

FOR INFORMATION

**SIMON FRASER UNIVERSITY
MEMORANDUM**

TO: Senate

FROM: W.R. Heath
Registrar

SUBJECT: Annual Report - For Information

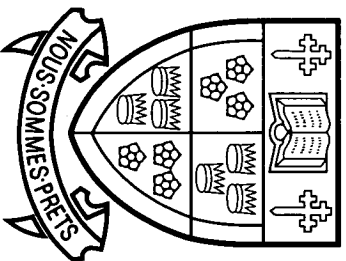
DATE: Sept. 18, 1986

Section 31 of the University Act states: "The board shall make an annual report of its transactions to the universities council, 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 universities council 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 1985 FINANCIAL REPORT ARE IN SHORT SUPPLY, IT IS REQUESTED THAT STATEMENTS BE RETURNED FOLLOWING PERUSAL TO THE OFFICE OF THE REGISTRAR (BOBBIE GRANT). (SENATORS ARE ASKED TO RETURN THE STATEMENTS FOLLOWING THE OCTOBER MEETING OF SENATE).

SIMON FRASER UNIVERSITY



FINANCIAL STATEMENT

FOR THE YEAR ENDED MARCH 31, 1986

S I M O N F R A S E R U N I V E R S I T Y
Financial Statements
For the Year Ended March 31, 1986
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SIMON FRASER UNIVERSITY

Schedule 6

General Operating Fund - Non-Academic Expenditures
For the Year Ended March 31, 1986
(Thousands of dollars)

	Salaries	Benefits	Operational Supplies & Expenses	Books and Periodicals	Student Awards	Utilities	Contract Services	Professional Fees	Internal Cost Allocations	External Cost Recoveries	Total
<u>Library</u>	\$ 3,041	\$ 415	\$ 1,128	\$ 1,667		\$ 24	\$ 92		\$ 302	\$ (186)	\$ 6,483
	2,327	319	2,277			28		\$ 5	(4,497)	(588)	(129)
<u>Computing Services</u>											
<u>Plant Maintenance</u>	2,322	326	1,311			1,910	1,492	93	61	(474)	7,041
<u>Student Services</u>											
Director's Office	111	16	29			5		3	1		165
Academic Advice Centre	147	18	18			3			6		192
Athletics and Recreation	926	112	520			13		12	8	(11)	1,580
Counselling Services	202	28	10			3					243
Financial Aid Office	595	41	36		\$2,338	3		23	40		3,053
Health Services	604	74	20			7					162
Other Services	26	3	39			2			55	(577)	5,465
	2,611	292	672		2,338	36		38			

<u>Administration and General</u>											
Analytical Studies	127	17	11			2			29		186
Ancillary Services	531	78	(409)			15			1		216
Development Office	162	21	106			8		13	27		337
Finance	1,218	177	122			14		50	498		2,079
General University		140	489					189	11	(402)	427
Personnel/Employee Relations	453	60	70			7			36		626
President's Office	258	32	125			5	5	1	5		431
Registrar's Office	1,260	176	452			27		337	759		3,011
University Archives	87	11	12			1			5		116
University News Service	164	19	112			2		1			298
Vice President Academic Office	319	44	53			4			5		425
Vice President											
Administration Office	138	17	28			1			1		185
Vice President University											
Development Office	186	20	46			4		20	1		277
Vice President Research and											
Information Systems Office	91	12	22			2			2	(402)	129
	4,994	824	1,239			92	5	611	1,380		8,743
	\$15,295	\$2,176	\$6,627	\$1,667	\$2,338	\$2,090	\$1,589	\$747	\$(2,699)	\$(2,227)	\$27,603

* Executive Director, Administrative Services Office effective February 1, 1986
Prepared without audit



Province of
British Columbia

Office of the
Auditor General
Province of British Columbia

8 Bastion Square
Victoria
British Columbia
V8V 1X4

AUDITOR'S REPORT

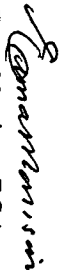
To the Chairman and Members of the Board of Governors of
Simon Fraser University, and
To the Minister of Post-Secondary Education
Province of British Columbia:

I have examined the balance sheet of Simon Fraser University as at 31 March 1986
and the following statements for the year then ended:

- | | |
|-------------|---|
| Statement 2 | - Statement of revenue and expenditures and changes in expendable fund balances |
| Statement 3 | - Statement of changes in appropriated expendable funds |
| Statement 4 | - Statement of changes in non-expendable funds |
| Statement 5 | - Statement of changes in equity in plant assets |

My examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as I considered necessary in the circumstances.

