

University of
Waterloo



Financial Statements

April 30, 2007

UNIVERSITY OF WATERLOO
FINANCIAL STATEMENTS

APRIL 30, 2007

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STATEMENT OF MANAGEMENT RESPONSIBILITY

Management of the University of Waterloo 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 have been prepared by management in accordance with generally accepted accounting principles recommended by the Canadian Institute of Chartered Accountants. Management believes the financial statements present fairly the University's financial position as at April 30, 2007 and the results of its operations for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, management 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.

The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee.

The Audit Committee is appointed by the Board and its members are not officers or employees of the University. The Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues to satisfy itself that each party is properly discharging its responsibilities and to review the annual report, the financial statements and the external auditors' reports. The Committee reports its findings to the Board for consideration when approving the financial statements for issuance. The Committee also considers, for approval by the Board, the engagement or reappointment of the external auditors.

Financial statements for the year ended April 30, 2007 have been audited by Ernst & Young LLP. The auditors' report outlines the scope of their audit and their opinion on the presentation of the information included in the financial statements.

AUDITORS' REPORT

To the Governors of the
University of Waterloo:

We have audited the Balance Sheet [Statement 1] of the **University of Waterloo** as at April 30, 2007 and the following statements for the year then ended:

Statement 2 - Statement of Operations
Statement 3 - Statement of Changes in Net Assets
Statement 4 - Statement of Cash Flows

These financial statements are the responsibility of the University's management. 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 management, 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, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kitchener, Canada,
August 2, 2007.

Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

UNIVERSITY OF WATERLOO
BALANCE SHEET
as at APRIL 30, 2007
(with comparative figures as at April 30, 2006)
(thousands of dollars)

STATEMENT 1

	<u>2007</u>	<u>2006</u>
ASSETS		
<u>Current</u>		
Cash and cash equivalents	\$ 95,365	\$ 110,841
Accounts receivable	17,231	14,102
Inventories	2,519	2,896
Prepaid expenses	<u>3,622</u>	<u>3,886</u>
Total current assets	<u>118,737</u>	<u>131,725</u>
Investments (note 3)	431,437	347,309
Capital assets, net (note 4)	<u>276,892</u>	<u>264,121</u>
	<u>827,066</u>	<u>743,155</u>
LIABILITIES AND NET ASSETS		
<u>Current</u>		
Accounts payable and accrued liabilities	40,430	38,698
Unearned income	34,106	28,372
Current portion of long-term debt (note 5)	<u>2,907</u>	<u>1,324</u>
Total current liabilities	<u>77,443</u>	<u>68,394</u>
Employee future benefits (note 14)	<u>105,394</u>	<u>95,864</u>
Long-term debt (note 5)	<u>33,372</u>	<u>36,279</u>
Deferred contributions (note 6)	151,099	158,533
Deferred capital contributions (note 7)	<u>178,734</u>	<u>165,110</u>
	<u>329,833</u>	<u>323,643</u>
Total liabilities	<u>546,042</u>	<u>524,180</u>
NET ASSETS		
Deficit (note 8)	(107,891)	(98,231)
Internally restricted (note 9)	146,850	89,575
Invested in capital assets (note 10)	70,565	70,312
Restricted for endowment purposes (note 11)	<u>171,500</u>	<u>157,319</u>
	<u>281,024</u>	<u>218,975</u>
	<u>\$ 827,066</u>	<u>\$ 743,155</u>

(See accompanying notes to financial statements)

On behalf of the Board of Governors:

Bob Harding
Chair

David Johnston
President

UNIVERSITY OF WATERLOO
STATEMENT OF OPERATIONS
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)

STATEMENT 2

	<u>2007</u>	<u>2006</u>
INCOME		
Academic fees	\$ 160,962	\$ 146,878
Donations	9,542	9,881
Grants and contracts	303,922	271,287
Sales, services and other income	102,775	100,254
Income from investments (note 3)	19,869	14,882
Amortization of deferred capital contributions (note 7)	<u>16,527</u>	<u>15,324</u>
	<u>613,597</u>	<u>558,506</u>
EXPENSES		
Salaries	286,026	267,947
Employee benefits	59,788	55,214
Cost of goods sold	21,959	20,017
Supplies and expenses	69,798	66,916
Travel	14,809	13,902
Major repairs and renovations	9,113	15,989
Expendable equipment, maintenance and rentals	16,020	19,014
Scholarships and bursaries	43,341	40,630
Municipal taxes and utilities	14,908	15,255
Amortization of capital assets (note 4)	<u>26,349</u>	<u>24,947</u>
	<u>562,111</u>	<u>539,831</u>
Excess income over expenses for the year	<u>\$ 51,486</u>	<u>\$ 18,675</u>

(See accompanying notes to financial statements)

UNIVERSITY OF WATERLOO
 STATEMENT OF CHANGES IN NET ASSETS
 for the year ended April 30, 2007
 (with comparative figures for the year ended April 30, 2006)
 (thousands of dollars)

STATEMENT 3

	<u>Deficit</u>	<u>Internally Restricted</u>	<u>Invested in Capital Assets</u>	<u>Restricted for Endowment</u>	<u>2007 Total</u>	<u>2006 Total</u>
Net assets, beginning of year	\$ (98,231)	\$ 89,575	\$ 70,312	\$ 157,319	\$ 218,975	\$ 167,422
Excess income over expenses for the year	51,486				51,486	18,675
Change in internally restricted net assets (note 9)	(57,275)	57,275				
Change in net assets invested in capital assets (note 10)	(253)		253			
Capital preservation of endowments (note 11)	(3,618)			3,618		
Endowment contributions (note 11)	<u> </u>	<u> </u>	<u> </u>	<u>10,563</u>	<u>10,563</u>	<u>32,878</u>
Net assets, end of year	<u>\$ (107,891)</u>	<u>\$ 146,850</u>	<u>\$ 70,565</u>	<u>\$ 171,500</u>	<u>\$ 281,024</u>	<u>\$ 218,975</u>

(See accompanying notes to financial statements)

