

FOR INFORMATION

S.93-50

**SIMON FRASER UNIVERSITY
MEMORANDUM**

TO: Senate

FROM: W.R. Heath
Registrar and
Secretary of Senate

SUBJECT: Annual Financial Statement

DATE: September 2, 1993

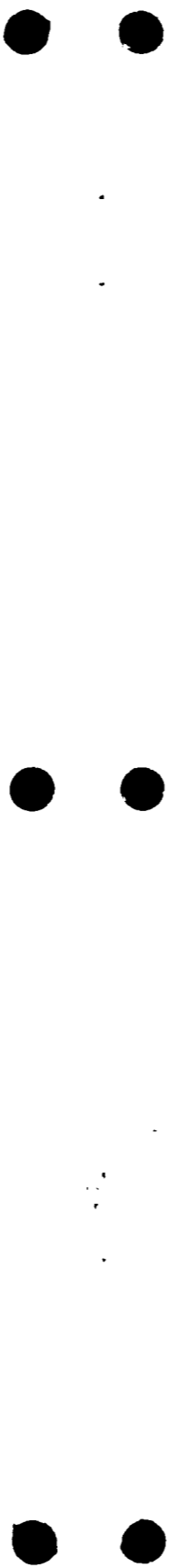
Section 31 of the University Act states: "The board shall make an annual report of its transactions to the Minister, in which shall be set out a balance sheet and a statement of revenue and expenditure for the year ending on the preceding March 31, and other particulars the Minister may require. A copy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

A copy of the report is attached.

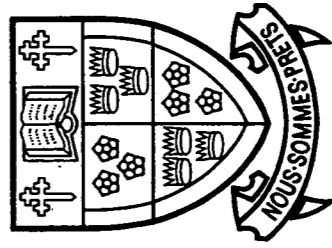
NOTE:

AS COPIES OF THE FINANCIAL REPORT ARE IN SHORT SUPPLY, IT IS REQUESTED THAT FINANCIAL STATEMENTS BE RETURNED FOLLOWING PERUSAL TO BOBBIE GRANT, OFFICE OF THE REGISTRAR.

SENATORS ARE ASKED TO RETURN THE STATEMENTS FOLLOWING THE SEPTEMBER MEETING OF SENATE



SIMON FRASER UNIVERSITY



**FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1993**

SIMON FRASER UNIVERSITY
BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY DEBENTURES
AS AT MARCH 31, 1993
(thousands of dollars)

Schedule 8

Maturity Date	Interest Rate (%)	Face Value	Sinking Fund Balance	Balance Outstanding 1993	Balance Outstanding 1992	Annual Payments
Apr 8, 1993	9.10	280	277	3	62	57
Jul 6, 1994	9.75	2,639	1,647	992	1,590	707
Jul 6, 1994	9.75	1,025	829	396	627	275
Jul 6, 1994	9.75	2,260	341	1,919	2,093	376
May 6, 1997	9.25	4,418	-	4,418	-	1,162
Jun 9, 1998	9.41	2,000	1,542	458	610	237
Oct 9, 1998	10.00	553	40	513	553	94
Jan 10, 1999	9.82	2,000	1,609	391	654	245
Mar 9, 1999	10.16	3,700	2,928	771	1,289	466
Apr 10, 1999	10.26	800	597	203	289	102
Nov 9, 1999	10.68	3,700	2,635	1,065	1,483	485
Mar 10, 2000	12.74	2,000	1,351	649	877	304
Aug 16, 2000	11.25	4,250	668	3,582	3,939	771
Aug 16, 2000	11.25	3,538	167	3,371	3,456	475
Sep 10, 2000	12.55	2,100	1,379	721	961	315
Mar 10, 2001	13.13	210	120	90	107	33
Apr 10, 2001	13.66	2,500	1,168	1,332	1,530	396
May 8, 2001	13.69	2,280	1,091	1,189	1,368	362
Jul 10, 2001	14.81	1,880	841	1,039	1,151	320
Oct 9, 2001	17.00	1,000	452	548	627	192
Jan 2, 2002	9.00	5,160	114	5,046	5,160	577
Mar 10, 2002	16.10	1,756	770	986	1,136	321
May 10, 2002	15.25	1,980	820	1,160	1,277	345
Jun 10, 2002	14.96	1,000	407	593	660	171
Aug 10, 2002	16.53	1,400	547	853	939	262
Oct 8, 2002	14.16	2,000	786	1,214	1,359	327
Nov 10, 2002	13.43	1,607	632	975	1,092	251
Dec 10, 2002	12.01	1,000	379	621	682	142
Apr 5, 2003	11.59	2,000	740	1,260	1,403	275
May 2, 2003	11.53	2,545	884	1,661	1,825	349
Aug 2, 2003	11.51	1,000	324	676	724	137
Dec 1, 2003	11.79	1,000	312	688	734	140
Mar 1, 2004	12.13	2,099	658	1,441	1,552	300
Apr 2, 2004	12.60	1,000	305	695	765	148
Oct 10, 2006	9.36	387	69	318	332	46
Apr 8, 2008	9.62	700	84	616	643	83
May 10, 2008	10.07	290	34	256	267	36
Jun 10, 2008	10.31	1,590	175	1,415	1,464	199
Apr 10, 2009	10.31	5,750	446	5,304	5,458	718
May 10, 2009	10.17	6,150	566	5,584	5,827	760
Jul 10, 2009	9.61	1,000	76	924	951	118
Aug 10, 2009	9.41	1,337	101	1,236	1,272	155
Nov 10, 2009	9.62	2,400	194	2,206	2,286	283
Mar 9, 2010	9.76	1,000	71	929	954	120
Apr 10, 2010	10.36	1,028	50	978	1,003	129
May 10, 2010	10.81	974	47	927	951	127
Jun 8, 2010	11.33	275	13	262	269	37
Jul 10, 2010	10.47	696	33	663	680	88
Aug 10, 2010	10.46	1,148	54	1,094	1,121	145
Feb 21, 2011	10.75	1,215	56	1,159	1,188	157
Apr 10, 2011	10.01	2,750	64	2,686	2,750	335
May 10, 2011	9.81	2,275	53	2,222	2,275	273
Jun 10, 2011	9.86	1,850	43	1,807	1,850	223
Jul 10, 2011	10.04	900	21	879	900	110
Jan 9, 2012	9.50	3,913	87	3,826	3,913	457
Jun 10, 2012	9.45	7,000	-	7,000	-	814
Aug 23, 2013	8.50	22,276	-	22,276	-	2,380
		\$ 135,584	\$ 29,498	\$ 106,086	\$ 78,938	\$ 18,911

