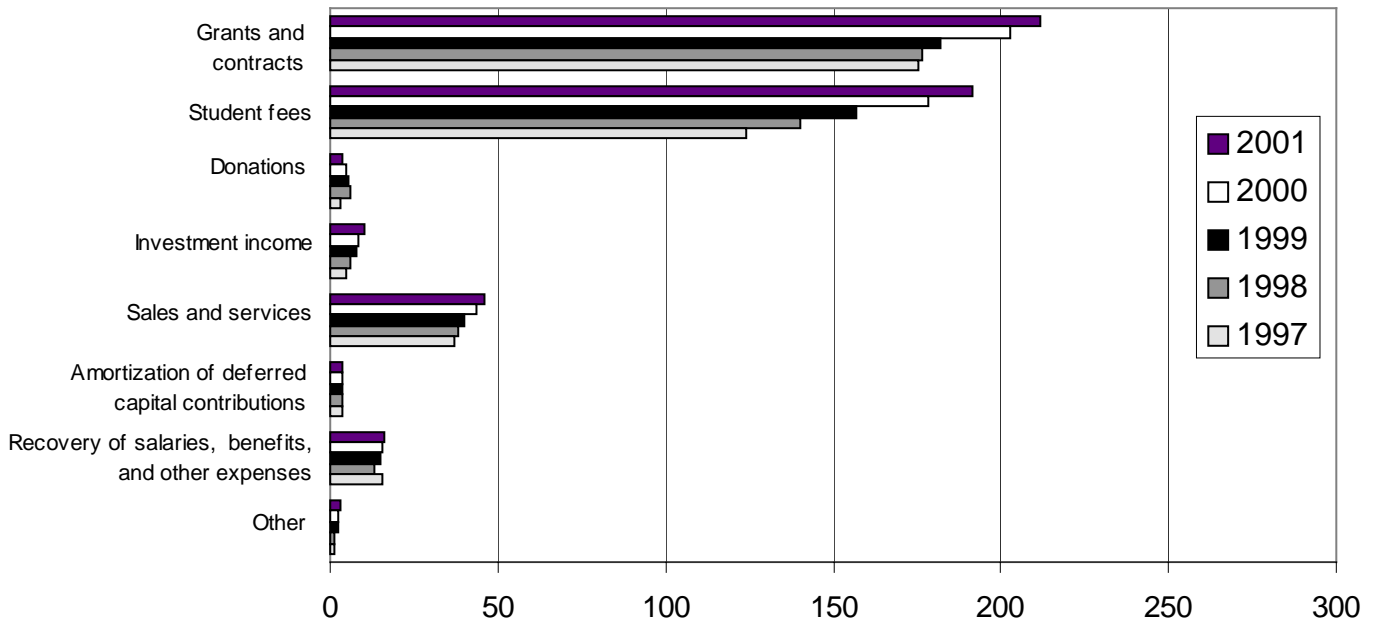
	2001	2000	1999	1998	1997
	\$	\$	\$	\$	\$
REVENUE					
Grants and contracts	212.0	202.6	182.2	176.8	175.4
Student fees	191.3	178.6	157.1	140.3	124.8
Donations	3.7	5.0	5.1	5.9	2.9
Investment income	10.3	8.2	7.8	6.0	4.6
Sales and services	45.6	43.8	39.7	38.0	36.7
Amortization of deferred capital contributions	3.5	3.5	3.4	3.4	3.4
Recovery of salaries, benefits and other expenses	16.0	15.3	15.0	13.2	15.7
Other	2.7	2.6	2.5	1.4	1.2
Total revenue	485.1	459.6	412.8	385.0	364.7
EXPENSES					
Salaries and benefits	303.2	289.0	270.5	260.0	247.3
Operating costs	73.9	67.9	62.7	56.5	54.1
Amortization of capital assets	21.6	22.9	22.4	20.5	19.8
Cost of goods sold	12.4	11.5	11.0	10.5	10.4
Taxes and utilities	24.0	18.4	17.6	17.9	18.5
Scholarships and bursaries	28.6	22.4	14.9	10.9	9.0
Interest on long-term debt	8.9	9.5	9.8	10.5	9.7
Total expenses	472.6	441.6	408.9	386.8	368.8

