

FOR INFORMATION

SIMON FRASER UNIVERSITY

S. 82-81A

MEMORANDUM

To..... Mr. H. Evans
..... Secretary to Senate
Subject.....

From... K. George Pedersen
..... President
Date... September 8, 1982.....

Enclosed is a memo dated August 24, 1982 from Dr. E.M. Scott and attached financial statistical information for Canadian universities.

I think that this is an excellent report and thought that it would be of interest to members of Senate, particularly in areas where there are comparative data relating to SFU.



Enclosure

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**REGISTRAR'S OFFICE
MAIL ROOM**

SIMON FRASER UNIVERSITY

MEMORANDUM

To..... Dr. K. G. Pedersen
..... President
Subject.. A Comparative Analysis of Financial...
..... Statistics for Canadian Universities

From..... E.M. Scott
..... Executive Director of Finance...
Date..... August 24, 1982.....

The attached Schedule and Tables of comparative operating revenues and expenditures of Canadian Universities and Colleges are comprised of data collected by the Canadian Association of University Business Officers (CAUBO) and compiled by Statistics Canada. Where appropriate, specific data related to SFU have been added.

The definitions of revenue and expenditure classification employed by CAUBO differ somewhat from those used in SFU's financial statements and those at other universities. This fact can and does affect comparisons and should be kept in mind when examining the data. For example:

- 1) Many universities have a decentralized computing capability resulting in the capture of computing costs within faculty budgets. At SFU, a very large proportion of our computing expenditures are captured in the Computer Centre and treated as computing expenses rather than academic expense.
- 2) Some operations are reported as academic expenditures at some Universities, while at others the same expenditures are reported as non-academic expenses. At SFU, Athletics and Recreation Department expenditures are reported under Student Services, whereas the coaches at UBC's School of Physical Education are included in academic expenses.
- 3) Although the details are not identified, it is apparent that costs reported as administrative expense are not treated in the same manner in all institutions. UBC reports the lowest administration and general expenditures in Canada. While a portion of this is presumably attributable to economies of scale, it is also believed that low administrative costs are in part a result of a greater number of expenditures being classed as academic.

In any event, while the Accounting Research Committee of CAUBO continues a progression towards better and more comparable statistics, these data remain the most reliable of any available.

Schedule I shows a percentage analysis of revenue and general purpose operating expenditures compared to the other universities in British Columbia, to universities in the four (4) western provinces and to all universities in Canada who have reported their financial data. General purpose operating expenditures correspond to our operating budget. Sponsored Research Funds, Trust and Endowment Funds and Ancillary Enterprises have been excluded from the analysis.

Dr. K. G. Pedersen

Some of the more significant observations pertaining to Schedule I are:

Revenues

- 1) The percentage of total revenues represented by the Provincial Government Grant is higher in British Columbia than the average for the Western Provinces (85.8%) and the Canadian average (83.5%). SFU depends slightly more on the Provincial Government Grant (88.1%) than either UVic (87.6%) or UBC (86.8%).
- 2) Tuition fee revenue is lower in British Columbia than the average for the Western Provinces (11.4%) and significantly lower than the Canadian average (13.2%). Fee revenue at SFU at (9.0%) is also lower than at UBC (11.0%) and UVic (10.1%).

Expenditure By Object

- 3) The percentage of SFU's operating expenditures being shown in Salaries and Benefits (76.9%) is lower than the Canadian (80.8%) and Western Provinces average (82.9%). It is also lower than UBC (86.9%) and UVic (80.5%). SFU employs external contractors such as Security and Janitorial Services, capturing these charges in Other Expenses. Many other institutions provide these services internally resulting in these expenditures being shown in Salaries and Benefits. Were SFU to do this, Salaries and Benefits in total would rise to 79.2% of the operating budget, while Other Expenses would fall from 6.3% to 4.0%.

