S.96-56

FOR INFORMATION

SIMON FRASER UNIVERSITY

MEMORANDUM

TO: Senate

FROM: Alison Watt
Director, Secretariat Services

DATE: August 29, 1996

SUBJECT: Annual Financial Statement

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

A copy of the report is attached.

NOTE:

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

SIMON FRASER UNIVERSITY

NOUS SOMMES PRETS

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 1996

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

Schedule 8

BRITISH COLUMBIA EDUCATIONAL INSTITUTIONS CAPITAL FINANCING AUTHORITY DEBENTURES
AS AT MARCH 31, 1996
(thousands of dollars)

Maturity Date	Interest Rate (%)	Face Value	Sinking Fund Balance	Balance Outstanding 1996	Balance Outstanding 1995	Annual Payments
May 6, 1997	9.25	4,418	2,597	1,821	2,768	1,162
Jun 9, 1998	9.41	2,000	1,900	100	256	237
Oct 9, 1998	10.00	553	174	379	427	94
Jan 10, 1999	9.82	2,000	-	-	1	-
Jan 18, 1999	5.40	3,562	1,282	2,280	2,946	800
Mar 9, 1999	10.16	3,700	-	-	(13)	-
Apr 10, 1999	10.26	800	839	(39)	48	102
Nov 9, 1999	10.68	3,700	3,669	31	406	485
Mar 10, 2000	12.74	2,000	1,895	105	303	304
Aug 16, 2000	11.25	4,250	1,826	2,424	2,852	771
Aug 16, 2000	11.25	3,538	475	3,063	3,173	475
Sep 10, 2000	12.55	2,100	1,973	127	345	315
Mar 10, 2001	13.13	210	172	38	56	33
Apr 10, 2001	13.66	2,500	1,681	819	1,005	396
May 8, 2001	13.69	2,280	1,562	718	895	362
Jul 10, 2001	14.81	1,880	1,247	633	776	320
Oct 9, 2001	17.00	1,000	653	347	420	192
Jan 9, 2002	9.00	5,160	506	4,654	4,799	577
Mar 10, 2002	16.10	1,756	1,141	615	751	321
May 10, 2002	15.25	1,980	1,295	685	837	345
Jun 10, 2002	14.96	1,000	630	370	444	171
Aug 10, 2002	16.53	1,400	850	550	651	262
Oct 8, 2002	14.16	2,000	1,169	831	968	327
Nov 10, 2002	13.43	1,607	905	702	810	251
Dec 10, 2002	12.01	1,000	549	451	499	142
Apr 5, 2003	11.59	2,000	1,152	848	982	275
May 2, 2003	11.53	2,545	1,435	1,110	1,290	349
Jun 16, 2003	7.75	4,778	733	4,045	4,427	700
Jun 16, 2003	7.75	9,150	444	8,706	8,937	909
Aug 2, 2003	11.51	1,000	492	508	569	137
Dec 1, 2003	11.79	1,000	477	523	584	140
Mar 1, 2004	12.13	2,099	1,012	1,087	1,215	300
Apr 2, 2004	12.60	1,000	463	537	594	148
Jun 21, 2004	9.00	1,004	73	931	1,004	160
Jun 21, 2004	9.00	7,189	525	6,664	7,189	1,143
Jun 21, 2004	9.60	8,987	658	8,329	8,987	1,483
Aug 23, 2005	8.00	1,700	-	1,700	-	253
Aug 23, 2005	8.00	3,520	-	3,520	-	525
Aug 23, 2005	8.00	3,906	-	3,906	-	398
Aug 23, 2005	8.00	3,539	-	3,539	-	527
Oct 10, 2006	9.36	387	116	271	288	45
Apr 8, 2008	9.62	700	177	523	551	83
May 10, 2008	10.07	290	65	225	236	36
Jun 10, 2008	10.31	1,590	341	1,249	1,309	199
Apr 10, 2009	10.31	5,750	1,149	4,601	4,810	718
May 10, 2009	10.17	6,150	1,212	4,938	5,177	760
Jul 10, 2009	9.61	1,000	163	837	869	118
Aug 10, 2009	9.41	1,337	217	1,120	1,165	155
Nov 10, 2009	9.62	2,400	401	1,999	2,076	283
Mar 9, 2010	9.78	1,000	156	844	876	120
Apr 10, 2010	10.36	1,028	136	892	925	129
May 10, 2010	10.81	974	129	845	877	127
Jun 8, 2010	11.33	275	36	239	247	37
Jul 10, 2010	10.47	696	91	605	626	88
Aug 10, 2010	10.46	1,148	153	995	1,031	145
Feb 21, 2011	10.75	1,215	158	1,057	1,094	157
Apr 10, 2011	10.01	2,750	285	2,465	2,550	335
May 10, 2011	9.81	2,275	232	2,043	2,113	273
Jun 10, 2011	9.86	1,850	189	1,661	1,716	223
Jul 10, 2011	10.04	900	90	810	835	110
Jan 9, 2012	9.50	3,913	384	3,529	3,639	457
Jun 10, 2012	9.45	7,000	500	6,500	6,690	814
Aug 23, 2013	8.50	22,276	1,601	20,675	21,263	2,380
Aug 23, 2013	8.50	5,625	401	5,224	5,370	601
Aug 23, 2013	8.50	1,237	-	1,237	-	132
Aug 23, 2013	8.50	1,079	-	1,079	-	92
Jun 9, 2014	7.50	15,081	350	14,731	15,082	1,461
Jun 9, 2014	9.63	668	15	653	668	79
Aug 23, 2024	9.00	5,435	-	5,435	-	537
Aug 23, 2024	9.00	2,598	-	2,598	-	290
Aug 23, 2024	7.88	4,043	-	4,043	-	407
		$ 212,479	$ 45,201	$ 161,578	$ 144,284	$ 27,282