% of Total Revenue and Expenses

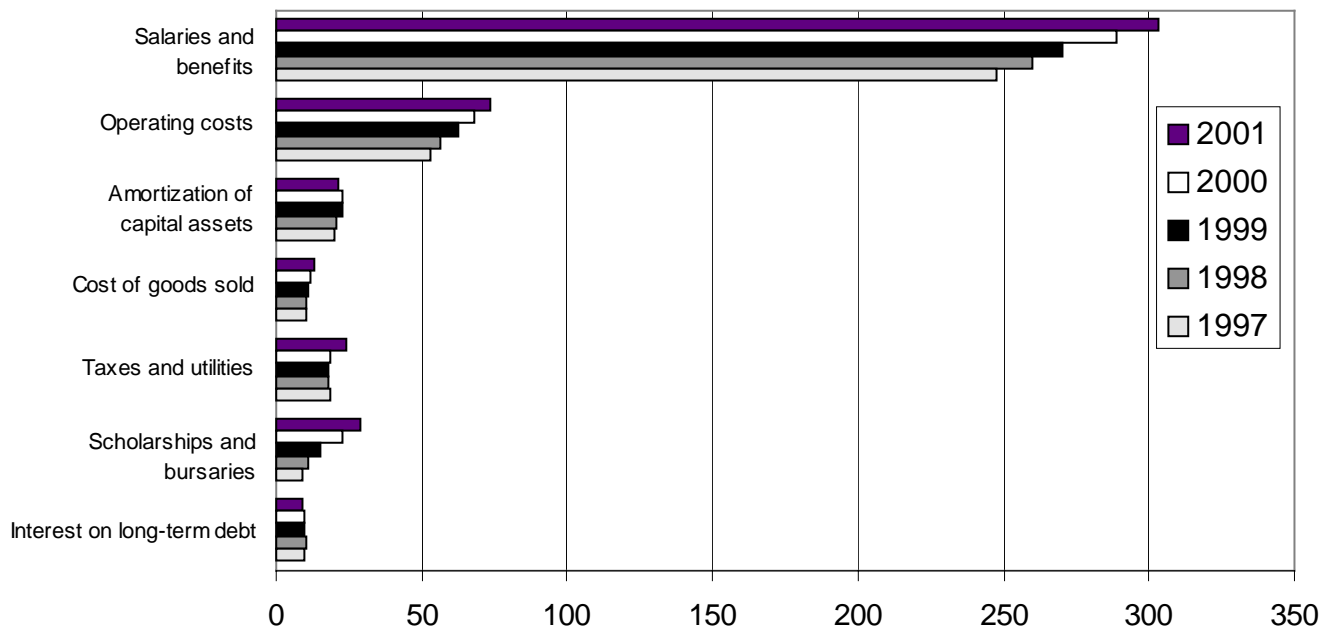
	2001	2000	1999	1998	1997
	%	%	%	%	%
REVENUE					
Grants and contracts	43.7	44.1	44.3	45.9	48.1
Student fees	39.4	38.9	37.7	36.4	34.2
Donations	0.8	1.1	1.2	1.5	0.8
Investment income	2.1	1.8	1.9	1.6	1.3
Sales and services	9.4	9.5	9.7	9.9	10.1
Amortization of deferred capital contributions	0.7	0.8	0.8	0.9	0.9
Recovery of salaries, benefits and other expenses	3.3	3.3	3.7	3.4	4.3
Other	0.6	0.5	0.7	0.4	0.3
	100.0	100.0	100.0	100.0	100.0
EXPENSES					
Salaries and benefits	64.2	65.4	66.5	67.2	67.1
Operating costs	15.6	15.4	14.9	14.6	14.7
Amortization of capital assets	4.6	5.2	5.5	5.3	5.4
Cost of goods sold	2.6	2.6	2.7	2.7	2.8
Taxes and utilities	5.1	4.2	4.3	4.7	5.0
Scholarships and bursaries	6.0	5.1	3.6	2.8	2.4
Interest on long-term debt	1.9	2.1	2.5	2.7	2.6
	100.0	100.0	100.0	100.0	100.0

SUMMARY OF REVENUE AND EXPENSES
1997 – 2001
(millions of dollars)

Revenue



Expenses



ERNST & YOUNG letterhead

AUDITORS' REPORT

To the Board of Governors of
York University

We have audited the financial statements of York University as at and for the year ended April 30, 2001 comprising the following:

Balance Sheet
Statement of Operations and Changes in Deficit
Statement of Changes in Net Assets
Statement of Cash Flows

These financial statements are the responsibility of the administration of the University. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2001 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Toronto, Canada
July 27, 2001

(signed)
Chartered Accountants

BALANCE SHEET

(thousands of dollars)

As at April 30

	2001	2000
	\$	\$
ASSETS		
Current		
Cash and short-term investments	56,428	56,117
Accounts receivable	31,424	31,308
Current portion of note receivable (note 6)	-	8,101
Prepaid expenses	3,183	3,676
Inventories	5,973	5,741
Total current assets	97,008	104,943
Pension cost deferral (notes 12 and 15)	6,440	2,900
Investments (notes 3 and 11)	216,214	195,269
Capital assets, net (note 4)	223,529	209,290
	543,191	512,402
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	52,051	47,168
Current portion of long-term debt (note 10)	48,175	5,363
Deferred contributions and income (note 8)	44,673	43,202
Total current liabilities	144,899	95,733
Long-term liabilities (note 9 and 15)	37,381	34,881
Long-term debt (note 10)	41,059	90,377
Deferred contributions and income (note 8)	30,165	29,146
Deferred capital contributions (note 11)	131,163	127,850
Total liabilities	384,667	377,987
NET ASSETS		
Deficit	(62,991)	(60,470)
Internally restricted (note 12)	31,097	22,771
Investment in capital assets (note 5)	74,384	66,683
Endowments (note 13)	116,034	105,431
Total net assets	158,524	134,415
	543,191	512,402

See accompanying notes

On behalf of the Board of Governors

(signed)

 Marshall A. Cohen
 Chair

(signed)

 Lorna R. Marsden, PhD
 President and Vice Chancellor

STATEMENT OF OPERATIONS AND CHANGES IN DEFICIT

(thousands of dollars)

Year ended April 30

	2001	2000
	\$	\$
REVENUE		
Grants and contracts	211,988	202,609
Student fees	191,287	178,680
Donations	3,698	5,031
Investment income (<i>note 3</i>)	10,325	8,269
Sales and services	45,607	43,758
Amortization of deferred capital contributions	3,454	3,485
Recovery of salaries, benefits and other expenses	15,996	15,275
Other	2,828	2,567
	485,183	459,674
EXPENSES		
Salaries and benefits	303,238	288,970
Operating costs	73,940	67,920
Amortization of capital assets	21,634	22,877
Cost of goods sold	12,432	11,514
Taxes and utilities	24,012	18,371
Scholarships and bursaries	28,543	22,449
Interest on long-term debt	8,849	9,541
	472,648	441,642
Excess of revenue over expenses	12,535	18,032
Change in internally restricted net assets	(8,326)	(3,206)
Change in investment in capital assets	(4,907)	(4,865)
Internally restricted contributions to endowments	(1,823)	(2,398)
Change in deficit in the year	(2,521)	7,563
Deficit, beginning of year	(60,470)	(68,033)
Deficit, end of year	(62,991)	(60,470)

See accompanying notes

STATEMENT OF CHANGES IN NET ASSETS

(thousands of dollars)