In my opinion, these financial statements present fairly the financial position of the University as at 31 March 1986 and the results of its operations and changes in fund balances for the year then ended in accordance with accounting principles described in note 1 to the financial statements applied on a basis consistent with that of the preceding year.


Erma Morrison, F.C.A.
Auditor General

SIMON FRASER UNIVERSITY

Schedule 5

Schedule of General Operating Fund - Academic Expenditures
For the Year Ended March 31, 1986
(thousands of dollars)

	Salaries															
	Other Instructional & Research		Other		Total		Benefits		Operational Supplies and Expenses		Equipment, Rentals and Alterations		Internal Cost Allocations		Total	
Faculty of Arts	Academic															
Dean's Office	\$ 88	\$ 10	\$ 239	\$ 337	\$ 44	\$ 35	\$ 15	\$ 9	\$ 440							
Archaeology	459	66	129	654	80	73	29	14	850							
Centre for the Arts	939	42	226	1,207	152	163	55	4	1,581							
Criminology	855	110	117	1,082	132	51	21	62	1,348							
Economics	1,328	351	111	1,790	208	54	28	131	2,211							
English	1,971	175	113	2,259	262	64	19	23	2,627							
Geography	929	119	158	1,206	150	63	25	58	1,502							
History	1,168	78	64	1,310	173	46	14	7	1,550							
Languages, Literature & Linguistics	1,313	161	173	1,647	207	38	28	17	1,937							
Philosophy	510	47	52	609	82	19	10	-	720							
Political Science	594	74	54	722	91	28	6	9	856							
Psychology	1,383	346	263	1,992	249	108	40	111	2,500							
Sociology and Anthropology	747	60	73	880	115	29	11	9	1,044							
Other Studies	325	9	20	354	51	18	5	3	431							
	12,609	1,648	1,792	16,049	1,996	789	306	457	19,597							
Faculty of Applied Science																
Dean's Office	7	4	42	53	5	1	8		67							
Communication Studies	564	107	104	775	103	39	20	45	982							
Computing Science	1,063	211	255	1,529	185	114	50	470	2,348							
Kinesiology	807	172	188	1,167	152	82	36	121	1,558							
Natural Resources Management	176	4	42	222	30	35	6	42	335							
	2,617	498	631	3,746	475	271	120	678	5,290							
Faculty of Business Administration																
	1,932	268	245	2,445	310	199	43	265	3,262							
Faculty of Education																
	3,017	178	584	3,779	411	433	106	48	4,777							
Faculty of Interdisciplinary Studies																
	33		12	45	6	8	2	1	62							
Faculty of Science																
Dean's Office	83	49	107	239	26	34	16	3	318							
Biological Sciences	1,644	243	531	2,418	330	397	68	169	3,382							
Chemistry	1,481	186	328	1,995	269	204	57	302	2,827							
Mathematics and Statistics	1,700	366	126	2,192	274	82	34	236	2,818							
Physics	1,096	136	234	1,466	192	169	55	469	2,351							
Science Workshops			475	475	72	(5)	15		557							
MCUMBS						123			123							
	6,004	980	1,801	8,785	1,163	1,004	245	1,179	12,376							
Other Expenditures																
Animal Research Facility	3	1	62	66	8		2	1	77							
Continuing Studies	665	49	591	1,305	95	610	189	56	2,255							
Co-op Education	2		259	261	28	28	3	1	321							
Graduate Studies	38	11	61	110	19	37	7	4	177							
Instructional Media Centre			657	657	115	55	61		888							
	708	61	1,630	2,399	265	730	262	62	3,718							
Total Academic Expenditures	\$26,920	\$3,633	\$6,695	\$37,248	\$4,626	\$3,434	\$1,084	\$2,690	\$49,082							

Prepared without audit

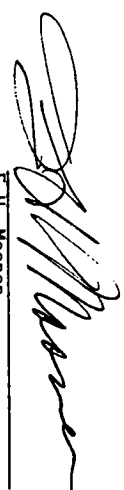
SIMON FRASER UNIVERSITY

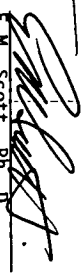
Statement 1

Balance Sheet
As at March 31, 1986
(Thousands of dollars)

