

The SFU logo is a red square with the letters 'SFU' in white, bold, sans-serif font.

SIMON FRASER UNIVERSITY  
ENGAGING THE WORLD

The background image is a photograph of a man in a black coat standing on a paved path at dusk, looking at a large, illuminated circular light display on a wall. The display is made of many small, warm-white lights arranged in a circular pattern. Other people are visible in the background, and the sky is a deep blue.

# ANNUAL FINANCIAL REPORT

March 31, 2016

President's Message	2	Forward-Looking Statements	14
Vice-President's Message	3	Planning and Management	15
Engaging Students	4	Operating Environment	16
Engaging Research	6	Financial Reporting Environment	17
Engaging Communities	8	Risks and Uncertainties	17
Underlying Principles	10	Related Entities	18
Management Discussion and Analysis	13	Financial Highlights	19

# ENGAGING THE WORLD SINCE 1965.

As Canada's engaged university, SFU is defined by its dynamic integration of innovative education, cutting-edge research and far-reaching community engagement.

SFU was founded 50 years ago with a mission to be a different kind of university – to bring an interdisciplinary approach to learning, embrace bold initiatives, and engage with communities near and far. Today, SFU is a leader amongst Canada's comprehensive research universities and is ranked one of the top universities in the world. With campuses in British Columbia's three largest cities – Vancouver, Burnaby and Surrey – SFU has eight faculties, delivers almost 150 programs to over 35,000 students, and boasts more than 130,000 alumni in over 130 countries around the world.

Financial Information	21	Changes in Net Debt	31
Consolidated Financial Statements	25	Cash Flows	32
Management Responsibility	27	Notes to the Financial Statements	33
Independent Auditor's Report	18	Board of Governors	60
Financial Position	29		
Operations	30		
Remeasurement Gains and Losses	31		



## PRESIDENT'S MESSAGE

It has been an exciting year for SFU as we mark our 50th anniversary. In addition to being a cause for celebration, this significant milestone has provided an opportunity to reflect on how far we have come and how much has been accomplished since we opened our doors 50 years ago.

It is also worth noting the countless and diverse ways that we have made progress in realizing our vision to be Canada's "engaged university defined by its dynamic integration of innovative education, cutting-edge research and far-reaching community engagement."

We provide our students with educational avenues to engage the world and achieve their full potential, embracing an experiential learning model that supports co-op placements, volunteerism and community-based research. We deliver a university-wide entrepreneurship certificate program and student business incubator. And we have pioneered new programs such as Canada's first Professional Master's in Big Data, Canada's first Bachelor of Environment Degree, and Canada's first Executive MBA in Aboriginal Business and Leadership. These and other programs are designed to equip students with the knowledge, skills, and experiences required to succeed in an ever-changing and challenging world. Building on a foundation of fundamental research, we have become a world leader in knowledge mobilization. Our new university-wide innovation strategy, SFU Innovates, enables our faculty, students and community partners to bring their ideas and discoveries to the marketplace, applying their talents and energies to strengthen the economy and create a better world.

As a university with campuses in BC's three largest cities, SFU plays a dynamic role in building stronger, healthier and more sustainable communities. We seek constantly to harness the collective knowledge, energy and resources of the University to enhance the social, economic, environmental and cultural well-being of the communities we serve.

In addition, SFU has maintained its unwavering commitment to educational and research excellence, and again earned top spot amongst Canada's comprehensive universities in the 2016 Maclean's Magazine rankings, an honour that SFU has held for seven of the last eight years.

The celebrations associated with our 50th anniversary have provided many opportunities for us to come together as well as to reach out to the broader community. Thanks to the talents, energy and dedication of our faculty, staff and students, we have done both in fine fashion.

A handwritten signature in black ink that reads "Andrew Petter". The signature is fluid and cursive, with the first name "Andrew" and last name "Petter" clearly visible.

**Professor Andrew Petter**

President and Vice-Chancellor



## VICE-PRESIDENT'S MESSAGE

SFU continues to deliver sound fiscal management and active stewardship in support of the University's teaching, research and community engagement mission. Our goal is to help realize our vision of being the engaged university. The University's overall financial position remains strong, with stable revenue and continued discipline in the management of costs. As stewards of SFU's financial health, we work hard to ensure that the university's financial resources are strategically directed, optimized and protected.

SFU constantly seeks innovative ways to renew our physical and technical infrastructure. We have developed a Deferred Maintenance & Capital Renewal Plan to prioritize renewal projects and leverage available funding across the University to help address the most critical deferred maintenance requirements.

We have taken steps to expand the capacity of student housing on the Burnaby campus and in downtown Vancouver, enhancing the student experience and creating supportive learning and healthy campus communities. The aim of SFU's new Residence and Housing Master Plan is to build on the student community model and create a financially sustainable housing operation on Burnaby Mountain. In addition, SFU's new Downtown Business Innovation Centre and Residence provides students with graduate-level residences, an innovation and program space, and a public meeting place in downtown Vancouver.

SFU's strategic vision is supported by our ability to attract and retain the best people. In this context, we will retool our people practices to empower and leverage the considerable talent of our staff. The implementation of the new university-wide Performance Development Program, along with enhanced training programs, will be key enablers.

We have strengthened our focus on sustainability, in all of its aspects. Sustainability is a thread that connects all the University's work, including teaching, learning, research, community engagement and operations. We seek to accelerate change to reap sustainable benefits for the University. To this end, SFU has launched an institution-wide engagement process to build a common vision for sustainability at SFU and to identify the key strategic priorities that the University intends to pursue over the next five years.

As we celebrate our 50th anniversary year and look to the future, SFU will continue to leverage the strengths in its core operations, manage risks, invest in strategic initiatives and enhance the overall sustainability of Simon Fraser University.

A handwritten signature in dark ink, reading "M. Pochurko".

**Martin Pochurko**

Vice-President,  
Finance & Administration



## ENGAGING STUDENTS

### Our vision:

*"To equip SFU students with the knowledge, skills, and experiences that prepare them for life in an ever-changing and challenging world."*



*Being an engaged university means not only providing students with a classroom education and hands-on learning opportunities, but also giving them the opportunity to engage with the SFU community and with communities beyond campus borders.*

### Mona Lisa Delva

Mona Lisa Delva graduated from SFU in 2015 with a B.Sc. in biomedical physiology and kinesiology and a B.A.Sc. (Hons.) in biomedical engineering. She plans to use her academic and technical knowledge to contribute to the nascent field of bionic prosthetics. While at SFU, Delva played on the SFU rugby team, travelled to Ecuador to volunteer, taught dance fitness, and served as an officer for the SFU African and Caribbean Students Association.



### Semester Outside in the City

The SFU Semester in Dialogue is a one-semester, full-time program designed to inspire students with a sense of civic responsibility and encourage their passion for improving society. Each semester the program offers an original, interdisciplinary experience that bridges the classroom with the community and creates space for students to reflect on what they are doing and why it matters.

In Summer 2015, SFU Semester in Dialogue partnered with CityStudio and the Vancouver Park Board in a learning journey outside in the City of Vancouver. Students in the program worked together to re-vision the potential for outdoor learning within Vancouver, engaging in the co-creative design of innovative outdoor classroom infrastructure in Vancouver parks and community centres. Students explored concepts of outdoor learning, urban ecology, urban wilderness, aesthetics, ecosystem restoration and living in place, while contributing to the priority actions of increasing access to nature, increasing city-wide food assets and reducing the city's ecological footprint.



### Bitu Shadgar

SFU is committed to providing all of our students with an unparalleled selection of experiential learning opportunities that allow them to apply knowledge, grow as individuals, engage with diverse communities, develop entrepreneurial skills and refine their sense of civic literacy.

Bitu Shadgar is a co-op student in the 2016 spring cohort of SFU's Professional Master's Program in Big Data, which responds to the growing global demand for big data experts by creating the next wave of data specialists and difference-makers. Students from a range of backgrounds, such as aerospace engineering, civil engineering, computing science, geography and mathematics, are all part of the big data co-op program cohort this spring. With a PhD in web engineering, Shadgar says that "As soon as I found out about SFU's big data Master's program, I knew that this is what I had always wanted, to learn about state-of-the-art tools and techniques in data science."

## ENGAGING RESEARCH

### Our vision:

*"To be a world leader in knowledge mobilization building on a strong foundation of fundamental research."*



### Mark Winston

SFU professor Mark Winston's book on his lifetime as a world-leading bee expert—*Bee Time: Lessons From the Hive*—won the prestigious 2015 Governor General's Literary Award for Non-fiction. In the book, Winston investigates the many influences bees have had on human society and what we can learn from how bees have responded to their own societal challenges, providing timely insight into the human impact on honeybee populations and our complex relationships with them.

A professor and senior fellow at SFU's Centre for Dialogue and founder of the Semester in Dialogue program (launched in 2002), he has written six previous books on topics ranging from bees to the environment, and has been a consistently sought-out expert by national and international media.



### SFU Innovates

SFU has always had a strong commitment to contribute to society. Over the past 50 years, the University has reached out to the community through its educational programs and research ventures at all three SFU campuses.

In October 2015, the University launched a new innovation strategy, SFU Innovates, and opened a major new innovation facility adjacent to SFU's Vancouver campus. SFU Innovates is a university-wide strategy and action plan to inspire, develop, and support SFU's full lifecycle approach to impact-driven innovation and entrepreneurship. This lifecycle approach includes knowledge mobilization, technology commercialization, entrepreneurship, incubation, spinout development and acceleration. The new 24,000 square-foot facility enlarges the capacity of SFU's VentureLabs—already rated a top-performing BC accelerator for job creation and capital formation—to make it BC's largest business accelerator.



**Nathalie Sinclair**

SFU professor Nathalie Sinclair, who holds a Canada Research Chair in Tangible Mathematics Learning, has led the creation of a free app called TouchCounts, which lets children use their fingers, ears and eyes to more easily learn to count, add and subtract. Designed in collaboration with adjunct professor Nicholas Jackiw, TouchCounts builds on Sinclair's research on the embodied nature of mathematics thinking.

TouchCounts is currently available in English, French and Italian. Sinclair's research team has been working with the Ojibwe and Nuu-chah-nulth First Nations to translate the app into their languages. One of the most interesting aspects of this project has been discovering how differently these languages structure number words, which reveals new ways of thinking about the concept of number.

*SFU mathematics education professor Nathalie Sinclair has created a free app called TouchCounts, which lets children use their fingers, ears and eyes to more easily learn to count, add and subtract.*



## ENGAGING COMMUNITIES

### Our vision:

*"To be Canada's most community-engaged research university."*



### Knack

With a vision of being Canada's most engaged university, SFU continues to contribute to the social, economic, environmental and cultural well-being of the communities we serve.

LEDLab, a social-innovation lab partnered with RADIUS SFU and Ecotrust Canada, pairs SFU graduate students with community organizations to help inner city residents improve their economic independence in Vancouver's Downtown Eastside (DTES). Anna Migicovsky, an MBA candidate at Simon Fraser University's Beedie School of Business, completed a four-month paid internship at LEDLab helping people with barriers to employment find work. Working with Potluck Café Society, Migicovsky helped launch a new employment program and app called Knack. The initiative expands on the society's social-impact hiring model for DTES residents, offering a series of free weekly workshops to people who face barriers to traditional employment.



### We The City: 2015 Community Summit

SFU's signature community engagement initiative is SFU Public Square, which assembles the hearts, minds and talents of diverse communities to promote inclusive, intelligent and inspiring dialogue. The annual Community Summit creates space for residents to come together to jointly research, discuss, identify solutions and take action on emerging and relevant issues.

SFU's fourth annual Community Summit, 'We The City,' engaged community and thought leaders, artists, students, researchers and citizens on the theme of city-building. SFU hosted a diverse set of conversations and events that explored how sustainability, housing, food security, libraries, gender and the arts contribute to vibrant and thriving cities. We the City invigorated the public conversation on how people can connect with their cities, find their voice, and enjoy increased participation in civic life.



### Trottier Observatory and Science Courtyard

SFU was founded 50 years ago with a mission to be a different kind of university—to bring an interdisciplinary approach to learning, embrace bold initiatives, and engage with communities near and far.

Starry Nights @ SFU is a free community program sponsored by the Faculty of Science. Events are held at the Trottier Observatory and Science Courtyard on SFU's Burnaby campus and include evening star-gazing parties and

daytime telescope and astronomy workshops for grade-school children. The workshops provide students, teachers, parents and stargazers training in the use of telescopes and in the basics of observing the Moon, planets, stars and other celestial wonders. Additional educational materials, including a star wheel produced by the Royal Astronomical Society of Canada (RASC), are provided at no cost to schools and community groups when they attend the Starry Nights workshops.



## UNDERLYING PRINCIPLES

In addition to the core themes of engaging students, engaging research, and engaging communities, SFU is committed to the following principles which underpin all strategic activities at the University.

*SFU will honour the history, culture  
and presence of Aboriginal peoples.*







### Academic and Intellectual Freedom

SFU will be an open and inclusive university whose foundation is intellectual and academic freedom.

### Diversity

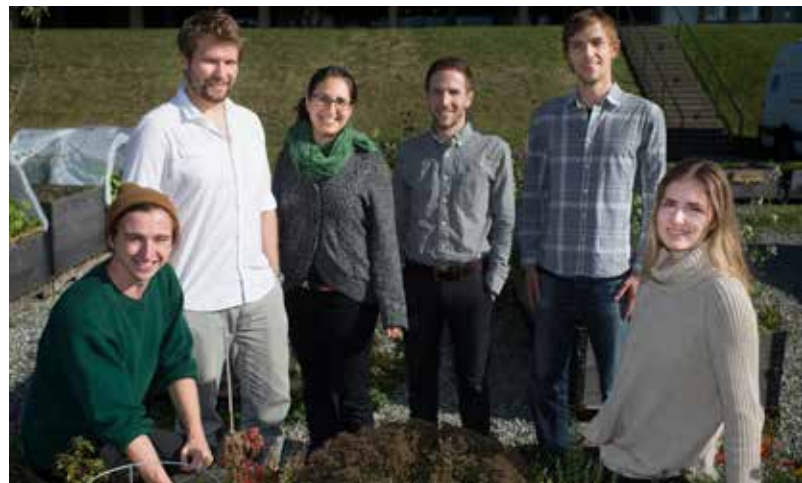
SFU will foster a culture of inclusion and mutual respect, celebrating the diversity and multi-ethnic character reflected amongst its students, staff, faculty and our society.

### Internationalization

SFU will value international knowledge, understanding and engagement, and will seek to engender an active global citizenship among its students, faculty and staff, and to ensure that SFU is an engaged partner and contributor on the international stage.

### Respect for Aboriginal Peoples and Cultures

SFU will honour the history, culture and presence of Aboriginal peoples. The university will welcome and nurture Aboriginal students and seek opportunities for greater representation of Aboriginal peoples amongst its faculty and staff.



### Supportive and Healthy Work Environment

SFU will recognize, respect and value the essential contribution made by staff and faculty, and will seek to build and sustain a work environment that is equitable, supportive, rewarding and enjoyable.

### Sustainability

SFU will pursue ecological, social and economic sustainability through its programs and operations. Through teaching and learning, research and community engagement, SFU will seek and share solutions. In its own operations it will develop and model best practices, from minimizing its ecological footprint, to maximizing its social health and economic strength.



**MANAGEMENT  
DISCUSSION  
AND ANALYSIS**  
(unaudited)

## FORWARD-LOOKING STATEMENTS

### Objective of Forward-Looking Statements

The objective of this Management Discussion and Analysis (MD&A) is to assist readers of SFU's financial statements to better understand the financial position of the University and operating activities for the fiscal year ended March 31, 2016. It provides a look at the internal and external factors that influenced the year's financial results and a basis for future performance. Although the MD&A is unaudited, this discussion should be read in conjunction with the annual audited financial statements and accompanying notes.

The MD&A provides an overview of the University's:

- Planning and Management
- Operating Environment
- Financial Reporting Environment
- Risks and Uncertainties
- Related Entities
- Financial Highlights
- Financial Information

### Cautionary Note on Forward-Looking Statements

Some statements in this MD&A are forward-looking statements, based on assumptions and addressing future events and conditions, and by their nature involve risks and uncertainties. Actual results could differ materially from those anticipated in forward-looking statements. Readers should not place undue reliance on any forward-looking statements. Factors that could cause results to differ materially from expectations include, but are not limited to: the performance of financial markets, interest rate fluctuations, changes in legislation and regulations, the effects of competition, and business continuity risks. SFU does not undertake any obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as required by law.