Expenditure By Function

- 4) SFU's percentage expenditure (60.0%) on Instruction and Non-Sponsored Research is lower than the Canadian average (64.2%). SFU's expenditure (2.5%) on Non-Credit Instruction, however, is higher than the Canadian average (1.8%).
- 5) Library expenditures (7.7%) continue to exceed the Canadian average (6.8%). Within British Columbia, UBC (7.6%) expends virtually the same proportion as SFU while UVic maintains a significantly higher allocation (10.2%).
- 6) Computing expenditures remain significantly higher than elsewhere. For reasons stated above, this figure may not be fully comparable.
- 7) SFU's reported expenditures on Administration and General is the same as at UVic (8.9%) and comparable to the Canadian average (8.3%). This expenditure is significantly greater than UBC (4.4%) for the reasons noted above.
- 8) Physical Plant (10.0%) is lower than UBC (12.9%), UVic (10.4%) and the Canadian average (13.2%).
- 9) Student Services (5.3%) remain significantly higher than UBC (2.3%), UVic (4.1%), and the Canadian average (2.5%).

August 24, 1982

It has not been possible to include comparative data (as was done last year) by size of university, as measured by FTE student enrolment, since these data are no longer reported in the Statistics Canada publication.

The accompanying Tables report revenue and expenditure data for the 5 years 1976/77 through 1980/81. General operating revenues and expenditures are comprised of the general purpose operating fund, that is SFU's operating budget, trust and endowment funds, sponsored research funds and ancillary services. In contrast to Schedule I, the Tables include Trust and Endowment Funds, Sponsored Research Funds and Ancillary Enterprises in their analysis. Where the analysis is by object, internal and external cost recoveries are captured in Other Expenses. Where the analysis by function, each figure is net of cost recoveries. For comparison purposes, SFU data have been added in the right hand column of each Table.

The above financial statistics are for fiscal years ended in 1981 and as such are one year old. More current data will not be available until mid 1983. Should you have any further questions, I would be pleased to expand upon the above data.

EMS/mr
Enclosures

c.c. J. Munro
W. DeVries
J. Blaney
J. Webster



SIMON FRASER UNIVERSITY

Percentage Analysis of General Purpose Operating Revenues
and Expenditures Relative to Other B.C. Universities
and to National Average for Fiscal Years Ended in 1981

Revenues	77				
	SFU	UVic	UBC	CANADIAN UNIVERSITIES	WESTERN PROVINCES
1. Federal government grants	0.3	-	0.1	0.1	0.1
2. Provincial government grants	88.1	87.6	86.8	83.5	85.8
3. Municipal government grants	-	-	-	-	-
Total government grants	88.4	87.6	86.9	83.6	85.9
4. Fees	9.0	10.1	11.0	13.2	11.4
5. Gifts, non-government grants	0.2	-	-	0.5	0.2
6. Investment income	2.9	2.3	2.0	1.7	1.9
7. Miscellaneous, including interfund transfers	(0.4)	-	0.1	1.0	0.6
	100.0	100.0	100.0	100.0	100.0

Expenditures by Object

1. Academic salaries	38.3	45.0	47.6	43.8	45.8
2. Other salaries and wages	31.0	27.8	31.0	29.3	29.7
3. Fringe benefits	7.6	7.7	8.3	7.7	7.4
Total salaries and benefits	76.9	80.5	86.9	80.8	82.9
4. Supplies and expenses	9.2	6.5	5.1	7.1	7.9
5. Library acquisitions	1.9	3.0	2.2	2.0	2.2
6. Furniture and equipment (including rentals)	3.3	5.8	3.7	2.4	2.9
7. Utilities and taxes	2.4	2.3	2.4	4.0	3.8
8. Other expenses net after cost recoveries	6.3	1.9	(0.3)	3.7	0.3
	100.0	100.0	100.0	100.0	100.0

Expenditures by Function

1. Instruction and non-sponsored research	60.0	59.9	66.2	64.2	65.6
2. Non-credit instruction	2.5	2.2	2.9	1.8	2.7
3. Library	7.7	10.2	7.6	6.8	7.3
4. Computing	5.6	4.3	3.7	3.2	3.4
5. Administrative and general	8.9	8.9	4.4	8.3	6.5
6. Physical Plant	10.0	10.4	12.9	13.2	12.4
7. Student services	5.3	4.1	2.3	2.5	2.1
	100.0	100.0	100.0	100.0	100.0

- "Financial Statistics of Universities & Colleges 1980/81". Prepared by Statistics Canada for the Canadian Association of Business Officers.
- "University Financial Statistics-Analytical tables 1976/77 to 1980/81". Statistics Canada.