	1986	1985		1986	1985
ASSETS					
Cash and short term investments	\$ 26,634	\$ 28,212	Accounts payable and accrued liabilities	\$ 8,415	\$ 7,574
Accounts receivable	26,939	2,804	Loans payable (Note 2)	2,284	2,194
Inventories	10,404	1,312	Group life insurance/disability (Note 6)	939	879
Prepaid expenses	232	148	Long term debt (Note 3)	3,344	3,372
Long term investments (market \$2,308; 1985 \$1,983)	2,244	1,944	Canada Mortgage and Housing Corporation Capital Financing Authority	\$48,234	40,743
			Less sinking fund	6,173	
Plant assets			Non-expendable fund balances (Statement 4)		
Land and buildings	107,039	102,428	Student loan	83	83
Equipment	26,432	23,027	Endowment	5,413	4,579
Library acquisitions	19,132	17,484	Expendable fund balances		
			Sponsored research (Statement 2)	1,197	1,670
			Specific purpose (Statement 2)	5,608	2,131
			Pension plan reserve (Note 4)	2,801	2,570
			Appropriated (Statement 3)		
			General operating	5,633	9,695
			Ancillary enterprises	342	439
			Capital	1,255	2,796
			Unappropriated (Statement 2)		
			General operating	121	209
			Ancillary enterprises	51	(67)
			Capital	2,059	1,934
			Equity in plant assets (Statement 5)	109,495	96,558
				\$186,176	\$177,359
				\$186,176	\$177,359

Approved by the Board of Governors:


F.H. Moonen
Chairman, Board of Governors


E.M. Scott, Ph. D.
Vice President, Finance

Schedule 4

SIMON FRASER UNIVERSITY

Schedule of Academic Expenditures
For the Year Ended March 31, 1986
(thousands of dollars)

	General Purpose	Sponsored Research	Other Grants and Programs	Capital	Total Expenditures	
					1986	1985
Faculty of Arts	\$ 440	\$ 41	\$ 28	\$ 16	\$ 525	\$ 584
Dean's Office	850	280	28	24	1,182	1,097
Archaeology	1,581	23		36	1,640	1,831
Centre for the Arts	1,348	276	2	16	1,642	1,613
Criminology	2,211	81		9	2,301	2,236
Economics	2,627	48	7	5	2,687	2,461
English	1,502	128		15	1,650	1,707
Geography	1,550	74	7		1,631	1,576
History	1,937	12	5	16	1,970	1,998
Languages, Literatures & Linguistics	720	9		2	721	779
Philosophy	856	31	33	4	924	904
Political Science	2,500	240	26	55	2,821	2,778
Psychology	1,044	32	4	9	1,089	1,191
Sociology and Anthropology	431	121	56	3	611	594
Other Studies	19,597	1,396	201	210	21,404	21,349
Faculty of Applied Science*						
Dean's Office	67	2			69	-
Communication Studies	982	142	39	17	1,180	1,062
Computing Science	2,348	911	32	393	3,684	3,172
Engineering Science	1,558	235	1,120	18	1,923	1,749
Kinesiology	335	395	70	122	2,045	2,027
Natural Resources Management	5,290	75		3	413	397
		1,760	1,261	553	3,584	7,407
Faculty of Business Administration	3,262	172	122	44	3,600	3,324
Faculty of Education	4,777	212	983	67	6,039	5,704
Faculty of Interdisciplinary Studies**	62				62	405
Faculty of Science						
Dean's Office	318	20		10	348	441
Biological Sciences	3,382	2,007	22	144	5,555	5,272
Chemistry	2,827	1,320		69	4,216	4,121
Mathematics and Statistics	2,818	458	12	12	3,300	3,030
Physics	2,351	1,112	68	123	3,654	3,803
Science Workshops	557			8	565	602
WCUMBS	123		7		130	136
	12,376	4,917	109	366	17,768	17,405
Other Expenditures						
Animal Research Facility	77	2		2	81	111
Continuing Studies	2,255	38	2,232	23	4,548	3,996
Co-op Education	321	21		4	346	255
Graduate Studies	177			19	196	156
Instructional Media Centre	888				888	958
	3,718	61	2,232	48	6,059	5,476
Total Academic Expenditures	\$49,082	\$8,518	\$4,908	\$ 1,288	\$33,796	\$61,070

*The Faculty of Applied Science was established in 1985/86.