Prepared wit[illegible]dit

SIMON FRASER UNIVERSITY

FINANCIAL STATEMENTS

MARCH 31, 1996

TABLE OF CONTENTS

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

Schedule 7

	General Operating	Sponsored Research	Specific Purpose	Capital	Totals 1996	Totals 1995
FACULTY OF ARTS						
General faculty	$ 549	$ 246	$ 664	$ 154	$ 1,613	$ 1,610
Archaeology	1,492	137	42	24	1,695	1,665
Canadian Studies	102	-	0	-	102	80
Contemporary Arts	3,516	10	178	121	3,825	3,524
Criminology	2,843	43	12	8	2,906	2,759
Economics	4,269	188	41	23	4,521	4,192
English	4,260	129	6	12	4,407	4,442
First Nations	540	-	-	-	540	412
French	1,356	19	1	15	1,391	1,486
Geography	2,805	277	40	30	3,152	3,089
Gerontology	254	310	273	4	841	632
Graduate Liberal Studies	137	-	-	0	137	163
History	3,330	91	1	5	3,427	3,206
Humanities	509	56	6	11	582	489
Interdisciplinary Studies	580	-	2	4	586	516
Linguistics	1,343	162	23	10	1,538	1,559
Masters of Publishing	105	-	-	-	105	21
Philosophy	1,501	11	7	8	1,527	1,494
Political Science	2,266	62	7	8	2,343	2,279
Psychology	5,067	561	107	29	5,764	5,821
Sociology and Anthropology	1,949	57	4	10	2,020	1,976
Spanish and Latin American Studies	1,077	102	1	6	1,186	1,074
Women's Studies	594	-	68	6	668	572
Other Studies	0	3	-	3	6	51
	40,444	2,464	1,483	491	44,882	43,112
FACULTY OF APPLIED SCIENCE						
General faculty	1,054	95	445	2	1,596	1,091
Communication Studies	2,831	358	79	101	3,369	4,353
Computing Science	4,394	1,267	49	150	5,860	5,700
Engineering Science	3,555	1,540	84	117	5,296	4,383
Kinesiology	3,037	1,039	169	56	4,301	4,315
Resource and Environmental Management	1,158	589	21	5	1,773	1,619
Centre for Policy Research on Science and Technology	24	109	64	-	197	395
Centre for Systems Science	985	661	241	30	1,917	2,148
	17,038	5,658	1,152	461	24,309	24,004
FACULTY OF BUSINESS ADMINISTRATION	7,804	145	282	223	8,454	8,492
FACULTY OF EDUCATION	8,714	1,159	4,519	88	14,480	13,078
FACULTY OF SCIENCE						
General faculty	1,305	441	51	19	1,816	1,532
Biological Sciences	6,580	3,715	41	174	10,510	11,167
Chemistry	5,338	2,677	26	98	8,139	8,166
Earth Sciences	291	-	-	91	382	-
Mathematics and Statistics	4,868	794	129	88	5,879	5,835
Molecular Biology and Biochemistry	480	296	8	-	784	326
Physics	3,740	2,727	67	172	6,706	6,425
Science Workshops	922	-	-	24	946	1,020
Western Canadian Universities Marine Biological Society	159	-	-	-	159	158
	23,683	10,650	322	666	35,321	34,629
OTHER EXPENDITURES						
Animal Care Facility	154	4	-	-	158	184
Centre for University Teaching	86	-	-	-	86	59
Continuing Studies	8,025	20	1,325	18	9,388	8,933
Co-op Education	809	-	516	-	1,325	829
Graduate Studies	303	161	863	-	1,327	1,196
Instructional Media Centre	1,601	-	-	135	1,736	1,937
International Programs	-	-	5,597	-	5,597	5,158
Library	-	7	-	-	7	5
Telelearning	-	1,971	-	-	1,971	-
	10,978	2,163	8,301	153	21,595	18,301
TOTAL ACADEMIC EXPENDITURES	$ 108,661	$ 22,239	$ 16,059	$ 2,082	$ 149,041	$ 141,616

