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Form

990**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2009**Open to Public Inspection**Department of the Treasury
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning **APRIL 1ST**, 2009, and ending **MARCH 31ST**, 20 **10**

B Check if applicable:
☐ Address change
☐ Name change
☐ Initial return
☐ Terminated
☐ Amended return
☐ Application pending

C Name of organization **SIMON FRASER UNIVERSITY**
 Doing Business As
 Number and street (or P O box if mail is not delivered to street address) Room/suite
8888 UNIVERSITY DRIVE
 City or town, state or country, and ZIP + 4
BURNABY, BRITISH COLUMBIA V3L 1Y8, CANADA

D Employer identification number
30 : 0505256

E Telephone number
(778) 782 4708

G Gross receipts \$ **569,431,320**

F Name and address of principal officer

H(a) Is this a group return for affiliates? ☐ Yes ☐ No
H(b) Are all affiliates included? ☐ Yes ☐ No
 If "No," attach a list (see instructions)
H(c) Group exemption number ▶

I Tax-exempt status ☒ 501(c) (**3**) ◀ (insert no.) ☐ 4947(a)(1) or ☐ 527

J Website: ▶ **SFU.CA**

K Form of organization: ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶

L Year of formation **1965** **M** State of legal domicile

Part I Summary

1 Briefly describe the organization's mission or most significant activities:
SIMON FRASER UNIVERSITY IS A RESEARCH & POST-SECONDARY LEARNING INSTITUTION THAT OFFERS UNDERGRADUATE, GRADUATE, DOCTORATE DEGREES AS WELL AS NON- CREDIT COURSES, AND CONDUCTS RESEARCH.

2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.

3 Number of voting members of the governing body (Part VI, line 1a) **3** **15**

4 Number of independent voting members of the governing body (Part VI, line 1b) **4** **11**

5 Total number of employees (Part V, line 2a) **5** **6,000**

6 Total number of volunteers (estimate if necessary) **6** **50**

7a Total gross unrelated business revenue from Part VIII, column (C), line 12. **7a** **0**

b Net unrelated business taxable income from Form 990-T, line 34. **7b** **0**

	Prior Year	Current Year
8 Contributions and grants (Part VIII, line 1h)	187,789,055	258,842,405
9 Program service revenue (Part VIII, line 2g)	213,159,235	277,048,714
10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	-10,982,605	9,684,089
11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	11,069,341	13,540,056
12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	401,035,026	559,115,264
13 Grants and similar amounts paid (Part IX, column (A), lines 1-3)	23,738,079	27,722,907
14 Benefits paid to or for members (Part IX, column (A), line 4)		
15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	263,060,560	328,174,834
16a Professional fundraising fees (Part IX, column (A), line 11e)		
b Total fundraising expenses (Part IX, column (D), line 25)		
17 Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	145,255,840	173,988,319
18 Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	432,054,479	529,886,060
19 Revenue less expenses. Subtract line 18 from line 12	-31,019,453	28,364,419
20 Total assets (Part X, line 16)	882,235,299	1,186,708,688
21 Total liabilities (Part X, line 26)	549,025,010	685,278,489
22 Net assets or fund balances. Subtract line 21 from line 20	333,210,289	501,430,199

Part II Signature Block

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Sign Here ▶ Larry C. Guthrie NOV. 10, 2010
 Signature of officer Date

▶ Larry C. Guthrie, Director, Financial Services
 Type or print name and title

Paid Preparer's Use Only

Preparer's signature ▶ Date Check if self-employed ☐ Preparer's identifying number (see instructions)

Firm's name (or yours if self-employed), address, and ZIP + 4 ▶ EIN ▶ Phone no ▶ ()

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form **990** (2009)

SCANNED DEC 20 2010

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Part III Statement of Program Service Accomplishments

- 1** Briefly describe the organization's mission.
SFU'S MISSION IS TO ADVANCE KNOWLEDGE THROUGH TEACHING, RESEARCH, AND ENGAGEMENT WITH THE COMMUNITY. IT INCORPORATES SIMON FRASER UNIVERSITY'S LONG-HELD VALUES AND COMMITMENTS.
-
- 2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
 If "Yes," describe these new services on Schedule O.
- 3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
 If "Yes," describe these changes on Schedule O.
- 4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code:) (Expenses \$ **276,743,358** including grants of \$ **0**) (Revenue \$ **168,430,286**)