(See Note 4a)

Prepared without audit

Page 30

**SIMON FRASER UNIVERSITY
FINANCIAL STATEMENTS**

MARCH 31, 1993

TABLE OF CONTENTS

Page

1. Statement of Management Responsibility	1
2. Report of the Vice-President Financial Services	2
3. Auditor's Report	6
4. Audited Statements	7
- Balance Sheet	8
- Statement of Changes in Reserves and Appropriated Expendable Fund Balances	9
- Statement of Changes in Unappropriated Expendable Fund Balances	10
- Statement of Changes in Non-Expendable Fund Balances	11
- Statement of Changes in Equity in Capital Assets	12
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
- List of Debentures Outstanding	30

SIMON FRASER UNIVERSITY
SCHEDULE OF ACADEMIC EXPENDITURES - ALL FUNDS
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

Schedule 7

	General Operating	Sponsored Research	Specific Purpose	Capital	Totals	1993	1992
FACULTY OF ARTS							
General faculty	\$ 305	\$ 134	\$ 447	\$ 112		\$ 986	\$ 1,082
Archaeology	1,378	282	30	12		1,682	1,539
Canadian Studies	69	-	4	2		75	64
Contemporary Arts	3,166	-	210	43		3,409	3,218
Criminology	2,398	372	191	9		2,970	3,082
Economics	3,940	181	30	11		4,162	4,327
English	4,016	81	1	7		4,105	4,119
French	1,267	23	12	5		1,307	1,269
Geography	2,435	242	3	33		2,713	2,576
Gerontology	182	121	199	2		504	596
Graduate Liberal Studies	125	-	-	-		125	99
History	3,068	129	98	5		3,298	3,023
Humanities	216	-	25	-		241	97
Interdisciplinary Studies	508	-	-	2		510	582
Linguistics	1,135	114	-	12		1,261	1,222
Philosophy	1,375	14	1	5		1,395	1,363
Political Science	1,990	61	-	10		2,061	2,128
Psychology	4,720	394	66	69		5,269	5,327
Sociology and Anthropology	1,902	60	(4)	3		1,961	2,031
Spanish and Latin American Studies	999	20	-	-		1,019	819
Women's Studies	414	-	-	-		414	429
Other Studies	32	-	123	11		166	113
	35,628	2,208	1,456	353		39,645	39,085
FACULTY OF APPLIED SCIENCE							
General faculty	288	5	-	-		303	150
Communication Studies	2,256	138	1,052	25		3,471	3,126
Computing Science	3,667	1,029	69	77		4,842	5,887
Engineering Science	2,918	1,220	26	60		4,244	4,108
Kinesiology	2,616	936	111	33		3,696	3,558
Resource and Environmental Management	1,053	364	30	17		1,484	1,513
Centre for Policy Research on Science and Technology	7	294	11	-		312	244
Centre for Systems Science	1,719	915	4	-		2,638	1,550
	14,534	4,921	1,303	232		20,990	20,136
FACULTY OF BUSINESS ADMINISTRATION							
General faculty	7,115	150	180	19		7,464	7,108
	7,901	505	3,226	75		11,707	12,035
FACULTY OF EDUCATION							
General faculty	191	332	55	9		687	711
Biological Sciences	6,093	2,870	1	810		9,774	9,141
Chemistry	4,631	3,558	4	36		8,129	7,060
Mathematics and Statistics	4,737	679	20	104		5,640	5,243
Molecular Biology and Biochemistry	141	-	-	-		141	-
Physics	3,548	2,304	(16)	200		6,038	6,295
Science Workshops	853	-	-	-		853	919
Western Canadian Universities Marine	-	-	-	-		-	-
Biological Society	154	-	-	-		154	154
	20,248	9,743	64	1,159		31,214	29,523
OTHER EXPENDITURES							
Animal Care Facility	165	-	-	38		203	198
Continuing Studies	6,761	-	2,458	8		9,245	9,072
Co-op Education	579	-	123	-		702	1,458
Graduate Studies	375	171	416	-		962	960
Instructional Media Centre	1,401	-	-	159		1,660	1,654
International Programs	-	-	3,760	-		3,760	4,450
Library	-	14	333	26		373	6
	9,301	165	7,088	231		16,805	17,298
TOTAL ACADEMIC EXPENDITURES	\$ 94,727	\$ 17,712	\$ 13,317	\$ 2,069		\$ 127,825	\$ 125,185

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, 1993
(thousands of dollars)

