

FOR INFORMATION

SIMON FRASER UNIVERSITY

MEMORANDUM

TO: Senate

FROM: Alison Watt
Director, Secretariat Services

DATE: August 29, 1996

SUBJECT: Annual Financial Statement

Section 31 of the University Act states: "The board shall make an annual report of its transactions to the Minister, in which shall be set out a balance sheet and a statement of revenue and expenditure for the year ending on the preceding March 31, and other particulars the Minister may require. A copy of the annual report shall be transmitted promptly to the senate."

A copy of the report is attached.

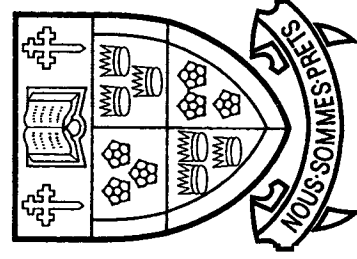


NOTE:

IF YOU DO NOT WISH TO KEEP THE ANNUAL FINANCIAL STATEMENT,
PLEASE RETURN IT TO BOBBIE GRANT, OFFICE OF THE REGISTRAR.



SIMON FRASER UNIVERSITY



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1996**

S I M O N F R A S E R U N I V E R S I T Y
BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY DEBENTURES

AS AT MARCH 31, 1996

Interest Rate (%)	Face Value	Sinking Fund Balance	Balance Outstanding 1996	Balance Outstanding 1995	Annual Payments
9.25	4,418	2,597	1,821	2,768	1,162
8.41	2,000	1,900	100	256	237
10.00	2,000	1,174	379	427	94
9.82	3,562	1,282	2,280	2,946	800
5.40	3,700	839	(39)	(13)	102
10.16	800	3,669	31	48	485
10.28	3,700	1,895	105	406	485
10.68	2,000	1,826	2,424	303	304
11.25	4,250	475	3,063	2,852	304
12.55	2,100	1,973	127	3,173	771
13.13	210	1,772	38	345	315
13.68	2,500	1,681	819	56	33
13.69	2,260	1,562	718	1,005	396
14.81	1,880	1,247	633	895	362
17.00	1,000	653	347	776	320
9.00	5,160	608	4,554	420	182
16.10	1,786	1,141	645	4,789	577
15.25	1,960	1,295	665	751	321
14.96	1,000	630	370	837	345
16.53	1,400	850	550	444	171
14.16	2,000	1,169	831	651	262
13.43	1,607	905	702	968	327
12.01	2,000	549	1,451	320	142
11.59	1,000	1,152	849	499	251
11.53	2,545	1,435	1,110	882	142
7.75	4,778	733	4,045	1,200	275
7.75	9,150	444	8,706	4,427	349
11.51	1,000	492	508	8,937	700
11.79	1,000	477	523	937	909
12.13	2,099	1,012	1,087	1,377	137
12.60	1,000	463	537	584	300
9.00	1,004	73	931	1,215	140
8.80	8,987	525	8,464	1,483	148
8.80	1,700	658	1,045	594	148
8.00	3,520	1,700	1,820	1,004	160
8.00	3,906	3,906	8,329	7,189	1,143
8.00	3,539	116	3,423	8,987	1,483
9.36	387	700	317	288	45
10.07	290	177	523	551	83
10.31	1,590	65	225	238	36
10.31	5,750	1,149	4,601	1,309	189
10.17	6,150	1,212	4,938	4,810	718
9.41	1,337	163	1,174	5,177	760
9.62	2,400	401	1,999	869	118
9.78	1,000	156	844	1,165	155
10.36	1,028	136	892	2,078	283
11.33	275	38	239	876	120
10.47	686	91	595	925	129
10.46	1,148	163	985	877	127
10.75	1,215	158	1,057	247	37
10.01	2,750	285	2,465	628	88
9.81	2,275	232	2,043	1,031	145
9.88	1,850	189	1,661	1,094	145
10.04	900	384	520	2,550	335
9.50	3,913	500	3,413	2,113	273
8.50	7,000	1,601	5,399	1,716	223
8.50	22,276	401	20,875	835	110
8.50	5,625	401	5,224	3,639	457
8.50	1,237	350	879	6,890	814
7.50	15,081	15	14,731	21,263	2,380
8.63	668	15	653	5,370	601
9.00	5,435	2,596	2,839	15,082	92
9.00	2,596	4,043	668	1,461	1,461
7.88	212,479	45,201	161,578	144,284	27,282

Prepared with Page 30

S I M O N F R A S E R U N I V E R S I T Y

F I N A N C I A L S T A T E M E N T S

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T A B L E O F C O N T E N T S

1. Statement of Management Responsibility	Page 1
2. Report of the Vice-President Finance & Administration	2
3. Report of the Auditor General	6
4. Audited Statements	7
- Balance Sheet	7
- Statement of Changes in Appropriated Expendable Fund Balances	8
- Statement of Changes in Unappropriated Expendable Fund Balances	9
- Statement of Changes in Non-Expendable Fund Balance	10
- Statement of Changes in Equity in Capital Assets	11
5. Notes to the Financial Statements	12
6. Unaudited Schedules	23
- Changes in General Operating and Capital Fund Balances	24
- Changes in Sponsored Research and Specific Purpose Fund Balances	25
- Changes in Ancillary Enterprises Fund Balances	26
- Schedule of General Operating Fund Expenditures by Function	27
- Schedule of General Operating Fund - Academic Expenditures	28
- Schedule of General Operating Fund - Non-Academic Expenditures	29
- Schedule of Academic Expenditures - All Funds	30
- List of Debentures Outstanding	30

SIMON FRASER UNIVERSITY
SCHEDULE OF ACADEMIC EXPENDITURES - ALL FUNDS
FOR THE YEAR ENDED MARCH 31, 1996
(Thousands of dollars)