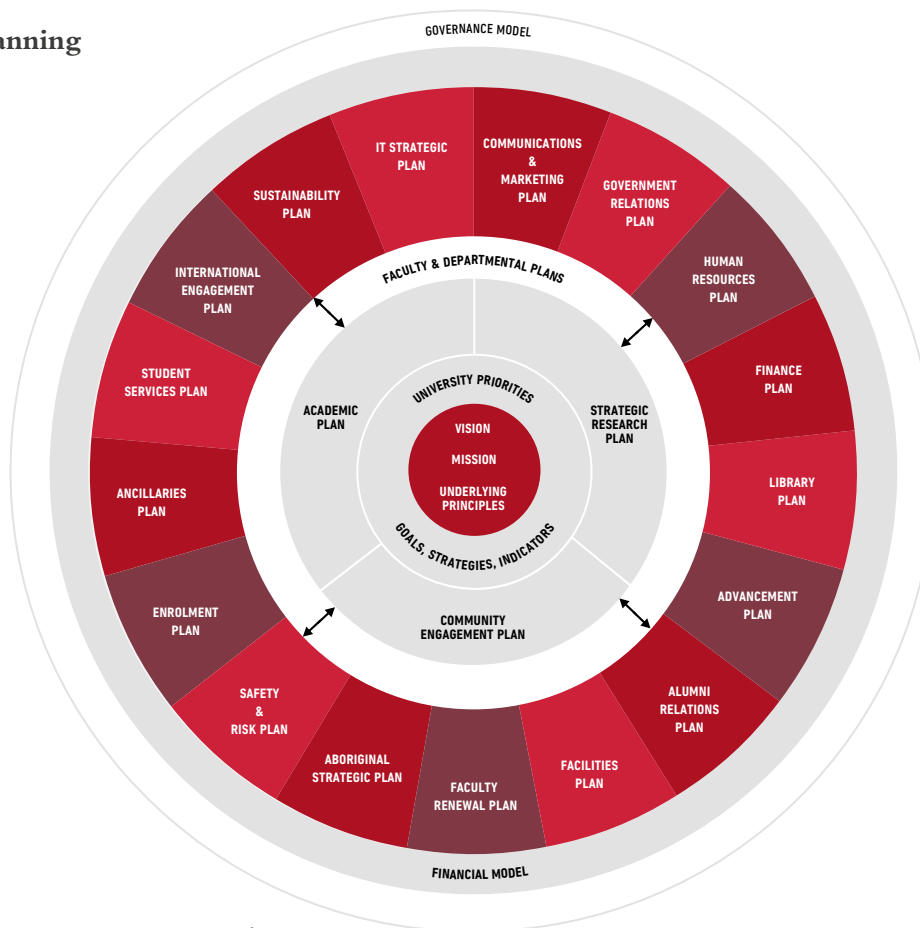
## PLANNING AND MANAGEMENT

### Strategic Planning

SFU's dynamic planning process is centred around the University's Strategic Vision: To be the leading engaged university, defined by its dynamic integration of innovative education, cutting-edge research and far-reaching community engagement. The Strategic Vision has three core themes: Engaging Students, Engaging Research and Engaging Communities. To achieve its vision, SFU must also leverage the strength found in its infrastructure: human, financial and capital. For each core theme, the University has identified a strategic goal and supporting activities which are intended to lead to the attainment of that goal.

The University's integrated planning framework illustrates how various institutional plans are integrated and aligned with the Strategic Vision. Each component of the planning framework supports the realization of the Strategic Vision in a manner consistent with a set of underlying principles. These principles represent values and priorities embraced by SFU and underpin all strategic activities. The University has also identified targeted outcomes for each of the strategic goals. The outcomes are observable and/or measurable results that are expected to be achieved by the end of the planning horizon. A series of indicators have been established to measure progress towards each outcome.

### Integrated Planning Framework



### Financial Governance Framework

The University's financial governance framework is designed to ensure that the University's financial resources are strategically directed, optimized and protected to maximize program service benefits. These objectives are achieved through the application of financial management principles and control standards that deliver stakeholder value and enhance the University's reputation for financial integrity, ethical conduct and effective stewardship.

The governance framework is set in the context of external factors such as legislative requirements and stakeholder expectations. It establishes a set of financial and operational governance principles that build accountability into the financial management of the University and support the achievement of SFU's Strategic Vision.

## OPERATING ENVIRONMENT

Many factors contribute to SFU's operating environment.

### Domestic Student Demand - Demographics

Simon Fraser University continues to experience strong domestic student demand resulting from population growth in the communities adjacent to its campuses in Burnaby, Surrey and Vancouver.

### Domestic Student Demand - Labour Markets

Demand is also driven by the labour market's scale and type of demand. Growth in labour markets in the region creates significant market demand for university graduates. The provincial government's BC Labour Market Outlook anticipates that demand for workers in the Mainland/Southwest region will increase by an average of 1.1 per cent each year to 2024 and that the demand for workers in BC will exceed supply by 2020. Of the 935,000 job openings projected to 2024, 78 per cent will require some post-secondary education and training, driving a higher participation rate in post-secondary education.

### Domestic Student Funding - Government Priorities

The Ministry of Advanced Education mandates the strategic direction of post-secondary education including: advancement of programming to align with the top 100 occupations in the BC 2024 Labour Market Outlook, development of skills for BC's Technology Sector and Aboriginal student success.

SFU's own objectives are aligned with those of the Ministry. The University is strategically directing its future growth toward programs that meet the urgent needs of BC's growing economy in areas such as information technology and engineering science, interactive arts, creative technology, health sciences and environmental studies. Experiential education has increased in significance and strategic importance. We have successfully articulated and leveraged the value of long-standing experiential learning opportunities such as co-operative education, study abroad opportunities and field schools.

SFU's Aboriginal Strategic Plan is helping to improve access for and success of aboriginal students.

### International Student Demand

SFU's international reputation, long involvement in international education marketing and delivery, desirable environment of Metro Vancouver and a weaker Canadian dollar are all positive factors in attracting and retaining international students. The economic environments of student source countries can influence enrolment and revenue. While domestic students are funded by a combination of student tuition and government funding, international students have higher tuition rates to cover the entire operating and capital cost of their education.

### Research Funding

The Government of Canada is the leading funder of research at nearly 80% of SFU's research funding. The level of research funding is influenced by: government economic circumstances and priorities; the success rate of SFU faculty in research competitions; and our success in sourcing matching funds from corporations and other institutions. The cost model to support research is designed to be largely variable in order to adapt to a dynamic environment.

### Investment Markets

Investment market performance ultimately impacts university operating revenues and endowment funds. The University funds a defined benefit pension plan whose investment performance impacts the funding expense incurred by the University. Each investment portfolio is professionally managed to uniquely balance risks and potential returns.

### Employment Markets

Delivering education and research in multiple highly specialized disciplines in the administrative context of a large scale university with multiple sources of funding necessitates employing a wide range of highly skilled academic, research and administrative personnel. Recruiting and retaining personnel from many competitive niche employment markets is a leading critical success factor.

### Economic Environment

The economic environment impacts both the University's revenue and costs of operations.

The Economic Forecast Council estimates that BC real (inflation-adjusted) GDP growth was 2.6 per cent in 2015. The Council forecasts provincial real GDP growth of 2.8 per cent in 2016 and 3.0 per cent in 2017. BC is holding up well amidst a generally uninspiring global backdrop. The Council cites a diversified industrial and export base, a healthy domestic economy with buoyant consumer spending and population growth as key drivers of economic growth for BC.

## FINANCIAL REPORTING ENVIRONMENT

The University is within the Government Reporting Entity (GRE) of the Province of British Columbia and, as such, is required to present its financial statements in accordance with Canadian Public Sector Accounting Standards (PSAS) issued by the Public Sector Accounting Board of Canada (PSAB). The provincial government has directed that PSAS be applied without the optional section 4400 not-for-profit provisions within PSAS.

The provincial government has also directed that all restricted contributions for the purpose of acquiring tangible capital assets be accounted for as Deferred Capital Contributions (DCCs). Under PSAS, DCCs are only recorded when they meet the definition of a liability and are recognized as revenue when those liabilities are satisfied. This requirement is implicitly aligned with the PSAS not-for-profit option within PSAS. Essentially, the Restricted Contributions Regulation has enabled utilization of this one component of the not-for-profit optional provisions of PSAS. This variation from PSAS without the not-for-profit provisions results in the financial statements being presented on a compliance basis, rather than a regular PSAS basis. This compliance basis is referred to in these financial statements as the Financial Reporting Framework (FRF) and this approach is reflected in the audit opinion.

The notes to the financial statements provide more detailed information on the differences in reported financial results between the PSAS and FRF methods of financial reporting.

## RISKS AND UNCERTAINTIES

The University operates in an increasingly complex environment and must assume certain risks in order to meet its objectives and realize its Strategic Vision. To successfully manage strategic risks, the University has implemented a framework for the identification, measurement and monitoring of risks. The following is an overview of the most significant financial risks currently facing the University.

### Information Technology Service Continuity

Information technology is essential to the delivery of services and information for academic, research and administrative operations. Increased technology dependence has coincided with ageing equipment and infrastructure, independently operated systems, and increased risks of disruptive events.

In order to ensure service continuity, plans are being developed and initiatives taken on the themes of: equipment and infrastructure renewal; geographically separated back-up; redundancy; security; consistent technology standards; and operational continuity arrangements.

### Deferred Maintenance

After 50 years, SFU's Burnaby campus has an aged physical infrastructure as evidenced by commencement of demolition of a significant building at the end of its useful life. Provincial capital and maintenance funding to optimize building service capability and useful lives is variable and minimal in comparison to the buildings' value and current state of repair - in common with other post-secondary institutions.

Engagement with the provincial government has produced more appreciation for the issue and indications of interest in allocating additional funds for the sector to address deferred maintenance. SFU is utilizing operating funding to rehabilitate and renew the campus condition and service capability. However, funding deferred maintenance from internal sources places pressure on core programs.

### Pensions

The University has two pension plans and is responsible for all contributions to and risks associated with adequately funding the plans. The Academic Plan is primarily a defined contribution plan with comparatively lower risks and uncertainties to the University than the Administrative/Union Plan, which is a defined benefit plan. In common with all defined benefit plans, variation in plan investment returns can significantly impact the actuarial liability, expense and required contributions.

Stakeholders are actively engaged in seeking an appropriate, balanced and sustainable way forward in addressing the Administrative Union Plan's funding and structural gaps.

## RELATED ENTITIES

The University's consolidated financial statements include the following related entities.

### Simon Fraser University Foundation

The Simon Fraser University Foundation encourages public awareness of—and support for—SFU and its benefits to the people of British Columbia. The Foundation is an agent of the Crown and is therefore exempt from income taxes under Section 149 of the Income Tax Act. The majority of the Foundation's revenue is rental income from 10 rental units in the Verdant housing complex that are owned by the Foundation for the purposes of leasing to SFU's faculty and staff.

The Foundation is consolidated in the University's financial statements.

### TRIUMF and WCUMSS

SFU participates with other universities in two research joint venture entities. Tri-University Meson Facility (TRIUMF) is Canada's national laboratory for particle and nuclear physics. TRIUMF is owned and operated by a consortium of 12 Canadian universities.

Western Canadian Universities Marine Sciences Society (WCUMSS) is a non-profit society that provides a permanent base for marine and coastal-oriented field operations from its location in Bamfield, British Columbia. SFU is one of five university members in WCUMSS.

SFU's interest in these two joint ventures is reported in the University's financial statements by proportionate consolidation.

### SFU Community Trust

SFU Community Trust's mandate is to oversee the development of UniverCity, a compact, mixed-use residential neighbourhood founded on four pillars of sustainability: environment, equity, education and economy. The Official Community Plan (OCP) allows for up to 4,536 residential units in two distinct neighbourhoods to the south and east of SFU's Burnaby campus. The OCP includes provisions for a commercial core, community facilities, and an extensive network of pedestrian paths and bike trails.

The Trust oversees the development of UniverCity through the provision of zoned, serviced, subdivided sites to private sector developers on a prepaid, long-term (99-year) leasehold basis.

The Trust is governed by a Board of Directors composed of key SFU stakeholders, faculty and student representatives, as well as a number of prominent real estate and development professionals from around the Lower Mainland. The Board of Directors establishes policy for SFU Community Trust and plays a very active role in shaping the planning and development of UniverCity.

The University's interest in the Trust is accounted for using the modified equity method.

### Great Northern Way Campus Trust

The Great Northern Way Campus Trust (GNWCT) is a collaborative university campus with a mandate to intersect arts, technology and the environment in a manner that bridges academia with industry, artists with technology, and innovation with development. GNWCT is jointly owned by four academic institutions: Simon Fraser University, University of British Columbia, Emily Carr University of Art + Design, and the British Columbia Institute of Technology.

The University's interest in GNWCT is accounted for using the modified equity method.



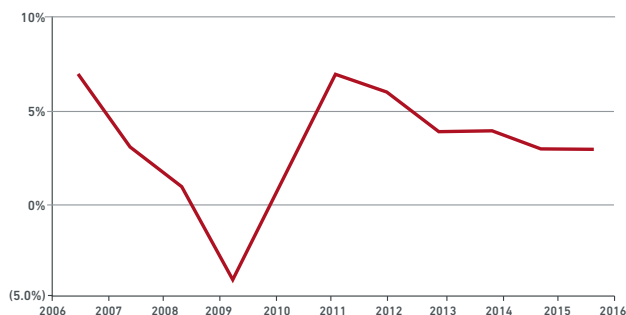
## FINANCIAL HIGHLIGHTS

### Financial Health

The University's overall financial position remains strong. Two leading indicators of financial equilibrium, sustainability, resilience and flexibility are:

- Annual operating surplus before restricted contributions of \$14.9M, continuing a record of success since the 2009 fiscal year financial markets crisis; and
- Net operating accumulated surplus at 3% of total revenue, within the target range.

**Net Operating Accumulated Surplus as a Percentage of Total Revenue**

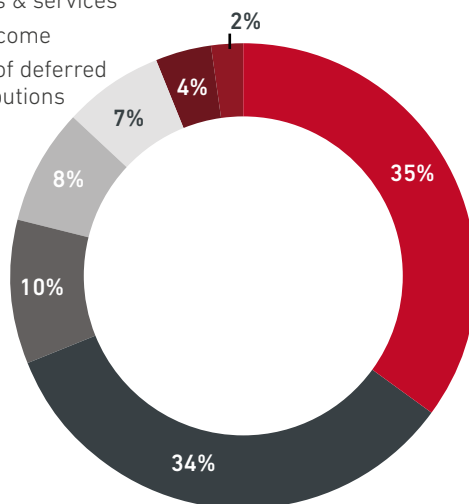


### Revenue

Revenue stability is an essential to financial health and has been achieved with a modest 0.2% overall growth. Multiple sources of revenue minimize dependency risk and contribute to financial stability.

#### 2016 Revenue by Source

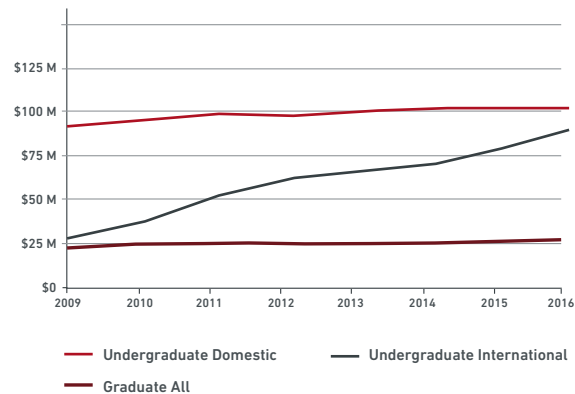
- Province of BC
- Tuition
- Government of Canada
- Donations, grants, contract & other
- Sales of goods & services
- Investment income
- Amortization of deferred capital contributions



### Tuition and BC Government Operating Funding

The BC Government provides operating funding to deliver credit courses to eligible students and sets targets for their Full Time Equivalent (FTE) enrolment. Domestic undergraduate enrolment of 18,582 FTE's exceeded the target of 17,316. Graduate enrolment (domestic and international) of 3,599 FTE's exceeded the target of 2,674. Both of these types of enrolment are stable. Domestic tuition rates have increased 2% over last year.