Year ended April 30

	2001				2000	
	Deficit \$	Internally restricted \$ <i>(note 12)</i>	Investment in capital assets \$ <i>(note 5)</i>	Endowments \$ <i>(note 13)</i>	Total \$	Total \$
Net assets, beginning of year	(60,470)	22,771	66,683	105,431	134,415	103,318
Excess of revenue over expenses	12,535	-	-	-	12,535	18,032
Change in internally restricted net assets (note 12)	(8,326)	8,326	-	-	-	-
Change in investment in capital assets (note 5)	(4,907)	-	7,701	-	2,794	-
Investment income credited directly to externally restricted endowments (note 13)	-	-	-	3,889	3,889	2,213
Contributions and capital protection to internally restricted endowments (note 13)	(1,823)	-	-	1,823	-	-
Contributions to externally restricted endowments (note 13)	-	-	-	4,891	4,891	10,852
Net assets, end of year	(62,991)	31,097	74,384	116,034	158,524	134,415

See accompanying notes

STATEMENT OF CASH FLOWS

(thousands of dollars)

Year ended April 30

	2001 \$	2000 \$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	12,535	18,032
Add (deduct) non-cash items:		
Amortization of capital assets	21,634	22,877
Amortization of deferred capital contributions	(3,454)	(3,485)
Increase in pension cost deferral	(3,540)	(2,900)
Net change in non-cash working capital balances <i>(note 14)</i>	5,028	(2,517)
Cash provided by operating activities	32,203	32,007
INVESTING ACTIVITIES		
Purchase of investments, net	(20,945)	(67,625)
Decrease in note receivable	8,101	1,929
Purchase of capital assets	(33,079)	(21,740)
Cash used in investing activities	(45,923)	(87,436)
FINANCING ACTIVITIES		
Increase in long-term liabilities	2,500	2,031
Repayment of long-term debt	(6,506)	(4,941)
Increase in deferred contributions and income	2,490	5,625
Contributions restricted for capital purposes	6,767	61,084
Investment income credited directly to endowment	3,889	2,213
Contributions to externally restricted endowments	4,891	10,852
Cash provided by financing activities	14,031	76,864
Net increase in cash and short-term investments during the year	311	21,435
Cash and short-term investments, beginning of year	56,117	34,682
Cash and short-term investments, end of year	56,428	56,117

See accompanying notes

YORK UNIVERSITY

NOTES TO FINANCIAL STATEMENTS

(all amounts are in thousands of dollars unless otherwise indicated)

April 30, 2001

1. DESCRIPTION

York University ("York" or the "University") is incorporated under the York University Act, 1965, a statute of the Legislative Assembly of Ontario. The University is dedicated to providing postsecondary and postgraduate education and to conducting research. The University is a registered charity and, under the provisions of Section 149 of the Income Tax Act (Canada), is exempt from paying income taxes.

The financial statements of York reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all the operations of the University and organizations that the University controls. Accordingly, these financial statements include the operating and the ancillary operations of the University and the accounts of its wholly owned subsidiary, York University Development Corporation, which is responsible for the development of undeveloped York lands and management of York Lanes.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles. The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities as of the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

A summary of significant accounting policies is as follows:

Revenue recognition

The University follows the deferral method of accounting for contributions, which include donations and government grants. 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 endowments, are deferred and recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in net assets.

Donations of materials and services that would otherwise have been purchased are recorded at fair value when a fair value can be reasonably determined.

Student fees are recognized as revenue when courses and seminars are held. Sales and services revenue is recognized at point of sale or when the service has been provided.

Pledges are recorded as revenue on a cash basis since pledges are not legally enforceable.

Inventories

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Investments

Investments are recorded at market value. Unrealized gains (losses) are included in investment income. Externally restricted investment income, other than that designated for endowments, is recognized as revenue when the related expenses are incurred. Externally restricted investment income designated for endowments is recognized as direct increases in net assets. Internally restricted investment income is recorded as a transfer from unrestricted to internally restricted net assets in the Statement of Changes in Net Assets. Unrestricted investment income is recognized as revenue in the year it is earned.

Financial instruments

The fair value of accounts receivable and accounts payable and accrued liabilities approximate their carrying amounts because of the short-term maturity of these instruments. The fair values of long-term receivables and liabilities, excluding long-term debt, approximate carrying values as the rates approximate market rates for the associated risk of the underlying instrument. Investments are recorded at market value. Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution, except for land received under the terms of grants, which is carried at nominal value. Amortization of capital assets with a limited life is provided on a straight-line basis over their estimated useful lives as follows:

	Annual Rate	Years
Buildings, plant facilities and infrastructure	2.5% to 10%	10 to 40
Equipment and furnishings	10% to 33.3%	3 to 10
Library collection	100%	1

Donation of items included in the art collection are recorded as direct increases in capital assets and net assets at an appraised value established by independent appraisal in the period received by the University. The art collection is considered to have a permanent value and is not amortized.

Foreign exchange translation

The University accounts for transactions in a foreign currency at the exchange rate in effect at the date of the transactions. At year end, monetary assets and liabilities denominated in a foreign currency are translated at year end exchange rates and any translation gain or loss is included in operations. Foreign exchange gains and losses on investments have been included in investment income.

Employee benefits plans

The University has a defined contribution pension plan which provides a minimum level of pension benefits to substantially all of its employees. The cost of providing pension benefits and post-employment benefits other than pensions is actuarially determined and recognized in operations using the projected benefit method pro rated on service. Differences arising from plan amendments, changes in assumptions and actuarial gains and losses are recognized in income over the expected average remaining service life of employees.