Schedule 6

	Salaries	Employee Benefits	Other Expenses	Internal Cost Allocations	External Cost Recoveries	1993	1992
LIBRARY							
General Operations	\$ 4,940	\$ 748	\$ 974	\$ -	\$ (431)	\$ 6,231	\$ 5,962
Library Acquisitions	-	-	3,278	-	-	3,278	2,789
	<u>4,940</u>	<u>748</u>	<u>4,252</u>	<u>0</u>	<u>(431)</u>	<u>9,509</u>	<u>8,751</u>
STUDENT SERVICES AND AWARDS							
Director's Office	258	41	123	-	(1)	421	346
Academic Resource Office	346	51	37	-	-	434	358
Athletics and Recreation	1,573	234	853	-	(118)	2,542	2,513
Counselling Services	648	104	76	-	-	828	693
Financial Aid - General Office	472	71	33	-	-	576	597
- Student Awards	-	-	4,215	-	-	4,215	4,460
Health Services	933	156	85	-	(821)	353	282
	<u>4,230</u>	<u>657</u>	<u>5,422</u>	<u>0</u>	<u>(940)</u>	<u>9,369</u>	<u>9,249</u>
PLANT AND MAINTENANCE							
General Operations	3,256	549	2,405	7	-	6,217	6,143
Contract Services	-	-	1,490	-	-	1,490	1,435
Utilities	-	-	1,553	-	-	1,553	1,107
	<u>3,256</u>	<u>549</u>	<u>5,448</u>	<u>7</u>	<u>-</u>	<u>9,260</u>	<u>8,685</u>
COMPUTING SERVICES							
2,884	451	2,383	-	(104)	-	5,614	5,485
ADMINISTRATION AND GENERAL							
Analytical Studies	193	29	17	-	-	239	245
Development Office	954	145	386	-	-	1,485	1,638
Financial Services	2,409	373	174	-	-	2,956	2,921
General University	9	140	1,233	(1,200)	(43)	139	(168)
Human Resources/Employee Relations	931	174	266	-	(1)	1,370	1,196
Media/Public Relations	291	43	153	-	-	487	445
President's Office	445	68	310	-	-	823	673
Printing and Duplicating	560	114	(814)	-	-	(140)	93
Purchasing	245	37	14	-	-	296	292
Registrar's Office	2,087	312	711	-	-	3,110	3,031
Systems Development	29	2	342	-	-	373	674
Traffic and Security	571	101	1,200	-	(1,674)	198	14
University Archives	136	21	16	-	-	173	175
Vice President Academic	785	118	74	-	-	977	981
Vice President	-	-	-	-	-	-	-
Administrative Services	381	70	113	-	-	564	495
Vice President SFU at	-	-	-	-	-	-	-
Harbour Centre	267	43	92	-	-	402	318
Vice President Research	390	60	163	-	-	613	606
	<u>10,683</u>	<u>1,850</u>	<u>4,450</u>	<u>(1,200)</u>	<u>(1,718)</u>	<u>14,065</u>	<u>13,629</u>
TOTALS	\$ 25,993	\$ 4,255	\$ 21,955	\$ (1,199)	\$ (9,199)	\$ 47,917	\$ 45,799

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, 1993 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, 1993 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.


R.C. Brown
Acting President


R. W. Ward
Vice-President
Financial Services

SIMON FRASER UNIVERSITY
REPORT OF THE VICE-PRESIDENT, FINANCIAL SERVICES
1992/93

The audited financial statement of Simon Fraser University is a public document which is circulated internally including the university library and is available to 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 expenditures in five of the six separate funds of SFU for 1992/93. 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.

Operating revenue of \$146 million for 1992/93 is an increase of \$6.1 million over 1991/92. An increase of \$5 million in the Provincial Government's operating grant was due to a 2% increase on the base grant, funding for enrollment growth, a grant to compensate for the freeze on tuition fees, pay equity, plus 1/3 of the funding for the Teaching Education Expansion program which now forms part of the base operating grant. The increase in tuition fee revenue of \$1 million is due to the time lag of the 1991/92 tuition rate increase of \$7 per credit hour that applied to the 1992/93 Summer Session and the implementation of the increase for international students from two to two and a half times the regular rate. An increase in investment income accounted for the remaining \$100,000.

Operating expenses increased by \$4.7 million to \$143 million. There were increases of \$5.5 million in salaries and benefits, \$500,000 in library acquisitions and \$500,000 in utilities. However this was partly offset by reductions in travel and personnel costs and operating supplies and expenses of over \$1.1 million, scholarships \$300,000, and increase in recoveries of \$400,000.

The fund balance deficit of \$1,879,000 at March 31, 1993 is due to the vacation pay accrual of \$1,900,000 less a \$21,000 unappropriated balance. The Canadian Institute of Chartered Accountants made changes in the generally accepted accounting principles applicable to non profit organizations. As a result of this change we are required to accrue the costs for vacation pay for staff as it is earned instead of when it is paid.

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

SIMON FRASER UNIVERSITY
SCHEDULE OF GENERAL OPERATING FUND - ACADEMIC EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

	Salaries						Totals			
	Academic	Other Instructional & Research	Other	Total	Employee Benefits	Other Expenses	Internal Cost Allocations	External Cost Recoveries	1993	1992
FACULTY OF ARTS										
General faculty	(392)	32	513	153	22	157	(27)		305	461
Archaeology	755	150	210	1,115	173	90			1,378	1,281
Canadian Studies	30	7	17	54	9	6			69	64
Contemporary Arts	1,667	290	393	2,350	360	455	1	(10)	3,156	2,920
Criminology	1,560	182	173	1,915	299	209		(25)	2,338	2,326
Economics	2,457	577	238	3,272	510	158		(8)	3,940	3,970
English	2,767	409	206	3,382	527	115			4,016	3,884
French	750	130	172	1,052	167	47			1,267	1,246
Geography	1,495	277	241	2,013	317	104			2,435	2,356
Gerontology	148	3		149	25	8			182	165
Graduate Liberal Studies	67	4	28	99	10	16			125	99
History	2,190	180	157	2,527	392	147			3,068	2,833
Humanities	181			181	30	5			216	97
Interdisciplinary Studies	351	17	62	430	67	11			508	560
Linguistics	717	120	104	941	149	45			1,136	1,076
Philosophy	921	134	97	1,152	179	44			1,376	1,343
Political Science	1,391	143	120	1,654	261	75	1	(1)	1,990	2,062
Psychology	2,510	961	435	3,906	607	206			4,720	4,592
Sociology and Anthropology	1,346	140	98	1,584	250	67			1,902	2,006
Spanish and Latin American Studies	615	112	74	801	128	70			969	803
Women's Studies	306	34		340	54	20			414	429
Other Studies	12	4	9	24	4	4			32	3
	21,842	3,906	3,946	29,094	4,540	2,059	(21)	(44)	35,628	34,595
FACULTY OF APPLIED SCIENCE										
General faculty	113	30	122	265	38	63	(68)		268	128
Communication Studies	1,305	352	218	1,875	295	117	(31)		2,266	2,201
Computing Science	2,183	323	440	2,946	466	255			3,687	4,513
Engineering Science	1,519	89	691	2,299	349	270			2,918	2,818
Kinesiology	1,357	459	324	2,140	339	137			2,616	2,516
Resource and Environmental Management	623	91	105	819	122	112			1,053	1,006
Centre for Policy Research on Science and Technology	7			7					7	7
Centre for Systems Science	20	415	465	900	93	726			1,719	712
	7,127	1,759	2,365	11,251	1,702	1,680	(99)		14,534	13,694
FACULTY OF BUSINESS ADMINISTRATION										
General faculty	4,108	592	823	5,523	884	768		(60)	7,116	6,471
	4,778	402	1,056	6,236	937	856	(128)		7,901	8,003
FACULTY OF EDUCATION										
General faculty	(169)	65	23	(81)	39	290	(67)		191	551
Biological Sciences	2,956	970	812	4,738	712	643			6,093	5,947
Chemistry	2,216	776	585	3,578	642	409	2		4,452	4,452
Mathematics and Statistics	2,798	908	260	3,966	620	182		(1)	4,737	4,598
Molecular Biology and Biochemistry		(23)	87	64	11	66			141	
Physics	2,005	433	427	2,865	419	263			3,548	3,607
Science Workshops			779	779	116	(43)			853	844
Western Canadian Universities Marine Biological Society						154			154	154
	9,806	3,129	2,974	15,909	2,459	1,934	(63)	(1)	20,248	20,153
OTHER EXPENDITURES										
Animal Care Facility	3		122	125	20	20			165	140
Continuing Studies	1,352	1,213	2,376	4,941	651	1,258	31		6,781	6,721
Co-op Education		11	431	442	66	70			579	559
Graduate Studies	105	13	108	226	42	107			375	387
Instructional Media Centre			972	972	146	282			1,401	1,285
	1,460	1,237	4,009	6,706	825	1,737	33	0	9,301	9,092
TOTALS	\$ 49,121	\$ 11,025	\$ 14,573	\$ 74,719	\$ 11,347	\$ 9,034	\$ (268)	\$ (105)	\$ 94,727	\$ 92,008