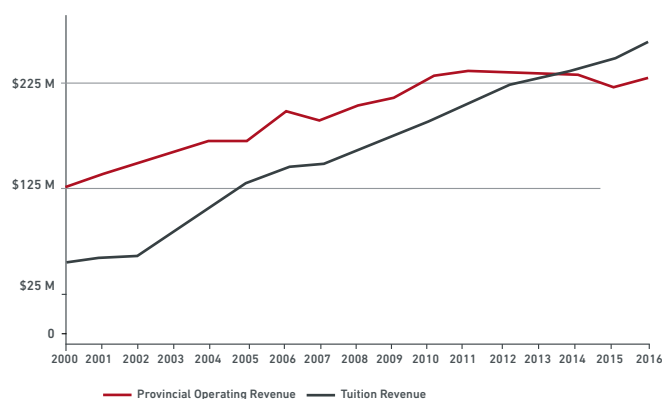
**Tuition Revenue by Student Type**



Undergraduate international credit course tuition revenue has been the leading contributor to overall tuition revenue growth. This revenue has grown as a result of both enrolment and fee rate increases.

Tuition rate increases of 2% since 2005 for domestic undergraduate students and graduate students applied to stable enrolments and accelerated growth of international undergraduate enrolments and rates has outpaced government operating funding, which decreased 1.1% in the fiscal year.

### Provincial Operating and Tuition Revenue



### Other Revenue

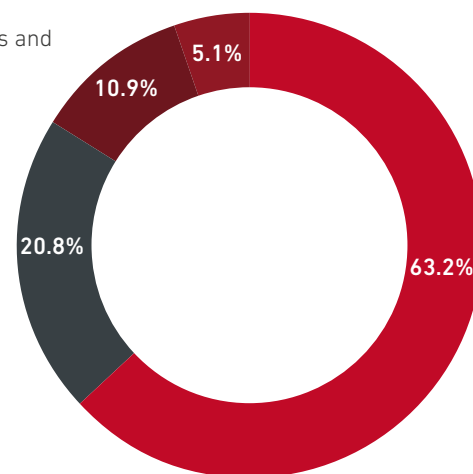
Government of Canada funding supports the University's research agenda. The \$64.6M realized in 2016 is indicative of recent years.

Investment income grew by 14% to \$30.2M from \$26.4M despite poor performing investment markets as investment income is recognized in the Statement of Operations from: (a) portfolio investments on a realized basis; and (b) endowment investments on an endowment spending basis. The unrealized remeasurement gain was reduced by \$18.5M to \$20.2M

Sales of goods and services include sales from the University's ancillary services which include bookstores, residences, parking, printing, and meetings, events and conference services. The \$43.5M recorded in 2016 is stable in comparison to prior years.

### 2016 Expense by Type

- Salaries and Employee Benefits
- Supplies and Services
- Amortization, Interest and Utilities
- Scholarships and Bursaries



### Expense

The proportion of expense related to salaries and employee benefits decreased from 64.5% to 63.2% due primarily to lower pension expense while the utilization of supplies and services grew from 19.0% to 20.8% and scholarships and bursaries increased from 4.9% to 5.1%.

### Deferred Maintenance

After 50 years, the University, in common with other universities of the same age, has challenges with deferred maintenance on aged infrastructure. This year saw the closure of a significant building and commencement of demolition. The University is, with the cooperation of the Ministry, increasing its investment in capital renewal. Routine Capital funding received in the year increased to \$13M.

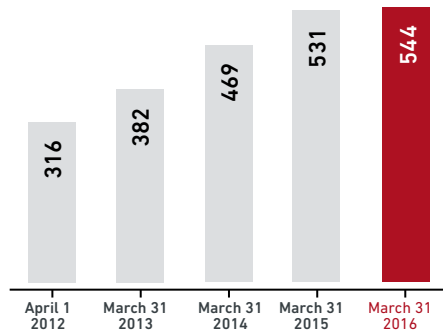
### Debt Rating

On an annual basis, Moody's and Dominion Bond Rating Service assess the credit status of the University. Respectively, their 2015 ratings were Aa1 and AA (low).

## FINANCIAL INFORMATION

### Financial Assets

Dollars in Millions



Financial assets increased 2.6% to \$544M.

Dollars in Thousands	2016	2015
Cash and cash equivalents	60,494	30,272
Accounts receivable	6,420	8,644
Inventories for resale	1,770	1,436
Due from related parties	13,989	14,668
Portfolio investments	440,585	453,990
Investment in Great Northern Way Campus Trust	15,323	14,586
Investment in SFU Community Trust	5,883	7,047
<b>Total Financial Assets</b>	<b>544,464</b>	<b>530,643</b>

**Cash and cash equivalents** is higher than normal to provide for a payroll that was due the day following the fiscal year end and accounts payable payments that were scheduled immediately after the fiscal year end. Additionally, a larger than normal balance of USD currency was held to lock-in the exchange rate during a period of currency volatility and a portion of the funds are held for a capital purchase.

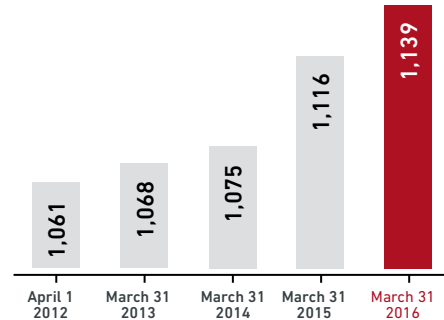
**Accounts receivable** is lower than last year as a result of the timing of the UPass summer charges of \$2M.

**Portfolio investments** at market is reduced primarily due to losses in market value caused by soft domestic equity markets.

**Investment in SFU Community Trust** decreased as a result of operational expenses and carrying expenses in a year where there were no lot sales.

### Non-Financial Assets

Dollars in Millions



Non-financial assets increased 2.0% to \$1,139M.

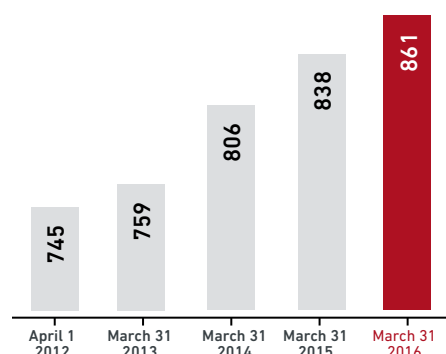
Dollars in Thousands	2016	2015
Tangible capital assets	832,248	827,214
Restricted investments	303,870	286,811
Prepaid expenses	1,696	914
Prepaid lease	550	865
Inventories of supplies	470	534
<b>Total Non-Financial Assets</b>	<b>1,138,834</b>	<b>1,116,338</b>

**Tangible capital assets** include land, buildings, leasehold improvements, library acquisitions, computers, and equipment and furnishings. The increase in the net book value of tangible capital assets is the result of \$56.5M of capital additions, partially offset by \$51.5M of amortization. Significant additions include building improvements \$29.6M, equipment and furnishings \$9.7M, and library acquisitions \$10.5M.

**Restricted investments** consist of investments that are not available for use in University operations. The \$17.1M increase from the prior year resulted primarily from endowment donations of \$8.3M and capitalized investment income of \$9.2M.

## Liabilities

Dollars in Millions



Liabilities increased 2.7% to \$861M.

Dollars in Thousands	2016	2015
Accounts payable and accrued liabilities	59,102	44,347
Pensions	11,388	27,337
Employee future benefits	70,650	64,996
Long-term debt	147,799	147,818
Deferred revenue	126,699	138,100
Deferred capital contributions	409,801	379,447
Deferred lease proceeds	35,603	35,996
<b>Total Liabilities</b>	<b>861,042</b>	<b>838,041</b>

**Accounts payable and accrued liabilities** increased due to the timing of trade and payroll payments.

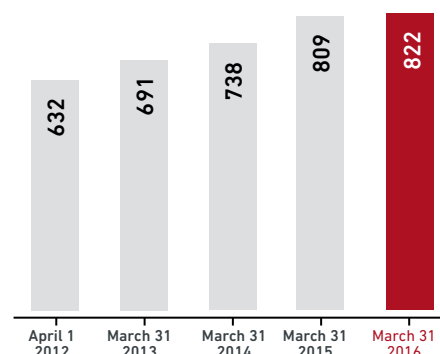
**Pensions** is the funded status of the plans of \$36.0M (2015: \$36.3M) less the unamortized net actuarial gain of \$47.4M (2015: \$ 63.6M), resulting in a pensions liability of \$11.4M (2015: \$27.3M). The pensions liability reduction of \$15.9M consists of a \$0.3M decrease in the funded status of the plans and the unamortized net actuarial gain being reduced by \$16.2M resulting from:

- \$5.1M of amortization of prior year actuarial gains; and
- \$11.1M of current year actuarial losses deferred to future years arising from \$8.2M loss on plan assets performance; and \$2.9M loss on pension obligations arising relating to increased life expectancy assumptions.

**Employee future benefits** are the future obligations of post-retirement and compensated absence benefit plans. The \$5.7M increase in the liability relates primarily to \$3.4M of non-pension retiree benefits where increased life expectancies were recognized and \$2.4M for an increase in long-term disability claims.

## Accumulated Surplus

Dollars in Millions



Accumulated surplus increased 1.6% to \$822M.

Dollars in Thousands	2016	2015
Internally restricted for operating commitments	56,082	57,105
Invested in tangible capital assets	443,132	427,259
Endowment	302,870	285,869
<b>Total Accumulated Operating Surplus</b>	<b>802,084</b>	<b>770,233</b>
Accumulated remeasurement gains	20,172	38,707
<b>Accumulated Surplus</b>	<b>822,256</b>	<b>808,940</b>

**Internally restricted for operating commitments** consists of departmental carryovers of \$21.1M, down from \$25.8M in 2015, and \$34.9M of university project commitments.

**Investment in tangible capital assets** represents the amount of accumulated surplus that is not available for other purposes.

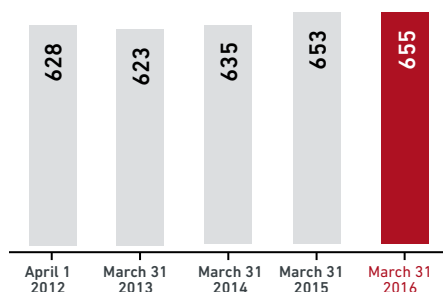
**Endowment** accumulated surplus increased as a result of \$8.3M of donations and \$9.2M of capitalized investment income.

**Accumulated remeasurement gains** primarily represents the unrealized investment gains on the investment portfolio. During the year, the balance was reduced by \$18.5M as a result of:

- \$8.0M being realized through market transactions recorded on the Consolidated Statement of Operations as investment income; and
- \$10.5M of unrealized losses in the value of financial instruments.

## Revenue

Dollars in Millions



Revenue increased 0.2% to \$655M.

Dollars in Thousands	2016	2015
Government grants and contracts	271,073	293,565
Tuition	235,134	222,062
Sale of goods & services	43,460	43,417
Donations, non-government grants and contracts	47,690	42,423
Investment income	30,245	26,428
Investment income - GNWCT	333	1,139
Amortization of deferred capital contributions	18,285	16,818
Other revenue	8,561	7,449
<b>Total Revenue</b>	<b>654,781</b>	<b>653,301</b>

**Government grants and contracts** is lower than last year due to \$25M of operating funding transferred to deferred capital contributions to fund ongoing and future deferred maintenance projects.

**Tuition** has increased by \$13M primarily due to a 2% rate increase on domestic student fees and a 10% increase in international student fees.

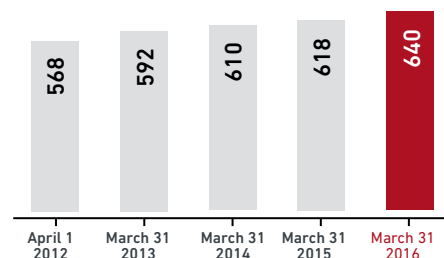
**Donations, non-government grants and contracts** increased because of higher contract revenues from non-government research and specific purpose activity.

**Investment income** increased due to:

- Portfolio investment income had stable interest and dividend income \$10.7M (2015: \$10.5M) and an increase in realized remeasurement gains of \$8.0M (2015: \$5.7M).
- Endowment investment income of \$11.5M (2015: \$10.2M) is recognized at the time related expenditures are made. Both the endowment capital base and the spend rate of 5.0% (2015: 4.5%) increased resulting in a higher amount being available and spent in relation to endowments during the year.

## Expense

Dollars in Millions



Expense increased 3.6% to \$640M.

Dollars in Thousands	2016	2015
Salaries	344,182	329,200
Employee benefits	60,277	68,804
Supplies and operating	70,171	57,872
Amortization of tangible capital assets	51,446	53,295
Professional and contracted services	38,548	36,052
Scholarships and bursaries	32,441	30,413
Training and travel	17,075	16,681
Cost of goods sold	6,726	7,043
Interest on long-term debt	9,182	9,279
Utilities	9,883	9,301
<b>Total Expense</b>	<b>639,931</b>	<b>617,940</b>

**Salaries** expense grew by 4.55% in comparison with the prior year from a combination of general wage increases, step increases, progress through the ranks and new positions.

**Employee benefits** expense is often proportionate to salaries expense. In 2016, it decreased primarily due to a \$10.4M decrease in defined benefit pension expense resulting from:

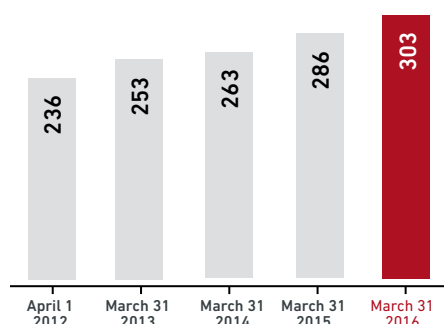
- \$4.1M of employer portion of benefit and interest cost being reduced - primarily due to a change in the discount rate assumption; and
- \$6.3M of annual amortization of actuarial gains (losses) changing from a \$1.2M expense to a \$5.1M gain.

**Supplies and operating** increased as a result of expenses incurred for computers, equipment and furnishings, as well as increased materials and supply costs.



## Accumulated Surplus – Endowment

Dollars in Millions



Accumulated surplus – endowment increased 5.9% to \$303M.

Dollars in Thousands	2016	2015
Faculty, academic & other programs	102,734	100,281
Student financial aid	87,437	82,311
Research chairs	84,486	81,272
Professorships	19,594	13,766
Library collections	5,619	5,301
Athletics	3,000	2,938
<b>Total Accumulated Surplus - Endowment</b>	<b>302,870</b>	<b>285,869</b>

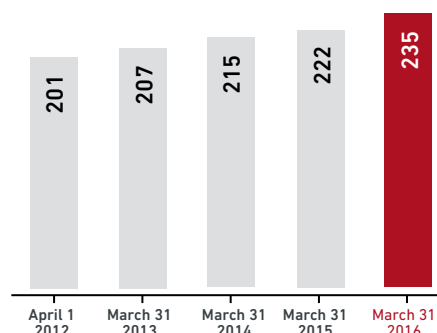
Endowments consist of externally restricted donations received by the University, the principal of which is required to be maintained intact in perpetuity to support the activities of the University. The investment income generated from endowments must be used in accordance with the various purposes stipulated by the donors. There were 853 individual endowment funds in 2016 that provided \$15.7M (2015: \$13.1M) in funding support.

Donors, as well as University policy, stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and capitalizing a portion of investment income in order to preserve purchasing power. Donations of \$8.3M and a capitalization of investment earnings of \$9.2M helped the endowment principal grow to \$302.9M.

The endowment income stabilization account, which is a component of deferred revenue, protects endowment spending against market fluctuations in the endowment investments, and has a surplus of \$57.6M (2015: \$78.3M). Funding provided to endowment deferred revenue spending accounts of \$15.7M and capitalization of \$6M to protect the purchasing power of the endowment exceeded endowment investment income of \$1.0M, resulting in a \$20.7M reduction in the account balance.

## Tuition and Student Fees

Dollars in Millions



Tuition and student fee revenue increased 5.9% to \$235M.

Dollars in Thousands	2016	2015
Undergraduate - domestic	99,802	99,125
Undergraduate - international	82,638	72,458
Graduate	26,799	25,120
Non-credit courses and other student fees	25,895	25,359
<b>Total Tuition and Student Fees</b>	<b>235,134</b>	<b>222,062</b>

Undergraduate domestic tuition revenue relates to 18,582 FTE students, including co-op students, and exceeds the Ministry target of 17,316. The undergraduate domestic tuition rate has increased at 2% per year since government established a tuition limit policy in 2005.