DELIVERY OF ACADEMIC COURSES TO STUDENTS ENROLLED IN UNDERGRADUATE, MASTER, AND DOCTORATE PROGRAMS AS WELL AS DISTANCE EDUCATION AND NON-CREDIT COURSES OFFERED THROUGH CONTINUING EDUCATION
NUMBER OF STUDENTS IN 2010: 28,477 UNDERGRADUATES AND 5,685 GRADUATES

DEGREES AWARDED IN THE YEAR:Bachelors: **4,292**Masters: **906**Doctorates: **133**

4b (Code:) (Expenses \$ **58,098,859** including grants of \$ **0**) (Revenue \$ **59,090,592**)

RESEARCH FUNDING COMES FROM THE THREE FEDERAL FUNDING COUNCILS:
National Sciences & Engrg. Research Council, Social Sciences & Humanities Research Council, and Canadian Institutes of Health Research.

4c (Code:) (Expenses \$ including grants of \$) (Revenue \$)

4d Other program services. (Describe in Schedule O.)
 (Expenses \$ including grants of \$) (Revenue \$)

4e Total program service expenses ►

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	☒	☐
2 Is the organization required to complete Schedule B, Schedule of Contributors?	☐	☒
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	☐	☒
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	☐	☒
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	☐	☒
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	☐	☒
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	☐	☒
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	☒	☐
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	☐	☒
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	☒	☐
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	☒	☐
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	☐	☐
• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	☐	☐
• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	☐	☐
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	☐	☐
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	☐	☐
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.	☐	☐
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII.	☒	☐
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.	☐	☒
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	☒	☐
14a Did the organization maintain an office, employees, or agents outside of the United States?	☒	☐
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	☒	☐
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II.	☒	☐
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	☒	☐
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	☐	☒
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	☐	☒
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III.	☐	☒
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	☐	☒

Part IV Checklist of Required Schedules *(continued)*

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>		✓
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>		✓
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	✓	
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>		✓
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?		✓
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?		✓
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?		✓
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>		✓
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>		✓
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>		✓
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>		✓
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions):		
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		✓
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>		✓
28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>		✓
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>	✓	
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>	✓	
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>		✓
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>		✓
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>		✓
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	✓	
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		✓
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>		✓
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>		✓
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	✓	

Part V Statements Regarding Other IRS Filings and Tax Compliance

	Yes	No
1a Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a 0	
b Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b 0	
c Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	
2a Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	
b If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return. (see instructions)	2b	
3a Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	✓
b If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a ✓	
b If "Yes," enter the name of the foreign country. ► <u>Canada</u> See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	✓
b Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	✓
c If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a ✓	
b If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b ✓	
7 Organizations that may receive deductible contributions under section 170(c).		
a Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a ✓	
b If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b ✓	
c Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	✓
d If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	✓
f Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	✓
g For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8 Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	
9 Sponsoring organizations maintaining donor advised funds.		
a Did the organization make any taxable distributions under section 4966?	9a	
b Did the organization make a distribution to a donor, donor advisor, or related person?	9b	
10 Section 501(c)(7) organizations. Enter:		
a Initiation fees and capital contributions included on Part VIII, line 12	10a	
b Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11 Section 501(c)(12) organizations. Enter:		
a Gross income from members or shareholders	11a	
b Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them)	11b	
12a Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b If "Yes," enter the amount of tax-exempt interest received or accrued during the year	12b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	1a	15
b Enter the number of voting members that are independent	1b	11
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	✓
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	✓
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	✓
6 Does the organization have members or stockholders?	6	✓
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	✓
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	✓
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	✓
b Each committee with authority to act on behalf of the governing body?	8b	✓
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9a	✓

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	✓
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	✓
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	✓
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	✓
13 Does the organization have a written whistleblower policy?	13	✓
14 Does the organization have a written document retention and destruction policy?	14	✓
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	✓
b Other officers or key employees of the organization	15b	✓
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	✓
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► OHIO

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► LARRY GUTHRIE, DIRECTOR OF ACCOUNTING SERVICES, SIMON FRASER UNIV. 778-782-4708