Prepared without audit

SIMON FRASER UNIVERSITY
SCHEDULE OF GENERAL OPERATING FUND - NON-ACADEMIC EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

	Salaries	Employee Benefits	Other Expenses	Internal Cost Allocations	External Cost Recoveries	Totals 1996	Totals 1995
LIBRARY							
General Operations	$ 5,382	$ 908	$ 1,701	$ 42	$ (717)	$ 7,316	$ 6,696
Library Acquisitions	-	-	4,360	-	-	4,360	4,058
	5,382	908	6,061	42	(717)	11,676	10,754
STUDENT SERVICES AND AWARDS							
Director's Office	522	93	184	(1)	-	798	585
Academic Resource Office	382	63	65	-	-	510	609
Athletics and Recreation	1,709	283	1,065	(26)	(127)	2,904	2,760
Counselling Services	650	110	104	-	(16)	848	839
Financial Aid - General Office	412	66	16	-	-	494	383
- Student Awards	-	-	4,941	-	-	4,941	4,286
Health Services	1,156	204	118	-	(920)	558	516
	4,831	819	6,493	(27)	(1,063)	11,053	9,978
PLANT AND MAINTENANCE							
General Operations	3,155	540	2,621	38	-	6,354	6,629
Contract Services	-	-	1,486	-	-	1,486	1,495
Utilities	-	-	1,544	-	-	1,544	1,827
	3,155	540	5,651	38	-	9,384	9,951
COMPUTING SERVICES	2,869	496	2,793	(63)	(281)	5,814	5,257
ADMINISTRATION AND GENERAL							
Administrative Systems	621	107	38	-	-	766	747
Analytical Studies	201	33	15	-	-	249	259
Development Office	933	165	358	-	-	1,456	1,351
Financial Services	1,925	344	218	-	-	2,487	2,403
General University	110	-	3,062	(1,805)	(5)	1,362	1,903
Human Resources/Employee Relations	980	185	464	-	(1)	1,628	1,237
Media/Public Relations	380	64	228	-	-	672	493
President's Office	844	141	260	(27)	-	1,218	1,158
Printing and Duplicating	593	118	(947)	19	(13)	(230)	62
Purchasing	255	44	22	-	-	321	344
Registrar's Office	2,400	392	717	-	-	3,509	3,467
Traffic and Security	535	105	(75)	-	(16)	549	(23)
University Archives	196	40	16	-	-	252	246
Vice President Academic	607	102	441	(73)	-	1,077	1,000
Vice President Finance and Administration	230	39	24	-	-	293	279
Vice President SFU at Harbour Centre	608	103	1,234	(111)	-	1,834	1,861
Vice President Research	527	99	131	(1)	(5)	751	1,070
	11,945	2,081	6,206	(1,998)	(40)	18,194	17,857
TOTALS	$ 28,182	$ 4,844	$ 27,204	$ (2,008)	$ (2,101)	$ 56,121	$ 53,797

Prepared without audit
Page 28

STATEMENT OF MANAGEMENT RESPONSIBILITY

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

In fulfilling its responsibilities and recognizing the limits inherent in all systems, the University has developed and maintains a system of internal control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit Committee. The majority of the members of the Audit Committee are not officers or employees of the University. The Audit Committee meets with Management and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee, with and without the presence of Management.