Undergraduate international tuition revenue has increased as a result of enrolment rising to an all-time high of 3,854 FTE and the tuition rate increasing by 10% over the 2015 rate. International undergraduate students are not supported by government funding and, as a result, pay the full cost of education at competitive rates in the international education market.

Graduate tuition revenue is derived from 3,599 FTE students enrolled in a range of academic and professional graduate programs which have different rates based on the types of program. Graduate students are supported by government funding and tuition rates are subject to the 2% tuition limit policy.

Non-credit courses and other student fees revenue grew by 2.1% overall, as a result of increases in non-credit course revenue and an increase in student fees related to credit courses.

**CONSOLIDATED  
FINANCIAL  
STATEMENTS**



## STATEMENT OF MANAGEMENT RESPONSIBILITY

The University is responsible for the preparation of the consolidated financial statements and has prepared them in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and the Restricted Contribution Regulation 198/2011 issued pursuant to it. The regulations require the consolidated financial statements to be prepared in accordance with the standards of the Canadian Public Sector Accounting Board except that the contributions received or receivable by the University for the purpose of acquisition of tangible capital assets are accounted for as deferred capital contributions as described in note 2c(v) of the consolidated financial statements. The consolidated financial statements present the financial position of the University as at March 31, 2016 and the results of its operations, changes in net debt, remeasurement gains and losses, and its cash flows 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 controls 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 the consolidated financial statements.

The Board of Governors carries out its responsibility for review of the consolidated financial statements and oversight of management's performance of its financial reporting responsibilities principally through the Board's Audit Committee. The committee members are neither officers nor employees of the University.

The committee meets with management, the internal auditor and the external auditors to discuss the results of audit examinations and other financial reporting matters. The external auditors have full access to the Audit, Risk and Compliance Committee, with and without the presence of management.

The audited consolidated financial statements for the year ended March 31, 2016 have been reported on by BDO Canada LLP. The Independent Auditor's Report outlines the scope of the examination and provides the firm's opinion on the presentation of the information in the statements in accordance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

Burnaby, BC  
May 26, 2016



**Professor Andrew Petter**

President and Vice-Chancellor



**Martin Pochurko**

Vice-President,  
Finance & Administration



Tel: 604 688 5421  
 Fax: 604 688 5132  
 vancouver@bdo.ca  
 www.bdo.ca

BDO Canada LLP  
 600 Cathedral Place  
 925 West Georgia Street  
 Vancouver BC V6C 3L2 Canada

## Independent Auditor's Report

To the Board of Governors of Simon Fraser University, and  
 To the Minister of Advanced Education, Province of British Columbia

We have audited the accompanying consolidated financial statements of Simon Fraser University, which comprise the Consolidated Statement of Financial Position as at March 31, 2016, and the Consolidated Statements of Operations, Remeasurement Gains and Losses, Changes in Net Debt and Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements in accordance with the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the consolidated financial statements of Simon Fraser University as at March 31, 2016 and for the year then ended are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

### Emphasis of Matter

Without modifying our opinion, we draw attention to Note 2 of the Consolidated Financial Statements which describes the basis of accounting used in the preparation of these consolidated financial statements. Note 15 of the Consolidated Financial Statements discloses the impact of these differences between such basis of accounting and Canadian public sector accounting standards.

Chartered Professional Accountants  
 Vancouver, British Columbia  
 May 26, 2016




## Consolidated Statement of Financial Position

As at March 31, 2016

<i>Dollars in Thousands</i>	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Financial Assets</b>			
Cash and cash equivalents	4	60,494	30,272
Accounts receivable	5	6,420	8,644
Inventories for resale		1,770	1,436
Due from related parties	6	13,989	14,668
Portfolio investments	7	440,585	453,990
Investment in Great Northern Way Campus Trust	8	15,323	14,586
Investment in SFU Community Trust	9	5,883	7,047
<b>Total Financial Assets</b>		<b>544,464</b>	<b>530,643</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities	10	59,102	44,347
Pensions	11	11,388	27,337
Employee future benefits	12	70,650	64,996
Long-term debt	13	147,799	147,818
Deferred revenue	14	126,699	138,100
Deferred capital contributions	15	409,801	379,447
Deferred lease proceeds	16	35,603	35,996
<b>Total Liabilities</b>		<b>861,042</b>	<b>838,041</b>
<b>Net Debt</b>		<b>(316,578)</b>	<b>(307,398)</b>
<b>Non-Financial Assets</b>			
Tangible capital assets	17	832,248	827,214
Restricted investments	7	303,870	286,811
Prepaid expense		1,696	914
Prepaid lease		550	865
Inventories held for use		470	534
<b>Total Non-Financial Assets</b>		<b>1,138,834</b>	<b>1,116,338</b>
<b>Accumulated Surplus</b>	18	<b>822,256</b>	<b>808,940</b>
<b>Accumulated Surplus is comprised of</b>			
Internally restricted for operating commitments		56,082	57,105
Investment in tangible capital assets		443,132	427,259
Endowment		302,870	285,869
<b>Accumulated Operating Surplus</b>		<b>802,084</b>	<b>770,233</b>
<b>Accumulated Remeasurement Gains</b>		<b>20,172</b>	<b>38,707</b>
<b>Accumulated Surplus</b>		<b>822,256</b>	<b>808,940</b>

The accompanying notes are an integral part of these financial statements

Approved:

  
**Bill Cunningham**

Chair, Board of Governors

  
**Martin Pochurko**

Vice-President, Finance & Administration

## Consolidated Statement of Operations

For the year ended March 31, 2016

<i>Dollars in Thousands</i>	<b>Note</b>	<b>Budget</b>	<b>2016</b>	<b>2015</b>
<b>Revenue</b>				
Government grants and contracts				
Province of British Columbia	19	225,284	204,371	226,484
Government of Canada	19	67,101	64,644	63,702
Other governments	19	2,566	2,058	3,379
Tuition				
Credit courses		210,147	209,239	196,703
Non-credit courses and other student fees		25,244	25,895	25,359
Sales of goods and services		43,566	43,460	43,417
Donations, non-government grants and contracts		43,670	47,690	42,423
Investment income	20	21,140	30,245	26,428
Investment income - Great Northern Way Campus Trust	8		333	1,139
Amortization of deferred capital contributions	15	16,727	18,285	16,818
Other revenue		5,090	8,561	7,449
		<b>660,535</b>	<b>654,781</b>	<b>653,301</b>
<b>Expense</b>	21			
Instruction		500,450	506,120	480,361
Research		124,102	109,889	116,155
Community engagement		19,604	23,922	21,424
		<b>644,156</b>	<b>639,931</b>	<b>617,940</b>
<b>Annual Operating Surplus Before Restricted Contributions</b>		<b>16,379</b>	<b>14,850</b>	<b>35,361</b>
Net restricted endowment contributions	22	15,000	17,001	22,678
<b>Annual Operating Surplus</b>		<b>31,379</b>	<b>31,851</b>	<b>58,039</b>
Accumulated Operating Surplus, Beginning of Year		770,233	770,233	712,194
<b>Accumulated Operating Surplus, End of Year</b>		<b>801,612</b>	<b>802,084</b>	<b>770,233</b>
Annual Operating Surplus was allocated to increase Accumulated Surplus for				
Internally restricted for operating commitments			(1,023)	(6,580)
Investment in tangible capital assets			15,873	41,941
Endowment			17,001	22,678
			<b>31,851</b>	<b>58,039</b>

The accompanying notes are an integral part of these financial statements

## Consolidated Statement of Remeasurement Gains and Losses

For the year ended March 31, 2016

<i>Dollars in Thousands</i>	<b>Note</b>	<b>2016</b>	<b>2015</b>
<b>Accumulated Remeasurement Gains, Beginning of Year</b>		<b>38,707</b>	<b>23,346</b>
Unrealized Gains (Losses) Attributable to			
Portfolio investments		(4,972)	10,291
Designated fair value financial instruments		(4,686)	11,692
Foreign currency translation		(529)	(216)
Amounts Reclassified to Consolidated Statement of Operations			
Portfolio investments		(6,313)	(4,572)
Designated fair value financial instruments		(2,078)	(1,254)
Foreign currency translation		382	194
Other Comprehensive Income - Great Northern Way Campus Trust	8	(339)	(774)
<b>Net Remeasurement Gains (Losses) for the Year</b>		<b>(18,535)</b>	<b>15,361</b>
<b>Accumulated Remeasurement Gains, End of Year</b>		<b>20,172</b>	<b>38,707</b>

## Consolidated Statement of Changes in Net Debt

For the year ended March 31, 2016

<i>Dollars in Thousands</i>	<b>Note</b>	<b>Budget</b>	<b>2016</b>	<b>2015</b>
<b>Annual Operating Surplus</b>		<b>31,379</b>	<b>31,851</b>	<b>58,039</b>
Net restricted endowment contributions	22	(15,000)	(17,001)	(22,678)
Contribution of residual interest in real property			(58)	(942)
Net effect of remeasurement gains (losses)		12,900	(18,535)	15,361
		<b>(2,100)</b>	<b>(35,594)</b>	<b>(8,259)</b>
Acquisition of tangible capital assets	17	(62,509)	(56,480)	(71,283)
Proceeds from sale of tangible capital assets		244		
Amortization of tangible capital assets	17	50,082	51,446	53,295
		<b>(12,183)</b>	<b>(5,034)</b>	<b>(17,988)</b>
Net effect of prepaid expense		415	(782)	283
Net effect of prepaid lease		314	315	314
Net effect of inventories held for use		(6)	64	(48)
		<b>723</b>	<b>(403)</b>	<b>549</b>
<b>(Increase) Decrease in Net Debt in the Year</b>		<b>17,819</b>	<b>(9,180)</b>	<b>32,341</b>
Net Debt, Beginning of Year		(307,398)	(307,398)	(339,739)
<b>Net Debt, End of Year</b>		<b>(289,579)</b>	<b>(316,578)</b>	<b>(307,398)</b>

The accompanying notes are an integral part of these financial statements

## Consolidated Statement of Cash Flows

For the year ended March 31, 2016

<i>Dollars in Thousands</i>	2016	2015
<b>Operating Transactions</b>		
Annual operating surplus	31,851	58,039
Items not requiring cash		
Amortization of tangible capital assets	51,446	53,295
Amortization of deferred capital contributions	(18,285)	(16,818)
Pensions	(15,949)	(4,726)
Employee future benefits	5,654	5,367
Income from investment in Great Northern Way Campus Trust	(333)	(1,139)
Loss from investment in SFU Community Trust	1,164	1,030
Amortization of deferred lease proceeds	(393)	(393)
	<b>55,155</b>	<b>94,655</b>
Changes in non-cash operating balances		
Accounts receivable	2,224	(887)
Due from related parties	679	5,559
Inventories for resale and held for use	(270)	(5)
Prepaid expense	(782)	283
Prepaid lease	315	314
Accounts payable and accrued liabilities	14,755	(145)
Deferred revenue	(11,401)	35,790
<b>Cash Provided by Operating Transactions</b>	<b>60,675</b>	<b>135,564</b>
<b>Investing Transactions</b>		
Increase in investments	(21,850)	(79,690)
Distribution from/(contribution to) Great Northern Way Campus Trust	(743)	1,176
<b>Cash Used in Investing Transactions</b>	<b>(22,593)</b>	<b>(78,514)</b>
<b>Financing Transactions</b>		
Deferred capital contributions	48,639	13,849
Long-term debt principal repaid	(19)	(3,645)
<b>Cash Used in Financing Transactions</b>	<b>48,620</b>	<b>10,204</b>
<b>Capital Transactions</b>		
Acquisition of tangible capital assets	(56,480)	(71,283)
<b>Cash Used in Capital Transactions</b>	<b>(56,480)</b>	<b>(71,283)</b>
<b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>30,222</b>	<b>(4,029)</b>
Cash and Cash Equivalents, Beginning of Year	30,272	34,301
<b>Cash and Cash Equivalents, End of Year</b>	<b>60,494</b>	<b>30,272</b>

The accompanying notes are an integral part of these financial statements

## Notes to the Financial Statements

For the year ended March 31, 2016

### 1. Authority and purpose

Simon Fraser University (the University) operates under the authority of the University Act of British Columbia. It is a comprehensive research university engaged in research and delivering a full range of undergraduate, graduate and Lifelong Learning programs from campuses in Burnaby, Vancouver and Surrey, BC. Simon Fraser University is a not-for-profit entity

governed by a Board of Governors, the majority of whom are appointed by the Province of British Columbia. The academic governance of the University is vested in its Senate. The University is a registered charity and is exempt from income taxes under section 149 of the Income Tax Act.

### 2. Summary of significant accounting policies

#### a. Basis of accounting

##### Financial Reporting Framework

The consolidated financial statements have been prepared in accordance with section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and the Restricted Contribution Regulation 198/2011 issued pursuant to it; the Financial Reporting Framework (FRF).

The Budget Transparency and Accountability Act requires that the consolidated financial statements be prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) except as modified by regulation 198/2011. The regulation requires that contributions received or receivable by the University for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be accounted for as deferred capital contributions as described in note 2c(v). Note 15c summarizes the impact of FRF versus PSAS on the consolidated financial statements.

Revenue recognized in the Consolidated Statement of Operations and certain related deferred capital contributions are recorded differently under FRF as described herein than under PSAS.

#### b. Basis of consolidation

##### Consolidated entities

The consolidated financial statements reflect the assets, liabilities, revenues and expenses of organizations which are controlled by the University. Government business enterprises are accounted for by the modified equity method. Other controlled organizations are consolidated or proportionately consolidated and inter-organizational transactions, balances and activities have been eliminated on consolidation.

The following organizations are consolidated or proportionately consolidated in the financial statements to the degree of interest in each:

- Consolidation: SFU Foundation (100%); SFU Community Corporation (100%); SFU Initiatives Corporation (100%); and SF Univentures Corporation (100%).
- Proportionate consolidation: TRIUMF (8.3% interest); and Western Canadian Universities Marine Sciences Society (20% interest).

##### Investment in government business enterprises

Government business enterprises are accounted for by the modified equity method. Under this method, the University's investment in the business enterprise and its net income and other changes in equity are recorded as earned. No adjustment is made to conform the accounting policies of the government business enterprise to those of the University. Other comprehensive income is accounted for as an adjustment to accumulated surplus of the University. Inter-organizational transactions and balances have not been eliminated, except for any profit or loss on transactions involving assets that continue to be controlled by the University.

The following organizations are government business enterprises and are accounted for by the modified equity method. These entities have fiscal years ending December 31 and adjustments are made to recognize any significant transactions between their fiscal year end and the University's March 31 fiscal year end.

- SFU Community Trust (SFUCT) (100% interest).
- Great Northern Way Campus Trust (GNWCT) (25% interest).



**c. Revenue recognition**

(i) Operating government grants not restricted in use are recognized when received or receivable. Such grants, if contributed for a future period, are deferred and reported as deferred revenue until that future period.

(ii) Other unrestricted revenue, including tuition and sales of goods and services, is reported as revenue at the time the service or product is provided.

(iii) Unrestricted contributions and donations are recognized as revenue when received.

(iv) Gifts-in-kind are recorded at fair market value on the date of their donation or at nominal value if the fair market value cannot be reasonably determined.

(v) Externally restricted contributions (grants and donations) are recorded as deferred revenue and then recognized as revenue when the restrictions specified by the contributors are satisfied.

- Contributions for specific purposes other than endowment or the acquisition of tangible capital assets are recorded as deferred revenue and recognized as revenue in the year in which the related expenses are incurred.
- Contributions restricted for capital purposes by external restrictions or the Restricted Contribution Regulation described in note 2a are recorded as deferred revenue until the amount is spent:
  - If the tangible capital asset acquired is land or property rights, the amount is recorded as revenue in the period of acquisition and as an increase to tangible capital assets.
  - If the tangible capital asset has a limited life, the amount invested is recorded as a deferred capital contribution and amortized on a straight-line basis over the useful life of the asset. Amortization commences once the asset is put into use.
- Endowment contributions, matching contributions and associated investment income allocated for preservation of endowment capital purchasing power are recognized in the Consolidated Statement of Operations in the period in which they are received or earned.

(vi) Investment income includes interest recorded on an accrual basis, declared dividends, realized gains and losses on the sale of investments, and write-downs on investments where the loss in value is determined to be other than temporary. For operating investments recorded at fair value, unrealized gains and losses are recorded in the Consolidated Statement of Remeasurement Gains and Losses.

(vii) Income earned on externally restricted investments is deferred and recognized when the related expenditure is made or stipulations are met.

**d. Financial instruments**

Financial instruments are classified into two categories:

(i) fair value and (ii) cost/amortized cost.