UNIVERSITY OF WATERLOO
STATEMENT OF CASH FLOWS
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)

STATEMENT 4

	<u>2007</u>	<u>2006</u>
OPERATING ACTIVITIES		
Excess income over expenses for the year	\$ 51,486	\$ 18,675
Add (deduct) non-cash items:		
Amortization of capital assets (note 4)	26,349	24,947
Amortization of deferred capital contributions (note 7)	(16,527)	(15,324)
Net change in employee future benefits (note 14)	9,530	6,818
Net change in non-cash working capital balances (note 15)	<u>(2,456)</u>	<u>57,258</u>
Cash provided by operating activities	<u>68,382</u>	<u>92,374</u>
INVESTING AND FINANCING ACTIVITIES		
Purchase of capital assets (note 4)	(39,120)	(37,184)
Net change in investments (note 3)	(84,128)	(94,141)
Contributions received for capital purposes (note 7)	30,151	24,097
Repayment of long-term debt (note 5)	(1,324)	(1,246)
Endowment contributions (note 11)	<u>10,563</u>	<u>32,878</u>
Cash used in investing and financing activities	<u>(83,858)</u>	<u>(75,596)</u>
Net change in cash and cash equivalents during the year	(15,476)	16,778
Cash and cash equivalents, beginning of year	<u>110,841</u>	<u>94,063</u>
Cash and cash equivalents, end of year (note 2(b))	<u>\$ 95,365</u>	<u>\$ 110,841</u>

(See accompanying notes to financial statements)

UNIVERSITY OF WATERLOO
NOTES TO THE FINANCIAL STATEMENTS
APRIL 30, 2007
(thousands of dollars)

1. Description

The University of Waterloo was incorporated in 1959 under the terms and provisions of the University of Waterloo Act. A new University of Waterloo Act was passed in 1972 which provided that the University continue as the corporation which was established in 1959.

The objectives of the University of Waterloo are the pursuit of learning through scholarship, teaching and research. The University is a degree granting and research organization offering undergraduate and graduate programs. The University is also a registered charity under Section 149 of the Income Tax Act and is, therefore, exempt from income taxes.

These financial statements reflect the assets, liabilities, net assets, income and expenses of all the operations controlled by the University. Included are the academic, administrative and other operating expenditures funded by academic fees, grants and other general income; restricted purpose funds including endowment funds; and the ancillary enterprises, including Residences, Food Services, Parking, Graphic Services, Retail Services and Watcard.

2. Significant Accounting Policies

(a) Income recognition

The University follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as income when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as income in the year in which the related expenses are incurred. Endowment contributions and land donations in kind are recognized as direct increases in net assets in the period in which they are received. Restricted investment

income is recognized as income in the year in which the related expenses are incurred. Unrestricted investment income is recognized as income when earned. All other unrestricted income, including academic fees and sales and services, is recognized as income when earned.

(b) Cash and cash equivalents

Investments included in cash and cash equivalents consist of deposit receipts (\$758; 2006 - \$2,226), government and corporate notes with a maturity of less than 90 days from the date of acquisition (\$70,612; 2006 - \$68,877), and the remainder represents cash. These investments are carried at amortized cost which approximates their market value.

(c) Inventories

Inventories are valued at the lower of average cost or net realizable value. Provision is made for obsolescence.

(d) Investments

Investments are recorded at cost. Gains and losses on sale of investments are recognized in the year of disposal and included in investment income based on the deferral method of accounting, as described in note 2(a). Investments are written down in the year when there is deemed to be a loss in value that is other than temporary.

(e) Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	40 years
Parking lots/roadways	15 years
Furniture and equipment	3-10 years
Library acquisitions	5 years

Contributions received for capital assets are deferred in the accounts and amortized over the same term on the same basis as the related capital assets.

Collections are recorded at cost and not amortized.

(f) Unearned income

Tuition and other academic fees are recorded as income on the accrual basis of accounting. All fees which relate to an academic term occurring within the fiscal year are included as income. Fees billed and collected which relate to academic terms commencing after the end of the fiscal year are included in "Unearned income".

(g) Employee future benefits

The University has a defined benefit pension plan for its employees and provides other retirement and post employment benefits such as extended health care and life insurance coverage. The cost of employee future benefits is determined using the projected benefit method prorated on services and management's best estimates regarding assumptions about retirement age, termination rates, mortality rates and expected health care costs. The net actuarial gain or loss is amortized on a straight-line basis over the average remaining service life of the active employees calculated using the corridor method.

(h) Funding of major capital assets and renovations

University departments, including ancillary enterprises, may be required to expend funds on major capital assets or renovations in a year where the costs exceed the unit's ability to pay. These major expenditures are, however,

charged to the unit in the year incurred and the resulting deficit is to be recovered over time through the budgeting process.

(i) Accounting estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. These amounts are based on management's best knowledge of current events and actions that the University may undertake in the future. Actual results could differ from those estimates.

(j) Derivative financial instruments

Derivative financial instruments are used to manage particular market and currency exposures for hedging and risk management purposes with respect to the University's investments and as a substitute for more traditional investments. Derivative financial instruments that may be employed include interest rate swaps. These contracts are supported by liquid assets with a market value approximately equal to the market value of the instruments underlying the derivative contract.

The University follows hedge accounting for its interest rate swap which results in interest expense related to certain long-term debt recorded in the financial statements at the hedged rate rather than at the original contractual interest rate. In order for a derivative to qualify for hedge accounting, the hedge relationship must be identified, designated and formally documented at its inception. Changes in the cash flows on the interest rate swap must be highly effective in offsetting changes in the amount of cash flows on the hedged long-term debt. In the event a designated hedged long-term debt is extinguished or matures prior to the termination of the related interest rate swap, any realized or unrealized gain or loss on such interest rate swap is recognized in income.

The fair value of derivative financial instruments reflects the daily quoted market amount of those instruments, thereby taking into account the current unrealized gains or losses on open contracts. Investment dealer quotes or quotes from a bank are available for the University's derivative financial instruments.