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

J.O. Stubbs
J.O. Stubbs
President & Vice-Chancellor

R.W. Ward
R.W. Ward
Vice President, Finance & Administration

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

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

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

General Operating Fund

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

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

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

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

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

SIMON FRASER UNIVERSITY
SCHEDULE OF GENERAL OPERATING FUND - ACADEMIC EXPENDITURES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

Schedule 5

	Salaries: Academic	Salaries: Other Instruction & Research	Salaries: Other	Salaries: Total	Employee Benefits	Other Expenses	Internal Cost Allocations	External Cost Recoveries	Totals 1996	Totals 1995
FACULTY OF ARTS										
General faculty	$ (489)	$ 61	$ 666	$ 238	$ 39	$ 302	$ (30)	$ -	$ 549	$ 492
Archaeology	837	128	229	1,194	202	96	-	-	1,492	1,492
Canadian Studies	58	3	18	79	13	10	-	-	102	79
Contemporary Arts	1,921	304	459	2,684	461	382	-	(11)	3,516	3,311
Criminology	1,849	260	232	2,341	406	97	-	(1)	2,843	2,617
Economics	2,616	639	265	3,520	601	148	-	-	4,269	3,901
English	2,795	478	246	3,519	618	131	-	(8)	4,260	4,240
First Nations	314	58	32	404	67	69	-	-	540	412
French	832	104	172	1,108	196	52	-	-	1,356	1,433
Geography	1,699	324	259	2,282	393	130	-	-	2,805	2,719
Gerontology	195	5	-	200	38	16	-	-	254	204
Graduate Liberal Studies	51	1	46	98	17	22	-	-	137	163
History	2,374	179	170	2,723	478	128	1	-	3,330	3,120
Humanities	399	19	-	418	76	15	-	-	509	395
Interdisciplinary Studies	392	9	76	477	84	19	-	-	580	516
Linguistics	833	121	131	1,085	197	61	-	-	1,343	1,285
Masters of Publishing	43	-	23	66	12	27	-	-	105	21
Philosophy	984	154	81	1,219	213	69	-	-	1,501	1,475
Political Science	1,585	157	131	1,873	319	74	-	-	2,266	2,178
Psychology	2,744	921	463	4,128	708	231	-	-	5,067	5,109
Sociology and Anthropology	1,324	174	101	1,599	279	71	-	-	1,949	1,818
Spanish and Latin American Studies	656	143	86	885	159	32	1	-	1,077	1,034
Women's Studies	380	34	57	471	84	39	-	-	594	503
Other Studies	(25)	-	16	(9)	5	4	-	-	0	40
	24,367	4,276	3,959	32,602	5,665	2,225	(28)	(20)	40,444	38,557
FACULTY OF APPLIED SCIENCE										
General faculty	113	62	425	600	96	540	(117)	(65)	1,054	768
Communication Studies	1,727	320	239	2,286	405	191	(51)	-	2,831	2,467
Computing Science	2,409	466	513	3,388	602	401	3	-	4,394	4,110
Engineering Science	1,912	98	806	2,816	471	278	(10)	-	3,555	3,340
Kinesiology	1,565	532	315	2,412	414	214	-	(3)	3,037	2,960
Resource and Environmental Management	678	91	132	901	151	108	-	(2)	1,158	1,096
Centre for Policy Research on Science and Technology	-	6	-	6	-	18	-	-	24	6
Centre for Systems Science	-	49	516	565	103	317	-	-	985	1,115
	8,404	1,624	2,946	12,974	2,242	2,067	(175)	(70)	17,038	15,862
FACULTY OF BUSINESS ADMINISTRATION	4,340	716	939	5,995	1,047	862	(2)	(98)	7,804	7,596
FACULTY OF EDUCATION	5,003	533	1,359	6,895	1,146	854	(181)	-	8,714	8,316
FACULTY OF SCIENCE										
General faculty	164	111	247	522	106	838	(161)	-	1,305	801
Biological Sciences	3,245	1,166	769	5,180	901	495	4	-	6,580	6,740
Chemistry	2,372	962	608	3,942	668	728	-	-	5,338	4,797
Earth Sciences	151	43	16	210	37	44			291	
Mathematics and Statistics	2,761	961	299	4,021	687	159	1	-	4,868	5,076
Molecular Biology and Biochemistry	22	132	119	273	41	166	-	-	480	281
Physics	2,170	472	369	3,011	507	222	-	-	3,740	3,679
Science Workshops	-	-	671	671	111	140	-	-	922	1,020
Western Canadian Universities Marine Biological Society	-	-	-	-	-	159	-	-	159	158
	10,885	3,847	3,098	17,830	3,058	2,951	(156)	-	23,683	22,552
OTHER EXPENDITURES										
Animal Care Facility	-	-	135	135	23	(4)	-	-	154	155
Centre for University Teaching	-	-	48	48	9	29			86	59
Continuing Studies	1,387	1,469	2,917	5,773	743	1,626	(34)	(83)	8,025	7,893
Co-op Education	-	21	604	625	104	80	-	-	809	724
Graduate Studies	-	4	158	162	30	111	-	-	303	329
Instructional Media Centre	-	8	1,094	1,102	182	316	1	-	1,601	1,547
	1,387	1,502	4,956	7,845	1,091	2,158	(33)	(83)	10,978	10,707
TOTALS	$ 54,386	$ 12,498	$ 17,257	$ 84,141	$ 14,249	$ 11,117	$ (576)	$ (271)	$ 108,661	$ 103,590