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
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

Schedule 4

	Schedule 5					Schedule 6					Totals	
	Academic	Library	Student Services & Awards	Plant & Maintenance	Computing Services	Administration & General	1993	1992				
EXPENDITURES												
Salaries	\$ 49,121	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 49,121	\$ 47,508				
Academic	11,025	-	-	-	-	-	11,025	10,975				
Other instruction and research	14,573	4,940	4,230	3,256	3,024	10,543	40,566	38,187				
Other support staff												
Total salaries	74,719	4,940	4,230	3,256	3,024	10,543	100,712	96,670				
Employee benefits	11,347	748	657	549	471	1,830	15,602	14,052				
Travel and personnel costs	1,941	21	337	16	26	431	2,772	2,993				
Supplies and expenses	4,335	649	594	1,946	923	1,573	10,020	10,935				
Equipment and furnishings	1,431	137	56	209	163	278	2,274	2,088				
Equipment and facility rentals	368	108	36	29	1,175	234	1,950	2,116				
Library acquisitions		3,279					3,279	2,790				
Utilities	621	36	68	1,553	71	197	2,546	2,063				
Scholarships, fellowships, and bursaries	3		4,216				4,219	4,505				
Contract services				1,490		785	2,275	2,045				
Professional fees	219		65	163	7	890	1,344	1,275				
Renovations and alterations	116	22	30	42	18	82	310	561				
Internal cost allocations	(268)			7		(1,200)	(1,461)	(1,089)				
External cost recoveries	(105)	(431)	(156)		(104)		(3,298)	(3,197)				
Total	\$ 94,727	\$ 9,509	\$ 10,133	\$ 9,260	\$ 5,774	\$ 13,141	\$ 142,544	\$ 137,807				

Prepared without audit
Page 26

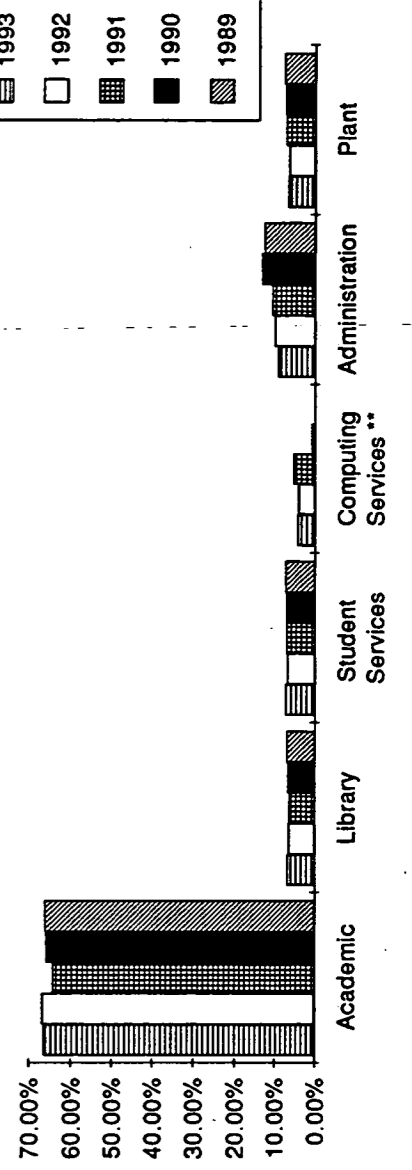
TABLE 1
Summary comparisons of total general operating revenue and expenditures
For the fiscal years 1988-89 to 1992-93
(\$000)

Source	1992-93	1991-92*	1990-91	1989-90	1988-89
	Province of BC grants	112,908	107,845	94,626	83,512
Student fees	27,823	26,779	20,637	18,805	16,203
-credit	1,236	1,225	1,348	1,559	1,070
-non-credit	1,356	1,324	1,082	1,026	849
-others	181	216	368	188	122
Gifts	2,021	1,905	1,736	2,694	1,659
Investment income	709	750	599	478	456
Other					
Total	146,234	140,044	120,396	108,262	92,830
Distribution by function	1992-93	1991-92*	1990-91	1989-90	1988-89
Academic	94,727	92,008	78,784	69,524	60,753
Library	9,509	8,751	7,618	6,817	6,178
Student Services	10,133	9,249	8,333	7,336	6,614
Computing Services**	5,774	5,485	6,389	709	-107
Administration	13,141	13,629	12,795	13,758	11,470
Plant	9,260	8,685	8,534	7,531	6,802
Total	142,544	137,807	122,453	105,675	91,710

* Includes Distance Education and the Fund for Excellence in Education program for the first time.