Schedule 7

	General Operating	Sponsored Research	Specific Purpose	Capital	1995	1996	Totals
FACULTY OF ARTS							
General faculty	\$ 549	\$ 246	\$ 664	\$ 164	\$ 1,610	\$ 1,613	\$ 3,223
Archaeology	1,492	137	42	24	1,665	1,695	3,360
Canadian Studies	102	-	0	-	80	102	182
Contemporary Arts	3,516	10	178	121	3,824	3,825	7,649
Criminology	2,843	43	12	8	2,906	2,906	5,812
Economics	4,269	188	41	23	4,521	4,521	9,042
English	4,260	128	6	12	4,407	4,407	8,814
First Nations	640	-	-	-	640	640	1,280
French	1,356	19	1	15	1,391	1,391	2,782
Geography	2,805	277	40	30	3,162	3,162	6,324
Gerontology	254	310	273	4	841	841	1,682
Graduate Liberal Studies	137	-	-	0	137	137	274
History	3,330	91	1	5	3,427	3,427	6,854
Humanities	609	56	6	11	682	682	1,364
Interdisciplinary Studies	560	-	2	4	566	566	1,132
Linguistics	1,343	162	23	10	1,538	1,538	3,076
Masters of Publishing	105	-	-	-	105	105	210
Philosophy	1,501	11	7	8	1,527	1,527	3,054
Political Science	2,266	62	7	8	2,343	2,343	4,686
Psychology	5,067	561	107	29	5,764	5,764	11,528
Sociology and Anthropology	1,949	57	4	10	2,020	2,020	4,040
Spanish and Latin American Studies	1,077	102	1	6	1,186	1,186	2,372
Women's Studies	594	-	68	6	668	668	1,336
Other Studies	0	3	-	3	6	6	12
	40,444	2,464	1,483	481	44,882	44,882	89,764
FACULTY OF APPLIED SCIENCE							
General faculty	1,054	95	445	2	1,596	1,596	3,192
Communication Studies	2,831	358	79	101	3,369	3,369	6,738
Computing Science	4,394	1,287	49	160	5,790	5,790	11,580
Engineering Science	3,555	1,540	84	117	5,296	5,296	10,592
Kinesiology	3,037	1,039	169	66	4,311	4,311	8,622
Resource and Environmental Management	1,158	589	21	5	1,773	1,773	3,546
Centre for Policy Research on Science and Technology	24	109	64	-	197	197	394
Centre for Systems Science	985	681	241	30	1,917	1,917	3,834
	17,038	6,658	1,152	461	24,309	24,309	48,618
FACULTY OF BUSINESS ADMINISTRATION							
	7,804	145	282	223	8,454	8,454	16,908
FACULTY OF EDUCATION							
	8,714	1,159	4,519	88	14,480	14,480	28,960
FACULTY OF SCIENCE							
General faculty	1,305	441	51	19	1,816	1,816	3,632
Biological Sciences	6,560	3,715	41	174	10,510	10,510	21,020
Chemistry	5,338	2,977	26	98	8,139	8,139	16,278
Earth Sciences	291	-	-	91	382	382	764
Mathematics and Statistics	4,668	794	129	86	5,677	5,677	11,354
Molecular Biology and Biochemistry	4,660	296	8	-	4,964	4,964	9,928
Physics	3,740	2,727	67	172	6,706	6,706	13,412
Science Workshops	922	-	-	24	946	946	1,892
Western Canadian Universities Marine Biological Society	159	-	-	-	159	159	318
	23,663	10,650	322	668	35,321	35,321	70,642
OTHER EXPENDITURES							
Animal Care Facility	154	4	-	-	158	158	316
Centre for University Teaching	86	-	-	-	86	86	172
Continuing Studies	8,025	20	1,325	18	9,388	9,388	18,776
Co-op Education	809	-	516	-	1,325	1,325	2,650
Graduate Studies	303	161	863	-	1,327	1,327	2,654
Instructional Media Centre	1,601	-	-	135	1,736	1,736	3,472
International Programs	-	-	5,567	-	5,567	5,567	11,134
Library	-	-	-	-	-	-	-
Telelearning	-	7	-	-	7	7	14
	10,978	2,183	8,301	153	21,595	21,595	43,190
TOTAL ACADEMIC EXPENDITURES	\$ 108,661	\$ 22,239	\$ 16,059	\$ 2,082	\$ 149,041	\$ 149,041	\$ 298,082

S I M O N F R A S E R U N I V E R S I T Y
SCHEDULE OF GENERAL OPERATING FUND - NON-ACADEMIC EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

	Salaries	Employee Benefits	Other Expenses	Internal Cost Allocations	External Cost Recoveries	Totals
	1996	1996	1996	1996	1996	1996
LIBRARY						
General Operations	\$ 5,382	\$ 908	\$ 1,701	\$ 42	\$ (717)	\$ 6,696
Library Acquisitions	-	-	4,360	-	-	4,058
	5,382	908	6,061	42	(717)	10,754
STUDENT SERVICES AND AWARDS						
Director's Office	522	93	184	(1)	-	585
Academic Resource Office	382	63	65	-	-	609
Athletics and Recreation	1,709	283	1,065	(26)	(127)	2,760
Counselling Services	650	110	104	-	(16)	839
Financial Aid - General Office	412	66	16	-	-	383
- Student Awards	-	-	4,941	-	-	4,286
Health Services	1,156	204	118	-	(920)	516
	4,831	819	6,493	(27)	(1,063)	9,978
PLANT AND MAINTENANCE						
General Operations	3,155	540	2,621	38	-	6,629
Contract Services	-	-	1,486	-	-	1,495
Utilities	-	-	1,544	-	-	1,827
	3,155	540	5,651	38	-	9,951
COMPUTING SERVICES						
	2,869	496	2,793	(63)	(281)	5,257
ADMINISTRATION AND GENERAL						
Administrative Systems	621	107	38	-	-	747
Analytical Studies	201	33	15	-	-	259
Development Office	933	165	358	-	-	1,351
Financial Services	1,925	344	218	-	-	2,403
General University	110	-	3,062	(1,805)	(5)	1,903
Human Resources/Employee Relations	980	185	464	-	(1)	1,237
Media/Public Relations	380	64	228	-	-	493
President's Office	844	141	260	(27)	-	1,158
Printing and Duplicating	593	118	(947)	19	(13)	62
Purchasing	255	44	22	-	-	344
Registrar's Office	2,400	392	717	-	-	3,467
Traffic and Security	535	105	(75)	-	(16)	(23)
University Archives	196	40	16	-	-	246
Vice President Academic	607	102	441	(73)	-	1,000
Vice President Finance and Administration	230	39	24	-	-	279
Vice President SFU at Harbour Centre	608	103	1,234	(111)	-	1,861
Vice President Research	527	99	131	(1)	(5)	1,070
	11,945	2,081	6,206	(1,998)	(40)	17,857
TOTALS	\$ 28,182	\$ 4,844	\$ 27,204	\$ (2,008)	\$ (2,101)	\$ 53,797

Prepared without audit
Page 28

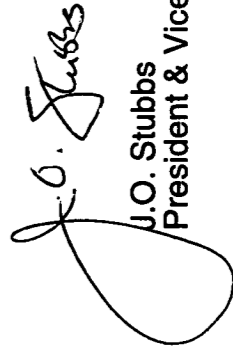
STATEMENT OF MANAGEMENT RESPONSIBILITY

The University is responsible for the preparation of the financial statements and has prepared them with reference to the "Guide to Accounting Principles Practices and Standards of Disclosure for Universities and Colleges of Canada", published by the Canadian Association of University Business Officers. They are in compliance with generally accepted accounting principles. The financial statements present fairly the financial position of the University as at March 31, 1996 and the results of its operations and the changes in its fund balances for the year then ended.

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University 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 carries out its responsibility for review of the financial statements 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 with Management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee, with and without the presence of Management.

The financial statements for the year ended March 31, 1996 have been reported on by the Auditor General of the Province of British Columbia, the auditor appointed under the University Act. The Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.


J.O. Stubbs
President & Vice-Chancellor



R.W. Ward
Vice President, Finance & Administration

SIMON FRASER UNIVERSITY
REPORT OF THE VICE-PRESIDENT FINANCE & ADMINISTRATION
1995/96

The audited financial statements of Simon Fraser University is a public document which is circulated to University departments and is also available in the library for the general public. The purpose of this report is to provide a brief description of the type of activity that takes place in each fund and to highlight some financial comparisons with prior years.

Statement 3 of the financial statements illustrates the sources of funding and areas of expenditure in five of the six funds. The sixth fund, the Endowment Principal Fund, is shown on statement 4. The concept of fund accounting organizes transactions so that revenues and their related expenses are accounted for in separate funds in accordance with objectives specified by donors, limitations and restrictions imposed by sources outside the University and determinations made by the Board of Governors.