**The Faculty of Interdisciplinary Studies was disbanded during 1985/86 as the result of a reorganization.

Prepared without audit

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

Statement 2

Statement of Revenue and Expenditures and Changes in Expendable Fund Balances
For the Year Ended March 31, 1986
(Thousands of Dollars)

REVENUE AND OTHER ADDITIONS	General Operating		Sponsored Research		Specific Purpose		Ancillary Enterprises		Capital		Totals	
	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985	1986	1985
Government grants and contracts	\$62,893	\$63,237	\$ 773	\$1,010	\$2,930	\$1,773			\$7,406	\$7,184	\$73,952	\$73,204
Province of British Columbia	8	6	6,765	6,560	1,030	840			15		7,864	7,406
Government of Canada	11,620	10,521	40	31	81	54					12,379	11,174
Other governments	580	386	789		789	653					580	390
Student fees -credit courses	490	466	456	335	934	406			60	60	490	466
-other	81	30				4					81	831
Gifts, grants and bequests												
Sale of services and goods	1,925	2,111			653	446	\$3,912	\$3,687	438	566	3,591	3,687
Investment income	464	465	27	26	427	82			19	36	3,016	3,123
Miscellaneous income									521	420	937	609
Authorized capital borrowings									1,803	1,299	3,006	1,299
Interest earned on sinking fund									521		521	420
Interfund transfers in	235	54		16	3,929	671	53			1,071		*
	76,236	77,276	8,062	7,978	10,823	4,929	3,967	3,687	13,238	10,536	103,344	102,694
EXPENDITURES AND OTHER DEDUCTIONS												
Salaries- academic ranks	23,920	26,171		371	761	738					28,059	27,280
- other instruction and research	3,693	3,316		4,248	505	447					8,920	8,611
- other support staff	21,590	22,150	4,730		1,577	1,225					24,141	23,857
Total salaries	52,543	52,237	5,159	4,619	2,994	2,410	474	482			61,120	59,748
Employee benefits	6,802	6,527	233	227	216	165	82	47			7,328	6,966
Travel and personnel costs	1,528	1,436	705	703	567	258	115	8			2,816	2,405
Operating supplies and expenses	6,029	5,670	1,240	1,141	955	709	99	76			8,393	7,596
Equipment and furnishings	1,010	288	895	1,103	1,009	364	111	13			4,894	3,235
Library acquisitions	1,696	1,968	21	34	51	12	1				1,859	2,014
Utilities	1,667	1,672			27	21					1,694	1,693
Scholarships, fellowships and bursaries	2,449	2,426	5	4	35	22	199	196			2,688	2,648
Contract services	2,393	2,200			815	645					3,153	2,845
Professional fees	1,589	1,603			110						1,764	1,784
Renovations and alterations	840	592			393	145	165	181			1,543	929
Debt servicing - interest	493	375	233	187	32	8	205	5			735	560
- principal			5	10			233	308			6,337	6,201
Cost of goods sold							2,067	2,062			2,067	1,462
Capital acquisitions									6,052	5,893	6,337	2,062
Internal cost allocations									1,609	1,435	1,609	1,435
External cost recoveries											4,930	1,849
Interfund transfers out												
Net transfer to non-expendable funds												
Transfer to pension plan reserve												
	82,366	76,550	8,535	8,106	7,316	4,806	3,936	3,558	14,669	10,663	110,335	101,871
CHANGES IN FUND BALANCES												
Change during year	(4,130)	726	(473)	(128)	3,477	123	21	129	(1,386)	(27)	(2,491)	823
Change in appropriations(Statement 3)	4,042	(1,444)					97	(265)	1,511	(541)	5,650	(2,250)
Net Increase (Decrease) During Year	(89)	(718)	(473)	(128)	3,477	123	118	(136)	125	(568)	3,159	(1,427)
Fund Balance at Beginning of Year	209	927	1,670	1,798	2,131	2,008	(67)	69	1,934	2,502	5,377	7,304
Fund Balance at End of Year	\$ 121	\$209	\$1,197	\$1,670	\$5,608	\$2,131	\$ 51	(67)	\$2,059	\$1,934	\$2,059	\$5,877

*Interfund transfers are excluded from totals.