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
MICHAEL G. FRANCIS Board Chair	6	✓								0
NATALIE BOCKING Board Member - Student	3	✓								0
LYNDA BROWN-GANZERT Alumni Order-in-Council	3	✓								0
ARRY DHILLON Board Member - Student	3	✓								0
PETER DHILLON Order-in-Council	3	✓								0
ANNE E. GIARDINI Order-in-Council	3	✓								0
KEVIN HARDING Board Member - Student	3	✓								0
BRANDT LOUIE Chancellor	6	✓								0
NANCY MacKAY Order-in-Council	3	✓								0
NANCY McKINSTRY Order-in-Council	3	✓								0
JEANNETTE McPHEE Alumni Order-in-Council	3	✓								0
DANIEL U. PEKARSKY Deputy Board Chair	3	✓								0
BRIAN E. TAYLOR Order-in-Council	3	✓								0
H. MICHAEL STEVENSON President & Vice-Chancellor	40	✓		✓						\$392,653
ANDREW BARDON Board Member & Staff	40	✓								\$77,674
PAUL PERCIVAL Board Member & Faculty	40	✓								\$130,330

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
JUDY ZAICHKOWSKY Board Member & Faculty		☒	☐	☐	☐	☐	☐			\$128,346
GORDON MYERS Board Member & Faculty	40									\$153,045
JOHN WATERHOUSE Vice President - ACADEMIC	40	☐	☐	☒	☐	☐	☐			\$212,132
JONATHAN DRIVER Vice President - Academic	40	☐	☐	☒	☐	☐	☐			\$210,773
PAT HIBBITS Vice President - Finance & Administration	40	☐	☐	☒	☐	☐	☐			\$209,541
JUDITH OSBORNE Vice President - Legal	40	☐	☐	☒	☐	☐	☐			\$197,304
CATHY DAMINATO Vice President - University Advancement	40	☐	☐	☒	☐	☐	☐			\$182,792
MARIO PINTO VICE PRESIDENT RESEARCH	40	☐	☐	☒	☐	☐	☐			\$213,043
MICHAEL MURDOCK Director of Treasury	40	☐	☐	☐	☒	☐	☐			\$101,489
MARTIN POCHURKO Associate Vice President Finance	40	☐	☐	☐	☒	☐	☐			\$156,765
WILLIAM KRANE Associate Vice President Academic	40	☐	☐	☐	☒	☐	☐			\$179,666
NORBERT HAUNERLAND Associate Vice President Research	40	☐	☐	☐	☒	☐	☐			\$143,427
	40	☐	☐	☐	☐	☐	☐			
1b Total										2,688,980

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **▶ 632**

- 3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual.
- 5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3	☐	☒
4	☒	☐
5	☐	☒

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
HENRIQUEZ PARTNERS	ARCHITECTS	\$3,914,238
McCARTHY TETRAULT	LEGAL	\$388,609
ARTHUR J. HANSON & ASSOCIATES	INT'L ADVISOR - CHINA	\$293,847
GILLIGAN-HACKETT & CO.	LEGAL	\$289,999
ADDENDA CAPITAL INC	INVESTMENT FEES	\$199,124

2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **▶ 18**

Part VIII Statement of Revenue				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a					
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions).	1e	241,892,902				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	16,949,504				
	g Noncash contributions included in lines 1a-1f: \$		2,436,237				
h Total. Add lines 1a-1f			258,842,405				
Program Service Revenue	2a TUITION FEES	Business Code	168,430,286				
	b SALE OF GOODS/SERVICES		49,527,837				
	c RESEARCH GRANTS		59,090,591				
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f			277,048,714			
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)			2,609,911			
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties			529,431			
		(i) Real	(ii) Personal				
	6a Gross Rents						
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
			16,860,803				
	b Less: cost or other basis and sales expenses		-10,316,056				
	c Gain or (loss)		6,544,747				
	d Net gain or (loss)			6,544,747			
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
	c Net income or (loss) from fundraising events						
	9a Gross income from gaming activities. See Part IV, line 19	a					
b Less: direct expenses	b						
c Net income or (loss) from gaming activities							
10a Gross sales of inventory, less returns and allowances	a						
b Less: cost of goods sold	b						
c Net income or (loss) from sales of inventory							
Miscellaneous Revenue			Business Code				
11a Amortization of deferred capit		13,540,056					
b							
c							
d All other revenue							
e Total. Add lines 11a-11d			13,540,056				
12 Total revenue. See instructions.			559,115,264				