Table 1 Summary of University Income and Expenditures and All Reporting Institutions, 1976-77 to 1980-81

	1976-77		1977-78		1978-79		1979-80		1980-81		1980-81	
	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%	\$'000	%
INCOME												
General Operating												
Government grants	1,722,566	66.2	1,920,110	65.8	2,089,713	65.5	2,242,943	64.7	2,466,994	63.2	2,466,994	77.0
Fees	281,697	10.8	317,924	10.9	331,798	10.4	348,292	10.0	390,304	10.0	390,304	7.9
Gifts, non-government grants	7,272	0.3	7,234	0.2	9,334	0.3	12,532	0.3	14,579	0.4	14,579	0.2
Investment income	22,590	0.9	20,717	0.7	28,553	0.9	43,101	1.3	49,720	1.3	49,720	2.5
Miscellaneous (1)	17,322	0.6	24,224	0.8	22,898	0.7	25,652	0.8	29,654	0.7	29,654	(1.0)
General Purpose												
Operating - Total	2,051,447	78.8	2,290,209	78.5	2,482,296	77.8	2,672,520	77.1	2,951,251	75.6	2,951,251	87.1
Trust and endowment	66,896	2.6	75,755	2.6	94,436	3.0	104,216	3.0	151,930	3.9	151,930	0.5
Sponsored research	275,278	10.6	316,971	10.9	363,117	11.4	411,037	11.9	488,534	12.5	488,534	6.9
Ancillary enterprises	208,894	8.0	233,219	8.0	250,709	7.8	278,964	8.0	311,204	8.0	311,204	5.5
TOTAL	2,602,515	100.0	2,916,154	100.0	3,190,558	100.0	3,466,737	100.0	3,902,919	100.0	3,902,919	100.0
EXPENDITURES												
General Operating												
Academic salaries	894,544	35.0	1,008,171	35.0	1,092,716	35.0	1,180,804	34.6	1,298,003	33.6	1,298,003	33.5
Other salaries	606,360	23.7	669,129	23.2	718,865	23.0	779,688	22.9	869,229	22.5	869,229	27.1
Fringe benefits	149,687	5.9	169,427	5.9	188,343	6.0	201,298	5.9	277,173	5.9	277,173	6.6
Library acquisitions (2)	41,091	1.6	46,987	1.6	48,786	1.6	53,260	1.5	60,447	1.6	60,447	1.7
Supplies and expenses	143,125	5.6	156,296	5.4	165,788	5.3	187,801	5.5	211,413	5.5	211,413	8.1
Furniture & equipment	54,294	2.1	56,376	2.0	59,479	1.9	61,495	1.8	72,066	1.9	72,066	2.8
Utilities & taxes	92,312	3.6	103,964	3.6	105,521	3.4	109,687	3.2	119,763	3.1	119,763	2.1
Other expenses	46,921	1.8	62,883	2.2	76,298	2.4	87,086	2.6	108,290	2.7	108,290	5.4
General Purpose												
Operating - Total	2,028,274	79.3	2,273,233	78.9	2,455,796	78.6	2,661,119	78.0	2,966,384	76.8	2,966,384	87.3
Trust and endowment	49,075	1.9	60,565	2.1	61,571	2.0	71,341	2.1	118,161	3.1	118,161	0.4
Sponsored research	268,649	10.5	310,302	10.8	357,253	11.4	397,544	11.7	463,365	12.0	463,365	6.4
Ancillary enterprises	212,122	8.3	235,097	8.2	250,585	8.0	281,061	8.2	312,741	8.1	312,741	5.9
TOTAL	2,558,120	100.0	2,879,197	100.0	3,125,205	100.0	3,411,065	100.0	3,860,651	100.0	3,860,651	100.0
Number of institutions	70		72		73		75		77			

(1) Comprised of miscellaneous income and interfund transfers.

(2) Commencing with 1979-80, "Library Acquisitions" may be reported in the capital fund.