(i) Fair value category: portfolio instruments that are quoted in an active market are reflected at fair value as at the reporting date. Other investments held by the University which are managed on a fair value basis have been designated to be recorded at fair value, with the exception of the long-term annuity and residual interest in real property. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are immediately recorded as an expense. Unrealized gains and losses on unrestricted financial assets are recognized in the Consolidated Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to sale or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Consolidated Statement of Operations and related balances are reversed from the Consolidated Statement of Remeasurement Gains and Losses.

Financial instruments are classified as level 1, 2 or 3 for the purposes of describing the basis of the inputs used to measure the fair values of financial instruments in the fair value measurement category, as described below:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Market-based inputs other than quoted prices that are observable for the asset or liability either directly or indirectly.

Level 3 - Inputs for the asset or liability that are not based on observable market data; assumptions are based on the best internal and external information available and are most suitable and appropriate based on the type of financial instrument being valued in order to establish what the transaction price would have been on the measurement date in an arm's length transaction.

(ii) Cost/amortized cost category: cash and cash equivalents are recorded at cost. Other financial instruments including the long-term annuity, residual interest in real property, accounts receivable, due from related parties, accounts payable and accrued liabilities and long-term debt are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the Consolidated Statement of Operations upon derecognition or impairment.

**e. Inventories for resale**

Inventories of merchandise for resale are recorded at the lower of cost and net realizable value.

**f. Non-financial assets**

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets are initially recorded at cost, which includes amounts that are directly related to the acquisition, design, construction, development, improvement or betterment of the assets. Cost includes overhead directly attributable to construction and development, as well as interest costs that are directly attributable to the acquisition or construction of the asset. Contributed tangible capital assets are recorded at fair market value at the date of contribution. Amortization is recorded on a straight-line basis over the estimated useful life of the asset.

2/ Estimated useful life of tangible capital assets

<i>Life in Years</i>	
Buildings - concrete	50
Buildings - wood	30
Site services	50
Leasehold improvements	Term of lease 3 to 7
Computer equipment	3
Equipment and furnishings	8
Library books	10

Land is not amortized as it is considered to have an unlimited useful life. Assets under construction are not amortized until the asset is put into productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets is less than their net book value. There were \$927,000 in write downs of tangible capital assets in 2016 (2015: \$nil) due to the closure of the Louis Riel and limited utility of the Madge Hogarth residence buildings.

(ii) Works of art and cultural assets are not recorded as assets. Information on these special collections is included in note 17a.

(iii) Inventories held for use are recorded at the lower of cost and replacement cost.

(iv) Prepaid lease expense is capitalized and amortized over the term of the related lease.

**g. Pensions**

The University contributes to two pension plans whose Boards of Trustees, representing the members and the employer, manage the plans including the investment of assets and administration of benefits. Accordingly, the pension plans have separate financial statements.

For accounting purposes, the defined benefit pension obligation and cost of pension benefits earned by employees are recognized using annual accounting valuations from each of the plans tri-annual actuarial funding valuations. A variety of assumptions factor into the results: including expected investment performance, inflation rates, compensation levels, retirement age and life expectancy. The resulting actuarial gains and losses, arising from changes in assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of active employees.

**h. Employee future benefits**

The University operates three employee future benefit plans providing: non pension retiree medical, extended health and dental benefits; early retirement benefits; and provisions for long-term disability.

For accounting purposes, the University recognizes the accrued benefit obligations and determines the expense of the fiscal period through actuarial valuations and extrapolations. Adjustments arising from changes in actuarial assumptions and actuarial gains and losses are amortized over the Expected Average Remaining Service Lifetime (EARSL) of active employees, except for long-term disability which, as an event driven compensated absence benefit, is recognized immediately.

**i. Deferred capital contributions**

Funding received or contributed for the acquisition of depreciable tangible capital assets is recorded as deferred capital contributions and is amortized to income at the same rate that the related tangible capital assets are amortized to expense. This is not consistent with the requirements of Canadian Public Sector Accounting Standards which require that government transfers be recognized when approved and eligibility criteria have been met, unless the transfer contains a stipulation that creates a liability, in which case the transfer is recognized over the period that the liability is extinguished. Note 15c quantifies the impact of this difference.

However, this accounting for deferred capital contributions is in compliance with the requirements of the Budget Transparency and Accountability Act of the Province of British Columbia and the Restricted Contribution Regulation 198/2011 issued pursuant to it.

**j. Pledges**

Pledges from donors (cash donations and gifts-in-kind) are not recognized as revenue in the consolidated financial statements until the donations are received since their collection cannot be reasonably assured until that time. For information purposes, they are disclosed in note 23.

**k. Asset retirement obligations**

Liabilities are recognized for statutory, contractual or legal obligations, associated with the retirement of property, plant and equipment when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related asset. In subsequent periods, the liability is adjusted for the accretion of the discount and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and the discount accretion is included in interest expense as part of determining the results of operations.

**l. Foreign currency translation**

The University's functional currency is the Canadian dollar. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities which were designated in the fair value category under the financial instrument standard are reflected in the consolidated financial statements in equivalent Canadian dollars at the exchange rate in effect on the date of the consolidated financial statements. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or consolidated financial statement date is recognized in the Consolidated Statement of Remeasurement Gains and Losses. In the period of settlement, the related cumulative remeasurement gain/loss is reversed in the Consolidated Statement of Remeasurement Gains and Losses, and the exchange gain/loss in relation to the exchange rate at the date of the item's initial recognition is recognized in the Consolidated Statement of Operations.

**m. Measurement uncertainty**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the consolidated financial statements and the reported amounts of the revenues and expenses during the period. Items requiring the use of significant estimates include: the useful life of tangible capital assets, estimated pension and employee future benefits, liability for contaminated sites, and impairment of assets.

Estimates are based on the best information available at the time of preparation of the consolidated financial statements and are reviewed annually to reflect new information as it becomes available.

Measurement uncertainty exists in these consolidated financial statements. Actual results could differ from these estimates.

**n. Liability for contaminated sites**

Contaminated sites are a result of contamination of a chemical, organic or radioactive material or live organism that exceeds an environmental standard, being introduced into soil, water or sediment. The liability is recorded net of any expected recoveries. A liability for remediation of contaminated sites is recognized when all the following criteria are met:

- i. an environmental standard exists;
- ii. contamination exceeds the environmental standard;
- iii. the University is directly responsible or accepts responsibility; and
- iv. a reasonable estimate of the amount can be made.

A liability of \$3,135,000 (2015:\$2,785,000) is reported in accounts payable and accrued liabilities. No additional contaminated sites were identified during the year.

**o. Budget figures**

Budget figures have been provided for comparative purposes and are derived from budgets approved by the Board of Governors on May 28, 2015.

### 3. Financial instruments risks

The fair value of a financial instrument is the estimated amount that the University would receive or pay to settle a financial asset or liability at the reporting date.

The financial instruments of the University and the nature of risks that they may be subject to are as follows:

Financial Instrument	Credit Risk	Liquidity Risk	Market Risks		
			Foreign Exchange	Interest Rate	Other Price
Cash and cash equivalents	X			X	
Accounts receivable	X			X	
Due from related parties	X	X			
Investments - portfolio and restricted	X	X	X	X	X
Accounts payable and accrued liabilities		X	X		
Long-term debt		X		X	X

#### Credit risk

The University is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The University does not directly hold any collateral as security for financial obligations receivable.

#### Cash and cash equivalents

Credit risk associated with cash and cash equivalents is minimized by ensuring that these assets are invested in Schedule A Canadian Chartered Banks.

#### Accounts receivable

Management believes concentrations of risk with respect to accounts receivable is limited.

- Student accounts receivable is made up of a large population of limited amounts. The University has leverage to stop further enrolment and the granting of transcripts until payment is made. Additionally, the University is proactive in its management of collections.
- Other receivables, advances and tax recoveries are generally with governments, major institutions and other credit worthy institutions.

The University maintains allowances for potential credit losses and such losses to date have been within the University's expectations. In making estimates in respect of the allowance for doubtful accounts, current economic conditions, historical information, reasons for the accounts being past due and line of business from which the receivable arose are all considered in the determination of when to allow for past due accounts. The same factors are considered when determining whether to write off amounts charged to the allowance account against the amounts receivable.

#### Due from related parties

The University believes its receivable from SFU Community Trust is collectible based on its understanding of the business plans of the Trust.

#### Investments - portfolio and restricted

The University has investment policies to ensure investments are managed appropriately in order to balance preservation of capital, liquidity requirements and investment returns. The University retains several external investment management firms to invest funds in accordance with its investment policies, utilizing diverse agreed upon investment strategies primarily in active trading markets. The fair value hierarchy for fair value measurements provides an indication of the overall types of investments held at March 31, 2016: 95% quoted prices in active markets for identical investments (level 1), 0% direct or indirect observable prices that are not quoted prices (level 2), and 5% inputs that are not observable market data (level 3).

#### Liquidity risk

Liquidity risk is the risk that the University will not be able to meet a demand for cash or fund its obligations as they come due. Liquidity risk also includes the risk of the University not being able to liquidate assets in a timely manner at a reasonable price.

The University meets its liquidity requirements by holding assets that can be readily converted into cash and preparing annual operating and capital expenditure budgets, which are monitored and updated as required. In addition, to assist with the management of capital the University requires authorizations of expenditures on projects.

#### Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual financial instrument or factors affecting financial instruments traded in the market. The significant market risks to which the University is exposed are foreign exchange risk, interest rate risk and other price risk.

**Foreign exchange risk**

Foreign exchange risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate in Canadian dollar value due to changes in foreign exchange rates.

The functional currency of the University is the Canadian dollar. The University transacts some revenue and expenditure activity in US dollars and other currencies due to certain operating costs being denominated in US dollars and other currencies.

The University uses foreign exchange forward contracts only as a defensive strategy for significant known future obligations to manage foreign exchange transaction exposures. There were no contracts outstanding at March 31, 2016.

**Interest rate risk**

Interest rate risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The interest rate exposure of the University arises from its interest bearing assets and its fixed income investments including bonds and debentures.

The University's cash includes amounts on deposit that earn interest at market rates. The University manages its exposure to the interest rate risk of its cash in order to maximize the interest income earned on funds available for investment while maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the University's results of operations.

The primary objective of the University with respect to its investments in fixed income investments is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory investment return.

**Other price risk**

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from foreign exchange risk or interest rate risk). The University is exposed to price risk through its investment in equities. The price risk associated with bonds is considered as part of interest rate risk for these purposes.

**4. Cash and cash equivalents**

Cash and cash equivalents are demand deposits in Schedule A Canadian chartered banks, held primarily in Canadian currency, and are presented net of outstanding items including cheques written but not cleared by the bank as at the date of the Consolidated Statement of Financial Position.

**5. Accounts receivable**

<i>Dollars in Thousands</i>	<b>2016</b>	<b>2015</b>
Revenue receivable	1,486	4,796
Other receivables	6,632	4,970
Provision for doubtful accounts	(1,698)	(1,122)
<b>Accounts Receivable</b>	<b>6,420</b>	<b>8,644</b>

Revenue receivable includes receivables related to student billings, ancillary services billings and government grants. Other receivables include a lease deposit, employee travel advances and third party billings.

**6. Due from related parties**

<i>Dollars in Thousands</i>	<b>2016</b>	<b>2015</b>
SFU Community Trust receivable		
Promissory note, interest at prime rate less 0.5% per annum, due December 31, 2020	5,192	5,149
Parking agreement receivable, interest at prime rate, due December 31, 2021	4,474	4,474
Accrued interest receivable on parking agreement	98	109
Promissory note, interest at 2.5% per annum, due June 15, 2016	3,791	3,760
<b>Due from SFU Community Trust</b>	<b>13,555</b>	<b>13,492</b>
<b>GNWCT receivable without interest or fixed repayment terms</b>	<b>434</b>	<b>1,176</b>
<b>Due from Related Parties</b>	<b>13,989</b>	<b>14,668</b>



Pursuant to a parking agreement, the University and SFUCT have agreed to the total amount of the obligation of \$15,000,000, of which \$526,000 (2015: \$526,000) has been received. Recognition of the receivable from SFUCT occurs in relation to phases of development; \$10,000,000 remains to be recognized in relation to future phases of development.

## 7. Investments

### 7a/ Consolidated Statement of Financial Position presentation of investments

<i>Dollars in Thousands</i>	Reported Value	
	2016	2015
Financial assets presentation category		
<b>Portfolio investments</b>	<b>440,585</b>	<b>453,990</b>
Non-financial assets presentation category		
Endowment investments (note 18a)	302,870	285,869
Non-endowment investment	1,000	942
	<b>303,870</b>	<b>286,811</b>
<b>Total Investments</b>	<b>744,455</b>	<b>740,801</b>

### 7b/ Investments

<i>Dollars in Thousands</i>	Reported Value		
	2016	2015	Cost 2016
<b>Investments Recorded at Fair Value</b>			
Designated to the fair value category (level 1)			
Actively managed bond fund			
Federal bonds	35,703	30,753	35,721
Provincial and municipal bonds	51,409	49,603	51,386
Corporate bonds	69,633	75,394	69,775
	<b>156,745</b>	<b>155,750</b>	<b>156,882</b>
Indexed bond fund	150,599	144,389	151,018
Sinking fund investments	3,090	2,991	2,468
Term deposits	2,179	1,590	2,179
<b>Total Fixed Income Investments</b>	<b>312,613</b>	<b>304,720</b>	<b>312,547</b>
Equity instruments quoted in an active market (level 1)			
Canadian equities	217,853	211,095	197,405
Foreign equities	179,075	190,489	147,210
<b>Total Level 1 Category Financial Instruments</b>	<b>709,541</b>	<b>706,304</b>	<b>657,162</b>
Designated to the fair value category (level 3)			
Private equities	23,592	22,136	20,138
Other investments	1,639	1,604	1,309
<b>Total Level 3 Category Financial Instruments</b>	<b>25,231</b>	<b>23,740</b>	<b>21,447</b>
<b>Investments Valued at Cost/Amortized Cost</b>			
Long-term annuity	8,683	9,815	8,683
Residual interest in real property	1,000	942	1,000
<b>Total Investments Valued at Cost/Amortized Cost</b>	<b>9,683</b>	<b>10,757</b>	<b>9,683</b>
<b>Total Investments</b>	<b>744,455</b>	<b>740,801</b>	<b>688,292</b>

Bonds in the actively managed bond fund mature between 2016 and 2067 and have coupon rates between 0% and 8.50% (2015: 0% and 11.80%).

The indexed bond fund is benchmarked to the FTSE TMX Canada Universe Bond Index which includes 36% (2015: 37%) federal government bonds, 36% (2015: 34%) provincial and municipal government bonds, and 28% (2015: 29%) corporate bonds and debentures. As at March 31, 2016 the fund's one year return was 0.8% and the duration was 7.5 years.

Sinking fund investments are held and invested by the Province of British Columbia. These funds will provide for the retirement of debentures issued to the Province at maturity in 2022.

Term deposits consist of: \$1,000,000 non-redeemable, paying 2.15% per annum, maturing on November 19, 2017; and \$1,179,000 proportionate share in redeemable and non-redeemable GIC's with maturities in April 2016, May 2016, September 2016 and October 2016 held by TRIUMF.

Canadian equities are managed by two investment management firms, each with their own investment strategy. One uses a blend of fundamental analysis and quantitative models, while the other is strictly based on a fundamental bottom-up approach.

Foreign equities are invested approximately 46% (2015: 48%) in United States markets and 54% (2015: 52%) outside of the United States.

Private equities consist of six pooled private equity funds in which the University participates.

Other investments consist of hedge funds, real estate and mortgages which are invested via the Vancouver Foundation. There are two hedge funds: one follows a Canada-focused diversified strategy and the other follows a diversified liquid multi-strategy. Real estate and mortgages consist of pooled real estate funds and direct mortgages secured by real estate, all of which relate to properties located in Canada.

The long-term annuity is receivable in installments of \$2,257,000 in 2017, \$8,257,000 in 2018 and bears interest at 11.48%.

Other investments valued at cost/amortized cost include the residual interest in a charitable gift of real property. The investment was initially recorded at the net present value using a discount rate of 3% over 16 years.