General Operating Fund

The main sources of revenue for this fund are the Provincial Government's operating grant and student fees. This fund covers the expenditures of the academic and associated services as well as the supporting areas of library, student services, plant and maintenance, computing services and general administration.

Total operating revenue of \$167,251,000 has increased by \$4,830,000 over 1994/95. The grant of \$119,850,000 from the Province of British Columbia represents an increase of \$1,035,000 over the previous year. The main components of the change were an increase of 0.6% to the base budget and \$946,000 for undergraduate enrolment growth. The pay equity funding was increased by \$209,000. Student fees for credit courses increased by 7.1% to \$38,133,000 due to a 5.5% rate increase in tuition fees and an increase in enrolment. Non-credit fee revenue has increased by \$62,000. Other student fee revenue has also increased by \$455,000 due mainly to increases in Student Service and Athletic and Recreation fees. The University had substantial donations of library collections and art works totalling \$718,000 for Gifts-in-kind. Investment income has increased by \$372,000 due to an increased investment base and capital gains. Our miscellaneous income decreased by \$300,000 bearing in mind that in 94/95 we had unusual revenue of \$116,000 for the sale of the right of way of the Barnett highway and a one time payment of \$150,000 from BC Hydro for retroactive rent.

Total operating expenses of \$164,782,000 represent an increase of \$7,395,000 over the previous year. Total salaries and benefits increased by \$3,958,000 or 3.1%. Equipment rental increased by \$823,000 due to the addition of the library computer system, an increase in line rental and computer leases of \$360,000 that were previously charged to the capital fund. Scholarship expenditures increased by \$640,000 in line with the budget increase. The reduction of \$917,000 in contract services is due to the cost of security which has been transferred to Parking in Ancillary Enterprises. The increase of \$546,000 in professional fees is due to the increase in professional short term programs in Continuing Studies and the Faculty of Applied Science. Internal cost recoveries increased due to overhead on additional contracts and the external cost recoveries decreased by \$2,240,000 with the transfer of parking revenue to Ancillary Enterprises.

The fund balance deficit of \$2,400,000 is due entirely to the vacation pay accrual for support staff which is not funded.

Table 1 shows the sources of funding and a breakdown of the expenditure by function as well as a graph of the expenditures on a percentage basis over the last 5 years.

SIMON FRASER UNIVERSITY
SCHEDULE OF GENERAL OPERATING FUND - ACADEMIC EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 1996

	Salaries										Totals	
	Academic	Instruction & Research	Other	Total	Employee Benefits	Other Expenses	Internal Cost Allocations	External Cost Recoveries	1995	1996		
FACULTY OF ARTS												
General faculty	(489)	61	668	238	39	302	(90)			549	482	
Archaeology	837	128	229	1,194	202	96				1,492	1,492	
Canadian Studies	58	3	18	79	13	10				102	79	
Contemporary Arts	1,921	304	459	2,684	461	392		(11)		3,516	3,311	
Criminology	1,849	280	232	2,341	406	97		(1)		2,843	2,617	
Economics	2,816	639	285	3,520	601	148				4,269	3,901	
English	2,795	478	246	3,519	618	131		(8)		4,280	4,240	
First Nations	314	58	32	404	67	69				540	412	
French	832	104	172	1,108	196	52				1,356	1,493	
Geography	1,899	324	259	2,282	393	130				2,805	2,719	
Genontology	195	6		200	38	16				254	204	
Graduate Liberal Studies	51	1	48	88	17	22				137	163	
History	2,374	179	170	2,723	478	128	1			3,330	3,120	
Humanities	399	19		418	76	15				509	395	
Interdisciplinary Studies	392	9	78	477	84	19				560	516	
Linguistics	833	121	131	1,085	197	61				1,343	1,285	
Masters of Publishing	43		23	66	12	27				105	21	
Philosophy	984	154	81	1,219	213	69				1,501	1,475	
Political Science	1,685	157	131	1,873	319	74				2,266	2,178	
Psychology	2,744	921	463	4,128	708	231				5,097	5,109	
Sociology and Anthropology	1,324	174	101	1,599	279	71				1,940	1,818	
Spanish and Latin American Studies	656	143	86	885	159	32	1			1,077	1,034	
Women's Studies	380	34	57	471	84	39				594	603	
Other Studies	(25)		16	(9)	5	4				0	40	
	24,367	4,276	3,959	32,602	5,965	2,225	(29)			40,444	39,557	
FACULTY OF APPLIED SCIENCE												
General faculty	113	62	425	600	96	540	(117)			1,063	768	
Communication Studies	1,727	320	239	2,286	405	191	(61)			2,851	2,467	
Computing Science	2,409	466	513	3,388	602	401	3			4,394	4,110	
Engineering Science	1,912	98	806	2,816	471	278	(10)			3,555	3,340	
Kinesiology	1,565	532	315	2,412	414	214		(3)		3,037	2,960	
Resource and Environmental Management	678	91	132	901	151	108		(2)		1,159	1,098	
Centre for Policy Research on Science and Technology		6		6						24	6	
Centre for Systems Science		49	616	565	103	317				965	1,115	
	8,404	1,624	2,946	12,974	2,242	2,067	(175)	(70)		17,039	16,862	
	4,340	716	939	5,995	1,047	962	(2)	(98)		7,804	7,598	
	5,003	533	1,359	6,895	1,146	854	(181)			8,714	8,316	
FACULTY OF BUSINESS ADMINISTRATION												
FACULTY OF EDUCATION												
General faculty	164	111	247	522	106	838	(161)			1,395	801	
Biological Sciences	3,245	1,166	769	5,180	901	495	4			6,580	6,740	
Chemistry	2,372	982	608	3,942	666	728				5,338	4,767	
Earth Sciences	151	43	16	210	37	44				291	281	
Mathematics and Statistics	2,761	981	299	4,021	697	159	1			4,868	5,078	
Molecular Biology and Biochemistry	22	132	119	273	41	168				480	281	
Physics	2,170	472	369	3,011	507	222				3,740	3,679	
Science Workshops			871	671	111	140				922	1,020	
Western Canadian Universities Marine Biological Society						159				159	158	
	10,885	3,847	3,098	17,830	3,059	2,951	(150)			23,883	22,552	
OTHER EXPENDITURES												
Animal Care Facility			135	135	23	(4)				154	155	
Centre for University Teaching			48	48	9	29				66	59	
Continuing Studies	1,387	1,469	2,817	5,773	743	1,628	(84)			6,025	7,893	
Co-op Education		21	604	625	104	80				509	724	
Graduate Studies		4	158	162	30	111				303	329	
Instructional Media Centre		8	1,094	1,102	182	316				1,601	1,547	
	1,387	1,602	4,956	7,945	1,091	2,158	(93)			10,978	10,707	
TOTALS	\$ 54,398	\$ 12,198	\$ 17,257	\$ 84,141	\$ 14,249	\$ 11,117	\$ (576)	\$ (271)		\$ 108,681	\$ 103,590	

S I M O N F R A S E R U N I V E R S I T Y
SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