3. Investments

(a) Total investments consist of the following components:

	<u>Book Value</u>	
	<u>2007</u>	<u>2006</u>
Bonds		
Government of Canada	\$ 27,143	\$ 26,154
Provincial	38,905	41,170
Corporate	<u>62,263</u>	<u>50,430</u>
Total Bonds	128,311	117,754
Pooled Funds	106,219	55,135
Short-Term Investments	156,915	91,738
Equity Investments	<u>39,992</u>	<u>82,682</u>
Total Investments	<u>\$431,437</u>	<u>\$347,309</u>

	<u>2007</u>		<u>2006</u>	
	<u>Book Value</u>	<u>Book Yield</u>	<u>Book Value</u>	<u>Book Yield</u>
Bonds				
0-5 years	\$ 70,807	4.4	\$ 62,091	4.4
5-10 years	39,109	4.8	38,602	4.9
>10 years	<u>18,395</u>	5.3	<u>17,061</u>	5.5
	<u>\$128,311</u>		<u>\$117,754</u>	

Yields on fixed term investments are annual effective yields for the respective portfolios based on book value. The

market value of the total investment portfolio as at April 30, 2007 is \$438,540 (2006 - \$347,721).

(b) Investment income recorded in the statement of operations is calculated as follows:

	<u>2007</u>	<u>2006</u>
Income earned on unrestricted resources	\$13,576	\$ 8,071
Income earned on specific purpose funds	2,106	1,294
Income earned on resources held for endowment		
Internally endowed	1,545	2,025
Donor endowed	<u>5,108</u>	<u>6,712</u>
Total investment income earned	22,335	18,102
Investment income deferred in the year	<u>(2,466)</u>	<u>(3,220)</u>
Total investment income recognized in the year	<u>\$19,869</u>	<u>\$14,882</u>

4. Capital Assets

Capital assets consist of the following:

	<u>2007</u>		<u>2006</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Cost</u>	<u>Accumulated Amortization</u>
Land	\$ 7,152	-	\$ 7,954	-
Buildings	333,399	145,548	312,573	137,839
Parking lots/roadways	3,161	1,840	3,161	1,640
Furniture and equipment	150,885	80,742	134,498	65,498
Library acquisitions	34,246	26,035	31,746	22,956
Collections	<u>2,214</u>	<u>-</u>	<u>2,122</u>	<u>-</u>
	531,057	254,165	492,054	227,933
Less accumulated amortization	<u>(254,165)</u>		<u>(227,933)</u>	
Net book value	<u>\$276,892</u>		<u>\$264,121</u>	

Included in the cost of buildings is \$26,021 (2006 - \$12,734) of construction in progress that is currently not being amortized.

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

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$264,121	\$251,884
Purchase of capital assets funded by deferred capital contributions	30,151	24,097
Purchase of capital assets internally funded	8,969	13,087
Amortization of capital assets	<u>(26,349)</u>	<u>(24,947)</u>
Balance, end of year	<u>\$276,892</u>	<u>\$264,121</u>

5. Long-Term Debt

(a) Lease agreements payable

	<u>2007</u>		<u>2006</u>	
	<u>Book Value</u>	<u>Fair Value</u>	<u>Book Value</u>	<u>Fair Value</u>
Residence Ron Eydt Village: 6.9% agreement payable due December 1, 2020. Repayable in semi-annual instalments of \$135 combined principal and interest	\$2,406	\$2,843	\$2,506	\$2,919
UW Place: 6.9% agreement payable due June 1, 2021. Repayable in semi-annual instalments of \$259 combined principal and interest	4,698	5,577	4,882	5,710
<u>Mortgages and debentures payable</u>				
Canada Mortgage and Housing Corporation: Residence Village I, Phase I - 5 3/8% mortgage payable due July 1, 2016. Repayable in semi-annual instalments of \$56 combined principal and interest	830	875	896	932
Residence Village I, Phase II - 5 3/8% debenture payable due July 1, 2017. Repayable in semi-annual instalments of \$63 combined principal and interest	998	1,057	1,067	1,114
Residence Village I, Phase I Amended - 5 7/8% debenture payable due July 1, 2017. Repayable in semi-annual instalments of \$40 combined principal and interest	620	673	661	709
Minota Hagey Residence - 6 1/4% debenture payable due February 1, 2019. Repayable in semi-annual instalments of \$10 combined principal and interest	175	195	184	203

Bank loans payable

Royal Bank of Canada:

Columbia Lake Townhouses – 6.15% term loan payable due November 1, 2007 repayable in monthly instalments of \$31 combined principal and interest plus a final payment at maturity of \$1,616

1,774	1,785	2,033	2,116
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Canadian Imperial Bank of Commerce:

MacKenzie King Village Residence and UW Place Renewal Program – demand instalment loan with a floating interest rate which is fixed at 6.045% through an interest rate swap with a term expiring on October 1, 2012 repayable in four instalments per year of \$529 combined principal and interest on a 25 year amortization schedule. Facility was renegotiated subsequent to year end to remove demand feature. Loan was renegotiated as non-revolving and committed to December 1, 2008. All other terms are unchanged.

<u>24,778</u>	<u>26,425</u>	<u>25,374</u>	<u>28,905</u>
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36,279	<u>39,430</u>	37,603	<u>42,608</u>
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Less current portion

<u>(2,907)</u>		<u>(1,324)</u>	
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Long-term debt

<u>\$33,372</u>		<u>\$36,279</u>	
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Future scheduled annual debt principal repayments are as follows:

2008 - \$2,907; 2009 - \$1,204; 2010 - \$1,280; 2011 - \$1,361; 2012 - \$1,447; 2013 and beyond - \$28,080

The total interest expense recognized and paid on long-term debt for the year ended April 30, 2007 was \$2,335 and \$2,297 respectively (2006 - \$2,473 and \$2,375).

(b) Derivative financial instruments

The University has entered into an interest rate swap contract to manage the interest rate exposure associated with a long-term debt obligation. The contract has the effect of converting the floating rate of interest on this debt obligation to a fixed rate.