3. INVESTMENTS

(a) Investments consist of the following:

	Maturity	2001 Weighted average interest rate	2000	2001 Market Value \$	2000 Market Value \$
Short-term investments	2001 to 2002	4.04%	5.87%	6,098	59,107
Deposit notes	2001 to 2003	6.02%	-	60,718	-
Government bonds	2002 to 2039	5.60%	6.31%	51,149	48,024
Corporate bonds	2002 to 2039	6.14%	6.92%	13,893	11,083
Canadian equities				44,366	43,239
International equities				39,300	33,126
Other				690	690
Total				216,214	195,269

(b) Investment income consist of the following:

	2001 \$	2000 \$
Total investment income recognized	10,439	10,482
Less amounts credited directly to endowment	(114)	(2,213)
Total	10,325	8,269

4. CAPITAL ASSETS

Capital assets consist of the following:

	2001			2000		
	Cost \$	Accumulated Amortization \$	Net Book Value \$	Cost \$	Accumulated Amortization \$	Net Book Value \$
Land	12,832	-	12,832	12,832	-	12,832
Buildings, plant facilities and infrastructure	339,952	171,835	168,117	338,744	162,753	175,991
Equipment and furnishings	69,584	52,079	17,505	71,311	52,897	18,414
Library collection	58,758	58,758	-	56,755	56,755	-
Construction in progress	22,281	-	22,281	2,053	-	2,053
Art collection	2,794	-	2,794	-	-	-
Total	506,201	282,672	223,529	481,695	272,405	209,290

4. CAPITAL ASSETS (continued)

The increase in net book value of capital assets is due to the following:

	2001 \$	2000 \$
Balance, beginning of year	209,290	210,427
Purchase of capital assets funded by restricted contributions	15,836	2,029
Purchase of capital assets internally funded	17,243	19,711
Contributions to art collection	2,794	-
Fully depreciated capital assets at cost	(11,367)	(9,953)
Accumulated amortization on fully depreciated capital assets	11,367	9,953
Amortization of capital assets	(21,634)	(22,877)
Balance, end of year	223,529	209,290

During the year, the total cost of items added to the library collection was \$6,426 (2000 - \$8,009) and the total cost of items removed was \$4,423 (2000 - \$4,171).

The University received 73 works of art consisting of paintings, prints and drawings. These donated items had an appraised value of \$2,794.

The Glendon campus land and a majority of the Keele Street campus land were acquired by grants. These grants had restrictive covenants, which have been registered on the title of the property. Under these covenants properties may only be used for educational or research purposes at the University level. As appraisals are not available at the date of the grants, these assets are recorded in the accounts at nominal value.

5. INVESTMENT IN CAPITAL ASSETS

The investment in capital assets consists of the following:

	2001 \$	2000 \$
Capital assets	223,529	209,290
Less amounts financed by:		
Long-term debt	(77,901)	(83,745)
Deferred capital contributions (note 11)	(71,244)	(58,862)
Balance, end of year	74,384	66,683

The change in investment in capital assets is calculated as follows:

	2001 \$	2000 \$
Repayment of long-term debt	5,844	4,546
Purchase of capital assets internally funded	17,243	19,711
Increase in investment in capital assets	23,087	24,257
Amortization expense	21,634	22,877
Less amortization of deferred capital contributions (note 11)	(3,454)	(3,485)
Decrease in investment in capital assets	18,180	19,392
Change in investment in capital assets excluding contributions to art collection	4,907	4,865
Contributions to art collection	2,794	-
Change in investment in capital assets	7,701	4,865

6. NOTE RECEIVABLE

On May 12, 1997, Seneca College of Applied Arts and Technology ("Seneca") entered into an agreement in which York leases land to Seneca. Seneca completed construction and now operates the Seneca-at-York campus. The land lease extends for an initial term of 50 years to August 31, 2047 and can be extended for two extensions of 25 and 24 years to 2072 and 2096, respectively. As a result of this agreement, a promissory note for \$10.3 million was issued to York from Seneca due and payable over a 4 year term. During the year, Seneca's final payment was received by York. York has directed the funds toward construction of a new Computer Science building.

7. CREDIT FACILITY

The University has a bank credit facility available in the amount of \$15 million. When drawn upon, interest is charged at the bank's prime rate of interest, which was 6.5% at April 30, 2001.

8. DEFERRED CONTRIBUTIONS AND INCOME

Deferred contributions and income represent unspent externally restricted grants and donations for research and other restricted purposes. The changes in the deferred contributions and income balance are as follows:

	2000	Additions	Transfers to Income	2001
	\$	\$	\$	\$
Current				
Research and other grants and contracts	36,781	37,237	34,642	39,376
Fees and other income	5,921	4,797	5,921	4,797
Donations	500	-	-	500
	43,202	42,034	40,563	44,673
Long-term				
Expendable investment and other income from trusts and endowments	29,146	12,109	11,090	30,165
Total deferred contributions and income	72,348	54,143	51,653	74,838

9. LONG-TERM LIABILITIES

Long-term liabilities consist of accruals for early retirement benefits and other post-employment benefits excluding pensions but including comprehensive medical, supplementary hospital and dental care. The long-term liability at the year end is \$37.4 million (2000 - \$34.9 million) (see note 15).

10. LONG-TERM DEBT

Long-term debt consists of the following:

	Maturity	2001 Weighted average interest rate	2000 Weighted average interest rate	2001 Cost \$	2000 Cost \$
Debentures	2017 to 2023	6.76%	6.76%	8,518	8,733
Capital leases	2019 to 2020	7.31%	7.31%	4,434	4,530
Mortgages	2006 to 2016	10.13%	10.12%	28,369	28,543
Term loans	2001 to 2002	9.48%	9.38%	47,913	53,934
Total				89,234	95,740

The term loans are due within one year from April 30, 2001 and have been classified as a currently liability on the balance sheet. Management expects to refinance these loans on a long-term basis prior to their maturity.