SIMON FRASER UNIVERSITY
SCHEDULE OF GENERAL OPERATING FUND EXPENDITURES BY FUNCTION
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

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

Prepared without audit

Page

TABLE 1

Summary comparisons of total general operating revenue and expenditures

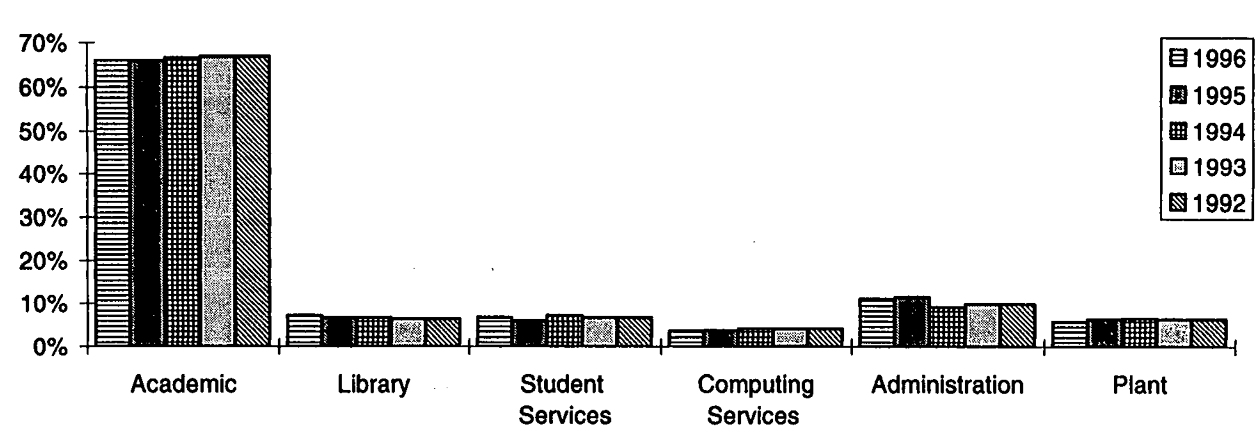
For the fiscal years 1991-92 to 1995-96

($000)

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

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

Percentage of total operating expenditures by function for the fiscal years 1991-92 to 1995-96



Sponsored Research Fund

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

Specific Purpose Fund

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

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

TABLE 2

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

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

Schedule 3

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

	Bookstore	Food Services	Microcomputer Store	Residences	Parking	Totals 1996	Totals 1995
REVENUES							
Sale of goods and services	$ 8,346	$ -	$ 4,430	$ 4,776	$ 2,576	$ 20,128	$ 17,350
Investment income	10	-	-	103	-	113	-
Gifts, grants and bequests	1	-	-	-	-	1	151
	8,357	-	4,430	4,879	2,576	20,242	17,501
EXPENDITURES AND OTHER DEDUCTIONS							
Salaries - support staff	1,137	-	184	591	247	2,159	1,646
Employee benefits	196	-	27	83	54	360	262
Travel and personnel costs	15	-	4	11	-	30	38
Supplies and expenses	223	18	21	1,485	154	1,901	1,108
Equipment and furnishings	409	2	4	6	38	459	623
Equipment and facility rentals	103	-	-	3	4	110	26
Utilities	28	49	3	551	54	685	630
Contract services	52	66	-	285	876	1,279	378
Professional fees	21	-	-	-	-	21	-
Renovations and alterations	10	43	-	23	10	86	214
Debt servicing - interest	-	56	-	1,735	782	2,573	1,808
- principal	-	36	-	412	298	746	446
Cost of goods sold	6,109	-	3,952	-	-	10,061	10,398
Internal cost allocations	306	-	102	129	53	590	337
External cost recoveries	-	(382)	-	-	-	(382)	(357)
	8,609	(112)	4,297	5,314	2,570	20,678	17,557
NET CHANGE IN THE YEAR	(252)	112	133	(435)	6	(436)	(56)
TRANSFERS AND APPROPRIATIONS							
Interfund transfers	-	-	7	-	-	7	(6)
Change in appropriations	-	-	-	226	-	226	(237)
NET (DECREASE) INCREASE DURING YEAR	(252)	112	140	(209)	6	(203)	(299)
FUND BALANCES AT BEGINNING OF YEAR	134	(67)	117	209	-	393	692
FUND BALANCES AT END OF YEAR	$ (118)	$ 45	$ 257	$ -	$ 6	$ 190	$ 393