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

Schedule 3

Schedule of Revenue and Expenditures and Changes in Ancillary Enterprises Fund

For the Year Ended March 31, 1986

(thousands of dollars)

	Bookstore	Residences	Total 1986	Total 1985
REVENUE AND OTHER ADDITIONS				
Sale of services and goods	\$2,595	\$1,317	\$3,912	\$3,687
Interfund transfers in	55		55	
	2,650	1,317	3,967	3,687

EXPENDITURES AND OTHER DEDUCTIONS				
Salaries	331	143	474	482
Employee benefits	37	15	52	47
Travel and personnel costs	2	13	15	8
Expendable supplies	52	47	99	76
Equipment and furnishings	2	9	11	13
Equipment rentals	1		1	
Utilities	12	187	199	196
Contract services	12	153	165	181
Professional fees	22		22	5
Renovations and alterations	5	200	205	167
Debt servicing - interest	65	220	285	308
- principal		28	28	27
Cost of goods sold	2,067		2,067	2,062
External cost recoveries		(18)	(18)	(14)
Interfund transfers out		341	341	

	2,608	1,338	3,946	3,558
<u>CHANGES IN FUND BALANCE</u>				
Change during year	42	(21)	21	129
Change in appropriation		97	97	(265)
Net increase (decrease) during year	42	76	118	(136)
Fund balance at beginning of year	(129)	62	(67)	69

Fund balance at end of year	\$(87)	\$138	\$51	\$(67)
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Prepared without audit

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

Statement 3

Statement of Changes in Appropriated Expendable Funds
For the Year Ended March 31, 1986
(thousands of dollars)

	General Operating	Ancillary Enterprises	Capital	Total 1986	Total 1985
Released from prior year's appropriation Appropriations for the year	\$(8,750) 4,708	\$(385) 288	\$(2,389) 878	\$(11,524) 5,674	\$(6,457) 8,707
Change in appropriations Fund Balance at beginning of year	(4,042) 9,695	(97) 439	(1,511) 2,796	((5,650)) 12,930	2,250 10,680
Appropriated Fund Balance at end of year	\$5,653	\$342	\$1,285	\$7,620	\$12,930

DETAIL OF APPROPRIATED BALANCE AT END OF YEAR

Provision for non-recurring expenditures Provision for authorized projects Provision for equipment replacement and capital improvements	\$1,503			\$ 1,503 1,233	\$ 1,388 2,796
Provision for annualized costs Authorized allocations to following fiscal year	414 600	\$342		342 414	439 461
Provision for research grants carryover	797			600	673
Reserve for self-insurance	200			797	741
Provision for library systems (GEAC)	249			200	200
Provision for specific expenditure	1,790			249	999
Provision for contingencies	100			1,790 100	4,615 618
	\$5,653	\$342	\$1,285	\$ 7,620	\$12,930

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

Schedule 2

Schedule of Revenue and Expenditures and Changes in Specific Purpose Fund
For the Year Ended March 31, 1986
(thousands of dollars)

	Scholarships and Bursaries	Other Grants & Programs	Total 1986	Total 1985
REVENUE AND OTHER ADDITIONS				
Government grants and contracts-provincial	\$128	\$2,802	\$2,930	\$1,773
-federal	93	997	1,090	840
-other	62	19	81	54
Student fees - credit courses		759	759	653
- non credit courses				4
Gifts, grants and bequests	311	643	954	406
Investment income	444	209	653	446
Miscellaneous income		427	427	82
Interfund transfers in		3,929	3,929	671
	1,038	9,785	10,823	4,929
EXPENDITURES AND OTHER DEDUCTIONS				
Salaries - Academic ranks (Faculty)		761	761	738
- other instruction and research		506	1,267	447
Total salaries		1,267	1,267	1,225
Employee benefits		2,944	2,944	2,410
Travel and personnel costs		216	216	165
Operating supplies and expenses		567	567	258
Equipment and furnishings		965	965	709
Equipment and facility rentals		1,109	1,109	364
Library acquisitions		51	51	12
Utilities		27	27	21
Scholarships, fellowships, and bursaries	790	35	825	22
Professional fees		10	10	645
Renovations and alterations		393	393	145
Internal cost allocations		32	32	8
External cost recoveries		8	8	1
Interfund transfers out	157	(219)	(229)	(166)
Net transfer to non-expendable fund	90	179	369	154
		(33)	57	58
	1,037	6,309	7,346	4,806

CHANGES IN FUND BALANCE

Increase during year
Fund balance at beginning of year
Fund balance at end of year