** Computer Services was allocated to departments prior to 1990-91.

Percentage of total operating expenditures by function
for the fiscal years 1988-89 to 1992-93



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 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. Research Grant etc. (Federal 66%, Provincial 16%) 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 27%, Federal 27%) 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.

TABLE 2
Expenditures for Sponsored Research and Specific Purposes
for the fiscal years 1988-89 to 1992-93

	1992-93	1991-92	1990-91	1989-90	1988-89
Expenditures (in \$000)					
Sponsored Research	17,712	16,141	14,013	11,653	10,050
Other Grants & Programs	18,800	19,676	21,957	19,191	12,529
Scholarships & Bursaries	2,553	2,456	2,137	1,112	856
Total	39,065	38,273	38,107	31,956	23,435

SIMON FRASER UNIVERSITY
SCHEDULE OF CHANGES IN ANCILLARY ENTERPRISES FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

Schedule 3

	1993	1992
REVENUES		
Sale of goods and services	\$ 6,165	\$ 8,032
Investment income	2	99
	<u>6,167</u>	<u>8,131</u>
EXPENDITURES AND OTHER DEDUCTIONS		
Salaries - support staff	739	1,023
Employee benefits	118	141
Travel and personnel costs	19	25
Supplies and expenses	142	378
Equipment and furnishings	40	54
Equipment and facility rentals	6	8
Utilities	18	322
Contract services	37	194
Professional fees	16	9
Renovations and alterations	-	401
Debt servicing - interest	-	525
- principal	-	138
Cost of goods sold	4,680	4,621
Internal cost allocations	95	112
External cost recoveries	-	(48)
	<u>5,910</u>	<u>7,903</u>
NET CHANGE IN THE YEAR	257	228
TRANSFERS AND APPROPRIATIONS		
Change in appropriations	-	(93)
NET (DECREASE) INCREASE DURING YEAR	257	135
FUND BALANCES AT BEGINNING OF YEAR	29	186
FUND BALANCES AT END OF YEAR	\$ 286	\$ 321

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, 1993
 (thousands of dollars)

Schedule 2

	Sponsored Research		Specific Purpose
	1993	1992	1993
REVENUES AND OTHER ADDITIONS			
Government grants and contracts	\$ 3,108	\$ 2,638	\$ 6,243
Province of British Columbia	12,548	11,360	6,895
Government of Canada	248	195	-
Other governments	-	-	138
Student fees - credit courses	-	-	658
- non credit	-	-	5,709
Gifts, grants and bequests	2,989	2,503	5,028
Investment Income	-	-	841
Miscellaneous Income	18,893	16,696	25,512
EXPENDITURES AND OTHER DEDUCTIONS			
Salaries-academic	591	592	2,199
-other instruction and research	8,908	6,267	1,099
-other support staff	-	-	5,149
Total salaries	9,499	6,859	8,447
Employee benefits	670	585	1,380
Travel and personnel costs	1,593	1,411	2,227
Supplies and expenses	1,980	1,917	2,508
Equipment and furnishings	3,054	2,464	380
Equipment and facility rentals	13	18	1,970
Library acquisitions	-	-	47
Utilities	19	22	97
Scholarships, fellowships, and bursaries	-	-	2,456
Contract services	-	-	170
Professional fees	552	603	1,058
Renovations and alterations	8	-	118
Internal cost allocations	326	262	715
External cost recoveries	-	-	(323)
NET CHANGE IN THE YEAR	17,712	16,141	21,250
TRANSFERS AND APPROPRIATIONS			
Interfund transfers	1,181	555	4,262
Transfer to non expendable funds (Note 8)	204	317	(1,074)
Group insurance reserve transfer (Statement 2)	-	-	(1,635)
Retirement benefits reserve transfer (Statement 2)	-	-	(44)
Lease commitment reserve transfer (Statement 2)	-	-	(122)
NET (DECREASE) INCREASE DURING YEAR	1,385	872	1,228
FUND BALANCES AT BEGINNING OF YEAR	5,837	4,965	6,931
FUND BALANCES AT END OF YEAR	\$ 7,222	\$ 5,837	\$ 8,159

Prepared without audit
 Page 24

Ancillary Enterprises

Ancillary Enterprises, which include the Bookstore, Food Services and Residences provide goods and services to the University community and are expected to operate on a break-even basis. There was a \$74,000 operational contribution to unappropriated reserve for 1992/93 (\$135,000 for 1991/92). The accumulated unappropriated balance at March 31, 1993 is \$395,000.

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.

In 1992/93 \$43 million was spent to complete previously started projects for Road Rehabilitation, the Shrum Centre, East Theatre Annex, Harbour Centre Phase II and Cafeteria Renovations and to start or continue with the South Sciences Building, the West Mall Complex, New Residences, West Parking Structure, Student Services Building, Alcan Research Building, Minor Capital Projects and Renovations and other smaller projects.

Endowment Fund

Endowment funds 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 \$3 million (\$5.5 million in 1991/92). 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 in excess of \$7 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 1992/93.



Roger W. Ward
 Vice-President
 Financial Services



Auditor General of British Columbia

8 Bastion Square
Victoria, British Columbia
V8V 1X4

AUDITOR'S REPORT

(604) 387-6803
Fax (604) 387-1230

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

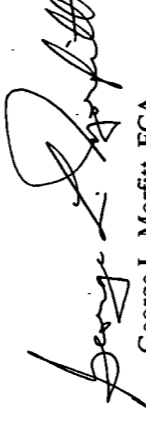
I have audited the balance sheet of Simon Fraser University as at March 31, 1993 and the following statements for the year then ended:

- Statement 2 - Statement of changes in reserves and appropriated expendable fund balances
- Statement 3 - Statement of changes in unappropriated expendable fund balances
- Statement 4 - Statement of changes in non-expendable fund balances
- 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, 1993 and the results of its operations and changes in fund balances for the year then ended in accordance with generally accepted accounting principles.