Prepared without audit

SIMON FRASER UNIVERSITY
SCHEDULE OF CHANGES IN SPONSORED RESEARCH AND SPECIFIC PURPOSE FUND BALANCES
FOR THE YEAR ENDED MARCH 31, 1996
(thousands of dollars)

	Sponsored Research 1996	Specific Purpose 1996	Specific Purpose 1995
REVENUES AND OTHER ADDITIONS			
Government grants and contracts			
Province of British Columbia	$ 1,627	$ 6,225	$ 6,012
Government of Canada	14,608	5,654	7,590
Other governments	390	11	69
Student fees - credit courses	-	465	380
- non credit	-	1,252	1,400
- other		-	-
Gifts, grants and bequests	4,324	4,221	4,015
Investment income	-	6,700	6,315
Miscellaneous income	-	1,407	872
	20,949	25,935	26,653
EXPENDITURES AND OTHER DEDUCTIONS			
Salaries-academic	612	2,081	2,066
-other instruction and research	9,092	2,072	1,522
-other support staff	211	3,741	3,407
Total salaries	9,915	7,894	6,995
Employee benefits	753	1,153	1,466
Travel and personnel costs	2,183	2,892	2,766
Supplies and expenses	2,708	2,614	2,186
Grants to other agencies	1,519	-	-
Equipment and furnishings	3,817	831	1,273
Equipment and facility rentals	17	89	434
Library acquisitions	7	372	86
Utilities	3	94	57
Scholarships,fellowships, and bursaries	-	2,830	2,613
Contract services	-	7	12
Professional fees	682	1,393	1,059
Renovations and alterations	2	22	135
Internal cost allocations	633	1,360	1,043
External cost recoveries	-	(703)	(453)
	22,239	20,848	19,672
NET CHANGE IN THE YEAR	(1,290)	5,087	6,981
TRANSFERS AND APPROPRIATIONS			
Interfund transfers	232	(2,418)	(1,743)
Transfer to non expendable funds (Note 8)	-	(2,609)	(2,016)
Funds committed to specific purposes (Statement 2)	-	(1,094)	(610)
NET (DECREASE) INCREASE DURING YEAR	(1,058)	(1,034)	2,612
FUND BALANCES AT BEGINNING OF YEAR	9,346	15,554	12,942
FUND BALANCES AT END OF YEAR	$ 8,288	$ 14,520	$ 15,554

Prepared without audit
Page 24

Ancillary Enterprises

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

Capital Fund

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

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

Endowment Fund

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

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

R W Ward

Roger W. Ward
Vice-President
Finance & Administration

Report of the Auditor General of British Columbia

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

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

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

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

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

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

Victoria, British Columbia
June 6, 1996

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

Schedule 1

	General Operating 1996	General Operating 1995	Capital 1996	Capital 1995
REVENUES AND OTHER ADDITIONS				
Government grants and contracts				
Province of British Columbia	$ 119,850	$ 118,815	$ 26,940	$ 25,976
Government of Canada	72	-	-	-
Student fees -credit courses	38,133	35,580	-	-
-non-credit courses	1,874	1,812	-	-
-other	2,837	2,382	-	-
Gifts, grants and contracts	718	138	3	1,793
Investment income	2,681	2,309	703	648
Miscellaneous income	1,086	1,385	46	84
Capital borrowings	-	-	20,930	20,247
Interest earned on sinking fund	-	-	3,436	2,633
	167,251	162,421	52,058	51,381
EXPENDITURES AND OTHER DEDUCTIONS				
Salaries-academic	54,386	53,129	-	-
-other instruction and research	12,498	11,772	-	-
-other support staff	45,439	44,628	-	-
Total salaries	112,323	109,529	-	-
Employee benefits	19,093	17,929	-	-
Travel and personnel costs	2,879	2,451	-	-
Operating supplies and expenses	11,976	11,788	-	-
Equipment and furnishings	2,659	2,495	3,192	4,033
Equipment and facility rentals	4,431	3,608	-	-
Library acquisitions	4,360	4,058	-	-
Utilities	2,692	2,994	-	-
Scholarships,fellowships and bursaries	4,964	4,324	-	-
Contract services	1,718	2,635	-	-
Professional fees	2,010	1,463	-	-
Renovations and alterations	632	558	1,796	2,975
Debt servicing - - interest	-	-	19,847	19,085
- principal	-	-	9,901	8,973
Capital acquisitions	-	-	19,035	20,290
Internal cost allocations	(2,583)	(1,833)	-	-
External cost recoveries	(2,372)	(4,612)	-	-
	164,782	157,387	53,771	55,356
NET CHANGE IN YEAR	2,469	5,034	(1,713)	(3,975)
TRANSFERS AND APPROPRIATIONS				
Interfund transfers	(1,445)	(2,567)	3,624	4,043
Change in appropriations (Statement 2)	(1,224)	(2,569)	(1,809)	778
NET (DECREASE) INCREASE DURING YEAR	(200)	(102)	102	846
FUND BALANCES AT BEGINNING OF YEAR	(2,200)	(2,098)	4,398	3,552
FUND BALANCES AT END OF YEAR	$ (2,400)	$ (2,200)	$ 4,500	$ 4,398