1	3,476	3,477	123
439	1,692	2,011	2,008
	\$ 440	\$5,168	\$3,608
			\$2,131

Prepared without audit

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

Statement 4

Statement of Changes in Non-Expendable Funds

For the Year Ended March 31, 1986

(thousands of dollars)

	Student Loan	Endowment	Total 1986	Total 1985
ADDITIONS TO FUND				
Gifts, grants and bequests		\$535	\$535	\$1,478
Province of British Columbia				100
Interfund transfers in		337	337	63
Total additions		872	872	1,641
DEDUCTIONS FROM FUND				
Interfund transfers out		33	33	
Net increase during the year		839	839	1,641
Fund balance at beginning of year	\$83	4,579	4,662	3,021
Fund balance at end of year	\$83	\$5,418	\$5,501	\$4,662

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

Schedule 1

Schedule of General Operating Expenditures
For the Year Ended March 31, 1986
(thousands of dollars)

	Academic	Library	Student Services and Awards	Plant and Maintenance	Computing Centre	Administration and General	Total Expenditures 1986	Total Expenditures 1985
Salaries								
Academic ranks	\$26,920						\$26,920	\$26,171
Other instruction and research	3,633						3,633	3,916
Other support staff	6,695						6,695	22,150
Total salaries	37,248	3,041	2,611	2,322	2,327	4,994	52,543	52,237
Employee benefits	4,626	415	292	326	319	824	6,802	6,527
Travel and personnel costs	976	9	227	22	44	250	1,523	1,436
Operating supplies and expenses	2,486	308	353	1,140	946	796	6,029	5,670
Equipment and furnishings	323	618	35	4	6	24	1,010	288
Equipment and facility rentals	361	76	19	6	1,248	86	1,795	1,968
Library acquisitions	359	1,667	36	1,910	28	92	1,667	1,672
Utilities		24					2,449	2,426
Scholarships, fellowships, and bursaries			36				2,333	2,200
Contract services		92	2,338			5	1,539	1,503
Professional fees	93			1,492			840	592
Renovations and alterations	83	117	38	93	5	611	493	375
Internal cost allocations	2,691	302	38	139	33	83	(8)	(1)
External cost recoveries	(164)	(186)	(577)	(474)	(588)	1,380	(2,391)	(2,221)
Total	\$49,082	\$6,483	\$5,465	\$7,041	\$ (129)	\$8,743	\$76,685	\$74,772

Reconciliation	
Expenditures - as above	\$76,685
Transfers and other deductions	5,681
Total expenditures and other deductions - per Statement 2	\$82,366
	\$74,772
	\$76,550

Prepared without audit

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

Statement 5

Statement of Changes in Equity in Plant Assets

For the Year Ended March 31, 1986

(thousands of dollars)

	1986	1985
<u>EQUITY INCREASED BY</u>		
<u>Additions to plant assets</u>		
Capitalized acquisitions		
- Capital Fund	\$ 4,950	\$ 1,849
Equipment expended when acquired	1,928	1,467
-Capital Fund	1,010	288
-Operating Fund	886	1,103
-Sponsored Research Fund	771	364
-Specific Purpose Fund		
Library acquisitions expended when acquired	1,657	1,672
-Operating Fund	27	21
-Specific Purpose Fund		
	<u>11,619</u>	<u>6,764</u>
Repayments of capital borrowings from provincial government grants	1,039	1,015
Interest earned on sinking fund	521	420
Ancillary enterprise operations	28	27
	<u>12,927</u>	<u>8,226</u>
<u>EQUITY DECREASED BY</u>		
Net capital borrowings	3,006	1,299
Equipment written off	1,883	1,844
Library dispositions	46	94
	<u>4,890</u>	<u>3,237</u>
Net increase during year	<u>7,937</u>	<u>4,989</u>
Equity at beginning of year	96,558	91,569
Equity at end of year	<u>\$104,495</u>	<u>\$96,558</u>

4) Pension Plans

The University pension plans for administrative and union staff provide benefits based on years of service and the average of the best five consecutive years' salary. The last actuarial valuation as at January 1, 1983 showed that the minimum pension benefit liabilities of the plans were fully funded.

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 best five consecutive years' salary. The last actuarial valuation as at January 1, 1983 indicated an actuarial liability due to plan amendments effective January 1, 1981. The reserve established to provide for this liability has been increased to \$2,801,000 as at March 31, 1986 by application of the valuation rate of interest (9%) assumed by the plan actuary.