The notional amount of the derivative financial instrument does not represent amounts exchanged between parties and is not a measure of the University's exposure resulting from the use of a financial instrument contract. The amounts exchanged are based on the applicable rates applied to the notional amount.

The University is exposed to credit-related losses in the event of non-performance by counterparties to this financial instrument, but it does not expect any counterparties to fail to meet their obligations. The University limits its derivative financial instrument's credit risk by only dealing with Canadian chartered banks that are rated AA or better.

(c) Fair value

The fair value of the debt instruments above are estimated using a discounted cash flow calculation that uses approximate market interest rates at April 30, for debt instruments with similar characteristics. The interest rate swap contract results in the University fixing the long-term interest rate at 6.045% (2006 – 6.045%) on \$24,778 (2006 - \$25,374) of debt obligation which is exchanged with 60-90 day investment vehicles. The fair value of the interest rate swap contract is (\$3,051) (2006 – (\$2,539)).

6. Deferred Contributions

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

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$158,533	\$112,892
Amount recognized as income during the year	(67,899)	(56,889)
Amount received related to the following year	<u>60,465</u>	<u>102,530</u>
Balance, end of year	<u>\$151,099</u>	<u>\$158,533</u>

7. Deferred Capital Contributions

Deferred capital contributions represent the unamortized amount of grants, donations and investment income received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as income in the statement of operations. Changes in the deferred capital contributions are as follows:

	<u>2007</u>	<u>2006</u>
Balance, beginning of year	\$165,110	\$156,337
Less amortization of deferred capital contributions	(16,527)	(15,324)
Add contributions received for capital purposes	<u>30,151</u>	<u>24,097</u>
Balance, end of year	<u>\$178,734</u>	<u>\$165,110</u>

8. Deficit

	<u>2007</u>	<u>2006</u>
Operational surplus	\$ 4,237	\$ 4,010
Land donation in kind	350	350
Provision for vacation pay	(7,084)	(6,727)
Employee future benefits	<u>(105,394)</u>	<u>(95,864)</u>
	<u>\$(107,891)</u>	<u>\$(98,231)</u>

9. Internally Restricted Net Assets

	<u>2007</u>	<u>2006</u>
Academic and academic support department carryforwards and operational commitments	\$130,021	\$110,406
Ancillary enterprises	7,555	1,221
Research related activities	3,045	1,854
Other specific purpose funds	1,340	865
Bridge financing for housing and other construction projects	<u>4,889</u>	<u>(24,771)</u>
Balance, end of year	<u>\$146,850</u>	<u>\$ 89,575</u>

The University appropriates funds at year end to cover outstanding operational commitments.

10. Net Assets Invested in Capital Assets

	<u>2007</u>	<u>2006</u>
Capital assets, net	\$276,892	\$264,121
Less amounts financed by:		
Long-term debt	(27,243)	(28,349)
Deferred capital contributions (note 7)	(178,734)	(165,110)
Land donation in kind	<u>(350)</u>	<u>(350)</u>
Balance, end of year	<u>\$ 70,565</u>	<u>\$ 70,312</u>

The change in net assets invested in capital assets is calculated as follows:	<u>2007</u>	<u>2006</u>
Repayment of long-term debt	\$ 1,106	\$ 1,041
Purchase of capital assets internally funded	<u>8,969</u>	<u>13,087</u>
Increase in net assets invested in capital assets	<u>10,075</u>	<u>14,128</u>
Amortization expense	26,349	24,947
Less amount of amortization expense related to capital assets purchased with restricted contributions	<u>(16,527)</u>	<u>(15,324)</u>
Decrease in net assets invested in capital assets	<u>9,822</u>	<u>9,623</u>
Change in net assets invested in capital assets	<u>\$ 253</u>	<u>\$ 4,505</u>

11. Net Assets Restricted for Endowment Purposes

Contributions restricted for endowment purposes consist of restricted donations received by the University and donations internally designated by the Board of Governors. The endowment principal is to be permanently maintained. The investment income generated from endowments must be used for the purposes designated by the donors or Board of Governors. The University ensures that all funds received for restricted purposes are expended for those purposes for which they were provided.

Investment income on endowments is recorded in the statement of operations if it is available for spending at the discretion of the University or if the conditions of any restrictions have been met. Fundamental to the University's philosophy on endowments is the general principle of maintaining the purchasing power of all endowment funds. This preservation of capital is recorded in the statement of changes in net assets as a direct increase of endowment capital when this is a condition of the original donation. For internally restricted endowments and for externally restricted amounts for which the preservation of capital is not a condition of the original donation, the preservation of capital is recorded as either an increase in the deficit or a reduction of internally restricted net assets and an increase in the endowment capital.

(a) Contributions restricted for endowment purposes consist of the following:

	<u>2007</u>	<u>Additions</u>	<u>2006</u>
Donor endowed	\$133,408	\$10,563	\$122,845
Internally endowed	<u>38,092</u>	<u>3,618</u>	<u>34,474</u>
	<u>\$171,500</u>	<u>\$14,181</u>	<u>\$157,319</u>

(b) Ontario Student Opportunity Trust Fund

The donor endowed balance includes funds provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund matching program to award student aid.

Schedule of Changes in Endowment Fund Balance	<u>Phase 1</u>		<u>Phase 2</u>	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Fund balance, beginning of year	\$5,870	\$5,718	\$2,272	\$ 2,216
Preservation of capital	<u>18</u>	<u>152</u>	<u>14</u>	<u>56</u>
	<u>\$5,888</u>	<u>\$5,870</u>	<u>\$2,286</u>	<u>\$2,272</u>
Schedule of Changes in Expendable Funds Available for Awards				
Balance, beginning of year	\$ 273	\$ 218	\$ 42	\$ 26
Investment income	235	229	91	89
Bursaries awarded				
(Phase 1 total awarded 144; 2006 - 135)				
(Phase 2 total awarded 61; 2006 - 48)	<u>(202)</u>	<u>(174)</u>	<u>(85)</u>	<u>(73)</u>
Balance, end of year	<u>\$ 306</u>	<u>\$ 273</u>	<u>\$ 48</u>	<u>\$ 42</u>