	Schedule 5					Schedule 6				Totals	
	Academic (Schedule 5)	Library	Student Services & Awards	Plant & Maintenance	Computing Services	Administration & General	1996	1995	1996	1995	
EXPENDITURES											
Salaries	\$ 54,386	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 54,386	\$ 53,129			
Academic	12,498	-	-	-	-	-	12,498	11,772			
Other instruction and research	17,257	5,382	4,831	3,155	2,869	11,945	45,439	44,628			
Other support staff											
Total salaries	84,141	5,382	4,831	3,155	2,869	11,945	112,323	109,529			
Employee benefits	14,249	908	819	540	496	2,081	19,093	17,929			
Travel and personnel costs	1,719	33	521	11	38	557	2,879	2,451			
Supplies and expenses	5,524	1,020	732	2,133	954	1,613	11,976	11,788			
Equipment and furnishings	1,603	204	86	139	377	250	2,659	2,495			
Equipment and facility rentals	540	313	42	13	1,296	2,227	4,431	3,608			
Library acquisitions	-	4,360	-	-	-	-	4,360	4,058			
Utilities	748	42	84	1,544	45	229	2,692	2,994			
Scholarships, fellowships, and bursaries	-	-	4,959	-	-	5	4,964	4,324			
Contract services	9	6	-	1,486	-	217	1,718	2,635			
Professional fees	635	2	47	295	40	991	2,010	1,463			
Renovations and alterations	339	81	22	30	43	117	632	558			
Internal cost allocations	(575)	42	(27)	38	(63)	(1,998)	(2,583)	(1,833)			
External cost recoveries	(271)	(717)	(1,063)	-	(281)	(40)	(2,372)	(4,612)			
Total	\$ 108,661	\$ 11,676	\$ 11,053	\$ 9,384	\$ 5,814	\$ 18,194	\$ 164,782	\$ 157,387			

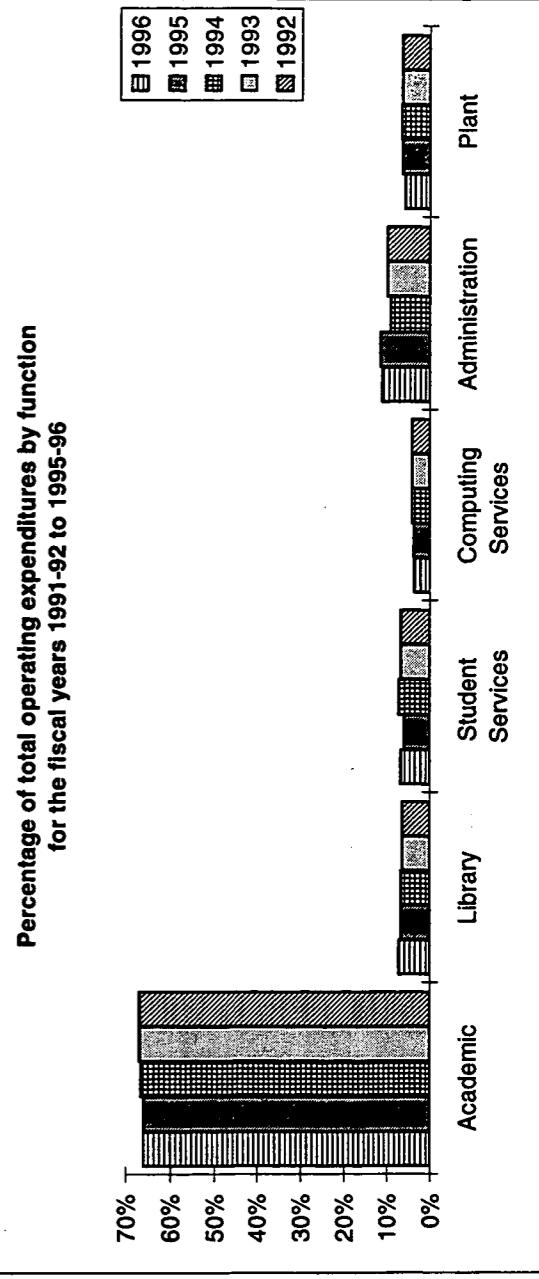
Prepared without audit

Page

TABLE 1
Summary comparisons of total general operating revenue and expenditures
For the fiscal years 1991-92 to 1995-96
(\$'000)

Source	1995-96		1994-95		1993-94		1992/93		1991-92	
Province of BC grants	119,850	71.7%	118,815	73.2%	116,167	75.3%	112,908	77.3%	107,845	77.0%
Student fees	38,133	22.8%	35,580	21.9%	30,801	20.0%	27,823	19.0%	26,779	19.1%
-credit	1,874	1.1%	1,812	1.1%	1,521	1.0%	1,236	0.8%	1,225	0.9%
-non-credit	2,837	1.7%	2,382	1.5%	1,873	1.2%	1,356	0.9%	1,324	0.9%
-others	718	0.5%	138	0.1%	152	0.1%	181	0.1%	216	0.2%
Gifts	2,681	1.5%	2,309	1.3%	2,663	1.6%	2,021	1.4%	1,905	1.4%
Investment income	1,158	0.7%	1,385	0.9%	1,164	0.8%	709	0.5%	750	0.5%
Other	167,251	100.0%	162,421	100.0%	154,341	100.0%	146,234	100.0%	140,044	100.0%
Total	167,251	100.0%	162,421	100.0%	154,341	100.0%	146,234	100.0%	140,044	100.0%
Distribution by function										
		1995-96		1994-95		1993-94		1992/93		1991-92
Academic	108,661	65.9%	103,590	65.8%	99,059	66.0%	94,727	66.5%	92,008	66.8%
Library	11,676	7.1%	10,754	6.8%	9,999	6.7%	9,509	6.7%	8,751	6.4%
Student Services	11,053	6.7%	9,978	6.4%	8,871	5.9%	10,133	7.1%	9,249	6.7%
Computing Services	5,814	3.5%	5,257	3.4%	5,390	3.6%	5,774	4.1%	5,485	4.0%
Administration *	18,194	11.0%	17,857	11.3%	17,261	11.4%	13,141	9.1%	13,629	9.8%
Plant	9,384	5.8%	9,951	6.3%	9,543	6.4%	9,260	6.5%	8,685	6.3%
Total	164,782	100.0%	157,387	100.0%	150,123	100.0%	142,544	100.0%	137,807	100.0%

*Prior to 1993/94, all Harbour Centre operating expenses were charged to the Specific Purpose Fund.



Sponsored Research Fund

This fund consists of grant funds received by the University for use by academic staff to conduct research. The grants come mainly from government departments and agencies (Federal 70%, Provincial 8%) such as Natural Sciences and Engineering Research Council of Canada, Social Sciences and Humanities Research Council of Canada, Province of B.C. Health Care Research Foundation, Science Council of B.C. and other sources. The grantees use the funds to cover the costs of research assistants, travel, supplies and equipment.

Specific Purpose Fund

This fund consists of funds allocated for specific activities that would not be considered sponsored research, operating or capital. It is funded through government grants (Provincial 24%, Federal 22%) and other sources such as student fees, other grants and contracts and investment income from the endowment funds. Examples of some activities would be Canadian International Development Agency funded projects, conferences, and other centres and institutes funded from external sources.

Table 2 shows the level of expenditures for Sponsored Research and Specific Purpose for the last 5 years. Expenditures for Specific Purpose are in 2 categories; 1) grants and programs 2) scholarships and bursaries.