Prepared without audit

7. Commitments - Capital Projects and Computer Leases

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

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

8. Transfer to Non-Expendable Funds

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

9. Simon Fraser University Foundation

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

10. Contingent Liabilities

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

11. Comparatives

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

Statement 1

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

ASSETS	1996	1995
Cash and short-term investments	$ 19	$ 26,036
Accounts receivable	18,263	15,753
Prepaid expenses	1,093	1,202
Inventories	2,584	2,800
Long-term investments (Note 2)	115,329	85,947
Deferred charges	2,472	2,470
Capital assets		
Land and buildings	286,146	267,772
Equipment	85,780	82,440
Library holdings	47,605	42,930
Roads and parking lots	15,172	14,537
Leasehold improvements	10,249	10,222
	$ 584,712	$ 552,109

LIABILITIES AND FUND BALANCES	1996	1995
Accounts payable and accrued liabilities	$ 23,374	$ 26,223
Loans payable (Note 3)	6,227	11,733
Long-term debt (Note 4)	189,212	172,755
Expendable fund balances		
Appropriated (Statement 2)		
General operating	15,763	14,539
Ancillary enterprises	1,008	1,234
Capital	3,823	2,014
Funds committed for specific purposes	19,209	18,115
Unappropriated (Statement 3)		
General operating	(2,400)	(2,200)
Sponsored research	8,288	9,346
Specific purpose	14,520	15,554
Ancillary enterprises	190	393
Capital	4,500	4,398
Non-expendable fund balance (Statement 4)		
Endowment	51,112	44,888
Equity in capital assets (Statement 5)	249,886	233,117
	$ 584,712	$ 552,109

Approved:

T. Nathoo
Chair
Board of Governors

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

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

SIMON FRASER UNIVERSITY

STATEMENT OF CHANGES IN APPROPRIATED EXPENDABLE FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 1996

(thousands of dollars)

Statement 2

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

Pension Plans (Cont'd.)

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

Administrative/Union Pension Plan

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

a. The University's contribution is based upon the amounts estimated by the Actuary and recommended by the Trustees to the Board of Governors of the University. The University shall contribute to the fund such amounts as the Board of Governors determines are required to fund the retirement benefits and other plan benefits.

b. The University shall not suspend or reduce its contribution to the pension fund without the prior approval of the employee organizations.

c. Any surplus in excess of a contingency reserve equal to 15% of the liabilities is to be distributed to members via separate money-purchase accounts maintained with the fund.