12. Financial Information

	<u>General Operations</u>	<u>Ancillary Enterprises</u>	<u>Restricted and Other Specific Purposes</u>	<u>2007 Total</u>	<u>2006 Total</u>
Income	<u>\$404,822</u>	<u>\$71,100</u>	<u>\$137,675</u>	<u>\$613,597</u>	<u>\$558,506</u>
Expenses	362,542	63,495	155,096	581,133	564,327
Less capital asset balances included in expenses above	<u>(8,518)</u>	<u>(292)</u>	<u>(10,212)</u>	<u>(19,022)</u>	<u>(24,496)</u>
Expenses net of capital assets	354,024	63,203	144,884	562,111	539,831
Transfer of funds for capital asset purchases and other purposes	<u>(40,843)</u>	<u>(1,563)</u>	<u>42,406</u>	<u>-</u>	<u>-</u>
Excess income over expenses	<u>\$ 9,955</u>	<u>\$ 6,334</u>	<u>\$ 35,197</u>	<u>\$ 51,486</u>	<u>\$ 18,675</u>

13. Commitments and Contingent Liabilities

(a) Canadian University Reciprocal Insurance Exchange

The University is a member of a self-insurance co-operative, named CURIE, in association with Canadian universities. Under this arrangement, a contractual agreement exists to share the property and liability insurance risks of member universities. The projected cost of claims is funded through members' premiums based on actuarial projections. As at December 31, 2006, CURIE had a surplus of \$16,507 (2005 - \$11,175), of which the University's pro rata share is approximately 3.5% (2005 - 3.6%) on an ongoing basis.

(b) Contractual obligations

The University has entered into a long-term land lease and operating agreement with Reid's Heritage Homes Ltd. for the construction and rental of student housing. The University has a one year commitment to rent units in the townhouse complex followed by a two year renewable commitment. Based on the number of units available for rent as at April 30, the following are the annual lease payments committed:

2008 - \$2,047

(c) In the normal course of operations, the University is involved on an ongoing basis in various legal actions, the outcomes of which are indeterminable. In management's opinion, the resolution of such actions will not have a material adverse effect on the financial condition of the University.

14. Employee Future Benefits

The University has a defined benefit pension plan that provides pension benefits to eligible employees. This registered pension plan is based on years of credited service, highest average earnings in 36 consecutive months in the 10 years immediately preceding retirement, and the CPP average. Pension benefits will increase annually by the ratio between the average of each of the two previous years' indices of the Consumer Price Index, normally to a maximum of 5%.

The University also has a benefit plan that provides other retirement benefits, including extended health care and life insurance and one that provides for long-term disability income benefits after employment, but before retirement.

The latest actuarial valuation for the registered pension plan was performed as at January 1, 2007, and for the other benefit plans as at May 1, 2006. The next required actuarial valuation for the registered pension plan will be January 1, 2009 and May 1, 2009 for the other benefit plans. The University has a practice of performing annual actuarial valuations for accounting purposes for the registered pension plan. The University measures its accrued benefit obligation and the fair value of plan assets for accounting purposes as at April 30 of each year.

The employee benefits expense for the year includes pension expense of \$19,387 (2006 - \$18,164) and other benefit plan expenses of \$9,530 (2006 - \$6,818).

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

	<u>2007</u>		<u>2006</u>	
	<u>Pension Benefit Plan</u>	<u>Other Benefit Plans</u>	<u>Pension Benefit Plan</u>	<u>Other Benefit Plans</u>
Accrued benefit obligation	\$884,008	\$118,166	\$784,109	\$113,600
Fair value of plan assets	<u>947,116</u>	<u>-</u>	<u>877,855</u>	<u>-</u>
Plan surplus (deficit)	63,108	(118,166)	93,746	(113,600)
Valuation allowance	(63,108)	-	(93,746)	-
Unamortized past service cost	-	(11,658)	-	-
Unamortized net actuarial loss	<u>-</u>	<u>24,430</u>	<u>-</u>	<u>17,736</u>
Accrued liability	<u>\$ -</u>	<u>\$(105,394)</u>	<u>\$ -</u>	<u>\$(95,864)</u>

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

	<u>2007</u>		<u>2006</u>	
	<u>Pension Benefit Plan</u>	<u>Other Benefit Plans</u>	<u>Pension Benefit Plan</u>	<u>Other Benefit Plans</u>
Accrued benefit obligation:				
Discount rate	6.0%	5.25%	6.5%	5.6%
Rate of compensation increase	4.5%	4.5%	4.5%	4.5%
Rate of inflation	2.5%	2.5%	2.5%	2.5%
Benefit cost:				
Discount rate	6.15%	5.6%	6.5%	6.0%
Expected long-term rate of return on fair value of plan assets	6.15%	-	6.5%	-
Rate of compensation increase	4.5%	4.5%	4.5%	4.5%
Rate of inflation	2.5%	2.5%	2.5%	2.5%

For measurement purposes, a 9.0% (2006 – 9.0%) annual rate of increase in the per capita cost of covered health care benefits was assumed for 2007. The rate of increase was assumed to decrease gradually to 5.0% in 2014 and remain at that level thereafter.

The plan assets consist of:

	<u>2007</u>	<u>2006</u>
Equity securities	27.6%	26.1%
Debt securities	48.8%	50.8%
Pooled funds	22.6%	22.4%
Cash and short-term investments	<u>1.0%</u>	<u>.7%</u>
	<u>100.0%</u>	<u>100.0%</u>

The table below outlines the funding provided by the University and its employees and the benefits paid under the University's benefit plans:

	<u>2007</u>		<u>2006</u>	
	<u>Pension Benefit Plan</u>	<u>Other Benefit Plans</u>	<u>Pension Benefit Plan</u>	<u>Other Benefit Plans</u>
Employer contributions	19,387	2,828	18,164	2,520
Employee contributions	11,616	-	10,841	-
Benefits paid	25,765	2,828	24,947	2,520