TABLE 2
Expenditures for Sponsored Research and Specific Purposes
for the fiscal years 1991-92 to 1995-96

	<u>1995-96</u>	<u>1994-95</u>	<u>1993-94</u>	<u>1992-93</u>	<u>1991-92</u>
Expenditures (in \$000)					
Sponsored Research	22,239	19,875	17,642	17,712	16,141
Specific Purpose					
Grants & Programs	18,018	17,059	14,804	18,800	19,676
Scholarships & Bursaries	2,830	2,613	2,234	2,553	2,456
Total	43,087	39,547	34,680	39,065	38,273

Page 4

SIMON FRASER UNIVERSITY
SCHEDULE OF CHANGES IN ANCILLARY ENTERPRISES FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

	<u>1996</u>	<u>1995</u>
REVENUES		
Sale of goods and services	\$ 8,346	\$ 17,350
Investment income	10	-
Gifts, grants and bequests	1	151
	<u>8,357</u>	<u>17,501</u>
EXPENDITURES AND OTHER DEDUCTIONS		
Salaries - support staff	1,137	1,646
Employee benefits	196	262
Travel and personnel costs	15	38
Supplies and expenses	223	1,108
Equipment and furnishings	409	623
Equipment and facility rentals	103	26
Utilities	28	630
Contract services	52	378
Professional fees	21	-
Renovations and alterations	10	214
Debt servicing - interest	-	1,808
- principal	-	446
Cost of goods sold	6,109	10,398
Internal cost allocations	306	337
External cost recoveries	-	(357)
	<u>8,609</u>	<u>17,557</u>
NET CHANGE IN THE YEAR	(252)	(56)
TRANSFERS AND APPROPRIATIONS		
Interfund transfers	-	(6)
Change in appropriations	-	(237)
	<u>(252)</u>	<u>(299)</u>
FUND BALANCES AT BEGINNING OF YEAR	134	692
FUND BALANCES AT END OF YEAR	\$ (118)	\$ 393

Schedule 3

S I M O N F R A S E R U N I V E R S I T Y
SCHEDULE OF CHANGES IN SPONSORED RESEARCH AND SPECIFIC PURPOSE FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

Schedule 2

	Sponsored Research	Specific Purpose
REVENUES AND OTHER ADDITIONS	1996	1995
Government grants and contracts	\$ 1,627	\$ 6,012
Province of British Columbia	14,608	7,590
Government of Canada	390	69
Other governments	-	380
Student fees - credit courses	-	1,400
- non credit	-	-
- other	4,324	4,015
Gifts, grants and bequests	-	6,315
Investment income	-	872
Miscellaneous income	20,949	26,653
EXPENDITURES AND OTHER DEDUCTIONS		
Salaries-academic	612	2,066
-other instruction and research	9,092	1,522
-other support staff	211	3,407
Total salaries	9,915	6,995
Employee benefits	753	1,466
Travel and personnel costs	2,163	2,766
Supplies and expenses	2,708	2,186
Grants to other agencies	1,519	-
Equipment and furnishings	3,817	1,273
Equipment and facility rentals	17	434
Library acquisitions	7	86
Utilities	3	57
Scholarships, fellowships, and bursaries	-	2,613
Contract services	7	12
Professional fees	682	1,059
Renovations and alterations	2	135
Internal cost allocations	633	1,043
External cost recoveries	-	(453)
NET CHANGE IN THE YEAR	22,239	19,672
	(1,290)	6,981
TRANSFERS AND APPROPRIATIONS		
Interfund transfers	232	(1,743)
Transfer to non expendable funds (Note 8)	-	(2,016)
Funds committed to specific purposes (Statement 2)	(1,058)	(610)
NET (DECREASE) INCREASE DURING YEAR	9,346	2,612
FUND BALANCES AT BEGINNING OF YEAR	15,554	12,942
FUND BALANCES AT END OF YEAR	\$ 8,288	\$ 15,554

Prepared with audit
Page 24

Ancillary Enterprises

Ancillary Enterprises, which include the Bookstore, Food Services, the Microcomputer Store, Residences and Parking as of this year, provide goods and services to the University community and are expected to operate on a break-even basis. 13% of Bookstore sales and 65% of sales from the Microstore are to departments of the University. There was a \$203,000 decrease to the fund balance for 1995/96. The accumulated fund balance at March 31, 1996 is \$190,000.

Capital Fund

This fund consists of gifts, grants, interest and authorized capital borrowing received for the purpose of acquiring capital assets including those pertaining to Ancillary Enterprises.

Of the \$19 million spent in 1995/96, close to \$15 million was spent on the Maggie Benston Student Services Centre, and the remaining was spent on the completion of the Day Care Expansion, West Mall Complex, Land Development, Harbour Centre Conference Centre and other minor capital projects.

Endowment Fund

Endowment funds of \$51 million result from monies contributed for scholarships, bursaries, endowed activities and other purposes as specified by donors. Net additions to the total fund during the year were the same as 1994/95 at \$6.2 million. In order to protect the funds against inflation, a portion of the investment income is capitalized every year. The University is committed to an on-going program of fundraising, with outstanding pledges of \$2.6 million at this time.

Many individuals from both the academic and support staff have contributed to the relative stability of the financial position of the University and I would like to express my gratitude for their efforts in 1995/96.



Roger W. Ward
Vice-President
Finance & Administration



Report of the Auditor General of British Columbia

To the Members of the Board of Governors
of Simon Fraser University:

I have audited the balance sheet of *Simon Fraser University* as at March 31, 1996 and the following statements for the year then ended:

- Statement 2 - Statement of changes in appropriated expendable fund balances
- Statement 3 - Statement of changes in unappropriated expendable fund balances
- Statement 4 - Statement of changes in non-expendable fund balance
- Statement 5 - Statement of changes in equity in capital assets

These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I 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 my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at March 31, 1996 and the results of its operations and changes in fund balances for the year then ended in accordance with generally accepted accounting principles.

George Z. Smyth
Victoria, British Columbia
June 6, 1996

SIMON FRASER UNIVERSITY
SCHEDULE OF CHANGES IN GENERAL OPERATING AND CAPITAL FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

	1996	1995	1996	1995
REVENUES AND OTHER ADDITIONS				
Government grants and contracts	\$ 119,850	\$ 118,815	\$ 26,940	\$ 25,976
Province of British Columbia	72	-	-	-
Government of Canada	38,133	35,560	-	-
Student fees	1,874	1,812	-	-
- credit courses	2,837	2,392	-	-
- non-credit courses	718	138	3	1,793
- other	2,681	2,309	703	648
Gifts, grants and contracts	1,086	1,385	46	84
Investment income	-	-	20,930	20,247
Miscellaneous income	-	-	3,436	2,653
Capital borrowings	-	-	52,058	51,381
Interest earned on sinking fund	167,251	162,421	-	-
	54,386	53,129	-	-
	12,488	11,772	-	-
	45,439	44,628	-	-
	112,323	109,529	-	-
EXPENDITURES AND OTHER DEDUCTIONS				
Salaries-academic	19,093	17,929	-	-
-other instruction and research	2,879	2,451	-	-
-other support staff	11,976	11,788	-	-
Total salaries	2,659	2,495	3,192	4,033
Employee benefits	4,431	3,608	-	-
Travel and personnel costs	4,360	4,058	-	-
Operating supplies and expenses	2,692	2,994	-	-
Equipment and furnishings	4,964	4,324	-	-
Equipment and facility rentals	1,718	2,635	-	-
Library acquisitions	2,010	1,463	-	-
Utilities	632	558	1,796	2,975
Scholarships, fellowships and bursaries	-	-	19,847	19,085
Contract services	-	-	9,901	8,973
Professional fees	-	-	19,035	20,290
Renovations and alterations	(2,563)	(1,833)	-	-
Debt servicing - interest	(2,372)	(4,612)	-	-
- principal	164,782	157,387	53,771	55,356
Capital acquisitions	2,469	5,034	(1,713)	(3,975)
Internal cost allocations	(1,445)	(2,567)	3,624	4,043
External cost recoveries	(1,224)	(2,569)	(1,809)	778
NET CHANGE IN YEAR	(200)	(102)	102	846
TRANSFERS AND APPROPRIATIONS				
Interfund transfers	(2,200)	(2,098)	4,398	3,552
Change in appropriations (Statement 2)	(2,400)	(2,200)	4,500	4,398
NET (DECREASE) INCREASE DURING YEAR				
FUND BALANCES AT BEGINNING OF YEAR				
FUND BALANCES AT END OF YEAR				