TABLE 3. Summary of University Expenditures by Function for all Reporting Institutions
1976-77 to 1980-81

	1976-77	1977-78	1978-79	1979-80	1980-81	1980-81					
	\$'000	\$'000	\$'000	\$'000	\$'000	SFU					
General Operating Instruction, non-sponsored research	1,283,368	50.4	1,449,077	50.3	1,575,693	50.4	1,710,011	50.1	1,904,349	49.3	52.4
Non-credit instruction	26,168	1.0	30,795	1.1	33,825	1.1	43,603	1.3	51,751	1.3	2.2
Library	141,644	5.5	156,651	5.4	167,513	5.4	180,508	5.3	202,388	5.3	6.7
Computing	63,367	2.5	70,101	2.4	74,357	2.4	84,580	2.5	94,021	2.4	4.9
Administration and General	169,978	6.6	189,170	6.6	206,169	6.6	217,227	6.4	246,850	6.4	7.8
Physical Plant	282,193	11.3	321,901	11.2	338,760	10.8	359,752	10.5	392,225	10.2	8.2
Student Services	50,551	2.0	55,538	1.9	59,479	1.9	65,438	1.9	74,200	1.9	4.5
General Purpose Operating - Total	2,028,274	79.3	2,273,233	78.9	2,455,796	78.6	2,661,119	78.0	2,966,384	76.8	87.3
Trust & Endowment	49,075	1.9	60,565	2.1	61,571	2.0	71,341	2.1	118,161	2.1	0.4
Sponsored Research	263,649	10.5	310,302	10.3	357,253	11.4	397,544	11.7	463,365	12.0	5.4
Ancillary Enterprises	212,122	8.3	235,097	8.2	250,585	8.0	281,061	8.2	312,741	8.1	5.9
<u>TOTAL</u>	<u>2,558,120</u>	<u>100.0</u>	<u>2,879,197</u>	<u>100.0</u>	<u>3,125,205</u>	<u>100.0</u>	<u>3,411,065</u>	<u>100.0</u>	<u>3,860,651</u>	<u>100.0</u>	<u>100.0</u>
Number of Institutions	70	72	72	73	75	77					

For Each of the Five Years, 1976-77 to 1980-81

(Dollars and Indices) - Concluded

	1976-77	1977-78	1978-79	1979-80	1980-81	1980-81
	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices
WESTERN PROVINCES						
INCOME						
General Operating						
Government grants	478,510	100.0	524,168	109.5	560,626	117.2
Fees	63,510	100.0	70,419	110.9	76,212	120.0
Gifts, non-government grants	2,102	100.0	1,838	89.8	1,911	90.9
Investment income	6,832	100.0	5,807	85.0	8,211	120.2
Miscellaneous (1)	1,840	100.0	3,948	214.6	3,250	176.6
General Purpose Operating - Total	552,794	100.0	606,230	109.7	650,210	117.6
Trust & Endowment	26,352	100.0	30,776	116.8	38,747	147.0
Sponsored Research	72,296	100.0	82,054	113.5	97,193	134.4
Ancillary Enterprises	51,611	100.0	57,807	112.0	63,822	123.7
TOTAL	703,053	100.0	776,877	110.5	849,972	120.9
EXPENDITURES						
General Operating						
Academic salaries	252,170	100.0	278,077	110.3	303,461	120.3
Other salaries	163,439	100.0	178,958	109.5	187,436	114.7
Fringe benefits	37,189	100.0	41,618	111.9	45,997	123.7
Library acquisition(2)	12,045	100.0	13,294	110.4	13,252	110.0
Supplies & expenses	38,983	100.0	42,213	108.3	44,338	113.7
Furniture & equipment	17,057	100.0	17,515	102.7	21,259	124.6
Utilities & taxes	26,702	100.0	29,653	111.1	24,221	90.7
Other expenses	27,667	100.0	31,662	114.4	35,650	128.9
Cost recoveries	(27,072)	100.0	(31,717)	117.2	(32,784)	121.1
General Purpose Operating - Total	548,180	100.0	601,273	109.7	642,830	117.3
Trust & Endowment	19,282	100.0	22,284	115.6	24,753	128.4
Sponsored Research	67,285	100.0	77,595	115.3	91,596	136.1
Ancillary Enterprises	51,752	100.0	57,929	111.9	63,444	122.6
TOTAL	686,499	100.0	759,081	110.6	822,623	119.8

(1) Comprised of Miscellaneous Income and Interfund Transfers.

(2) Commencing with 1979-80, "Library Acquisitions" may be reported in the capital fund.