Scheduled future minimum annual repayments of long-term debt are as follows:

	\$
2002	48,175
2003	550
2004	602
2005	647
2006	653
Subsequent years	38,607
Total	89,234

11. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of restricted 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 and Changes in Deficit when the associated capital asset is brought into service. The changes in the deferred capital contribution balance are as follows:

	2001			2000		
	Expended \$	Unexpended \$	Total \$	Expended \$	Unexpended \$	Total \$
Balance, beginning of year	58,862	68,988	127,850	60,317	9,934	70,251
Contributions received in the year	60	6,707	6,767	1,103	59,981	61,084
Transfers	15,776	(15,776)	-	927	(927)	-
Amortization of deferred capital contributions	(3,454)	-	(3,454)	(3,485)	-	(3,485)
Balance, end of year	71,244	59,919	131,163	58,862	68,988	127,850

In March 2000, the Ministry of Training, Colleges and Universities issued SuperBuild Growth Funding to the University in the amount of \$54.0 million. This funding is being used to partially fund the construction of two new academic buildings. Construction commenced in fiscal 2001. The unexpended portion is included in unexpended deferred capital contributions above and investments on the Balance Sheet.

12. INTERNALLY RESTRICTED NET ASSETS

Details of the internally restricted net assets are as follows:

	2000 \$	Appropriated \$	Expended \$	2001 \$
Departmental carryforwards	22,355	30,079	22,355	30,079
Progress through the ranks	(13,496)	(5,382)	-	(18,878)
Computing systems development	1,433	4,519	3,591	2,361
Contractual commitments to employee groups	1,133	3,658	2,723	2,068
Purchase order commitments	1,321	1,103	1,321	1,103
Pension cost deferral	2,900	10,874	7,334	6,440
Capital reserve	7,125	2,946	2,147	7,924
Balance, end of year	22,771	47,797	39,471	31,097

Internally restricted net assets include funds committed for specific purposes that reflect the application of the Board of Governor's policy as follows:

- i. Departmental carryforwards - These represent the cumulative positions of all Faculties and Divisions with net unspent year end balances at the 2001 year end. Under Board policy, which is approved annually, Faculties and Divisions are entitled to carryforward the net unspent funds from previous years' allocations. These funds provide units with a measure of flexibility established through prudent management over several years to assist with future balancing of their budgets in the face of additional anticipated budget reductions, as well as resources which are to meet commitments made during the year but not reflected at year end in purchase orders.
- ii. Progress through the ranks – This is the cumulative difference between the amounts paid for progress through the ranks (PTR) salary adjustments and the budget funds provided under York's salary recovery policy. PTR adjustments are planned to be self-funding over time. However, on a year to year basis, the cost of providing PTR adjustments can be more or less than the funds provided depending on the number of retirements that occurred during the year.
- iii. Computing systems development - The University has implemented several major administrative computing and information systems. These appropriated funds support forward commitments for these new systems in process, as well as planned future stages of system implementation not yet contracted for at year end.
- iv. Contractual commitments to employee groups - This is the net carryforward of funds to meet future commitments defined under Collective Agreements with various employee groups.
- v. Purchase order commitments - This represents the net value across all operating budget units of purchase commitments for goods ordered but not received at year end.
- vi. Pension cost deferral - This represents the portion of University-funded contributions paid into the pension plan, which exceed the accrued value of employee pension benefits earned during this period, as estimated in accordance with Canadian generally accepted accounting principles.
- vii. Capital reserve - This represents funds restricted for deferred maintenance, capital emergencies and major capital projects.

13. ENDOWMENTS

Endowments include restricted donations received by the University and donations that have been internally designated. Investment returns generated from endowments are used in accordance with the various purposes established by the donors or by the Board of Governors. The University protects the future purchasing power of its endowments by designating a portion of the annual investment income earned to endowments, known as capital protection. Further, the University has established a policy of setting the amount of income available for spending to 5% of the endowment.

Net assets restricted for endowment consist of the following:

	Endowments April 30, 2000 \$	New Contributions \$	Capital Protection \$	Transfers \$	Endowments April 30, 2001 \$
Externally restricted	100,877	4,891	3,889	100	109,757
Internally restricted	4,554	1,709	114	(100)	6,277
Total	105,431	6,600	4,003	-	116,034

(a) Ontario Student Opportunity Trust Fund

The Government of Ontario established the Ontario Student Opportunity Trust Fund (OSOTF) program to encourage companies and individuals to contribute funds to post secondary students. The University set up a fund, in fiscal 1997, and eligible donations made until March 31, 2000 were equally matched by the Province. Investment income earned in this fund is awarded to qualified students in need of financial aid.

The change in the OSOTF fund balance at market value included in externally restricted endowments is calculated as follows:

	Opening Balance April 30, 2000 \$	Capital Protection \$	Investment Income \$	Awards \$	Closing Balance April 30, 2001 \$
Endowed	59,521	2,375	-	-	61,896
Unallocated gains	2,982	-	705	-	3,687
	62,503	2,375	705	-	65,583
Expendable	4,207	-	2,152	2,713	3,646
Total fund	66,710	2,375	2,857	2,713	69,229

During the year, 2,063 bursaries (2000 – 926 bursaries) were awarded.

(b) Seymour Schulich Endowment Fund

The University has received a gift of \$10 million, which it holds as an endowment in perpetuity. The University has agreed to match the gift and until such time as it discharges its commitment, it will make an annual revenue contribution to the Fund equal to 7% of the unmatched capital contribution. The agreement also provides for a testamentary bequest to the University of a further \$5 million.

At April 30, 2001, the unmatched endowment contribution is \$5 million, which the University has agreed to discharge in three installments over a three-year period. \$1 million is due on Dec 31, 2002; \$2.0 million is due on Dec 31, 2003 and \$2 million is due on December 31, 2004. It is intended that these amounts will be realized from future fundraising activities.

14. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2001	2000
	\$	\$
Accounts receivable	(116)	(4,250)
Prepaid expenses	493	411
Inventories	(232)	472
Accounts payable and accrued liabilities	4,883	850
Net change in non-cash working capital balances	5,028	(2,517)

15. EMPLOYEE BENEFITS

The University has a defined contribution pension plan which provides a minimum level of pension benefits. Other retirement and post-employment benefits are also provided to most of its employees.