7. Commitments - Capital Projects and Computer Leases

Total commitments under contracts for capital projects amounted to \$676,000 as at March 31, 1996 (1995 - \$15,731,000). Future lease payments for computer equipment total \$2,226,000.

	(000)
1997	\$1,274
1998	\$ 656
1999	\$ 289
2000	\$ 7

8. Transfer to Non-Expendable Funds

The transfer of \$2,609,000 to the non-expendable endowment fund is comprised of capitalization of interest earnings of \$1,565,000, \$286,000 of transfers from programs and capitalization of capital gains of \$975,000, less transfers to expendable funds of \$217,000.

9. Simon Fraser University Foundation

This Foundation was established in 1987 under the provisions of the University Foundations Act. Its main purpose is to receive, manage and invest funds to further the purposes of the University. The Province of British Columbia through the Minister of Finance and Corporate Relations is the single shareholder. The assets and liabilities of the Simon Fraser University Foundation amounting to \$1,686,000 and \$886,000 respectively are not included in the financial statements of the University.

10. Contingent Liabilities

Simon Fraser University is the defendant to several unresolved statements of claims. It is not expected that the ultimate outcome of these claims will have a material effect on the financial position of the University.

11. Comparatives

Certain comparative figures have been restated to conform with the current year's presentation.

Page 22

SIMON FRASER UNIVERSITY
BALANCE SHEET
AS AT MARCH 31, 1996
(thousands of dollars)

Statement 1

ASSETS	1996	1995	1996	1995
Cash and short-term investments	\$ 19	\$ 26,036	\$ 23,374	\$ 26,223
Accounts receivable	18,263	15,753	6,227	11,733
Prepaid expenses	1,093	1,202	189,212	172,755
Inventories	2,584	2,800	15,763	14,539
Long-term investments (Note 2)	115,329	85,947	1,008	1,234
Deferred charges	2,472	2,470	3,823	2,014
Capital assets	286,146	267,772	19,209	18,115
Land and buildings	85,780	82,440	(2,400)	(2,200)
Equipment	47,605	42,930	8,288	9,346
Library holdings	15,172	14,537	14,520	15,554
Roads and parking lots	10,249	10,222	190	393
Leasehold improvements			4,500	4,398
	<u>\$ 584,712</u>	<u>\$ 552,109</u>	<u>\$ 584,712</u>	<u>\$ 552,109</u>
			LIABILITIES AND FUND BALANCES	
			Accounts payable and accrued liabilities	
			Loans payable (Note 3)	
			Long-term debt (Note 4)	
			Expendable fund balances	
			Appropriated (Statement 2)	
			General operating	
			Ancillary enterprises	
			Capital	
			Funds committed for specific purposes	
			Unappropriated (Statement 3)	
			General operating	
			Sponsored research	
			Specific purpose	
			Ancillary enterprises	
			Capital	
			Non-expendable fund balance (Statement 4)	
			Endowment	
			Equity in capital assets (Statement 5)	
				233,117
				<u>\$ 584,712</u>
				<u>\$ 552,109</u>

Approved:



T. Nathoo
Chair
Board of Governors



R.W. Ward, Ph.D.
Vice President
Finance and Administration

The eleven accompanying notes are an integral part of these financial statements

SIMON FRASER UNIVERSITY
STATEMENT OF CHANGES IN APPROPRIATED EXPENDABLE FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

Statement 2

	Balances Beginning of Year	Released to meet Expenditures	Additions during the Year	Net Change for Year	Balances End of Year
GENERAL OPERATING FUND					
Carryovers - Faculties and departments	\$ 3,125	\$ 3,125	\$ 3,396	\$ 271	\$ 3,396
- Auxiliaries and special projects	1,655	1,655	2,064	409	2,064
- Research and other grants	4,262	4,262	4,430	168	4,430
Specific provisions	2,322	2,322	2,132	(190)	2,132
Non-recurring expenditures	3,175	3,175	3,741	566	3,741
	<u>14,539</u>	<u>14,539</u>	<u>15,763</u>	<u>1,224</u>	<u>15,763</u>
ANCILLARY ENTERPRISES FUND					
Equipment replacement and capital improvements	1,234	687	461	(226)	1,008
CAPITAL FUND					
Authorized payments	2,014	2,014	3,823	1,809	3,823
FUNDS COMMITTED FOR SPECIFIC PURPOSES (NOTE 5)					
Group insurance	2,111	-	589	589	2,700
Lease commitment	15,742	1,433	1,706	273	16,015
Self insurance	262	63	295	232	494
	<u>18,115</u>	<u>1,496</u>	<u>2,590</u>	<u>1,094</u>	<u>19,209</u>
TOTALS	<u>\$ 35,902</u>	<u>\$ 18,736</u>	<u>\$ 22,637</u>	<u>\$ 3,901</u>	<u>\$ 39,803</u>

Page 8

Pension Plans (Cont'd.)

An amendment to the plan in 1981 and a letter of agreement between the University and the Faculty Association in 1990 addressed the funding and distribution of the formula retirement benefit account. The latest actuarial valuation of this account at January 1, 1995 estimates an unfunded liability of \$1,112,000 to be funded over the next 7 1/2 years. The University is making annual contributions of \$195,000 per year as of 1995 until the liability for past service is fully funded. The new current service contribution, estimated to be \$142,000 for 1995, is 1.2% of members' earnings. As of January 1996 the 1.2% is paid monthly to the pension fund.

Administrative/Union Pension Plan

The University Pension Plan for Administrative/Union staff provides benefits based on years of service and the average of the highest sixty consecutive months' salary. A revised plan dated January 1, 1993 is still under review by Revenue Canada. Under the revised plan:

- a. The University's contribution is based upon the amounts estimated by the Actuary and recommended by the Trustees to the Board of Governors of the University. The University shall contribute to the fund such amounts as the Board of Governors determines are required to fund the retirement benefits and other plan benefits.
- b. The University shall not suspend or reduce its contribution to the pension fund without the prior approval of the employee organizations.
- c. Any surplus in excess of a contingency reserve equal to 15% of the liabilities is to be distributed to members via separate money-purchase accounts maintained with the fund.