#### 7c/ Reconciliation of investment cost to reported value

<i>Dollars in Thousands</i>	<b>2016</b>	<b>2015</b>
<b>Investments at cost</b>	<b>688,292</b>	<b>624,113</b>
Unrealized amounts reported in the Consolidated Statement of Remeasurement Gains and Losses		
Balance, beginning of year	38,905	22,750
Change in the year	(18,048)	16,155
<b>Balance, End of year</b>	<b>20,857</b>	<b>38,905</b>
Deferred revenue related to restricted endowments		
Balance, beginning of year	77,783	54,455
Change in the year (note 14c)	(42,477)	23,328
<b>Balance, End of year</b>	<b>35,306</b>	<b>77,783</b>
<b>Total Investments at Reported Value</b>	<b>744,455</b>	<b>740,801</b>

## 8. Investment in Great Northern Way Campus Trust

The Great Northern Way Campus Trust (GNWCT) was established under the laws of the Province of British Columbia for the benefit of the British Columbia Institute of Technology, Emily Carr University of Art + Design, Simon Fraser University and the University of British Columbia. SFU has a 25% proportionate interest in GNWCT. GNWCT offers a Masters of Digital Media degree program. Additionally, GNWCT is engaged in short-term property management and site development of land in the City of Vancouver that was 80% gifted by Finning International Inc. to the partner institutions in 2001.

Great Northern Way Campus Ltd., a company 25% proportionately owned by the four beneficiaries of GNWCT, has the sole purpose of being the Trustee of GNWCT and has no business operations.

The University's proportionate interest in GNWCT is classified as a government business enterprise, accounted for on the modified equity basis utilizing the annual audited financial statements of GNWCT prepared as at December 31. As the fiscal periods of GNWCT and the University are not coterminous, any significant financial transactions that occur during the intervening period are recorded in these consolidated financial statements based on the fiscal year of the University.

Other comprehensive income from GNWCT is included in the Consolidated Statement of Remeasurement Gains and Losses.

### 8a/ Investment in Great Northern Way Campus Trust

<i>Dollars in Thousands</i>	2016	2015
Great Northern Way Campus Trust equity, December 31	61,291	58,345
SFU proportionate interest	25%	25%
<b>Investment in SFUCT, End of Year</b>	<b>15,323</b>	<b>14,586</b>

### 8b/ Change in investment in Great Northern Way Campus Trust

<i>Dollars in Thousands</i>	2016	2015
Great Northern Way Campus Trust net income for the calendar year per draft financial statements	1,332	4,557
SFU proportionate interest	25%	25%
<b>SFU Share of GNWCT Net Income</b>	<b>333</b>	<b>1,139</b>
Other comprehensive income (loss) for the calendar year	(1,355)	(3,094)
SFU proportionate interest	25%	25%
<b>SFU Share of GNWCT Other Comprehensive (Loss)</b>	<b>(339)</b>	<b>(774)</b>
Contributions to (distributions from) GNWCT by partner institutions	2,969	(4,705)
SFU proportionate interest	25%	25%
<b>SFU Share of Contributions to (from) GNWCT by partner institutions</b>	<b>743</b>	<b>(1,176)</b>
<b>Change in SFU Investment in GNWCT</b>	<b>737</b>	<b>(811)</b>
SFU Investment in GNWCT, beginning of year	14,586	15,397
<b>SFU Investment in GNWCT, End of Year</b>	<b>15,323</b>	<b>14,586</b>

## 8c/ Life-to-date investment in Great Northern Way Campus Trust

<i>Dollars in Thousands</i>	2016	2015
Initial settlement upon GNWCT	33,787	33,787
GNWCT cumulative comprehensive income	27,852	27,875
Distributions from GNWCT	(14,236)	(12,499)
Contributions by partner institutions	13,888	9,182
	<b>61,291</b>	<b>58,345</b>
SFU proportionate interest	25%	25%
<b>SFU Investment in GNWCT</b>	<b>15,323</b>	<b>14,586</b>

## 8d/ Financial summary - Great Northern Way Campus Trust

<i>Dollars in Thousands</i>	December 31, 2015	December 31, 2014
<b>Financial Position</b>		
Total assets	80,761	80,086
Total liabilities	19,470	21,741
<b>Trust Balance, End of Year</b>	<b>61,291</b>	<b>58,345</b>
<b>Results of Operations &amp; Trust Balance</b>		
Revenue	8,591	13,072
Expense	7,259	8,515
<b>Net Income for the Year</b>	<b>1,332</b>	<b>4,557</b>
Comprehensive income (loss)	(1,355)	(3,094)
Distributions (to) from beneficiaries	2,969	(4,705)
<b>Net changes in the year</b>	<b>2,946</b>	<b>(3,242)</b>
Trust balance, beginning of year	58,345	61,587
<b>Trust Balance, End of Year</b>	<b>61,291</b>	<b>58,345</b>
<b>Cash Flows</b>		
Operating transactions	(561)	(423)
Investing transactions	(3,710)	(15,880)
Financing transactions	25	25
<b>Increase (Decrease) in Cash During the Year</b>	<b>(4,246)</b>	<b>(16,278)</b>

## 9. Investment in SFU Community Trust

SFU Community Trust (SFUCT) was established in 2002 to develop land adjacent to the Burnaby campus. This development is known as UniverCity. The University granted SFUCT the ability to sell to real estate developers rights to enter into 99-year leases on land that is owned by the University.

SFUCT is a taxable business trust and must pay income taxes on any taxable income not allocated to beneficiaries. The beneficiaries are the University and Simon Fraser University Foundation, whose beneficiary is also the University.

SFU Community Corporation, a company wholly owned by the University, has the sole purpose of being Trustee of SFUCT and has no business operations.

The University's 100% interest in SFUCT is classified as a government business enterprise, accounted for on the modified equity basis utilizing the annual audited financial

statements of SFUCT prepared as at December 31. As the fiscal periods of SFUCT and the University are not coterminous, any significant financial transactions that occur during the intervening period are recorded in these consolidated financial statements based on the fiscal year of the University.

In applying the modified equity basis of accounting to its interest in SFUCT, the University makes adjustments for related party transactions where the underlying assets remain under the University's control. The inter-entity rights to grant 99-year leases that were recorded by the SFUCT at fair market values are eliminated from equity/investment in SFUCT until realized by third party transactions. The ultimate sale to developers of these 99-year lease rights represents the culmination of the transaction for SFUCT who then report such amounts as "sales". The University, as the grantor of the 99-year leases, adjusts these sales to amortize the net sales revenue on a straight-line basis over a 99-year lease period as further described in note 16.

## 9a/ Investment in SFU Community Trust

<i>Dollars in Thousands</i>	2016	2015
Net loss reported by SFUCT	(1,164)	(1,030)
Investment in SFUCT, beginning of year	7,047	8,077
<b>Investment in SFUCT, End of Year</b>	<b>5,883</b>	<b>7,047</b>

## 9b/ Trust equity reconciled to investment in SFU Community Trust

<i>Dollars in Thousands</i>	2016	2015
<b>Trust equity as reported by SFUCT</b>	<b>13,576</b>	<b>14,740</b>
Less: adjustment to eliminate the inter-entity gain on the 99-year lease rights		
First rights settlement	(9,418)	(9,418)
Second rights settlement	(8,126)	(8,126)
Lease rights recognized through sales to third parties	9,851	9,851
	<b>(7,693)</b>	<b>(7,693)</b>
<b>Investment in SFUCT, End of Year</b>	<b>5,883</b>	<b>7,047</b>

## 9c/ Life-to-date investment in SFU Community Trust

<i>Dollars in Thousands</i>	2016	2015
Settled on formation at fair market value	14,339	14,339
Adjustment to eliminate the inter-entity gain on the 99-year lease rights	(9,418)	(9,418)
<b>Settled upon SFUCT at University cost</b>	<b>4,921</b>	<b>4,921</b>
Second settlement	8,126	8,126
Adjustment to eliminate the inter-entity gain on the 99-year lease rights	(8,126)	(8,126)
<b>Settled upon SFUCT at University cost</b>		
Cumulative income as reported by SFUCT	26,378	27,542
Lease rights recognized through sales to third parties	9,851	9,851
<b>Interest in SFUCT cumulative income</b>	<b>36,229</b>	<b>37,393</b>
Distributions from SFUCT:		
Applied to accounts receivable	(4,882)	(4,882)
Derived from SFUCT net income	(30,385)	(30,385)
	<b>(35,267)</b>	<b>(35,267)</b>
<b>Investment in SFUCT</b>	<b>5,883</b>	<b>7,047</b>

In addition to an equity interest in the net income of SFUCT, the University is entitled to base rent under certain conditions.

## 9d/ Life-to-date base rent

<i>Dollars in Thousands</i>	2016	2015
Balance, beginning of year	1,095	1,095
Base rent earned in the year		
<b>Balance, End of Year</b>	<b>1,095</b>	<b>1,095</b>

## 9e/ Financial summary - SFU Community Trust

<i>Dollars in Thousands</i>	<b>December 31, 2015</b>	<b>December 31, 2014</b>
<b>Financial Position</b>		
Total assets	57,621	54,279
Total liabilities	44,095	39,539
<b>Trust Balance, End of Year</b>	<b>13,526</b>	<b>14,740</b>
<b>Results of Operations &amp; Trust Balance</b>		
Revenue	1,722	1,828
Expense	2,886	2,858
<b>Net Loss for the Year</b>	<b>(1,164)</b>	<b>(1,030)</b>
Trust balance, beginning of year	14,740	15,770
<b>Trust Balance, End of Year</b>	<b>13,576</b>	<b>14,740</b>
<b>Cash Flows</b>		
Operating transactions	(3,580)	(5,582)
Investing transactions	(2,152)	(3,384)
Financing transactions	6,221	1,390
<b>Increase (Decrease) in Cash During the Year</b>	<b>489</b>	<b>(7,576)</b>

## 10. Accounts payable and accrued liabilities

<i>Dollars in Thousands</i>	<b>2016</b>	<b>2015</b>
Trade payables and accruals	23,842	13,700
Salaries and benefits payable	20,298	14,255
Accrued vacation pay	6,960	6,400
Other	8,002	9,992
<b>Accounts Payable and Accrued Liabilities</b>	<b>59,102</b>	<b>44,347</b>

## 11. Pensions

The University has two registered pension plans providing pension benefits to its employees: the Academic Plan and the Administrative/Union Plan. The provisions of these plans stipulate that the University has no formal claim to any pension plan surplus or asset.

The Boards of Trustees for each of these plans represent plan members and the University. The trustees are fully responsible for the management of the plans including the investment of assets and administration of benefits. The University is responsible for funding the pension plans.

For funding purposes, and to determine the contribution rate, the BC Pension Benefits Standards Act (PBSA) requires an actuarial valuation of plan liabilities for each defined benefit Formula Retirement Benefit Plan (FRB), at intervals of not more than three years. The actuarial valuations are prepared using the projected unit cost method, prorated on service, and provide two measurements: a going concern valuation and a solvency valuation.

**Actuarial Valuations**

Accounting valuations have the primary purpose of determining the liability and expense recorded in the financial statements. Assumptions are determined in line with relevant Public Sector Accounting Standards (PSAS) on a best estimate basis and are reviewed on an annual basis. This is a going concern type valuation which assumes the plan will continue indefinitely and measures assets at market value, and liabilities on a best estimate basis, including the use of a discount rate equal to the expected rate of return on plan assets.

Going concern valuations, required by the PBSA, are used to determine funding requirements. Assumptions used are pursuant to the PBSA. This type of valuation has margins for conservatism included in the actuarial assumptions used to value the liabilities of the pension plan, resulting in a larger liability than that of an accounting valuation.



Solvency valuations, required by PBSA for single employer plans only, will consider the pension plan as if it were to be wound up on the valuation date. The assumptions used in solvency valuations are largely dictated by the Canadian Institute of Actuaries which requires that bond rate yields, typically less than plan asset earnings, be used in determining the liabilities. The application of such conservative discount rates results in larger liabilities and funding deficiencies. Solvency deficiencies must be funded over a maximum of five years, either by additional contributions or, as the University has chosen, by a Letter of Credit (note 24).

The funding determined under the most recent going concern valuation exceeds the pension expense resulting from the annual accounting valuation.

#### **Pension plan for members of the academic staff (Academic Plan)**

The Academic Plan provides pension benefits primarily on a defined contribution basis whereby funding is directed to individual Money Purchase Accounts (MPA). Benefit payments are based upon the asset value within the individual MPA at the time of retirement. While all contributions to the plan are made by the University, additional contributions may also be made by employees to their individual MPA. An actuarial valuation is not required for the Academic MPA Plan.

During the 2015 and 2014 calendar years, contributions made by the University to the Academic MPA Pension Plan were 9.6% of pensionable earnings, totaling \$12,450,000 (2014: \$12,367,000).

The Academic Plan also includes a grandfathered FRB plan. The Academic FRB Plan is a defined benefit plan which provides benefits based on earnings and years of service at SFU, indexed relative to the increase in the Consumer Price Index (CPI) up to a maximum of 3% per annum. Contributions made to the Academic FRB Plan are by the University and for the calendar year 2015 were \$541,000 (2014: \$541,000) in respect of the going concern deficit.

The most recent tri-annual actuarial valuation for the Academic FRB Plan was completed as at December 31, 2015; the next valuation will be prepared as at December 31, 2018.

An accounting valuation of the Academic FRB plan, also prepared as at December 31, 2015, revealed an actuarial loss of \$1,491,000 (2015 gain: \$2,417,000). Contributing to the loss were returns on plan assets that were \$131,000 less than expected (2015 gain: \$1,430,000) and an actuarial loss related to the obligation of \$1,360,000 (2015 gain: \$987,000). The gains and losses are recognized by the University over Expected Average Remaining Lifetime.

#### **Pension plan for administrative/union staff (Administrative/Union Plan)**

The Administrative/Union Plan is a defined benefit plan based on a combination of years of service and the average of the highest sixty consecutive months' salary. Pensions are indexed to CPI up to a maximum of 3% per annum. Additional voluntary contributions to the Administrative/Union Plan may be made to individual Money Purchase Accounts (MPA) by employees. Pursuant to an agreement between the University and the employee organizations, in certain circumstances, a portion of assets in excess of liabilities may be payable to plan members. In such circumstances, these payments would be directed to the individual MPA. No contributions were directed to the Administrative/Union MPA Plan by the University in the current or prior year.

Contributions to the Administrative/Union Pension Plan made by the University during the 2015 and 2014 calendar year were at a rate of 17.14% of pensionable earnings, totaling \$17,938,000 (2014: \$17,488,000). In addition, contributions of \$3,203,000 (2014: \$2,998,000) were made in respect of commuted value solvency holdbacks.

The most recent tri-annual actuarial valuation of the Administrative/Union Plan was completed as at December 31, 2013; the next valuation will be prepared as at December 31, 2016.

An actuarial valuation of the Administrative/Union plan was completed as at December 31, 2013 and formed the basis of the annual accounting valuation as at December 31, 2015, where an actuarial loss of \$9,671,000 resulted (2015 gain: \$61,651,000). Contributing to the loss were returns on plan assets that were \$8,117,000 less than expected (2015 gain: \$7,938,000) and an actuarial loss related to the obligation of \$1,554,000 (2015 gain: \$53,713,000). The gains and losses are recognized by the University over EARSL.

#### **Defined benefit pension plan liability and expense**

The liabilities of the FRB pension plans and current service costs for the year have been based on accounting valuations using the projected unit cost method, prorated on service.

Pension expense is reported by function, within the Consolidated Statement of Operations, while the accrued pension liability is reported on the Consolidated Statement of Financial Position.