Table 9. Analysis of University Expenditures by Function and Region for 70 Institutions
Who Reported for Each of the Five Years, 1976-77 to 1980-81
(Dollars and Indices)

	1976-77	1977-78	1978-79	1979-80	1980-81	1980-81					
	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices	indices SFU					
CANADA											
<u>General Operating</u>											
Instruction, non-sponsored research	1,288,368	100.0	1,446,700	112.3	1,565,355	121.5	1,696,607	131.7	1,891,136	146.8	150.5
Non-credit instruction	26,168	100.0	30,795	117.7	33,639	128.6	43,480	166.2	51,151	195.5	361.9
Library	141,644	100.0	156,517	110.5	166,870	117.8	179,618	126.8	202,105	142.7	152.3
Computing	63,367	100.0	69,966	110.4	73,830	116.5	83,755	132.2	92,829	146.5	146.7
Administration and General	169,978	100.0	187,884	110.5	203,465	119.7	213,367	126.5	241,420	142.0	149.9
Physical Plant	283,193	100.0	321,556	111.6	336,830	116.9	357,012	123.9	388,859	134.9	123.7
Student Services	50,551	100.0	55,528	109.8	59,090	116.9	64,942	128.5	73,692	145.8	124.4
General Purpose Operating - Total	2,028,274	100.0	2,268,946	111.9	2,439,079	120.3	2,638,781	130.1	2,941,192	145.0	148.4
Trust & Endowment	49,075	100.0	60,538	123.4	61,544	125.4	71,163	145.0	117,958	240.4	141.8
Sponsored Research	268,649	100.0	310,302	115.5	357,253	133.0	397,403	147.9	462,690	172.2	237.2
Ancillary Enterprises	212,122	100.0	235,097	110.8	250,585	118.1	279,569	131.8	309,798	146.0	165.5
<u>TOTAL</u>	<u>2,558,120</u>	<u>100.0</u>	<u>2,874,883</u>	<u>112.4</u>	<u>3,108,461</u>	<u>121.5</u>	<u>3,386,916</u>	<u>132.4</u>	<u>3,831,638</u>	<u>149.8</u>	<u>153.0</u>

TABLE 9. Analysis of University Expenditures by Function and Region for 70 Institutions
Who Reported for Each of the Five Years, 1976-77 to 1980-81
(Dollars and Indices) - Concluded

	1976-77	1977-78	1978-79	1979-80	1980-81	1980-81
\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices	\$'000 indices
WESTERN PROVINCES						
<u>General Operating</u>						
Instruction, non-sponsored research	355,517 100.0	393,097 110.6	426,731 120.0	458,817 129.1	508,569 143.1	150.5
Non-credit instruction	10,542 100.0	12,055 114.4	14,066 133.4	16,590 157.4	20,609 195.5	361.9
Library	39,277 100.0	43,052 109.6	44,738 113.9	49,154 125.1	56,367 143.5	152.3
Computing	18,110 100.0	18,454 101.9	19,748 109.0	22,085 121.9	26,572 146.7	146.7
Administration and General	34,992 100.0	39,896 114.0	43,421 124.1	47,205 134.9	50,557 144.5	149.9
Physical Plant	77,790 100.0	81,904 105.3	80,679 103.7	82,922 105.6	95,719 123.0	123.7
Student Services	11,952 100.0	12,815 107.2	13,447 112.5	14,126 118.2	16,153 135.1	124.4
General Purpose Operating - Total	548,180 100.0	601,273 109.7	642,830 117.3	690,899 126.0	774,546 141.3	148.4
Trust & Endowment	19,282 100.0	22,284 115.6	24,753 128.4	26,915 139.6	62,850 326.0	141.8
Sponsored Research	67,285 100.0	77,595 115.3	91,596 136.1	105,592 156.9	117,204 174.2	237.2
Ancillary Enterprises	51,752 100.0	57,929 111.9	63,444 122.6	68,002 131.4	79,320 153.3	165.5
<u>TOTAL</u>	<u>686,499 100.0</u>	<u>759,081 110.6</u>	<u>822,623 119.8</u>	<u>891,408 129.9</u>	<u>1,033,920 150.6</u>	<u>153.0</u>