George L. Morfitt, FCA
Auditor General

Victoria, British Columbia
May 28, 1993

Schedule 1
SIMON FRASER UNIVERSITY
SCHEDULE OF CHANGES IN GENERAL OPERATING AND CAPITAL FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

	1993	1992	1993	1992
REVENUES AND OTHER ADDITIONS				
Government grants and contracts	\$ 112,908	\$ 107,845	\$ 19,241	\$ 19,199
Province of British Columbia	23	-	250	-
Government of Canada	27,823	26,779	-	-
Student fees - credit courses	1,236	1,225	-	-
- non-credit courses	1,356	1,324	-	-
- other	161	216	-	-
Gifts, grants and contracts	2,021	1,905	525	1,808
Investment income	-	750	850	555
Miscellaneous income	666	-	10	54
Capital borrowings	-	-	51,458	34,344
Interest earned on sinking fund	-	-	3,378	2,404
	146,234	140,044	75,462	58,614
EXPENDITURES AND OTHER DEDUCTIONS				
Salaries-academic	49,121	47,508	-	-
- other instruction and research	11,025	10,975	-	-
- other support staff	40,566	38,187	-	-
Total salaries	100,712	96,670	-	-
Employee benefits	15,602	14,052	-	-
Travel and personnel costs	2,772	2,993	-	-
Operating supplies and expenses	10,020	10,935	-	-
Equipment and furnishings	2,274	2,088	4,977	4,845
Equipment and facility rentals	1,950	2,116	-	-
Library acquisitions	3,279	2,790	-	-
Utilities	2,546	2,063	-	-
Scholarships, fellowships and bursaries	4,219	4,505	-	-
Contract services	2,275	2,045	-	-
Professional fees	1,344	1,275	-	-
Renovations and alterations	310	561	-	-
Debt servicing - interest	-	-	-	-
- principal	-	-	-	-
Capital acquisitions	(1,451)	(1,089)	2,560	1,745
Internal cost allocations	(3,268)	(3,197)	14,094	11,377
External cost recoveries	142,544	137,807	13,993	6,362
	3,690	2,237	42,934	33,348
			(92)	-
			78,466	57,677
			(3,004)	937
NET CHANGE IN YEAR				
	(1,913)	(2,312)	1,550	3,069
TRANSFERS AND APPROPRIATIONS				
Interfund transfers	(16)	-	-	370
Transfer to non expendable funds	(200)	-	-	-
Reserves transfers	(1,648)	(20)	1,545	(3,966)
Change in appropriations (Statement 2)	(97)	(95)	91	408
NET (DECREASE) INCREASE DURING YEAR	(1,792)	(1,697)	2,570	2,162
FUND BALANCES AT BEGINNING OF YEAR	\$ (1,879)	\$ (1,792)	\$ 2,861	\$ 2,570
FUND BALANCES AT END OF YEAR				

8. Transfer to Non-Expendable Funds

The transfer of \$989,000 to the non-expendable endowment fund is comprised of capitalization of interest earnings of \$927,000, \$195,000 of transfers from programs and capitalization of capital gains of \$39,000, less transfers to expendable funds of \$172,000.

9. Simon Fraser University Foundation

This Foundation was established in 1987 under the provisions of the University Foundation's Act. It's 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 Foundation amounting to \$595,730 and \$1,745 respectively are not included in the financial statements of the University.

10. Contingent Liabilities

Simon Fraser University is the defendant to several unresolved statement 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

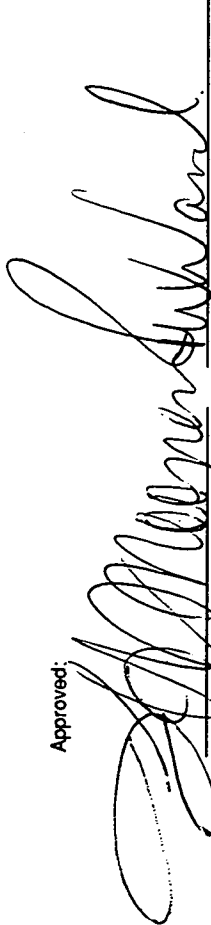
Certain comparative figures have been restated to conform with the current year's presentation.

SIMON FRASER UNIVERSITY
BALANCE SHEET
AS AT MARCH 31, 1993
(thousands of dollars)

Statement 1

ASSETS	1993	1992	LIABILITIES AND FUND BALANCES	
Cash and short-term investments	\$ 13,760	\$ 10,811	Accounts payable and accrued liabilities	\$ 25,935
Accounts receivable	15,174	11,592	Loans payable (Note 3)	13,803
Prepaid expenses	1,001	1,186	Long-term debt (Note 4)	129,155
Inventories	3,008	3,397	Reserves (Statement 2) (Note 5)	
Long-term investments (Note 2)	68,491	68,164	Group insurance	1,441
Deferred charges	1,707	110	Retirement benefits	3,761
Capital assets			Lease commitment	15,141
Land and buildings	215,506	173,163	Academic pension plan	200
Equipment	72,034	64,656	Expendable fund balances	
Library holdings	35,499	32,269	Appropriated (Statement 2)	
Roads and parking lots	13,854	13,416	General operating	8,108
Leasehold improvements	9,318	9,165	Ancillary enterprises	1,143
			Capital	4,056
			Unappropriated (Statement 3)	
			General operating	(1,879)
			Sponsored research	7,222
			Specific purpose	8,418
			Ancillary enterprises	395
			Capital	2,661
			Non-expendable fund balances (Statement 4)	
			Endowment	31,180
			Equity in capital assets (Statement 5)	
				198,612
				\$ 449,352
				\$ 387,929

Approved:



F.H. Moonen
Chairman
Board of Governors

R.W. Ward, Ph.D.
Vice President
Financial Services

SIMON FRASER UNIVERSITY
STATEMENT OF CHANGES IN RESERVES AND APPROPRIATED EXPENDABLE FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

Statement 2

RESERVES (NOTE 5)	Balances Beginning of Year	Released to meet Expenditures	Additions during the Year	Net Change for Year	Balances End of Year
Group insurance	\$ 1,325	\$ -	\$ 116	\$ 116	\$ 1,441
Retirement benefits	3,907	487	341	(146)	3,761
Lease commitment	14,890	1,401	1,652	251	15,141
Academic Pension Plan	-	-	200	200	200
TOTALS	\$ 20,122	\$ 1,888	\$ 2,309	\$ 421	\$ 20,543