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

<i>Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.</i>		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16	27,722,907	\$27,722,907		
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	2,764,198	924,496	1,641,351	198,351
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	270,752,200	222,513,462	46,454,057	1,784,681
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	24,031,632	18,500,142	5,314,694	216,796
9	Other employee benefits	30,626,804	14,001,783	16,381,962	243,059
10	Payroll taxes				
11	Fees for services (non-employees):				
a	Management	14,066,350	10,365,298	3,632,860	68,192
b	Legal	1,185,682	7,506	1,178,176	
c	Accounting	234,918		234,918	
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees	864,785		864,785	
g	Other	29,498	14,303	15,195	
12	Advertising and promotion	1,497,539	1,212,005	239,344	46,190
13	Office expenses	24,733,260	19,401,470	5,076,363	255,427
14	Information technology	7,217,557	3,288,072	3,905,937	23,548
15	Royalties				
16	Occupancy	33,298,422	33,236,786		61,636
17	Travel	12,436,422	10,980,538	1,404,387	51,497
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	4,823,412	4,510,098	264,313	40,001
20	Interest	9,886,166	906,512	8,979,654	
21	Payments to affiliates	294,626		294,626	
22	Depreciation, depletion, and amortization	50,125,470		50,125,470	
23	Insurance	1,355,777	141,556	1,214,221	
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below.)				
a	Cost of Goods Sold	11,938,435		11,938,435	
b					
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	529,886,060	368,735,934	159,160,748	2,989,379
26	Joint costs. Check here ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	-6,586,463	1	1,906,099
	2 Savings and temporary cash investments	11,759,640	2	
	3 Pledges and grants receivable, net	2,498,780	3	3,243,069
	4 Accounts receivable, net	7,886,015	4	19,726,800
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use	1,939,106	8	2,163,420
	9 Prepaid expenses and deferred charges	1,576,025	9	2,063,653
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 835,803,062		
	b Less: accumulated depreciation	10b -217,845,018		
	11 Investments—publicly traded securities	617,958,044	10c	795,078,812
	12 Investments—other securities. See Part IV, line 11	237,314,561	11	350,893,741
	13 Investments—program-related. See Part IV, line 11	5,708,402	12	9,234,290
	14 Intangible assets		13	
	15 Other assets. See Part IV, line 11	2,181,190	14	
16 Total assets. Add lines 1 through 15 (must equal line 34)	882,235,299	15	2,398,804	
		16	1,186,708,688	
Liabilities	17 Accounts payable and accrued expenses	26,352,674	17	28,414,464
	18 Grants payable		18	
	19 Deferred revenue	350,915,229	19	450,502,377
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties	131,817,569	23	162,263,481
	24 Unsecured notes and loans payable to unrelated third parties	8,034,079	24	
	25 Other liabilities. Complete Part X of Schedule D	31,905,459	25	44,098,167
	26 Total liabilities. Add lines 17 through 25	549,025,010	26	685,278,489
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☐ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets		27	
	28 Temporarily restricted net assets	189,047,029	28	348,997,270
	29 Permanently restricted net assets	144,163,260	29	152,432,930
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances		33	
	34 Total liabilities and net assets/fund balances	882,235,299	34	1,186,708,688

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . .
- b** Were the organization's financial statements audited by an independent accountant? . . .
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . .
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both:
☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . .
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		
2b	✓	
2c	✓	
3a		
3b		

SCHEDULE A
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Public Charity Status and Public Support

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

SIMON FRASER UNIVERSITY

Employer identification number

30 0505256

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is. (For lines 1 through 11, check only one box.)

- 1 ☐ A church, convention of churches, or association of churches described in **section 170(b)(1)(A)(i)**.
- 2 ☒ A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E.)
- 3 ☐ A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
- 4 ☐ A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iii)**. Enter the hospital's name, city, and state. _____
- 5 ☐ An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(iv)**. (Complete Part II.)
- 6 ☐ A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(v)**.
- 7 ☐ An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 8 ☐ A community trust described in **section 170(b)(1)(A)(vi)**. (Complete Part II.)
- 9 ☐ An organization that normally receives: (1) more than 33⅓ % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions—subject to certain exceptions, and (2) no more than 33⅓ % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III.)
- 10 ☐ An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
- 11 ☐ An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h.
- a ☐ Type I b ☐ Type II c ☐ Type III—Functionally integrated d ☐ Type III—Other
- e ☐ By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box ☐
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

- (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization?
- (ii) A family member of a person described in (i) above?
- (iii) A 35% controlled entity of a person described in (i) or (ii) above?

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		

h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1–9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
Total									

Part II **Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)**
(Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3						
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4						
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
11 Total support. Add lines 7 through 10						
12 Gross receipts from related activities, etc. (see instructions)					12	
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	%
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	%
16a 33⅓% support test—2009. If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☐		
b 33⅓% support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☐		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐		

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support. (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

- 19a 33⅓% support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33⅓%, and line 17 is not more than 33⅓%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐
- b 33⅓% support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33⅓%, and line 18 is not more than 33⅓%, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

Area for supplemental information with horizontal dashed lines.