The latest actuarial valuation as of December 31, 1993 showed an actuarial liability of \$64,439,787 and assets on hand of \$70,770,000 resulting in a surplus of \$6,330,213. As recommended by the Actuary, the rate of employer contribution was changed from 9.42% to 9.56% of annual earnings effective January 1, 1995.

The assets and liabilities of both pension plans are not reflected in the financial statements.

5. Funds Committed For Specific purposes

These funds are set aside to meet the cost of future obligations.

a. Group Insurance

These funds are designated for potential requirements relating to self-insured group life and long-term disability plans. Annual premiums are funded from the General Operating Fund on a cost of claim plus fee for services basis.

b. Lease Commitment

These funds provide for commitments entered into for the occupancy of the University's Harbour Centre facility which include lease payments, tenant loan payments and a contribution towards operating costs. Lease and tenant loan obligations include annual payments of \$1,140,000, which started in September 1988 increasing to \$1,648,000 over the term of the lease, and a termination payment of \$8,000,000 upon the expiry of the lease in December 2017 or a discounted equivalent of that amount at an earlier date.

c. Self Insurance

These funds are held to pay self insured property and liability losses.

6. Pension Plans

Academic Pension Plan

The University pension plan for academic staff generally provides benefits on a money purchase basis but includes an option to members who were in the plan on March 20, 1973 to choose benefits based on years of service and the average of the highest sixty consecutive months' salary.

SIMON FRASER UNIVERSITY
STATEMENT OF CHANGES IN UNAPPROPRIATED EXPENDABLE FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

Statement 3

	1996	1995
REVENUES AND OTHER ADDITIONS		
Government grants and contracts	\$ 154,642	\$ 153,146
Province of British Columbia	20,334	21,229
Government of Canada	401	287
Other governments	38,588	35,960
Student fees - credit courses	3,126	3,212
- non-credit courses	2,837	2,382
- other	9,267	10,220
Gifts, grants and contracts	20,128	17,350
Sale of goods and services	10,197	9,423
Investment income	2,539	2,341
Miscellaneous income	20,930	20,247
Capital borrowings	3,436	2,633
Interest earned on sinking fund	288,435	278,430
EXPENDITURES AND OTHER DEDUCTIONS		
Salaries - academic	57,079	55,876
- other instruction and research	23,662	22,674
- support staff	51,550	49,681
Total salaries	132,291	128,231
Employee benefits	21,359	20,433
Travel and personnel costs	7,984	7,388
Supplies and expenses	19,199	17,753
Grants to other agencies	1,519	-
Equipment and furnishings	10,958	11,717
Equipment and facility rentals	4,647	4,075
Library acquisitions	4,739	4,149
Utilities	3,474	3,689
Scholarships, fellowships and bursaries	7,794	6,937
Contract services	3,004	3,025
Professional fees	4,106	2,976
Renovations and alterations	2,538	3,896
Debt servicing - interest	22,420	20,893
- principal	10,647	9,419
Cost of goods sold	10,061	10,398
Capital acquisitions	19,035	20,290
Internal cost allocations	(3,457)	(5,422)
External cost recoveries	282,318	269,847
NET CHANGE IN THE YEAR	4,117	8,583
TRANSFERS AND APPROPRIATIONS		
Interfund transfers	-	-
Transfer to non-expendable funds (Statement 4)	(2,609)	(2,016)
Funds committed for specific purposes (Statement 2)	(1,094)	(610)
Change in appropriations (Statement 2)	(2,807)	(2,028)
NET (DECREASE) INCREASE DURING YEAR	(2,393)	3,929
FUND BALANCES AT BEGINNING OF YEAR	27,491	23,562
FUND BALANCES AT END OF YEAR	\$ 25,098	\$ 27,491

SIMON FRASER UNIVERSITY
STATEMENT OF CHANGES IN NON-EXPENDABLE FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

Statement 4

	1996	1995
GIFTS, GRANTS AND BEQUESTS	\$ 3,615	\$ 4,190
TRANSFER FROM UNAPPROPRIATED EXPENDABLE FUNDS (NOTE 8)	2,609	2,016
INCREASE DURING THE YEAR	6,224	6,206
FUND BALANCE AT BEGINNING OF YEAR	44,888	38,682
FUND BALANCE AT END OF YEAR	\$ 51,112	\$ 44,888

Page 10

b. Canada Mortgage and Housing Corporation

Maturity Date	Interest Rate	Balance Outstanding 1996 (000)	Balance Outstanding 1995 (000)	Annual Payments (incl. interest) Until Maturity (000)
Jan. 1, 2017	5.375%	\$ 155	\$ 159	\$ 12
Jan. 1, 2018	5.875%	796	814	65
Jul. 1, 2019	6.875%	1,976	2,009	171
		\$2,927	\$2,982	\$248

The debentures are secured by a floating charge on the Madge Hogarth, Shell House and Louis Riel student residences respectively. The residences are recorded on the balance sheet at a cost of \$6,361,000.

c. The Province of British Columbia (Minister of Finance and Corporate Relations)

Maturity Date	Interest Rate	Balance Outstanding 1996 (000)	Balance Outstanding 1995 (000)	Annual Payments (incl. interest) Until Maturity (000)
Dec. 10, 1996	9.41%	\$ 2,804	\$ 2,943	\$ 415
Jan. 18, 1999	5.40%	2,120	2,120	269
Jan. 9, 2002	9.00%	3,000	3,000	336
Jan. 9, 2002	9.00%	3,000	3,000	336
Jun. 16, 2003	7.75%	4,520	4,520	420
Jan. 9, 2012	9.50%	3,000	3,000	350
Jun. 10, 2012	9.45%	3,000	3,000	349
Aug. 19, 2022	8.75%	5,000	5,000	482
		\$26,444	\$26,583	\$2,957

The debenture maturing in 1996 is secured by a floating charge on the McTaggart Cowan student residence. The residence is recorded on the balance sheet at a cost of \$3,685,000.

The rest are bonds which were issued to finance capital expenditures on a parkade and student residences.

4. Long-Term Debt

Long-term debt consists of the following:

	1996 (000)	1995 (000)
British Columbia Educational Institutions Capital Financing Authority	\$206,779	\$185,424
Less: sinking fund	<u>45,201</u>	<u>41,140</u>
	161,578	144,284
Canada Mortgage and Housing Corporation	2,927	2,982
Province of British Columbia	26,444	26,583
Less: sinking fund	<u>1,737</u>	<u>1,094</u>
	27,634	28,471
Total	<u>\$189,212</u>	<u>\$172,755</u>

a. British Columbia Educational Institutions Capital Financing Authority

These debentures are issued to the British Columbia Educational Institutions Capital Financing Authority under the Educational Institution Capital Finance Act, bearing interest at rates from 5.40% to 17.00% and maturing from 1997 to 2024. Payments to the sinking fund, which is held by the Authority, are based on the discounted present values required to fund repayment of the debentures at maturity. The debentures can be recalled by the Authority upon notice of not less than five months. Sinking fund and interest payments are made with funds received from the Province of British Columbia for that purpose. Annual sinking fund and interest payments due within the next five fiscal years are as follows:

	(000)
1997	\$27,282
1998	\$27,256
1999	\$25,989
2000	\$24,972
2001	\$23,698

Page 18

SIMON FRASER UNIVERSITY
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

Statement 5

	1996	1995
EQUITY INCREASED BY		
Additions to capital assets	\$ 19,035	\$ 20,290
Capital Fund projects	2,659	2,495
Equipment and furnishings expenditures	3,817	3,293
- General Operating Fund	831	1,273
- Sponsored Research Fund	459	623
- Specific Purpose Fund	3,192	4,033
- Ancillary Enterprises Fund	4,360	4,058
- Capital Fund	372	86
Library acquisitions expenditures	7	5
- General Operating Fund	34,732	36,156
- Specific Purpose Fund	7,211	6,786
- Sponsored Research Fund	3,436	2,633
Repayment of capital borrowings	<u>45,379</u>	<u>45,575</u>
Interest earned on sinking fund	20,930	20,247
EQUITY DECREASED BY	7,617	5,874
Authorized capital borrowings	63	82
Equipment written off	<u>28,610</u>	<u>26,203</u>
Library dispositions	16,769	19,372
NET INCREASE DURING YEAR	<u>233,117</u>	<u>213,745</u>
BALANCE AT BEGINNING OF YEAR	<u>\$ 249,886</u>	<u>\$ 233,117</u>
BALANCE AT END OF YEAR		

SIMON FRASER UNIVERSITY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1996

1. Significant Accounting Policies

a. Fund Accounting

Fund accounting procedures are employed in order to recognize restrictions placed on the use of resources by donors, funding agencies, or the Board of Governors. Separate accounts are maintained for each fund to facilitate observance of these restrictions. For financial reporting purposes, the Balance Sheet combines the assets and liabilities of all funds.

Funds are classified as expendable or non-expendable. Expendable funds may be expended within applicable restrictions. Non-expendable funds are held to generate investment income or to provide loans to students.

Expendable funds:

General Operating

Funds received for general operations of the University under the direction of the Board of Governors.

Sponsored Research

Funds received for the support of research activities in the form of restricted grants, contracts and gifts.

Page 12

The Vancouver Foundation holds a number of endowment funds for the benefit of the University. These funds total \$7,330,000 at March 31, 1996 and the portion of \$5,305,000 belonging to the University is included in the University's financial statements.

	1996 (000)	1995 (000)
Centre for North American Studies	\$ 310	\$ 210
Gordon M. Shrum Chair in Science Fund	790	790
SFU Scholarship and Bursary Endowment Fund	1,235	1,235
Simon Fraser University Bridge Endowment Fund	4,010	4,010
Women's Studies Endowment Trust Fund	735	735
Tri-University's Paul and Helen Trussell Science Student Endowment Fund	<u>250</u>	<u>236</u>
	<u>\$7,330</u>	<u>\$7,216</u>

In the fiscal year 1995/96 these funds generated \$471,000 of income for Simon Fraser University (1995 \$592,000) to be used for specific purposes.

3. Loans Payable

Loans payable consist of:

	1996 (000)	1995 (000)
Interim financing	\$5,227	\$10,733
Revolving loans	<u>1,000</u>	<u>1,000</u>
Total	<u>\$6,227</u>	<u>\$11,733</u>

The interim financing is for capital projects, as authorized by the provisions of the Educational Institution Capital Finance Act and the Financial Administration Act, and will be replaced by long-term debt. The revolving loans are authorized under Section 55 of the University Act.

- ii. The University is one of four parties to a joint venture agreement under which research is conducted by University faculty members at the Tri-Universities Meson Facility (TRIUMF) on the University of British Columbia campus and elsewhere. The facility and its operations are funded by federal government grants and the University makes no direct financial contribution. The accounts of TRIUMF are not included in these statements. There is no expectation of monetary gain to the University from this venture.
- iii. The University owns 100% of the shares of SF Univentures Corporation (SFUV), which was established to promote technology transfer to the private sector. The consolidated assets of SFUV are not considered to be material and are not included in these financial statements.

2. Long-Term Investments

Long-term investments at fiscal year end are comprised of the following:

	1996 (000)	1995 (000)
Vancouver Foundation	\$ 5,305	\$ 5,255
Other	<u>110,024</u>	<u>80,692</u>
Total	<u>\$115,329</u>	<u>\$85,947</u>

Market value of the investments at March 31, 1996 was \$121,461,000 (1995 - \$86,477,000).

Expendable funds (Cont'd.):

Specific Purpose

Funds received for the support of specified projects and programs which may be restricted by external agencies or by the Board of Governors.

Ancillary Enterprises

Revenue from the operation of the bookstore, food services, microcomputer store, parking and residences which provide goods and services supplementary to the primary functions of teaching and research. These enterprises operate on a self-supporting basis.

Capital

Funds received for the acquisition of capital assets, renovations and repayment of long term debt.

Non-expendable funds

Endowment

Funds received through gifts and grants, with the stipulation that these funds be invested and the income earned be expended for designated purposes.

b. Accrual Accounting

The University follows the accrual basis of accounting. Revenue is recognized when receivable and expenditures are recorded when goods or services are received.

c. Appropriations

Appropriations are established by the Board of Governors to provide for specific requirements in subsequent fiscal years and are released when the related expenditures have been made.

d. Investments

Short term and long term investments are recorded at cost or, where donated, at fair market value on the date of donation. Gains and losses on sales of investments are recognized in the year of disposal and are included in investment income.

e. Inventories

Inventories of supplies kept at Central Stores are recorded at cost. Inventories of merchandise held for resale in the Bookstore and the Microcomputer Store are recorded at the lower of cost and net realizable value.

f. Donations

Donations are recorded as revenue in the fiscal year in which they are received. Gifts-in-kind are recorded at fair market value on the date of their donation or at nominal value when the fair market value cannot be reasonably determined.

Pledges made by donors to the University for donations to be received in future years are estimated at \$2,649,000 (1995 - \$3,900,000). Pledges are not recorded in the financial statements.

g. Capital Assets

Capital asset expenditures for land and buildings, equipment, library acquisitions, roads and parking lots and leasehold improvements in all funds are recorded and capitalized at cost.

The campus land was granted or donated to the University in 1965. It is recorded at \$1,559,000 based on the Municipality of Burnaby assessment at the date of donation.

Page 14

The original cost is deleted from the asset and equity accounts as follows:

- land and buildings are deleted upon disposal.
- equipment is deemed to have an average useful life of eight years and is written off in the ninth year.
- library holdings are reduced by estimated disposals and losses during the year.

h. Capital Transactions

Borrowings authorized by the Province of British Columbia for capital expenditures are shown under "Revenues and Other Additions" of the Capital Fund. Payments for capital assets, equipment and furnishings, library acquisitions, debt servicing and capital acquisitions are shown under "Expenditures and Other Deductions".

i. Equity in Capital Assets

The equity in capital assets is increased as resources are used to pay for capital assets or to repay borrowings incurred for asset acquisitions. It is reduced by disposal of land and buildings and write-off of equipment and library holdings.

j. University Interests in WCUMBS, TRIUMF and SFUV

- i. The University is one of five university members of the Western Canadian Universities Marine Biological Society (WCUMBS) which operates a research station at Bamfield, British Columbia. The University's annual operating grant to the Society remains the same as last year at \$158,000 and is recorded as an expenditure from the General Operating Fund. The accounts of WCUMBS are not included in these statements except that initial contributions in the amount of \$347,000 for capital acquisitions are recorded as land and buildings on the Balance Sheet. There is no expectation of monetary gain to the University from this venture.