5) Early Retirement

Certain employees have opted for an early retirement provision offered by the university. The estimated cost of the pension enhancement as the result of this arrangement, in the amount of \$3,130,000, has been transferred from the General Operating Fund to the Specific Purpose Fund from which future payments for this purpose will be made. Of this amount, \$772,000 relates to employees retired in 1985/86, and \$2,358,000 relates to employees to be retired in 1986/87.

6) Group Life Insurance/Disability Reserve

The reserve represents funds earmarked for self-insured liability relating to group life and long-term disability plans. In the opinion of management, this reserve is adequate.

7) Commitments - Capital Fund

Total commitments under contracts for capital projects amounted to \$1,318,000 as at March 31, 1986 (March 31, 1985 \$213,000).

8) Restatement of Comparative Figures

Certain 1985 figures in the financial statements have been restated in order to conform with the financial statement presentation adopted in 1986.

S I M O N F R A S E R U N I V E R S I T Y
NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 1986

1) Significant Accounting Policies

a) General

These financial statements have been prepared in accordance with accounting principles generally accepted for universities and with reference to the "Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada", published in 1984 by the Canadian Association of University Business Officers (CAUBO).

b) Fund Accounting

Fund accounting procedures are employed in order to recognize restrictions imposed on the use of resources. Under these procedures, resources are classified into funds in accordance with objectives authorized by the Board of Governors or otherwise specified.

Funds have also been designated as expendable or non-expendable. Expendable funds may be expended within applicable restrictions. Non-expendable funds are maintained to generate investment income or to provide student loans.

Expendable funds:

- General Operating Funds for general operations of the University under the direction of the Board of Governors.
- Specific Purpose Funds restricted externally or internally for specific projects and purposes.
- Sponsored Research Funds in the form of grants, research contracts and gifts designated for the support of research activities.
- Ancillary Enterprises Funds for the residences and bookstore, which provide goods and services supplementary to the primary functions of teaching and research. These enterprises operate on a self-supporting basis.
- Capital Funds provided for the acquisition of capital assets, major renovations, and repayment of long term debt.

B. Capital Financing Authority

Debtenture Number	Maturity Date	Interest Rate	Face Value	Sinking Fund Balance	Balance Outstanding		Annual Payments Until Maturity
					1986	1985	
(Thousands of dollars)							
DUR #14	Dec 1, 1986	16.875%	\$ 292	\$ 104	\$ 108	\$ 218	\$ 82
DUR #28	Dec 10, 1990	9.75	2,927	-	2,927	-	393
DUR #27	Jul 6, 1991	13.50	458	56	402	458	113
DUR #1	Jun 9, 1998	9.41	2,000	606	1,394	1,498	237
DUR #2	Jan 10, 1999	9.82	2,000	518	1,482	1,572	245
DUR #3	Mar 9, 1999	10.16	3,700	902	2,798	2,954	466
DUR #4	Apr 10, 1999	10.26	800	201	599	637	102
DUR #5	Nov 9, 1999	10.68	3,700	763	2,937	3,085	485
DUR #6	Mar 10, 2000	12.74	2,000	418	1,582	1,668	304
DUR #7	Sep 10, 2000	12.55	2,100	354	1,746	1,825	315
DUR #8	Mar 10, 2001	13.13	210	34	176	184	33
DUR #9	Apr 10, 2001	13.66	2,500	289	2,211	2,294	396
DUR #10	May 8, 2001	13.69	2,280	257	2,023	2,094	362
DUR #11	Jul 10, 2001	14.81	1,880	208	1,672	1,730	320
DUR #12	Oct 9, 2001	17.00	1,000	110	890	922	192
DUR #13	Mar 10, 2002	16.10	1,756	184	1,572	1,626	321
DUR #15	May 10, 2002	15.25	1,980	161	1,819	1,878	345
DUR #16	Jun 10, 2002	14.96	1,000	81	919	949	171
DUR #17	Aug 10, 2002	16.53	1,400	111	1,289	1,330	262
DUR #18	Oct 8, 2002	14.16	2,000	156	1,844	1,902	327
DUR #19	Nov 10, 2002	13.43	1,607	124	1,483	1,529	251
DUR #20	Dec 10, 2002	12.01	1,000	77	923	952	142
DUR #21	Apr 5, 2003	11.59	2,000	105	1,895	1,950	276
DUR #22	May 2, 2003	11.53	2,545	132	2,413	2,482	349
DUR #23	Aug 2, 2003	11.51	1,000	50	950	976	137
DUR #24	Dec 1, 2003	11.79	1,000	48	952	977	140
DUR #25	Mar 1, 2004	12.13	2,099	99	2,000	2,053	300
DUR #26	Apr 2, 2004	12.60	1,000	25	973	1,000	148
			\$48,234	\$ 6,173	\$42,061	\$40,743	\$7,214