The employee benefits expense for the year includes pension expense of \$7,334 and other retirement benefits expense of \$2,500.

Information about the University's benefit plans as at April 30 is as follows:

	Pension Benefit Plans	Other Benefit Plans
	\$	\$
Accrued benefit obligation	902,352	37,381
Fair value of plan assets	910,591	-
Plan surplus (deficit)	8,239	(37,381)
Pension cost deferral	6,440	
Long-term liability		37,381

The significant actuarial assumptions adopted in measuring the University's accrued benefit obligations are as follows:

	Pension Benefit Plans	Other Benefit Plans
Discount rate	6.75%	6.75%
Expected long-term rate of return on plan assets	7.00%	-
Rate of compensation increase	5.00%	5.00%

For measurement purposes, a 9.50% annual rate of increase in the per capita cost of covered health care benefits was assumed for 1998. The rate of increase was assumed to decrease gradually to 4.50% in 2003 and remaining at that level thereafter.

Other information about the University's benefit plans is as follows:

	Pension Benefit Plans	Other Benefit Plans
	\$	\$
Employer contributions	9,896	-
Employees' contributions	9,608	-
Benefits paid	30,057	1,820

16. COMMITMENTS AND CONTINGENT LIABILITIES

(a) Guaranteed housing loans

The University has guaranteed and is contingently liable in the amount of \$2,513 (2000 - \$3,703) for bank loans for faculty and staff. The loans to assist in the purchase of homes are collateralized by home mortgages.

(b) Canadian University Reciprocal Insurance Exchange

The University participates in a reciprocal exchange of insurance risks in association with fifty other Canadian universities. This self-insurance reciprocal, named CURIE, involves a subscriber agreement to share the insurable property and liability risks of member universities for a term of not less than five years. Plan members are required to pay annual deposit premiums, which are actuarially determined and are subject to further assessment in proportion to their participation in the event premiums are insufficient to cover losses and expenses. As at December 31, 2001, CURIE was fully funded.

(c) Capital and other commitments

The estimated cost to complete committed capital projects at April 30, 2001 is approximately \$299,810 (2000 - \$132,102). The projects include the construction of three new academic buildings for Computer Science, the Technology Enhanced Learning (TEL) project, the Schulich School of Business, the Executive Learning Centre, two parking structures and a residence. These costs will be financed by SuperBuild and other government grants and contributions, borrowings, future ancillary revenues and fundraising.

17. PLEDGES OUTSTANDING

The total amount of pledges outstanding is \$15,748 as at April 30, 2001. The receipt of funds pledged cannot be assured as they are not legally enforceable and consequently, have not been included in the financial results. Pledges outstanding are as follows:

	\$
2002	9,276
2003	3,344
2004	2,529
2005	279
2006	214
Subsequent years	106
Total	15,748

At the request of the contributor, restrictions may apply to the use of these funds.

YORK UNIVERSITY
PUBLIC SECTOR SALARY DISCLOSURE
(UNAUDITED)

YORK UNIVERSITY

PUBLIC SECTOR SALARY DISCLOSURE 2001

The Public Sector Salary Disclosure Act, 1995 requires the University to publish the salaries of all employees of York University earning \$100,000 or more.

SURNAME	FIRST NAME	POSITION	SALARY	TAXABLE BENEFIT
Abner	Brian D	Professor & Associate Vice-President Academic Resources Planning	116,034	767
Abramson	Morton	Professor, Mathematics & Statistics	139,028	6,002
Albright	R. Gordon	Professor, Analytic Studies & Information Technology	102,696	591
Arjomandi	Eshrat	Professor, Computer Science	117,158	775
Arthurs	Harry W.	University Professor, Osgoode Hall Law School & President Emeritus	184,800	1,237
Auster	Ellen R.	Professor, Schulich School of Business	115,178	635
Barrett	Frank A.	Professor, Geography	104,953	681
Barrows	David	Course Director, Schulich School of Business	109,308	
Bell	David V.J.	Professor, Environmental Studies	153,213	847
Bell	Jill	Professor, Education	102,361	662
Bianchi	Luigi M.	Professor, Science & Technology Studies	112,033	678
Bohme	Diethard K.	Distinguished Research Professor, Chemistry	118,772	972
Bordessa	Ronald	Professor & Dean, Atkinson	125,652	827
Bradshaw	Patricia	Professor, Schulich School of Business	100,020	625
Brewer	Gary	Assistant Vice-President, Finance and Chief Financial Officer	127,073	828
Brooks	William Neil	Professor, Osgoode Hall Law School	131,893	814
Burke	Ronald J.	Professor, Schulich School of Business	129,540	843
Buzacott	John A.	Professor, Schulich School of Business	123,479	808
Caldwell	John J.	Professor, Physics & Astronomy	106,861	715
Cameron	B. Jamie	Professor, Osgoode Hall Law School	105,628	639
Chaput	Marie-Therese	Director, Development	115,923	764
Clark	Phyllis M.	Vice-President, Finance & Administration	144,021	930
Claydon	John E.	Professor, Osgoode Hall Law School	150,333	917
Coghlan	Michael	Professor, Music	121,101	524
Cook	Wade	Professor, Schulich School of Business	143,111	902
Cowles	Michael P.	Professor, Psychology	113,043	403
Cragg	Arthur Wesley	Professor, Schulich School of Business	119,475	764
Darroch	Arthur G.L.	Professor, Sociology	104,595	700
Darroch	James	Professor, Schulich School of Business	118,360	599
Denzel	George E.	Professor, Mathematics & Statistics	113,241	758
Dermer	Jerry	Professor, Schulich School of Business	135,406	4,983
Dimick	David E.	Professor, Schulich School of Business	109,484	715
Doan	Helen	Professor, Psychology	104,303	5,793
Dusk	Cora Marie M.	Assistant Vice-President, Campus Relations & Student Affairs	104,863	4,523
Dymond	Patrick	Professor, Computer Science	127,727	854
Embleton	Sheila M.	Professor & Vice-President Academic	111,864	744
Emond	D. Paul	Professor, Osgoode Hall Law School	126,819	2,450
Ewoldt	Carolyn K.	Professor, Education	104,874	701
Fallis	George B.	Professor & Dean, Faculty of Arts	139,725	809