## 11a/ Significant actuarial assumptions

	<b>Administrative/ Union</b>	<b>Academic FRB</b>
Effective date of most recent actuarial valuation report for funding purposes	31-Dec-13	31-Dec-15
Measurement date of plan assets / accrued benefit obligation	31-Dec-15	31-Dec-15
Expected future inflation rate	2.00%	n/a
Post-retirement inflation increase	n/a	2.00%
Expected Average Remaining Service Lifetime of active employees (EARS�)	10 yrs	n/a
Average remaining pension payment period	n/a	16 yrs
Beginning of period		
Discount rate	6.50%	6.50%
Expected long-term rate of return on plan assets	6.50%	6.50%
Rate of compensation increase	2.75%	n/a
End of period		
Discount rate	6.25%	6.25%
Expected long-term rate of return on plan assets	6.25%	6.25%
Rate of compensation increase	2.50%	n/a

## 11b/ Life expectancy assumptions

	December 31, 2015				December 31, 2014			
	Life expectancy at 65 for a member currently				Life expectancy at 65 for a member currently			
	Age 65		Age 45		Age 65		Age 45	
<i>Years</i>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>	<b>Male</b>	<b>Female</b>
<b>Administrative/Union</b>								
2014 Private Sector Mortality Table	21.5	24	22.6	25	21.4	23.9	22.6	24.9
<b>Academic (FRB)</b>								
2014 Private Sector Mortality Table	21.5	24	22.6	25				
1994 Uninsured Pensioner Mortality Table					19.8	22.1	21.3	22.9

## 11c/ Net pension liability

<i>Dollars in Thousands</i>	Administrative / Union	Academic FRB	2016	2015
Accrued benefit obligation, beginning of year	259,212	27,006	286,218	324,911
Current period benefit cost (net of employee contributions)	13,444		13,444	16,633
Employee contributions / transfer from MPA	37	1,411	1,448	32
Interest cost	16,771	1,718	18,489	16,442
Benefit payments	(15,873)	(2,563)	(18,436)	(17,100)
Actuarial loss (gain)	1,554	1,360	2,914	(54,700)
<b>Accrued Benefit Obligation, End of Year</b>	<b>275,145</b>	<b>28,932</b>	<b>304,077</b>	<b>286,218</b>
Fair value of plan assets, beginning of year	293,701	28,776	322,477	291,124
Employer contributions	21,162	541	21,703	20,873
Employee contributions / transfer from MPA	37	1,411	1,448	32
Actual return on plan assets	11,147	1,720	12,867	27,548
Benefit payments	(15,873)	(2,563)	(18,436)	(17,100)
<b>Fair Value Plan Assets, End of Year (*)</b>	<b>310,174</b>	<b>29,885</b>	<b>340,059</b>	<b>322,477</b>
<b>Funded Status, Pension Plan Surplus</b>	<b>(35,029)</b>	<b>(953)</b>	<b>(35,982)</b>	<b>(36,259)</b>
Unamortized net actuarial gain	43,659	3,711	47,370	63,596
<b>Net Pension Liability</b>	<b>8,630</b>	<b>2,758</b>	<b>11,388</b>	<b>27,337</b>

\* Defined benefit pension plan consists of:

	Administrative / Union		Academic FRB	
	2016	2015	2016	2015
Equity securities	63%	61%	65%	65%
Debt securities	37%	39%	35%	35%
	100%	100%	100%	100%

## 11d/ Defined benefit pension expense

<i>Dollars in Thousands</i>	Administrative / Union	Academic FRB	2016	2015
Current period benefit cost (including employee contributions)	13,481	1,411	14,892	16,665
Less: employee contributions	(37)	(1,411)	(1,448)	(32)
Amortization of net actuarial loss (gain)	(4,727)	(337)	(5,064)	1,252
Interest cost on unfunded pension obligation	16,771	1,718	18,489	16,442
Actual return on pension plan assets	(11,147)	(1,720)	(12,867)	(27,548)
Actuarial loss (gain) on pension obligation	1,554	1,360	2,914	(54,700)
<b>Pension Related Expense Before Adjustments</b>	<b>15,895</b>	<b>1,021</b>	<b>16,916</b>	<b>(47,921)</b>
Pension expense to be amortized and recognized over EARS L:				
Actuarial gain (loss) on pension plan assets	(8,117)	(131)	(8,248)	9,368
Actuarial gain (loss) on pension obligation	(1,554)	(1,360)	(2,914)	54,700
<b>Pension Expense Recognized</b>	<b>6,224</b>	<b>(470)</b>	<b>5,754</b>	<b>16,147</b>

**Defined benefit pension plan solvency**

Pursuant to the BC Pension Benefits Standards Act, instead of making solvency deficiency payments, the University chose to

arrange Letters of Credit (LOC) to satisfy solvency contribution requirements.

11e/ Defined benefit pension plans: solvency deficiency payment and Letter of Credit requirements

<i>Dollars in Thousands</i> Calendar Year	Cumulative Letter of Credit Requirements	
	Administrative / Union	Academic FRB
2015	75,020	11,404
2016	77,750	12,295
2017	*	13,210

The foregoing is based on the Administrative/Union 2013 actuarial report and the Academic FRB 2015 actuarial report.

\* The next actuarial valuation reports of the plans will establish the future Letter of Credit (LOC) and solvency payment requirements.

	Effective Date of Next Actuarial Valuation	Impact on Solvency and LOC Requirements
Administrative/ Union	31-Dec-16	2017 and beyond
Academic FRB	31-Dec-18	2019 and beyond

11f/ Sensitivity to actuarial assumptions, as at December 31, 2015

<i>Dollars in Thousands</i>	Administrative / Union Obligation		Academic FRB Obligation	
	\$	%	\$	%
Estimated increase				
0.5% decrease in discount rate	22,763	8.3	1,139	3.9
0.5% increase in inflation	15,651	5.7	1,187	4.1
0.5% increase in compensation	6,000	2.2		
10% reduction to mortality rates (0.8 years for a 65 year old)	5,377	2	926	3.2

The amounts above have been determined assuming all other assumptions remain unchanged.

## 12. Employee future benefits

Some benefit plans for employees involve payments to be made after the provision of service, or for compensated absences, and are described as employee future benefits. For accounting purposes, the University measures the accrued

benefit obligations and determines the expense for the current fiscal period through actuarial valuations and extrapolations. The University does not segregate assets to specifically offset this liability.

12a/ Significant actuarial assumptions

	Non-Pension Retiree	Early Retirement	Long-Term Disability
Measurement date of accrued benefit obligation	31-Dec-15	31-Dec-15	31-Dec-15
Expected future inflation rate	2.00%	2.00%	2.00%
Expected Average Remaining Service Lifetime of active employees (EARS�)	9 yrs	7 yrs	n/a
Weighted average remaining years until last payment	n/a	n/a	5 yrs
Beginning of period discount rate	4.00%	4.00%	4.00%
End of period discount rate	4.00%	4.00%	4.00%
Assumed health care cost trend rates, including inflation of 2.00%			
Medical Services Plan	4.00%	n/a	4.00%
Dental	4.25%	n/a	4.25%
Extended Health Benefits(EHB)	7.40%	n/a	7.40%
EHB cost trend rate declines to	5.00%	n/a	5.00%
Year that EHB rate reaches the rate it is assumed to remain at	2028	n/a	2028

**Description of benefit plans**

The University provides retirement and compensated absence benefits to employees.

**Retirement benefits**

Retirement benefits represent obligations of the University to provide benefits to the employees in return for their services. As employees render services, the value of the retirement benefits are attributed to those services and recorded as liabilities and expenses. As such, gains or losses resulting from extrapolations performed on the most current actuarial valuations are amortized over the Expected Average Remaining Service Lifetime of active employees (EARSL) using the straight-line method, commencing the following fiscal year. The most recent tri-annual actuarial valuations of the retirement benefit plans were completed as at December 31, 2015; the next valuations will be as at December 31, 2018.

**Non-pension retiree**

Non pension retiree benefits represent the obligation for portions of future premiums payable on behalf of eligible current employees and retirees for medical, extended health and dental benefits. Only employees hired before dates between July 1, 2001 and May 1, 2003, depending on employee group, are eligible for this benefit. The most recent valuation reported an actuarial loss of \$7,829,000 (2015 loss: \$2,621,000) to be amortized over EARSL. The loss on the liabilities was driven primarily by the introduction of the CPM 2014 mortality table which reflects increased life expectancies.

**Early retirement**

Early retirement benefits represent the obligation to employees who took early retirement in the mid 1990s and other employees who receive supplementary pensions. The most recent valuation reported an actuarial loss of \$42,000 (2015 loss: \$423,000). The loss is to be amortized over EARSL.

**Compensated absence benefits**

Compensated absence benefits represent a liability that is created when an event that obligates the University occurs. The expected cost of providing the benefit is recognized immediately in the period when the event occurs. Gains or losses resulting from actuarial valuations are accounted for using the immediate attribution method. Actuarial valuations are performed each year for such event driven liabilities.

**Long-term disability**

Long-term disability is an event driven compensated absence benefit, representing the liability to employees who are being paid for claims pursuant to the University's self-insured long term disability plans. An insurance company administers the plans and is reimbursed for disability claim payments plus service fees. The actuarial valuation, completed as at December 31, 2015, reported an actuarial loss of \$233,000 (2015 loss: \$728,000), which has been fully recognized and reported by function within the Consolidated Statement of Operations. The loss is primarily attributed to an increase in the number and nature of claims.

## 12b/ Liability and benefit expense for employee future benefits

	Retirement Benefits		Compensated Absence Benefit	2016	2015
	Non-Pension Retiree	Early Retirement	Long-Term Disability		
<i>Dollars in Thousands</i>					
Liability for Employee Future Benefits					
Accrued benefit obligation, beginning of year	63,924	3,531	7,680	75,135	68,024
Current period benefit cost	788	67	3,335	4,190	3,277
Interest cost	2,543	133	344	3,020	3,200
Benefit payments	(1,483)	(485)	(1,473)	(3,441)	(3,138)
Actuarial loss	7,830	41	233	8,104	3,772
<b>Accrued Benefit Obligation, End of Year</b>	<b>73,602</b>	<b>3,287</b>	<b>10,119</b>	<b>87,008</b>	<b>75,135</b>
Unamortized net actuarial loss	(15,837)	(521)		(16,358)	(10,139)
<b>Liability for Employee Future Benefits, End of Year</b>	<b>57,765</b>	<b>2,766</b>	<b>10,119</b>	<b>70,650</b>	<b>64,996</b>
Employee Future Benefits Expense					
Current period benefit cost	788	67	3,335	4,190	3,277
Recognition of actuarial loss	1,537	114	233	1,884	2,028
Interest cost on unfunded benefit obligation	2,543	133	344	3,020	3,200
<b>Employee Future Benefits Expense</b>	<b>4,868</b>	<b>314</b>	<b>3,912</b>	<b>9,094</b>	<b>8,505</b>

## 12c/ Sensitivity to actuarial assumptions, as at December 31, 2014

<i>Dollars in Thousands</i>	Non-Pension Retiree Obligation		Early Retirement Obligation		Long-Term Disability Liability	
	\$	%	\$	%	\$	%
Estimated increase in accrued benefit obligation/liability						
0.5% decrease in discount rate	6,535	8.9	149	4.5	328	3.2
0.5% increase in MSP, Dental and EHB cost trend rates	6,244	8.5				
10% reduction to mortality rates (0.8 years for a 65 year old)	2,984	4.1	152	4.6		
0.5% increase in inflation rate			120	3.6	338	3.3
0.5% increase in compensation			170	5.2		

The amounts above have been determined assuming all other assumptions remain unchanged.

### 13. Long-term debt

Long-term debt reported on the Consolidated Statement of Financial Position is recorded at amortized cost and is comprised of the following:

## 13a/ Long-term debt

<i>Dollars in Thousands</i>	2016	2015
Debentures, senior unsecured	142,439	142,161
Debenture, Province of British Columbia	4,951	4,943
Mortgage, Verdant	409	714
<b>Total</b>	<b>147,799</b>	<b>147,818</b>

Senior unsecured debentures issued at a discount by the University in 2003 for \$150,000,000 with a coupon rate of 5.613%, interest paid semi-annually, due June 10, 2043, and are recorded using the effective interest method. Net proceeds of the issue were used to finance capital projects. The debentures are neither obligations of, nor guaranteed by, the Province of British Columbia.

The Province of British Columbia debenture is unsecured, bears interest at a rate of 8.75% and is due in 2022.

The mortgage collateralized by the Verdant rental units bears interest at 5.20%, has quarterly payments of \$84,165, including principal and interest and is due June 1, 2017.

Sinking fund investments are held and invested by the Province of British Columbia. These funds totalling \$3,090,000 (2015: \$2,991,000) will provide for the retirement at maturity of debentures issued to the Province. The amount forms part of the investment balance shown on the Consolidated Statement of Financial Position. Annual sinking fund payments due within the next five years are included in the annual payments table. Annual payments of principal, sinking fund installments and interest due over the next five years and thereafter are as follows:

## 13b/ Annual payments on long-term debt

<i>Dollars in Thousands</i>	Principal	Sinking Fund	Interest
2017	322	44	8,872
2018	87	44	8,858
2019		44	8,857
2020		44	8,857
2021		44	8,857
2022 to 2042		88	177,466
2043	150,000		8,420



## 14. Deferred revenue

Contributions subject to external restrictions pursuant to legislation, regulation or agreement, are deferred and recognized as revenue in the period in which the stipulations are met.

The nature of such contributions, restrictions and recognition criteria vary, and include:

- Sponsored research and specific purpose amounts received are restricted to specific expenditures or class of expenditure.
- Endowment investment earnings are restricted until expended per donor terms of reference.

### 14a/ Changes in deferred revenue

<i>Dollars in Thousands</i>	<b>Sponsored Research</b>	<b>Endowment</b>	<b>Specific Purpose</b>	<b>2016</b>	<b>2015</b>
Balance, beginning of year	39,863	84,166	14,071	138,100	102,310
Donations and grant revenue received	68,765		28,404	97,169	96,625
Transferred to revenue	(64,161)		(24,626)	(88,787)	(87,457)
Endowment investment income earned		950		950	47,327
Transferred to investment income (note 20)		(11,524)		(11,524)	(10,265)
Transferred to net endowment contributions (note 22)					
Endowment principal addition		(3,246)		(3,246)	(7,818)
Preserve purchasing power		(5,963)		(5,963)	(2,622)
<b>Balance, End of Year</b>	<b>44,467</b>	<b>64,383</b>	<b>17,849</b>	<b>126,699</b>	<b>138,100</b>

### 14b/ Source of deferred revenue, end of year

<i>Dollars in Thousands</i>	<b>Sponsored Research</b>	<b>Endowment</b>	<b>Specific Purpose</b>	<b>2016</b>	<b>2015</b>
Province of British Columbia	37,108		5,838	42,946	5,573
Government of Canada	1,466		3,849	5,315	35,530
Endowment income stabilization account		57,615		57,615	83,103
Other	5,893	6,768	8,162	20,823	13,894
<b>Balance, End of Year</b>	<b>44,467</b>	<b>64,383</b>	<b>17,849</b>	<b>126,699</b>	<b>138,100</b>

**Endowment deferred revenue**

Endowment contributions are recorded in the Consolidated Statement of Operations as Net Restricted Endowment Contributions (note 22). The related accumulated surplus is separately accounted for (note 18b). Endowment investments are reported within Restricted Investments (note 7a).

Endowment investment returns are initially recorded as deferred revenue in the endowment income stabilization account. Allocations are then made to individual endowment spending accounts for expenditure pursuant to the donor terms. When expenditures occur, the related investment income is recognized in the Consolidated Statement of Operations (note 20).

Allocations are also made from the endowment income stabilization account to Net Restricted Endowment Contributions in order to preserve the purchasing power of the individual endowments.

## 14c/ Endowment income stabilization account

<i>Dollars in Thousands</i>	2016	2015
<b>Balance, beginning of year</b>	<b>78,303</b>	<b>52,057</b>
Endowment investment income externally restricted for the year		
Realized income	43,427	23,999
Unrealized income (note 7c)	(42,477)	23,328
Endowment income allocated to		
Individual endowment spending accounts	(15,675)	(13,121)
Principal addition		(5,338)
Preserve purchasing power (note 22)	(5,963)	(2,622)
<b>(Decrease) Increase in the Year</b>	<b>(20,688)</b>	<b>26,246</b>
<b>Balance, End of Year</b>	<b>57,615</b>	<b>78,303</b>

**15. Deferred capital contributions**

As described in notes 2a and 2c(v), contributions restricted for capital purposes are deferred and amortized to revenue over the estimated life of the related assets.