Annual payments consist of interest and sinking fund payments which are financed by the Province of British Columbia. Payments made in 1985/86 totalled \$6,818,000 (1984/85 \$6,617,000). The payments to the sinking fund are based on the discounted present values required to fund the repayment of the debt. The sinking fund balance consists of total sinking fund installments to March 31, 1986 plus interest earned. Sinking fund payments during 1985/86 amounted to \$1,089,000 (1984/85 \$1,015,000), and interest earned for 1985/86 was \$521,000 (1984/85 \$420,000).

Debtenture DUR #14 is expected to be refinanced on a long term basis when it matures on December 1, 1986. The current balance of \$188,000 represents the Canadian equivalent of \$161,000 U.S., based on the exchange rate at the date of issue. If this amount were based on the exchange rate prevailing on March 31, 1986, the Canadian equivalent would be \$227,000.

The debtentures are unconditionally guaranteed as to principal and interest by the Province of British Columbia.

Non-expendable funds

- Endowment Funds maintained as principal to generate income for defined purposes.
- Student loan
A revolving fund from which short-term loans are made to students.

c) Accrual Accounting

The University follows the accrual basis of accounting as recommended by CAUBO. Revenue is recorded when received or receivable and expenditures when goods or services are received, except that pension payments resulting from early retirement agreements are expensed as payments are made to retired employees or as annuities are purchased on their behalf.

d) Appropriations

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

e) Inventories

Inventories of supplies are stated at cost. Inventories of merchandise held for resale are stated at the lower of cost and net realizable value.

f) Plant Assets

Plant asset expenditures of all funds are recorded in the Statement of Revenue and Expenditures and Changes in Expendable Fund Balances. The capital assets are also recorded at cost on the Balance Sheet, with offsetting credits in the Equity in Plant Assets account. No provision is made for depreciation of plant assets.

The asset balances at 31 March 1986 represent:

- a) Land and buildings
- b) Equipment - items acquired in the current year and the seven preceding years
- c) Library acquisition - Library holdings since inception, net of deduction for estimated disposal and losses

No amount is shown on the Balance Sheet for the land initially granted to the university without cost. Subsequent acquisitions have been recorded at fair market value at the time of acquisition.

9) Capital Transactions

Certain capital expenditures are financed under borrowing authority granted by the Province of British Columbia. These authorized borrowings are shown under "Revenue and Other Additions" in Statement 2. Payments for capitalized assets and repayment of debt are shown under "Expenditures and Other Deductions".

h) Cooperative Undertakings

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 (1986 - \$130,000; 1985 - \$130,000) is recorded as an expenditure from the General Operating Fund.

ii) The University is one of four university members of a consortium which manages the Tri-Universities Meson Facility (TRIUMF) at the University of British Columbia. The facility is funded almost entirely by federal government grants and the University makes no direct financial contribution.

Initial contributions in the amount of \$347,000 to WCUMBS for capital acquisitions are recorded as plant assets on the Balance Sheet. No other amounts pertaining to WCUMBS and TRIUMF are included.

2) Loans Payable

Loans are payable to the Bank of Nova Scotia (\$900,000) and the Province of British Columbia (\$1,384,000) at prime interest rate or lower. These loans represent interim financing for capital projects as authorized by the provisions of the Educational Institution Capital Finance Act or the Financial Administration Act. They will be retired from proceeds of long term debt.

3) Long Term Debt

Long term debt as at March 31 consists of the following:

A. Canada Mortgage and Housing Corporation

Maturity Date	Interest Rate	Balance Outstanding	Annual Payment Including Interest Until Maturity
		1986 1985 (thousands of dollars)	
Jan 1, 2017	5.375%	\$ 187	\$ 12
Jan 2, 2018	5.875%	932	65
Jul 1, 2019	6.875%	2,242	171
Total		\$3,372	\$248

The debentures are secured by a floating charge on the respective student residences, recorded at the historical cost of \$6,142,000.