15. Change in Non-Cash Working Capital

	<u>2007</u>	<u>2006</u>
(Increase) decrease in accounts receivable	\$(3,129)	\$ 8,897
Decrease in inventories	377	88
Decrease in prepaid expenses	264	162
Increase in accounts payable and accrued liabilities	1,732	689
Increase in unearned income	5,734	1,781
(Decrease) increase in deferred contributions	<u>(7,434)</u>	<u>45,641</u>
	<u>\$ (2,456)</u>	<u>\$57,258</u>

16. The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the current year financial statements.

UNIVERSITY OF WATERLOO
SCHEDULE OF GENERAL OPERATING EXPENSES
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)
(Unaudited)

	Salaries					Employee Benefits	Supplies and Other Expenses	Equipment, Maintenance and Rentals	Travel	Scholarships and Bursaries	Cost Recoveries	Totals	
	Faculty	Teaching Assistants	Technicians	Staff	Total							2007	2006
ACADEMIC													
Applied Health Sciences:													
Dean's Office	\$ 469	19		908	1,396	255	319	76	50	197	(30)	2,263	2,306
Health Studies & Gerontology	1,618	424	52	181	2,275	373	47	55	44	94	(51)	2,837	2,407
Kinesiology	1,550	380	485	296	2,711	476	201	458	41	38	(11)	3,914	3,667
Recreation & Leisure Studies	1,348	206		144	1,698	291	53	11	15			2,068	1,985
Total - 2007	4,985	1,029	537	1,529	8,080	1,395	620	600	150	329	(92)	11,082	
Total - 2006	4,843	792	497	1,487	7,619	1,322	754	442	156	219	(147)		10,365
Arts:													
Accountancy, School of	3,768	224		631	4,623	692	622	57	160	120	(5)	6,269	6,033
Anthropology	628	4		33	665	103	18		3			789	788
Classical Studies	732	11		17	760	134	20	2	6	2		924	777
Computing Office		55		515	570	103	43	185	2		(6)	897	725
Dean's Office	540	1		1,260	1,801	303	591	78	184	1,047	(36)	3,968	3,586
Drama and Speech Communication	1,182	29	88	123	1,422	236	87	15	35		(9)	1,786	1,419
Economics	2,943	196		127	3,266	497	157	5	45	22		3,992	3,489
English Language & Literature	2,061	316		156	2,533	401	53	8	17	47		3,059	2,848
Fine Arts	849	18	54	164	1,085	183	111	5	29	16	(1)	1,428	1,368
French Studies	979	107	142	72	1,300	207	45	2	14	5	(2)	1,571	1,582
Germanic and Slavic Studies	1,046	154		82	1,282	212	38	2	25	6		1,565	1,444
History	1,543	168		83	1,794	303	48		6	17	(5)	2,163	1,876
Independent Studies	21			36	57	7	17		2			83	107
Language Laboratory		43		55	98	14	2	4				118	107
Philosophy	1,097	241		87	1,425	209	38	5	17	12	(1)	1,705	1,737
Political Science	1,452	126		86	1,664	267	34	3	21	5		1,994	1,997
Psychology	3,617	881	170	796	5,464	896	308	182	78	87	(109)	6,906	6,549
Religious Studies	88	75		22	185	23	5	(2)	2	21		234	173
Sociology	1,417	279		79	1,775	289	164		6	16	(6)	2,244	2,125
Spanish and Latin American Studies	551	3	27	18	599	97	18	1	5			720	622
Women's Studies	87			46	133	18	7		1			159	149
Total - 2007	24,601	2,931	481	4,488	32,501	5,194	2,426	552	658	1,423	(180)	42,574	
Total - 2006	\$ 22,806	2,748	495	4,002	30,051	4,926	2,564	461	459	1,224	(184)		39,501

(continued)

UNIVERSITY OF WATERLOO
SCHEDULE OF GENERAL OPERATING EXPENSES
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)
(Unaudited)

	Salaries					Employee Benefits	Supplies and Other Expenses	Equipment, Maintenance and Rentals	Travel	Scholarships and Bursaries	Cost Recoveries	Totals	
	Faculty	Teaching Assistants	Technicians	Staff	Total							2007	2006
Engineering:													
Architecture, School of	\$ 2,256	213	167	323	2,959	447	540	134	93	8		4,181	3,732
Centre for Business, Entrepreneurship & Technology	270			147	417	75	845	90	80	35	(11)	1,531	852
Centre for Society, Technology & Values	76			42	118	18	5	2	3			146	145
Chemical	2,872	421	392	333	4,018	686	590	75	50	37	(40)	5,416	4,980
Civil and Environmental	3,278	406	554	303	4,541	813	370	197	76		(64)	5,933	5,363
Computer		25	623	114	762	137	74	104	8		(14)	1,071	1,184
Dean's Office	372	23		1,521	1,916	303	974	98	459	2,103	(189)	5,664	5,912
Electrical & Computer	7,507	1,144	1,447	741	10,839	1,821	907	2,903	198	28	(152)	16,544	13,471
Machine Shop			469	131	600	119	104	44			(93)	774	699
Management Sciences	2,134	272	65	194	2,665	427	402	20	38		(2)	3,550	3,006
Mechanical & Mechatronics	4,895	622	787	544	6,848	1,175	571	331	151	40	(20)	9,096	9,059
Systems Design	2,403	357	239	185	3,184	541	109	35	54		(1)	3,922	3,682
Undergraduate Office	137	709		1,208	2,054	267	107	34	33			2,495	2,038
Total - 2007	26,200	4,192	4,743	5,786	40,921	6,829	5,598	4,067	1,243	2,251	(586)	60,323	
Total - 2006	23,881	4,273	4,373	5,007	37,534	6,206	5,044	2,407	1,164	2,367	(599)		54,123
Environmental Studies:													
Dean's Office	416	134		1,351	1,901	319	1,538	349	269	204	(11)	4,569	3,691
Environment and Resource Studies	1,245	183		128	1,556	276	42	3	29			1,906	1,532
Geography	2,081	294	63	221	2,659	486	87	9	32		(5)	3,268	2,820
School of Planning	1,342	290	84	178	1,894	327	58	25	83		(1)	2,386	2,315
Total - 2007	5,084	901	147	1,878	8,010	1,408	1,725	386	413	204	(17)	12,129	
Total - 2006	4,828	869	140	1,635	7,472	1,302	746	248	440	199	(49)		10,358