APPROPRIATIONS

GENERAL OPERATING FUND

Provisions:	\$ 375	\$ 375	\$ 1,238	\$ 863	\$ 1,238
Carryovers - Faculties and departments	1,028	1,028	1,133	105	1,133
- Auxiliaries and special projects	2,637	2,637	4,184	1,547	4,184
- Research and other grants	100	100	100	-	100
Self insurance	969	969	1,028	59	1,028
Specific provisions	1,351	1,351	425	(926)	425
Non-recurring expenditures	6,460	6,460	8,108	1,648	8,108

ANCILLARY ENTERPRISES FUND

Provision for equipment replacement and capital improvements	941	88	290	202	1,143
--	-----	----	-----	-----	-------

CAPITAL FUND

Provision for authorized payments	5,601	5,601	4,056	(1,545)	4,056
TOTALS	\$ 13,002	\$ 12,149	\$ 12,454	\$ 305	\$ 13,307

Page 8

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. These changes resulted in an unfunded liability of \$1,900,000 based on the actuarial valuation at January 1, 1992. Starting in 1992/93 the University is contributing \$200,000 per year to the Academic Pension Plan reserve until the liability is fully funded.

The University pension plan for administrative and union staff provides benefits based on years of service and the average of the highest sixty consecutive months' salary. An agreement amending the plan was signed on June 28, 1990 and is still subject to approval by Revenue Canada. Under the revised plan:

- a. The University's contribution is the greater of:
 - i. the cost of the defined benefits, or
 - ii. the percentage of covered pay which the University is contributing to the Academic Plan.

At the moment contributions are based on option ii.

- b. Any surplus in excess of the contingency margin is distributed to individual money purchase accounts of the members.

The latest actuarial valuation as of January 1, 1992 showed an actuarial liability of \$46,732,000 and assets on hand of \$54,047,000. After adding the equivalent of 15% of the actuarial liability for the contingency reserve, the remaining surplus to be allocated to members is \$305,000. The assets and liabilities of the pension plans are not reflected in the financial statements.

7. Commitments - Capital Fund

Total commitments under contracts for capital projects amounted to \$20,885,000 as at March 31, 1993 (1992 - \$23,727,000).

5. Reserves

The reserves are funds set aside to meet the cost of future obligations. Payments are made from the reserve and from accrued investment earnings.

a. Group Insurance

The reserve represents funds 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. Retirement Benefits

The reserve provides for early retirement benefit obligations and other benefit supplements.

c. Lease Commitment

The reserve provides 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 \$1,648,440 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.

d. Academic Pension Plan

The University will contribute \$200,000 a year to this reserve until the unfunded liability of \$1,900,000 in the formula retirement benefit account is fully funded (see note 6).

6. Pension Plans

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, 1993
(thousands of dollars)

	General Operating	Sponsored Research	Specific Purpose	Ancillary Enterprises	Capital	Totals	1993	1992
REVENUES AND OTHER ADDITIONS								
Government grants and contracts								
Province of British Columbia	\$ 112,908	\$ 3,108	\$ 6,169	\$ -	\$ 19,241		\$ 141,426	\$ 135,925
Government of Canada	23	12,548	6,063	-	-		18,684	18,505
Other governments	-	248	49	-	-		297	195
Student fees - credit courses	27,823	-	311	-	-		28,134	26,917
- non-credit courses	1,236	-	869	-	-		2,105	1,883
- other	1,356	-	-	-	-		1,356	1,324
Gifts, grants and contracts	181	2,969	3,266	-	525		6,961	10,236
Sale of goods and services	-	-	-	8,727	-		8,727	8,032
Investment income	2,021	-	5,186	109	850		8,166	7,587
Miscellaneous income	686	-	733	-	10		1,429	1,845
Capital borrowings	-	-	-	-	51,458		51,458	34,344
Interest earned on sinking fund	-	-	-	-	3,378		3,378	2,404
	146,234	18,693	22,646	8,836	75,462		272,071	248,987
EXPENDITURES AND OTHER DEDUCTIONS								
Salaries - academic	49,121	591	2,009	-	-		51,721	50,289
- other instruction and research	11,025	9,908	1,226	-	-		21,159	20,341
- support staff	40,566	-	5,332	1,108	-		47,006	44,359
Total salaries	100,712	9,499	8,567	1,108	-		119,886	114,989
Employee benefits	15,602	670	1,524	160	-		17,956	16,156
Travel and personnel costs	2,772	1,593	1,713	31	-		6,109	6,656
Supplies and expenses	10,020	1,980	2,339	759	-		15,098	15,738
Equipment and furnishings	2,274	3,054	726	82	4,977		11,113	9,831
Equipment and facility rentals	1,950	13	1,950	9	-		3,922	4,112
Library acquisitions	3,279	-	5	-	-		3,284	2,837
Utilities	2,546	19	93	403	-		3,061	2,504
Scholarships, fellowships and bursaries	4,219	-	2,553	-	-		6,772	6,961
Contract services	2,275	-	263	291	-		2,829	2,409
Professional fees	1,344	552	744	-	-		2,640	2,945
Renovations and alterations	310	6	93	242	2,560		3,211	2,825
Debt servicing - interest	-	-	-	603	14,094		14,697	11,902
- principal	-	-	-	260	13,993		14,253	6,500
Cost of goods sold	-	-	-	4,680	-		4,680	4,621
Capital acquisitions	-	-	-	-	42,934		42,934	33,348
Internal cost allocations	(1,461)	326	1,032	103	-		(92)	(3,568)
External cost recoveries	(3,298)	-	(250)	(171)	(92)		(3,811)	-
	142,544	17,712	21,352	8,560	78,466		268,634	240,778
NET CHANGE IN THE YEAR	3,690	1,181	1,294	276	(3,004)		3,437	8,219
TRANSFERS AND APPROPRIATIONS								
Interfund transfers	(1,913)	204	159	-	1,550		-	-
Transfer to non expendable funds (Note 8)	(16)	-	(973)	-	-		(989)	(1,265)
Reserve transfers (Statement 2)	(200)	-	(221)	-	-		(421)	(925)
Change in appropriations (Statement 2)	(1,648)	-	-	(202)	1,545		(305)	(4,081)
NET (DECREASE) INCREASE DURING YEAR	(87)	1,385	259	74	91		1,722	2,548
FUND BALANCES AT BEGINNING OF YEAR	(1,792)	5,837	8,159	321	2,570		15,095	12,547
FUND BALANCES AT END OF YEAR	(1,879)	7,222	8,418	395	2,661		16,817	15,095