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization

SIMON FRASER UNIVERSITY

Employer identification number

30 : 0505256

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? ☐ Yes ☐ No		
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? ☐ Yes ☐ No		

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).
☐ Preservation of land for public use (e.g., recreation or pleasure) ☐ Preservation of an historically important land area
☐ Protection of natural habitat ☐ Preservation of a certified historic structure
☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ► \$

(ii) Assets included in Form 990, Part X ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ► \$ **2,436,237**

b Assets included in Form 990, Part X ► \$ **8,480,111**

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):

- ☒ a Public exhibition ☒ d Loan or exchange programs
☒ b Scholarly research ☐ e Other
☒ c Preservation for future generations

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
c Beginning balance	1c
d Additions during the year	1d
e Distributions during the year	1e
f Ending balance	1f

2a Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No

b If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	146,647,052	140,247,113			
b Contributions	5,785,319	3,914,846			
c Net investment earnings, gains, and losses	39,674,103	-18,339,432			
d Grants or scholarships	1,788,883	1,559,452			
e Other expenditures for facilities and programs	6,770,703	5,750,971			
f Administrative expenses	604,251	408,703			
g End of year balance	182,942,636	118,103,401			

2 Provide the estimated percentage of the year end balance held as:

- a Board designated or quasi-endowment ▶ 25 %
 b Permanent endowment ▶ 75 %
 c Term endowment ▶ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

	Yes	No
(i) unrelated organizations	3a(i) ☒	☐
(ii) related organizations	3a(ii) ☐	☒

b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds.

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land		30,296,531		30,296,531
b Buildings		700,869,302	186,562,847	514,306,455
c Leasehold improvements		12,062,364	7,795,783	4,266,481
d Equipment		154,523,341	68,045,030	86,478,211
e Other		195,172,246	35,441,111	159,731,135
Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).)				795,078,813

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
CIBC Mellon Private Equity Fund	9,234,290	Book Value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Prepaid Lease	2,398,805
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

2,398,805**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
Employee Future Benefits	44,098,167
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	

44,098,167

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	559,115,264
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	529,886,060
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	29,229,204
4	Net unrealized gains (losses) on investments	4	52,676,719
5	Donated services and use of facilities	5	
6	Investment expenses	6	
7	Prior period adjustments	7	
8	Other (Describe in Part XIV.)	8	
9	Total adjustments (net). Add lines 4 through 8	9	52,676,719
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	81,905,923

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	610,927,198
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	-52,676,719
b	Donated services and use of facilities	2b	
c	Recoveries of prior year grants	2c	
d	Other (Describe in Part XIV.)	2d	+864,785
e	Add lines 2a through 2d	2e	51,811,934
3	Subtract line 2e from line 1	3	559,115,264
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	559,115,264

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	529,021,273
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	
b	Prior year adjustments	2b	
c	Other losses	2c	
d	Other (Describe in Part XIV.)	2d	+864,785
e	Add lines 2a through 2d	2e	864,785
3	Subtract line 2e from line 1	3	559,886,060
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	
b	Other (Describe in Part XIV.)	4b	
c	Add lines 4a and 4b	4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	559,886,060

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

Part XII & Part XIII Line 2 d) - Other: Investment Income on the Statement of Operations is net of investment

expenses whereas Form 990 Part VIII Line 3 shows income before deducting brokerage fees.

Part XIV Supplemental Information *(continued)*

Part V - Endowment: The amount on Line 1g) Prior Year was restated using the foreign exchange rate at Mar 31/2010.

"Beginning of the Year Balance" April 1/2009 is \$148,971,000 Cdn converted at \$0.9844 to \$146,646,052 US .

A conversion rate of \$0.7928 was used for previous year information.

The interest from endowment is used for scholarships & support credit and non-credit programs offered.

Part III - Collections of Art:

The University has archeological artifacts, paintings, sculptures, rare books and miscellaneous items exhibited at the Art Galleries & other locations on campus. The collection is widely accessible to students in archaeology, history, art history, and visual arts and this accessibility is an extension of the University's educational mandate.

SCHEDULE E
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Schools

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 13,
or Form 990-EZ, Part VI, line 48.

▶ Attach to Form 990 or Form 990-EZ.