YORK UNIVERSITY

PUBLIC SECTOR SALARY DISCLOSURE 2001 (continued)

SURNAME	FIRST NAME	POSITION	SALARY	TAXABLE BENEFIT
Fenton	M. Brock	Professor, Biology	117,803	771
Filseth	Stephen V.	Professor, Chemistry	101,886	680
Fischer	Eileen Mary	Professor, Schulich School of Business	122,998	716
Fleming	Stephen J.	Professor, Psychology	107,133	1,533
Fletcher	Frederick	Professor, Political Science	106,316	4,828
Found	William C.	University Professor, Environmental Studies	117,503	874
Frolic	Bernie M.	Professor, Political Science	109,806	733
Fromowitz	Lucy	Director, Admissions	109,083	681
Gagne	Robert	Executive Director, Computing & Network Services	117,970	748
Gainer	Brenda J.	Professor, Schulich School of Business	102,509	385
Gavigan	Shelley A.M.	Professor, Osgoode Hall Law School	109,262	559
Geva	Benjamin	Professor, Osgoode Hall Law School	125,568	783
Gilmour	Joan M.	Professor, Osgoode Hall Law School	107,072	617
Gledhill	Norman	Professor, Kinesiology & Health Science	110,688	699
Grayson	J. Paul	Professor, Sociology	107,846	5,533
Green	Leslie J.M.	Professor, Osgoode Hall Law School	112,565	548
Greene	Felim J.	Director of Budgets	102,895	556
Haberman	Arthur	University Professor, Humanities & History	102,923	688
Harris	Geoffrey W.	Professor, Chemistry	130,160	859
Hasson	Reuben A.	Professor, Osgoode Hall Law School	143,461	905
Hay	Charles Douglas	Professor, Osgoode Hall Law School	129,571	811
Heddle	John A.	Professor, Biology	117,782	770
Heeler	Roger M.	Professor, Schulich School of Business	100,761	670
Herzberg	Paul A.	Professor, Psychology	100,078	666
Hilliker	Arthur J.	Professor, Biology	123,458	700
Hobson	Deborah W.	Professor and Vice-President, Enrolment & Student Services	143,674	948
Hoffman	Randy	Professor, Administrative Studies	104,181	1,515
Hoffmann	Ellen	University Librarian	123,040	812
Hogg	Peter W.	University Professor & Dean, Osgoode Hall Law School	180,863	1,153
Horvath	Dezso	Professor & Dean, Schulich School of Business	193,166	1,063
Irani	Khurshed	Director, Facilities Management	107,666	5,324
Jarvie	Ian C.	Distinguished Research Professor, Philosophy	105,069	2,457
Jazairi	Nuri T.	Professor, Economics	101,998	677
Jenkin	Michael R.	Professor, Computer Science	111,594	677
Jiang	George J.	Professor, Schulich School of Business	112,420	752
Johnson	G. Thomas	Professor, Osgoode Hall Law School	104,068	2,226
Joshi	Sudhakar B.	Professor, Physics & Astronomy	109,608	1,044
Jurkowski	Diane	Course Director, Administrative Studies	103,531	162
Kanya-Forstner	A. Sydney	Professor, History	105,198	704
Kaplan	Harold	Professor, Political Science	135,655	908

YORK UNIVERSITY

PUBLIC SECTOR SALARY DISCLOSURE 2001 (continued)

SURNAME	FIRST NAME	POSITION	SALARY	TAXABLE BENEFIT
Kehoe	Dalton A.	Professor, Social Science	126,824	593
Kater	Michael H.	Distinguished Research Professor, History	119,824	801
Katz	Shirley	Professor & Associate to the Counsel	104,751	691
Kelton	Roger A.	Professor, Kinesiology & Health Science	113,806	4,237
Kirschbaum	Stanislav	Professor, Political Science	103,814	3,160
Kohn	Paul M.	Professor, Psychology	108,281	697
Kusyszyn	Igor	Professor, Psychology	100,487	604
Lay	Clarry H.	Professor, Psychology	103,915	1,729
Lennox	John W.	Professor & Dean, Graduate Studies	103,951	683
Lever	Alfred B.P.	Distinguished Research Professor, Chemistry	110,113	720
Lewis	Harriet	University Secretary & General Counsel	138,132	905
Leyton-Brown	David	Professor, Political Science	137,521	920
Leznoff	Clifford C.	Professor, Chemistry	103,662	1,589
Lightman	Bernard V.	Professor, Humanities	102,568	2,671
Lim	Byungha	Professor, Schulich School of Business	102,120	597
Liu	Joseph W.H.	Professor, Computer Science	107,035	715
Logan	David M.	Professor, Biology	104,823	691
Loughton	Barry G.	Professor, Biology	101,382	680
Lovejoy	Paul E.	Distinguished Research Professor, History	109,707	735
MacInnes	Lynne	Comptroller	106,008	670
Macintosh	John C.	Professor, Administrative Studies	101,681	673
Mandel	Michael G.	Professor, Osgoode Hall Law School	124,914	618
Marsden	Lorna Ruth	President & Vice-Chancellor	266,242	9,262
Martin	Dianne L.	Professor, Osgoode Hall Law School	115,373	651
McCamus	John D.	Professor, Osgoode Hall Law School	151,138	945
McClellan	Ronald J.	Professor, Schulich School of Business	101,940	675
McDougall	Ian A.	Professor, Osgoode Hall Law School	110,371	763
McKechnie	Graeme H.	Professor, Economics	116,084	737
McKellar	James	Professor, Schulich School of Business	176,496	833
McLeod-Dick	Ingrid	Course Director, Schulich School of Business	106,849	
McNeil	C. Kent	Professor, Osgoode Hall Law School	101,397	609
McQueen	Donald J.	Professor, Biology	100,091	670
McRoberts	Kenneth H.	Professor & Principal Glendon College	114,290	5,045
Middleton	Alan Charles	Professor, Schulich School of Business	100,218	480
Milevsky	Moshe Arye	Professor, Schulich School of Business	110,391	2,131
Monahan	Patrick J.	Professor, Osgoode Hall Law School	108,979	365
Morgan	Frederick J.	Professor, Physics & Astronomy	104,888	711
Morgan	Gareth H.J.	Distinguished Research Professor, Schulich School of Business	123,647	826
Mossman	Mary Jane	Professor, Osgoode Hall Law School	125,495	783
Newgren	Donald A.	Professor, Fine Arts	100,949	657
Noble	David	Professor, Social Science	101,346	677