SIMON FRASER UNIVERSITY
STATEMENT OF CHANGES IN NON-EXPENDABLE FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

Statement 4

	1993	1992
GIFTS, GRANTS AND BEQUESTS	\$ 2,005	\$ 4,302
TRANSFER FROM UNAPPROPRIATED EXPENDABLE FUNDS	989	1,265
INCREASE DURING THE YEAR	2,994	5,567
FUND BALANCES AT BEGINNING OF YEAR	28,186	22,619
FUND BALANCES AT END OF YEAR	\$ 31,180	\$ 28,186

Page 10

b. Canada Mortgage and Housing Corporation

Maturity Date	Interest Rate	Balance Outstanding 1993 (\$000)	Balance Outstanding 1992 (\$000)	Annual Payments (incl. interest) Until Maturity (\$000)
Jan. 1, 2017	5.375%	\$ 166	\$ 170	\$ 12
Jan. 1, 2018	5.875%	845	860	65
Jul. 1, 2019	6.875%	2,069	2,096	171
		\$3,080	\$3,126	\$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 1993 (\$000)	Balance Outstanding 1992 (\$000)	Annual Payments (incl. interest) Until Maturity (\$000)
Dec 10, 1996	9.41%	\$ 3,189	\$3,296	\$ 415
Jan 9, 2002	9.00%	3,000	3,000	336
Jan 9, 2002	9.00%	3,000	-	336
Jan 9, 2012	9.50%	3,000	3,000	350
Jun 10, 2012	9.45%	3,000	-	349
Aug 19, 2022	8.75%	5,000	-	482
		\$20,189	\$9,296	\$2,268

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 bonds maturing in 2002, 2012 and 2022 were issued to finance capital expenditures on a parkade and student residences.

Page 19

4. Long-Term Debt

Long-term debt consists of the following:

	1993 (\$000)	1992 (\$000)
British Columbia Educational Institutions Capital Financing Authority (Schedule 8)	\$135,584	\$101,890
Less: sinking fund	<u>29,498</u>	<u>22,952</u>
	106,086	78,938
Canada Mortgage and Housing Corporation	3,080	3,126
Province of British Columbia	20,189	9,296
Less: sinking fund	<u>200</u>	<u>0</u>
	23,069	12,422
Total	<u>\$129,155</u>	<u>\$91,360</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 8.50% to 17.00% and maturing from 1993 to 2013. 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:

1994	\$18,962,000
1995	\$19,087,000
1996	\$17,496,000
1997	\$17,496,000
1998	\$17,447,000

Page 18

SIMON FRASER UNIVERSITY
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED MARCH 31, 1993
(thousands of dollars)

Statement 5

	1993	1992
EQUITY INCREASED BY		
Additions to capital assets		
Capital Fund projects	\$ 42,934	\$ 33,348
Equipment and furnishings expenditures		
- General Operating Fund	2,274	2,088
- Sponsored Research Fund	3,054	2,464
- Specific Purpose Fund	726	380
- Ancillary Enterprises Fund	82	54
- Capital Fund	4,977	4,845
Library acquisitions expenditures		
- General Operating Fund	3,279	2,790
- Specific Purpose Fund	5	47
	<u>57,331</u>	<u>46,016</u>
Repayment of capital borrowings	10,880	4,098
Interest earned on sinking fund	3,378	2,404
	<u>71,589</u>	<u>52,518</u>
EQUITY DECREASED BY		
Authorized capital borrowings	51,458	34,344
Equipment written off	3,735	4,004
Library dispositions	55	40
	<u>55,248</u>	<u>38,388</u>
NET INCREASE DURING YEAR	16,341	14,130
BALANCE AT BEGINNING OF YEAR	182,271	168,141
BALANCE AT END OF YEAR	<u>\$ 198,612</u>	<u>\$ 182,271</u>

SIMON FRASER UNIVERSITY
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1993

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.
- 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.

Page 12

	(\$000)
Centre for North American Studies	\$ 10
Gordon M. Shrum Chair in Science Fund	790
SFU Scholarship and Bursary Endowment Fund	1,235
Simon Fraser University Bridge Endowment Fund	4,010
Women's Studies Endowment Trust Fund	735
Tri-University's Paul and Helen Trussell Science Student Endowment Fund	<u>301</u>
	<u>\$7,081</u>

Only the portion belonging to Simon Fraser University is included in the University's financial statements.

In the fiscal year 1992/93 income from these funds of \$622,000 (1992 \$622,000) was paid to the University for specific purposes.

3. Loans Payable

Loans payable consist of:

	1993 (\$000)	1992 (\$000)
Interim financing	\$10,303	\$12,460
Revolving loans	<u>3,500</u>	<u>1,270</u>
Total	<u>\$13,803</u>	<u>\$13,730</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.

Page 17

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 are comprised of the following:

	1993 (\$000)	1992 (\$000)
Vancouver Foundation	\$ 5,155	\$ 5,155
Other	<u>63,336</u>	<u>63,009</u>
Total	<u>\$68,491</u>	<u>\$68,164</u>

Market value of the investments at March 31, 1993 was \$75,884,456 (1992 - \$69,990,000). The Vancouver Foundation holds a number of endowment funds for the benefit of the University. These funds total \$7,081,000 at March 31, 1993 of which \$5,155,000 belongs to the University.

Expendable funds (Cont'd.):

- Ancillary Enterprises -
Revenue from the operation of the residences, bookstore and food services 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 and Reserves

Appropriations and reserves 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. 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.

Promises made by donors to the University for donations to be received in future years are estimated at \$7,286,000 (1992- \$8,248,000). 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, except for renovations under \$10,000 which are recorded as expenditures.

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 (1993 - \$154,000, 1992 - \$154,000) 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.