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2009

Open to Public
Inspection

Name of the organization

SIMON FRASER UNIVERSITY

Employer identification number

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0505256

	YES	NO
1 Does the organization have a racially nondiscriminatory policy toward students by statement in its charter, bylaws, other governing instrument, or in a resolution of its governing body?	☒	☐
2 Does the organization include a statement of its racially nondiscriminatory policy toward students in all its brochures, catalogues, and other written communications with the public dealing with student admissions, programs, and scholarships?	☒	☐
3 Has the organization publicized its racially nondiscriminatory policy through newspaper or broadcast media during the period of solicitation for students, or during the registration period if it has no solicitation program, in a way that makes the policy known to all parts of the general community it serves? If "Yes," please describe. If "No," please explain. If you need more space, use Schedule O (Form 990) <u>The University Calendar has a Student Declaration & Responsibility section that is available to all potential students at http://students.sfu.ca/calendar/for_students/student_declaration.html</u> <u>By signing the declaration, students accept the University's policies, including the Human Rights policy at www.sfu.ca/policies/files/General_Policies/GP18.pdf. In addition, Canada and the Province of BC have a Human Rights Act that applies to all organizations.</u>	☐	☒
4 Does the organization maintain the following?		
a Records indicating the racial composition of the student body, faculty, and administrative staff?	☐	☒
b Records documenting that scholarships and other financial assistance are awarded on a racially nondiscriminatory basis?	☐	☒
c Copies of all catalogues, brochures, announcements, and other written communications to the public dealing with student admissions, programs, and scholarships?	☒	☐
d Copies of all material used by the organization or on its behalf to solicit contributions? If you answered "No" to any of the above, please explain. If you need more space, use Schedule O (Form 990) <u>Records on racial composition of student body, faculty/staff is not required information.</u>	☒	☐
5 Does the organization discriminate by race in any way with respect to:		
a Students' rights or privileges?	☐	☒
b Admissions policies?	☐	☒
c Employment of faculty or administrative staff?	☐	☒
d Scholarships or other financial assistance?	☐	☒
e Educational policies?	☐	☒
f Use of facilities?	☐	☒
g Athletic programs?	☐	☒
h Other extracurricular activities? If you answered "Yes" to any of the above, please explain. If you need more space, use Schedule O (Form 990).	☐	☒
6a Does the organization receive any financial aid or assistance from a governmental agency?	☒	☐
b Has the organization's right to such aid ever been revoked or suspended? If you answered "Yes" to either line 6a or line 6b, explain on Schedule O (Form 990).	☐	☒
7 Does the organization certify that it has complied with the applicable requirements of sections 4.01 through 4.05 of Rev. Proc. 75-50, 1975-2 C.B. 587, covering racial nondiscrimination? If "No," explain on Schedule O (Form 990)	☐	☐

Statement of Activities Outside the United States

► Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

► **Attach to Form 990.** ► **See separate instructions.**

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2009

Open to Public Inspection

Name of the organization
SIMON FRASER UNIVERSITY

Employer identification number
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Part I General Information on Activities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

- 1 For grantmakers.** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance? ☐ Yes ☐ No

- 2 For grantmakers.** Describe in Part IV the organization's procedures for monitoring the use of grant funds outside the United States.

- 3 Activities per Region.** (Use Schedule F-1 (Form 990) if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees or agents in region	(d) Activities conducted in region (by type) (i.e., fundraising, program services, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for region
Canada	3	5,500	Program Services	University Programs	529,886,060
Totals ►					

Part IV **Supplemental Information**

Complete this part to provide the information required in Part I, line 2, and any additional information.

PART I - Activities outside the U.S. are mostly in Canada. Faculties & Centres are responsible for administration of their budget and all payments to organizations and individuals are approved in accordance with internal policies.

PART II - Assistance to Organizations: Grants are mostly made to other Canadian universities for research purposes.

PART III - Assistance to Individuals: Payments of scholarships, bursaries & awards to Canadian and foreign students registered at the University. Payments are deposited into students' bank accounts. Tuition fee waivers are to staff and family members.

**SCHEDULE J
(Form 990)**

Department of the Treasury
Internal Revenue Service

Compensation Information

For certain Officers, Directors, Trustees, Key Employees, and Highest
Compensated Employees
▶ Complete if the organization answered "Yes" to Form 990,
Part IV, line 23.
▶ Attach to Form 990. ▶ See separate instructions.

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Inspection**

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SIMON FRASER UNIVERSITY

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Part I Questions Regarding Compensation

1a Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.