(continued)

UNIVERSITY OF WATERLOO
SCHEDULE OF GENERAL OPERATING EXPENSES
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)
(Unaudited)

	Salaries					Employee Benefits	Supplies and Other Expenses	Equipment, Maintenance and Rentals	Travel	Scholarships and Bursaries	Cost Recoveries	Totals	
	Faculty	Teaching Assistants	Technicians	Staff	Total							2007	2006
Mathematics:													
Applied Mathematics	\$ 2,369	359		131	2,859	476	112	72	46		(1)	3,564	3,350
Combinatorics and Optimization	2,970	231		219	3,420	558	121	22	78		(2)	4,197	3,876
Computing Facility		36	620	331	987	200	143	287	7		(128)	1,496	1,229
David R. Cheriton School of Computer Science	8,508	2,475	997	1,445	13,425	2,154	663	555	242	58	(165)	16,932	16,215
Dean's Office	1,467	962		1,654	4,083	587	1,443	130	507	1,299	(3)	8,046	8,065
Graduate Studies	9			63	72	15	16	1	17	494		615	102
Pure Mathematics	2,471	174		118	2,763	473	83	27	64	40	(3)	3,447	3,387
Statistics and Actuarial Science	3,841	870	34	259	5,004	838	174	48	64	86	(38)	6,176	5,933
Total - 2007	21,635	5,107	1,651	4,220	32,613	5,301	2,755	1,142	1,025	1,977	(340)	44,473	
Total - 2006	20,262	5,080	1,595	3,811	30,748	5,007	2,722	1,171	1,073	1,790	(354)		42,157
Science:													
Biology	3,472	746	635	531	5,384	894	678	462	67		(157)	7,328	6,441
Chemistry	3,300	854	614	747	5,515	909	1,353	474	65		(654)	7,662	7,272
Dean's Office	187		209	838	1,234	216	767	382	159	528	(16)	3,270	2,632
Earth & Environmental Sciences	2,192	335	116	407	3,050	543	317	149	126	4	(25)	4,164	3,681
Optometry - Clinic	1,688	12	299	622	2,621	409	1,161	28	32		(1)	4,250	4,032
- School	2,217	326	201	673	3,417	570	563	339	203		(64)	5,028	4,248
Physics and Astronomy	3,400	521	48	565	4,534	793	931	601	229	10	(112)	6,986	5,748
School of Pharmacy	226			198	424	83	387	290	83			1,267	566
Technical Services			552	1	553	122	95	68	1		(220)	619	521
Total - 2007	16,682	2,794	2,674	4,582	26,732	4,539	6,252	2,793	965	542	(1,249)	40,574	
Total - 2006	14,276	2,612	2,566	4,177	23,631	4,026	5,117	2,289	856	385	(1,163)		35,141
Distance Education													
Total - 2007				1,725	1,725	321	462	30	11	1	(3)	2,547	
Total - 2006				1,486	1,486	286	539	11	8	1	(33)		2,298

(continued)

UNIVERSITY OF WATERLOO
SCHEDULE OF GENERAL OPERATING EXPENSES
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)
(Unaudited)

	Salaries					Employee Benefits	Supplies and Other Expenses	Equipment, Maintenance and Rentals	Travel	Scholarships and Bursaries	Cost Recoveries	Total	
	Faculty	Teaching Assistants	Technicians	Staff	Total							2007	2006
English Language Proficiency Program													
Total - 2007			288	1	289	47	11	5			(10)	342	
Total - 2006	5		247		252	45	8	3			(7)		301
Inter-University service teaching - net													
Total - 2007							759					759	
Total - 2006							560						560
Teaching Resources & Continuing Education													
Total - 2007	10	63		313	386	72	526	3	29		(20)	996	
Total - 2006	6	42		271	319	60	364	1	26		(15)		755
Waterloo Centre for the Advancement of Co-op Education													
Total - 2007	7			5	12	1	29	16	10			68	
Total - 2006	11			23	34	3	16	3	26				82
Academic expenses													
Total - 2007	99,204	17,017	10,521	24,527	151,269	25,107	21,163	9,594	4,504	6,727	(2,497)	215,867	
Total - 2006	90,918	16,416	9,913	21,899	139,146	23,183	18,434	7,036	4,208	6,185	(2,551)		195,641
PHYSICAL PLANT													
Fire and liability insurance							1,454					1,454	1,236
Municipal taxes							2,020					2,020	1,836
Plant Operations				15,073	15,073	3,292	3,305	760	6		(5,067)	17,369	17,567
Security				1,502	1,502	275	217	70	13		(155)	1,922	1,855
Leased/Rental Properties				5	5	1	729					735	446
Utilities							11,076				(1,951)	9,125	9,775
Total - 2007				16,580	16,580	3,568	18,801	830	19		(7,173)	32,625	
Total - 2006				15,897	15,897	3,434	19,157	1,048	17		(6,838)		32,715

(continued)

UNIVERSITY OF WATERLOO
SCHEDULE OF GENERAL OPERATING EXPENSES
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)
(Unaudited)