## 15a/ Change in deferred capital contributions

<i>Dollars in Thousands</i>	2016	2015
Balance, beginning of year	379,447	382,416
Contributions in the year	48,639	13,849
Amortized to revenue	(18,285)	(16,818)
<b>Balance, End of Year</b>	<b>409,801</b>	<b>379,447</b>

## 15b/ Source of deferred capital contributions, end of year

<i>Dollars in Thousands</i>	2016	2015
Province of British Columbia	321,221	292,706
Government of Canada	37,442	35,992
Other	51,138	50,749
<b>Balance, End of Year</b>	<b>409,801</b>	<b>379,447</b>

These financial statements were prepared in accordance with the Financial Reporting Framework (FRF) prescribed by section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia and the Restricted Contribution Regulation 198/211 issued pursuant to it. The FRF differs from Public Sector Accounting Standards (PSAS) in that contributions received or receivable by the University

for the purpose of acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be accounted for as deferred capital contributions. The impact of the difference between FRF and PSAS on key elements of the University's consolidated financial statements would be as follows:

## 15c/ Difference between FRF and PSAS

	FRF	PSAS	FRF	PSAS
	2016		2015	
<i>Dollars in Thousands</i>				
<b>Liabilities</b>				
Deferred capital contributions	409,801		379,447	
<b>Accumulated Surplus</b>				
Accumulated surplus	822,256	1,232,057	808,940	1,188,387
<b>Revenue</b>				
Government grants and contracts	271,073	319,713	293,565	307,414
Amortization of deferred capital contributions	18,285		16,818	
<b>Annual Operating Surplus</b>				
Annual operating surplus	31,851	62,206	58,039	55,071

## 16. Deferred lease proceeds

The University accounts for its 100% interest in SFU Community Trust (SFUCT) by the modified equity method as described in note 9. The net income from SFUCT determined by the modified equity method that relates to 99-year leases of

University land is then deferred and recognized over the terms of the leases. Pursuant to the terms of the distributions from SFUCT, the income so determined is recorded as restricted endowment contributions.

## 16a/ Change in deferred lease proceeds

	2016	2015
<i>Dollars in Thousands</i>		
Balance, beginning of year	35,996	36,389
Amortized and transferred to net restricted endowment contributions (note 22)	(393)	(393)
<b>Balance, End of Year</b>	<b>35,603</b>	<b>35,996</b>

## 16b/ SFUCT income recognized as restricted endowment contributions

	2016	2015
<i>Dollars in Thousands</i>		
<b>Interest in SFUCT loss for the year (note 9)</b>	<b>(1,164)</b>	(1,030)
Amortized to income in the year	393	393
<b>Total Loss Recognized in the Year as Restricted Endowment Contributions (note 22)</b>	<b>(771)</b>	<b>(637)</b>

## 16c/ SFU Community Trust endowment component of accumulated surplus

	2016	2015
<i>Dollars in Thousands</i>		
Interest in SFUCT cumulative income (note 9)	36,229	37,393
Less: deferred lease proceeds	(35,603)	(35,996)
<b>Life-to-date SFUCT Income Recognized as Endowment Contributions</b>	<b>626</b>	<b>1,397</b>
Base rent revenue earned (note 9)	1,095	1,095
Initial settlement of investment into SFUCT	40	40
Life-to-date capitalized investment income	3,365	3,365
<b>SFUCT Endowment Component of Accumulated Surplus</b>	<b>5,126</b>	<b>5,897</b>
Total non SFUCT Endowment Accumulated Surplus	297,744	279,972
<b>Endowment Accumulated Surplus</b>	<b>302,870</b>	<b>285,869</b>

## 17. Tangible capital assets

### 17a/ Tangible capital assets - net book value

<i>Dollars in Thousands</i>	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2016</b>	<b>2015</b>
Buildings - concrete	808,362	197,315	611,047	622,620
Buildings - wood	23,192	13,100	10,092	10,827
Site services	52,554	14,836	37,718	38,641
Leasehold improvements	12,630	11,391	1,239	2,780
Computer equipment	20,803	12,904	7,899	14,057
Equipment and furnishings	93,566	48,726	44,840	48,944
Library books	94,873	45,085	49,788	49,089
Land	19,299		19,299	19,299
Assets under construction	50,326		50,326	20,957
<b>Total</b>	<b>1,175,605</b>	<b>343,357</b>	<b>832,248</b>	<b>827,214</b>

Assets under construction of \$50,326,000 (2015: \$20,957,000), have not been amortized. Amortization will commence when these assets are put into service.

Additions to buildings during the year include capitalized interest of \$nil (2015: \$nil).

Contributed tangible capital assets have been recognized at fair market value at the date of contribution. Where an estimate of value could not be made, contributed tangible capital assets are recognized at a nominal value. The value of contributed assets received during the year is approximately \$2,181,000 (2015: \$4,234,000).

Special collections are not recognized as a tangible capital asset under the FRF. Special collections includes the University's art collection and the SFU Bill Reid Gallery collection. In 2016, additional donated works of art with an appraised value of \$398,000 (2015: \$380,000) were received but are not recognized in these consolidated financial statements. The art collections are insured at a replacement value of \$31,000,000.

### 17b/ 2016 Tangible capital asset cost - opening and closing balances

<i>Dollars in Thousands</i>	<b>Opening</b>	<b>Additions</b>	<b>Change in Assets Under Construction</b>	<b>Disposals and Adjustments</b>	<b>2016</b>
Buildings - concrete	810,890	29,637	(24,096)	(8,069)	808,362
Buildings - wood	23,169	23			23,192
Site services	52,315	2,680	(2,261)	(180)	52,554
Leasehold improvements	13,392	2,195	(2,957)		12,630
Computer equipment	26,639	1,748		(7,584)	20,803
Equipment & furnishings	101,570	9,697	(55)	(17,646)	93,566
Library books	92,756	10,500		(8,383)	94,873
Land	19,299				19,299
Assets under construction	20,957		29,369		50,326
<b>Total</b>	<b>1,160,987</b>	<b>56,480</b>		<b>(41,862)</b>	<b>1,175,605</b>

## 17c/ 2016 Tangible capital assets amortization - opening and closing balances

<i>Dollars in Thousands</i>	Opening	Additions	Disposals and Adjustments	2016
Buildings - concrete	188,270	17,114	(8,069)	197,315
Buildings - wood	12,342	758		13,100
Site services	13,675	1,341	(180)	14,836
Leasehold improvements	10,612	779		11,391
Computer equipment	12,581	7,907	(7,584)	12,904
Equipment and furnishings	52,626	13,746	(17,646)	48,726
Library books	43,667	9,801	(8,383)	45,085
<b>Total</b>	<b>333,773</b>	<b>51,446</b>	<b>(41,862)</b>	<b>343,357</b>

## 17d/ 2015 Tangible capital asset cost - opening and closing balances

<i>Dollars in Thousands</i>	Opening	Additions	Change in Assets Under Construction	Disposals and Adjustments	2015
Buildings - concrete	841,298	16,684	10,331	(57,423)	810,890
Buildings - wood	21,792	918	459		23,169
Site services	39,745	12,794	1,935	(2,159)	52,315
Leasehold improvements	12,209	1,201	(18)		13,392
Computer equipment	30,515	9,798		(13,674)	26,639
Equipment & furnishings	105,888	17,949	(640)	(21,627)	101,570
Library books	89,428	11,939		(8,611)	92,756
Land	19,299				19,299
Assets under construction	33,024		(12,067)		20,957
<b>Total</b>	<b>1,193,198</b>	<b>71,283</b>		<b>(103,494)</b>	<b>1,160,987</b>

## 17e/ 2015 Tangible capital asset amortization - opening and closing balances

<i>Dollars in Thousands</i>	Opening	Additions	Disposals and Adjustments	2015
Buildings - concrete	228,590	17,103	(57,423)	188,270
Buildings - wood	11,603	739		12,342
Site services	14,890	944	(2,159)	13,675
Leasehold improvements	9,919	693		10,612
Computer equipment	16,730	9,525	(13,674)	12,581
Equipment and furnishings	59,501	14,752	(21,627)	52,626
Library books	42,739	9,539	(8,611)	43,667
<b>Total</b>	<b>383,972</b>	<b>53,295</b>	<b>(103,494)</b>	<b>333,773</b>

## 17f/ Assets under construction by asset class

<i>Dollars in Thousands</i>	2016	2015
Buildings - concrete	42,007	17,911
Site services	2,841	580
Leasehold improvements	3,457	500
Equipment and furnishings	2,021	1,966
<b>Assets Under Construction</b>	<b>50,326</b>	<b>20,957</b>

## 18. Accumulated surplus

### 18a/ Accumulated surplus

<i>Dollars in Thousands</i>	2016	2015
Internally restricted for operating commitments		
Departmental operating budget carryover	21,138	25,776
Unfunded pension obligation from conversion to FRF		(3,716)
Internal advance for tangible capital assets	(30,000)	(30,000)
	<b>(8,862)</b>	<b>(7,940)</b>
Operating special projects	11,186	11,070
Internally funded research	16,103	15,737
<b>Net operating</b>	<b>18,427</b>	<b>18,867</b>
Ancillary operations	14,749	14,470
Specific purpose	15,788	14,990
Long-term lease commitment	6,333	8,012
Self-insurance	785	766
<b>Internally Restricted for Operating Commitments</b>	<b>56,082</b>	<b>57,105</b>
Investment in tangible capital assets, before internal advance	413,132	397,259
Internal advance for tangible capital assets	30,000	30,000
<b>Investment in tangible capital assets</b>	<b>443,132</b>	<b>427,259</b>
<b>Endowment (note 7a)</b>	<b>302,870</b>	<b>285,869</b>
<b>Accumulated Operating Surplus, End of Year</b>	<b>802,084</b>	<b>770,233</b>
<b>Accumulated remeasurement gains</b>	<b>20,172</b>	<b>38,707</b>
<b>Accumulated Surplus, End of Year</b>	<b>822,256</b>	<b>808,940</b>

### 18b/ Change in accumulated surplus - endowment

<i>Dollars in Thousands</i>	2016	2015
Balance, beginning of year	285,869	263,191
Net restricted endowment contributions in the year (note 22)	17,001	22,678
<b>Balance, End of Year</b>	<b>302,870</b>	<b>285,869</b>

## 18c/ Change in accumulated operating surplus

<i>Dollars in Thousands</i>	Internally Restricted for Operating Commitments	Investment in Tangible Capital	Restricted for Endowment Principal
Accumulated Operating Surplus, beginning of year	57,105	427,259	285,869
Annual surplus	31,851		
Increase in investment in tangible capital assets	(15,873)	15,873	
Net restricted endowment contributions (note 22)	(17,001)		17,001
<b>Accumulated Operating Surplus, End of Year</b>	<b>56,082</b>	<b>443,132</b>	<b>302,870</b>

Investment in tangible capital assets is comprised of

Tangible capital assets	832,248
Sinking fund investment	3,090
Long-term debt	(147,799)
Deferred capital contributions	(409,801)
Other net assets invested in capital	157,706
Due from related party, SFU Community Trust	7,688
<b>Investment in Tangible Capital Assets</b>	<b>443,132</b>

## 19. Government grants and contract revenue

<i>Dollars in Thousands</i>	2016	2015
<b>Province of British Columbia</b>		
Operating	216,342	218,713
Operating restricted for capital projects	(25,000)	
Sponsored research	6,589	7,446
Specific purpose	7,881	4,742
Tangible capital assets	2,465	2,334
Net deferred revenue	(3,906)	(6,751)
	<b>204,371</b>	<b>226,484</b>
<b>Government of Canada</b>		
Operating	8,077	8,049
Sponsored research	53,233	51,950
Specific purpose	10,640	9,232
Tangible capital assets	1,405	3,635
Net deferred revenue	(8,711)	(9,164)
	<b>64,644</b>	<b>63,702</b>
<b>Other governments</b>		
Operating	31	
Sponsored research	1,956	2,448
Specific purpose	71	931
	<b>2,058</b>	<b>3,379</b>
<b>Government Grants and Contract Revenue</b>	<b>271,073</b>	<b>293,565</b>



## 20. Investment income

<i>Dollars in Thousands</i>	Operating	Endowment	2016	2015
Interest and dividend income	10,712		10,712	10,530
Realized gains transferred from Consolidated Statement of Remeasurement Gains and Losses	8,009		8,009	5,633
Income from deferred contributions (note 14a)		11,524	11,524	10,265
<b>Investment Income</b>	<b>18,721</b>	<b>11,524</b>	<b>30,245</b>	<b>26,428</b>

## 21. Expense by object

<i>Dollars in Thousands</i>	2016	2015
Salaries	344,182	329,200
Employee benefits	60,277	68,804
Supplies and other operational expense	70,171	57,872
Amortization of tangible capital assets (note 17)	51,446	53,295
Professional and contracted services	38,548	36,052
Scholarships and bursaries	32,441	30,413
Training and travel	17,075	16,681
Cost of goods sold	6,726	7,043
Interest on long-term debt	9,182	9,279
Utilities	9,883	9,301
<b>Expense</b>	<b>639,931</b>	<b>617,940</b>

## 22. Net restricted endowment contributions

Endowment consists of restricted donations to the University. The investment income generated from endowments must be used in accordance with purposes established by donors. Donors, as well as University policy, stipulate that the economic value of the endowments must be protected by limiting the amount of income that may be expended and endowing a portion of investment income in order to maintain purchasing power.

<i>Dollars in Thousands</i>	2016	2015
Donations	8,269	12,686
Capitalized investment income (note 14a)		
Endowment principal addition	3,246	7,818
Preserve purchasing power	5,963	2,622
Equity loss for the year from SFU Community Trust (note 16b)	(771)	(637)
Matching and other funds endowed	294	189
<b>Net Restricted Endowment Contributions in the Year (note 18b)</b>	<b>17,001</b>	<b>22,678</b>

## 23. Pledges

Pledges are not recognized as revenue in the consolidated financial statements until the donations are received. Pledges for future years include cash donations of \$47,809,000 (2015: \$39,059,000) and estimated gifts-in-kind of \$1,932,000 (2015: \$708,000).

## 24. Contingent liabilities

From time to time, the University is involved in litigation or proceedings relating to claims arising out of its operations in the ordinary course of business. It is expected that the ultimate outcome of these claims will not have a material effect on the financial position of the University. The majority of these claims are covered by the University's insurance coverage. Any University payouts that may result from these claims will be recorded in the period when it becomes likely and determinable.

The University is a member in a self-insurance cooperative, in association with other Canadian universities, to provide property and general liability insurance coverage. Under the Canadian Universities Reciprocal Insurance Exchange

(CURIE), the University is required to share in any net losses experienced by CURIE beyond the reserves that CURIE has accumulated from member premiums. Members of CURIE have exposure to retroactive premium assessments should the premiums be insufficient to cover losses and expenses. No provision has been made for this potential liability. The University is committed to this insurance arrangement until December 31, 2017.

At March 31, 2016 the University is liable for Letters of Credit in the amount of \$88,075,000.

## 25. Liability for Contaminated Sites

The University recognizes and estimates a liability for \$3,135,000 (2015: \$2,785,000) for the remediation of a contaminated site resulting from salt leaking from a salt shed into a nearby groundwater and surface water. The estimated total future expenditures are \$3,135,000. The balance is recorded in accounts payable and accrued liabilities.

## 26. Asset retirement obligations

The University recognizes asset retirement obligations where a reasonable estimate of the fair market value of the obligation and the future settlement date of the retirement of the asset can be determined. The University has identified potential asset retirement obligations relating to removal and disposal of environmentally hazardous building materials in some facilities that may be incurred upon major upgrades

or demolition in the future. At this time, the University has not recognized these asset retirement obligations as there is an indeterminate settlement date of any potential future demolition or renovation of the facilities and therefore the fair value cannot be reasonably estimated.

## 27. Contractual obligations

The University has entered into multi-year contracts for property leases and the delivery of services. These contractual obligations will become liabilities in the future when the terms

of the contracts are met. Disclosure in the table below relates to the unperformed portion of the contracts.

<i>Dollars in Thousands</i>	2017	2018	2019	2020	2021	Thereafter
Long-term lease	6,006	6,028	5,783	5,807	5,819	36,617
Service contracts	4,729					
Construction contracts	13,529					
Capital asset purchase	17,500					
<b>Total</b>	<b>41,764</b>	<b>6,028</b>	<b>5,783</b>	<b>5,807</b>	<b>5,819</b>	<b>36,617</b>



March 2016

**Simon Fraser University  
Board of Governors**

**Standing (left to right):**

Dr. Peter Ruben  
Dr. June Francis  
Ms. Fiona Robin  
Mr. Deven Azevedo  
Ms. Jo Hinchliffe  
Ms. Jill Earthy  
Ms. Julia Kim (Deputy Board Chair)  
Mr. Mike Cordoba

**Seated (left to right):**

Professor Andrew Petter  
(President and Vice-Chancellor)  
Ms. Anne Giardini, Q.C. (Chancellor)  
Mr. Bill Cunningham (Board Chair)  
Mr. Christopher Lewis

**Members not present:**

Ms. Katelyn McDougall  
Mr. David Poole  
Ms. Patty Sahota



## Contact

[www.sfu.ca/finance](http://www.sfu.ca/finance)

### Alison Blair

Associate Vice-President Finance  
778-782-7581

### Larry Guthrie

Director, Financial Services  
778-782-4708

### Jimmy Wong

Associate Director, Financial Services  
778-782-6975

Design and Photography: Creative Studio