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

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

5. **Funds Committed For Specific purposes**

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

a. **Group Insurance**

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

b. **Lease Commitment**

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

c. **Self Insurance**

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

6. **Pension Plans**

Academic Pension Plan

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

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

Statement 3

	General Operating	Sponsored Research	Specific Purpose	Ancillary Enterprises	Capital	Totals 1996	Totals 1995
REVENUES AND OTHER ADDITIONS							
Government grants and contracts							
Province of British Columbia	$ 119,850	$ 1,627	$ 6,225	$ -	$ 26,940	$ 154,642	$ 153,146
Government of Canada	72	14,608	5,654	-	-	20,334	21,229
Other governments	-	390	11	-	-	401	287
Student fees - credit courses	38,133	-	465	-	-	38,598	35,960
- non-credit courses	1,874	-	1,252	-	-	3,126	3,212
- other	2,837	-	-	-	-	2,837	2,382
Gifts, grants and contracts	718	4,324	4,221	1	3	9,267	10,220
Sale of goods and services	-	-	-	20,128	-	20,128	17,350
Investment income	2,681	-	6,700	113	703	10,197	9,423
Miscellaneous income	1,086	-	1,407	-	46	2,539	2,341
Capital borrowings	-	-	-	-	20,930	20,930	20,247
Interest earned on sinking fund	-	-	-	-	3,436	3,436	2,633
	167,251	20,949	25,935	20,242	52,058	286,435	278,430
EXPENDITURES AND OTHER DEDUCTIONS							
Salaries - academic	54,386	612	2,081	-	-	57,079	55,876
- other instruction and research	12,498	9,092	2,072	-	-	23,662	22,674
- support staff	45,439	211	3,741	2,159	-	51,550	49,681
Total salaries	112,323	9,915	7,894	2,159	-	132,291	128,231
Employee benefits	19,093	753	1,153	360	-	21,359	20,433
Travel and personnel costs	2,879	2,183	2,892	30	-	7,984	7,388
Supplies and expenses	11,976	2,708	2,614	1,901	-	19,199	17,753
Grants to other agencies	-	1,519	-	-	-	1,519	-
Equipment and furnishings	2,659	3,817	831	459	3,192	10,958	11,717
Equipment and facility rentals	4,431	17	89	110	-	4,647	4,075
Library acquisitions	4,360	7	372	-	-	4,739	4,149
Utilities	2,692	3	94	685	-	3,474	3,689
Scholarships, fellowships and bursaries	4,964	-	2,830	-	-	7,794	6,937
Contract services	1,718	-	7	1,279	-	3,004	3,025
Professional fees	2,010	682	1,393	21	-	4,106	2,976
Renovations and alterations	632	2	22	86	1,796	2,538	3,896
Debt servicing - interest	-	-	-	2,573	19,847	22,420	20,893
- principal	-	-	-	746	9,901	10,647	9,419
Cost of goods sold	-	-	-	10,061	-	10,061	10,398
Capital acquisitions	-	-	-	-	19,035	19,035	20,290
Internal cost allocations	(2,583)	633	1,360	590	-	-	-
External cost recoveries	(2,372)	-	(703)	(382)	-	(3,457)	(5,422)
	164,782	22,239	20,848	20,678	53,771	282,318	269,847
NET CHANGE IN THE YEAR	2,469	(1,290)	5,087	(436)	(1,713)	4,117	8,583
TRANSFERS AND APPROPRIATIONS							
Interfund transfers	(1,445)	232	(2,418)	7	3,624	-	-
Transfer to non-expendable funds (Statement 4)	-	-	(2,609)	-	-	(2,609)	(2,016)
Funds committed for specific purposes (Statement 2)	-	-	(1,094)	-	-	(1,094)	(610)
Change in appropriations (Statement 2)	(1,224)	-	-	226	(1,809)	(2,807)	(2,028)
NET (DECREASE) INCREASE DURING YEAR	(200)	(1,058)	(1,034)	(203)	102	(2,393)	3,929
FUND BALANCES AT BEGINNING OF YEAR	(2,200)	9,346	15,554	393	4,398	27,491	23,562
FUND BALANCES AT END OF YEAR	$ (2,400)	$ 8,288	$ 14,520	$ 190	$ 4,500	$ 25,098	$ 27,491

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

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

b. **Canada Mortgage and Housing Corporation**

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

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

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

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

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

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

4. Long-Term Debt

Long-term debt consists of the following:

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

a. British Columbia Educational Institutions Capital Financing Authority

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

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

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

Statement 5

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

SIMON FRASER UNIVERSITY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 1996

1. Significant Accounting Policies

a. Fund Accounting

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

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

Expendable funds:

General Operating

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

Sponsored Research

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

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

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

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

3. Loans Payable

Loans payable consist of:

	1996 (000)	1995 (000)
Interim financing	$5,227	$10,733
Revolving loans	1,000	1,000
Total	$6,227	$11,733

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

ii. The University is one of four parties to a joint venture agreement under which research is conducted by University faculty members at the Tri-Universities Meson Facility (TRIUMF) on the University of British Columbia campus and elsewhere. The facility and its operations are funded by federal government grants and the University makes no direct financial contribution. The accounts of TRIUMF are not included in these statements. There is no expectation of monetary gain to the University from this venture.

iii. The University owns 100% of the shares of SF Univentures Corporation (SFUV), which was established to promote technology transfer to the private sector. The consolidated assets of SFUV are not considered to be material and are not included in these financial statements.

2. Long-Term Investments

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

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

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

Expendable funds (Cont'd.):

Specific Purpose

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

Ancillary Enterprises

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

Capital

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

Non-expendable funds

Endowment

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

b. Accrual Accounting

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

c. Appropriations

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

d. Investments

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

e. Inventories

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

f. Donations

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

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

g. Capital Assets

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

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

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

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

h. Capital Transactions

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

i. Equity in Capital Assets

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

j. University Interests in WCUMBS, TRIUMF and SFUV

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