YORK UNIVERSITY

PUBLIC SECTOR SALARY DISCLOSURE 2001 (continued)

SURNAME	FIRST NAME	POSITION	SALARY	TAXABLE BENEFIT
Oliver	Christine E.	Professor, Schulich School of Business	119,790	781
Peridis	Theodoros	Professor, Schulich School of Business	138,884	598
Peterson	Rein	Professor, Schulich School of Business	128,041	6,236
Pilkington	Marilyn	Professor, Osgoode Hall Law School	119,514	829
Piper	Terry C.	Professor & Dean, Faculty of Education	127,570	851
Plourde	Charles G.	Professor, Economics	107,370	715
Polka	Brayton	Professor, Humanities	102,267	683
Prince	Robert H.	Professor & Dean, Faculty of Pure & Applied Science	125,324	829
Prisman	Eliezer Zeev	Professor, Schulich School of Business	130,995	5,948
Pyke	Sandra W.	University Professor, Psychology	109,824	4,669
Ramsay	Iain Duncan	Professor, Osgoode Hall Law School	105,752	725
Regan	David M.	Distinguished Research Professor, Psychology	150,586	236
Roberts	Gordon Sam Abram	Professor, Schulich School of Business	131,990	857
Roosen-Runge	Peter	Professor, Computer Science	100,774	668
Rosen	Lawrence S.	Professor, Schulich School of Business	117,450	899
Roy	S. Paul	Professor, Schulich School of Business	103,640	693
Rudolph	Jochen	Professor, Chemistry	117,950	789
Rudolph	Ross A.	Professor, Political Science	102,976	689
Saleuddin	A. Saber	University Professor, Biology	101,408	673
Savary	James R.	Professor, Economics	102,629	677
Shapiro	Alan A.	Professor, Economics	100,971	671
Shapson	Stan	Professor & Vice-President, Research & Innovation	155,618	1,029
Shugarman	David P.	Professor, Political Science	101,806	647
Silver	Phillip	Professor & Dean, Fine Arts	112,083	743
Simmons	Harvey G.	Professor, Political Science	100,376	670
Sirsi	Ajay Kumar	Professor, Schulich School of Business	122,628	542
Siu	K.W. Michael	Professor, Chemistry	106,082	686
Slattery	Brian	Professor, Osgoode Hall Law School	128,353	805
Smith	David M.	Director, Management Information	124,121	766
Smith	Gary J.	Vice-President, University Advancement	185,705	9,381
Smylie	Douglas E.	Professor, Earth & Atmospheric Science	106,694	715
Spence	Edward S.	Professor, Environmental Studies	138,323	862
Spence	Susan Leigh	Director, Computing Services	103,642	604
Stelmacovich	Andrew F.	Director of Development, Osgoode Hall Law School	106,586	700
Stevens	Paul D.	Professor, History	102,010	4,976
Struk	Peter	Assistant Vice-President, Facilities & Business Operations	128,532	5,926
Swarney	Paul R.	Professor, Humanities	111,146	555
Taylor	Peter	Professor, Earth & Atmospheric Science	105,408	704
Thompson	Donald N.	Professor, Schulich School of Business	116,162	766
Thorne	Linda Elizabeth	Professor, Schulich School of Business	115,122	663

YORK UNIVERSITY

PUBLIC SECTOR SALARY DISCLOSURE 2001 (continued)

SURNAME	FIRST NAME	POSITION	SALARY	TAXABLE BENEFIT
Thornhill	Stewart J.	Professor, Schulich School of Business	101,690	717
Tryfos	Peter	Professor, Schulich School of Business	112,112	740
Tian	Yisong	Professor, Schulich School of Business	135,120	888
Tsotsos	John K.	Professor, Computer Science	162,607	1,055
Tucker	Eric M.	Professor, Osgoode Hall Law School	110,548	4,297
Vandermerwe	Marina	Professor, Kinesiology & Health Science	102,117	627
Victor	Peter Alan	Professor & Dean, Environmental Studies	134,512	842
Wacyk	Maria	Executive Director, Human Resources	109,745	722
Walker	Marshall D.	Professor, Analytic Studies & Information Technology	103,800	7,544
Watson	Garry D.	Professor, Osgoode Hall Law School	165,534	746
Waxer	Peter H.	Professor, Psychology	105,400	4,859
Weiss	Stephen E.	Professor, Schulich School of Business	125,711	736
Wheeler	David C.	Professor, Schulich School of Business	109,268	800
Wiesenthal	David L.	Professor, Psychology	101,763	593
Wilson	H. Thomas	Professor, Schulich School of Business	106,435	709
Zarry	Peter T.	Director, Executive Programs. Schulich School of Business	140,399	135
Zemans	Frederick H.	Professor, Osgoode Hall Law School	149,023	921

NOTE ON SALARY: These amounts include base salary and, if applicable, additional payments such as administrative stipends, payments for overload teaching, etc.