	Salaries					Employee Benefits	Supplies and Other Expenses	Equipment, Maintenance and Rentals	Travel	Scholarships and Bursaries	Cost Recoveries	Totals	
	Faculty	Teaching Assistants	Technicians	Staff	Total							2007	2006
ACADEMIC SUPPORT													
Associate Provost-Academic & Student Affairs	\$ 24	52		366	442	68	56	9	21			596	499
Associate Provost-Human Resources & Student Services				797	797	129	346	43	54			1,369	1,233
Associate Vice-President, Academic	116			95	211	17	150	1	96	2		477	467
Associate Vice-President, Learning Resource & Innovation	13	80		184	277	47	31	12	41		(1)	407	635
Athletics & Recreational Services				2,074	2,074	325	689	240	458		(17)	3,769	3,676
Business Operations				512	512	58	56	5	7		(255)	383	405
Central Stores				1,244	1,244	255	304	379	5		(106)	2,081	1,745
Communications & Public Affairs	4			782	786	152	460	13	8			1,419	1,310
Co-op Education & Career Services		227		5,930	6,157	1,182	690	54	485			8,568	8,161
Corporate	1			447	448		2,793	124	102	187		3,654	4,093
Counselling Services				1,062	1,062	197	40	2	10		(1)	1,310	1,196
Development & Alumni Affairs	11			3,804	3,815	754	1,723	72	224	5	(27)	6,566	5,838
Finance				1,846	1,846	382	138	10	9			2,385	2,214
Graduate Studies	54	6		1,017	1,077	210	203	3	123	7,292	(1)	8,907	8,489
Health Services	14			1,078	1,092	215	137	17	1		(4)	1,458	1,413
Human Resources				1,624	1,624	342	81	12	13			2,072	2,028
Information Systems & Technology				8,677	8,677	1,676	2,955	2,412	146		(709)	15,157	14,773
Institutional Analysis & Planning				613	613	115	87	5	15			835	795
Learning & Teaching through Technology	176			611	787	154	33	13	33		(1)	1,019	1,017
Library - operations				7,049	7,049	1,442	663	724	68			9,946	10,710
- acquisitions							6,757					6,757	7,259
Office of Research	45	1		2,133	2,179	456	503	55	87		(23)	3,257	3,022
Organizational & Human Development				80	80	19	63	4	1		(4)	163	81
President's Office				547	547	66	52	5	66			736	698
Procurement Services				467	467	101	60	6	8			642	610
Registrar				5,405	5,405	983	816	115	99	10,375	(2)	17,791	17,348
Retirement/employee future benefits						11,987						11,987	10,249
Safety				317	317	69	169	35	3		(7)	586	628
Secretariat				667	667	130	269	9	6			1,081	988
Student Life Centre				218	218	27	492	39	3		(47)	732	1,134
Theatre Centre				166	166	23	20	9	1		(17)	202	182
VP Academic & Provost	5			792	797	106	910	6	114			1,933	2,456
VP Administration & Finance				266	266	47	16	37	3			369	339
VP University Relations				419	419	20	15		12			466	445
Cost Recovery											(5,030)	(5,030)	(4,829)
Total - 2007	463	366		51,289	52,118	21,754	21,777	4,470	2,322	17,861	(6,252)	114,050	
Total - 2006	477	392		48,714	49,583	19,512	22,530	5,930	2,081	17,669	(5,998)		111,307
Total expenses 2007	99,667	17,383	10,521	92,396	219,967	50,429	61,741	14,894	6,845	24,588	(15,922)	362,542	
Total expenses 2006	\$ 91,395	16,808	9,913	86,510	204,626	46,129	60,121	14,014	6,306	23,854	(15,387)		339,663

UNIVERSITY OF WATERLOO
SCHEDULE OF ANCILLARY ENTERPRISES INCOME AND EXPENSES
for the year ended April 30, 2007
(with comparative figures for the year ended April 30, 2006)
(thousands of dollars)
(Unaudited)

SCHEDULE 2

							<u>Totals</u>	
	<u>Retail Services</u>	<u>Food Services</u>	<u>Graphic Services</u>	<u>Residences</u>	<u>Parking</u>	<u>Watcard</u>	<u>2007</u>	<u>2006</u>
Income:								
Sales, services and other income	\$ 17,017	15,332	7,152	28,573	2,350	676	71,100	66,108
Expenses and other deductions:								
Salaries	1,514	5,466	1,910	4,954	458	211	14,513	13,645
Employee benefits	316	1,059	378	946	87	42	2,828	2,791
Cost of goods sold	13,415	5,475	3,069				21,959	20,017
Supplies and expenses	1,146	1,721	721	11,247	1,242	142	16,219	15,986
Travel	27	38	4	60		10	139	339
Major repairs & renovations	1	95	11	1,549	202	7	1,865	2,738
Equipment, maintenance and rentals	39	581	810	708	65	172	2,375	2,554
Utilities	84	131	62	3,314	6		3,597	3,493
	<u>16,542</u>	<u>14,566</u>	<u>6,965</u>	<u>22,778</u>	<u>2,060</u>	<u>584</u>	<u>63,495</u>	<u>61,563</u>
EXCESS INCOME OVER EXPENSES	475	766	187	5,795	290	92	7,605	4,545
Interfund transfers	<u>2</u>	<u>79</u>	<u>6</u>	<u>(1,285)</u>		<u>(73)</u>	<u>(1,271)</u>	<u>(1,184)</u>
NET INCREASE (DECREASE)	477	845	193	4,510	290	19	6,334	3,361
NET ASSETS BEGINNING OF YEAR	<u>872</u>	<u>(2,659)</u>	<u>(2,700)</u>	<u>5,126</u>	<u>382</u>	<u>200</u>	<u>1,221</u>	<u>(2,140)</u>
NET ASSETS END OF YEAR	<u><u>1,349</u></u>	<u><u>(1,814)</u></u>	<u><u>(2,507)</u></u>	<u><u>9,636</u></u>	<u><u>672</u></u>	<u><u>219</u></u>	<u><u>7,555</u></u>	<u><u>1,221</u></u>
NET ASSETS: ACCUMULATED SURPLUS(DEFICIT) FROM OPERATIONS	1,349	(38)	(2,507)	9,636	875	219	9,534	4,838
DEFICIT DUE TO MAJOR CAPITAL ASSET ACQUISITIONS/RENOVATIONS		<u>(1,776)</u>			<u>(203)</u>		<u>(1,979)</u>	<u>(3,617)</u>
NET ASSETS END OF YEAR	\$ <u><u>1,349</u></u>	<u><u>(1,814)</u></u>	<u><u>(2,507)</u></u>	<u><u>9,636</u></u>	<u><u>672</u></u>	<u><u>219</u></u>	<u><u>7,555</u></u>	<u><u>1,221</u></u>