- | | |
|--|---|
| ☐ First-class or charter travel | ☒ Housing allowance or residence for personal use |
| ☒ Travel for companions | ☐ Payments for business use of personal residence |
| ☐ Tax indemnification and gross-up payments | ☐ Health or social club dues or initiation fees |
| ☒ Discretionary spending account | ☒ Personal services (e.g., maid, chauffeur, chef) |

b If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain

2 Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?

3 Indicate which, if any, of the following the organization uses to establish the compensation of the organization's CEO/Executive Director. Check all that apply.

- | | |
|--|---|
| ☒ Compensation committee | ☒ Written employment contract |
| ☐ Independent compensation consultant | ☐ Compensation survey or study |
| ☐ Form 990 of other organizations | ☒ Approval by the board or compensation committee |

4 During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization.

a Receive a severance payment or change-of-control payment?

b Participate in, or receive payment from, a supplemental nonqualified retirement plan?

c Participate in, or receive payment from, an equity-based compensation arrangement?

If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.

Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.

5 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:

a The organization?

b Any related organization?

If "Yes" to line 5a or 5b, describe in Part III.

6 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:

a The organization?

b Any related organization?

If "Yes" to line 6a or 6b, describe in Part III.

7 For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III

8 Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regs. section 53.4958-4(a)(3)? If "Yes," describe in Part III

9 If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?

Yes No

1b

✓

2

✓

4a

✓

4b

✓

4c

✓

5a

✓

5b

✓

6a

✓

6b

✓

7

✓

8

✓

9

Part III Supplemental Information

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 4c, 5a, 5b, 6a, 6b, 7, and 8. Also complete this part for any additional information.

PART I -

1 a) TRAVEL FOR COMPANION: The University pays for the travel expenses of the President's spouse on international trips when her presence is required.

DISCRETIONARY SPENDING ACCOUNT: The President has discretionary a/c for which expense claims with receipts are required.

HOUSING ALLOWANCE/PERSONAL SERVICES: The President receives housing allowance with housekeeping services

4 e) SEVERANCE PAYMENT: Denis Berube, Director of Accounting rec'd \$236,776 in the fiscal year.

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 to list additional information for Form 990, Part VII, Section A, line 1a.
▶ See the Instructions for Form 990.

2009

Open to Public Inspection

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[illegible]

SCHEDULE M
(Form 990)

Department of the Treasury
Internal Revenue Service

Noncash Contributions

► Complete if the organizations answered "Yes" on Form
990, Part IV, lines 29 or 30.
► Attach to Form 990.

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SIMON FRASER UNIVERSITY

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Part I Types of Property

	(a) Check if applicable	(b) Number of contributions	(c) Revenues reported on Form 990, Part VIII, line 1g	(d) Method of determining revenues
1 Art—Works of art	✓	15	1,106,589	Appraised FMV
2 Art—Historical treasures				
3 Art—Fractional interests				
4 Books and publications	✓		573,726	Appraised FMV
5 Clothing and household goods	✓		1,269	FMV
6 Cars and other vehicles				
7 Boats and planes				
8 Intellectual property				
9 Securities—Publicly traded	✓	12	89,950	Share price day of gift
10 Securities—Closely held stock				
11 Securities—Partnership, LLC, or trust interests				
12 Securities—Miscellaneous				
13 Qualified conservation contribution—Historic structures				
14 Qualified conservation contribution—Other				
15 Real estate—Residential				
16 Real estate—Commercial				
17 Real estate—Other				
18 Collectibles	✓	16	185,151	FMV
19 Food inventory				
20 Drugs and medical supplies				
21 Taxidermy				
22 Historical artifacts				
23 Scientific specimens				
24 Archeological artifacts				
25 Other ► (Computer hardware)	✓	5	402,243	FMV
26 Other ► (Lab equipment)	✓	4	74,849	FMV
27 Other ► (Gift certificates)	✓	1	2,461	Face Value
28 Other ► ()				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement

29

0

30a During the year, did the organization receive by contribution any property reported in Part I, lines 1–28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period?

b If "Yes," describe the arrangement in Part II.

31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions?

32a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions?

b If "Yes," describe in Part II.

33 If the organization did not report revenues in column (c) for a type of property for which column (a) is checked, describe in Part II.

Yes No

30a		✓
31		✓
32a		✓

Part II

Supplemental Information. Complete this part to provide the information required by Part I, lines 30b, 32b, and 33. Also complete this part for any additional information.

[illegible]

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.

► Attach to Form 990.

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PART VI - 8 As outlined in the University Policy, the Board of Governor meet as often as is necessary to transact the business of the Board and in any event not less than once every 3 months. Subject to the provisions of the Freedom of Information/Protection of Privacy Act, a summary of proceedings and decisions of both Open & Closed Board meetings shall be made public without undue delay and in any event not later than 30 days following the date of the Board meeting at which the decision was made. This timeline also applies to standing and ad hoc committees authorized by the Board.

PART VI - 11A - Form 990 & schedules were reviewed by the Associate Director of Accounting and the Director of Accounting.

PART VI - 12 - The University policy & procedures on conflict of interest is monitored by the Research Ethics Committee for research-related and non-research related disclosure. The Committee issues an annual report on conflict of interest disclosures and decisions, with copies to Federal Government agencies and to the University Board of Governors.

PART VI - 14 - The Archives & Records Management Department is responsible for developing and amending records retention schedules

PART VI - 15 - Compensations to University executives fall under the review of the Public Sector Employer's Council whose mandate falls under the Province of British Columbia. An annual report is filed with the Provincial Government (available on the web). The Board of Governors approve salary scales and compensations to key personnel.

PART VI - 19 - The University's governing documents, minutes of the Board, policies/procedures, and financial statements are available on its web site at www.sfu.ca

EXCHANGE RATES USED: March 31/2008 \$0.7928 and for March 31/2009 \$0.9844

Name of the organization

Employer identification number

SCHEDULE R
(Form 990)

Department of the Treasury
Internal Revenue Service

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Related Organizations and Unrelated Partnerships

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.
▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

SIMON FRASER UNIVERSITY

Employer identification number
30 0505256

Part I Identification of Disregarded Entities (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity

Part II Identification of Related Tax-Exempt Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity
THE FRIENDS OF SIMON FRASER UNIVERSITY	Receive US donations				
C/O Douglas Raff 1001 4th Avenue Plaza Building Suite 4500 Seattle, WA 98154 EIN 91-6174832	& issue tax receipts on behalf of SFU	Washington State	501 (c) 3	PF	

Part V Transactions With Related Organizations (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35, or 36.)**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.**1** During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?

	Yes	No
a Receipt of (i) interest (ii) annuities (iii) royalties or (iv) rent from a controlled entity	☐	☐
b Gift, grant, or capital contribution to other organization(s)	☐	☐
c Gift, grant, or capital contribution from other organization(s)	☐	☐
d Loans or loan guarantees to or for other organization(s)	☐	☐
e Loans or loan guarantees by other organization(s)	☐	☐
f Sale of assets to other organization(s)	☐	☐
g Purchase of assets from other organization(s)	☐	☐
h Exchange of assets	☐	☐
i Lease of facilities, equipment, or other assets to other organization(s)	☐	☐
j Lease of facilities, equipment, or other assets from other organization(s)	☐	☐
k Performance of services or membership or fundraising solicitations for other organization(s)	☐	☐
l Performance of services or membership or fundraising solicitations by other organization(s)	☐	☐
m Sharing of facilities, equipment, mailing lists, or other assets	☐	☐
n Sharing of paid employees	☐	☐
o Reimbursement paid to other organization for expenses	☐	☐
p Reimbursement paid by other organization for expenses	☐	☐
q Other transfer of cash or property to other organization(s)	☐	☐
r Other transfer of cash or property from other organization(s)	☐	☐

2 If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

	(a) Name of other organization	(b) Transaction type (a-f)	(c) Amount involved
(1)			
(2)			
(3)			
(4)			
(5)			
(6)			



SFU

Simon Fraser University
Annual Financial Report

MARCH 31, 2010

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The past year crowns a decade of achievement for Simon Fraser University. Dedicated to building on this university's legacy of innovation in research, multidisciplinary studies, and leading professional programs, we have greatly increased the diversity and range of our academic offerings.

We have created new faculties of health sciences and environmental studies, expanded on programming in sciences and applied sciences and combined our strengths in communication, art, and design, and have sustained our core interests in the liberal arts and natural sciences. By complementing in-class and experiential learning, our students gain applied skills that contribute to their future success. Enrolment over the last decade has increased by 44% and this year our intake of new students was the highest ever. Our international partnerships and collaborations draw an increasing number of international students to the institution.

We finish the 2009/10 fiscal year in a much stronger financial position over the previous year, with investments restored, enrolment at an all-time high, and reserves returned to a healthier position. Our research funding, which has grown by 150% in the past 10 years, remains strong and our endowments continue to generate significant financial support for our academic and research programs, student scholarships and bursaries.

Along with the expansion of academic and research programs over the past decade, our capital asset base has grown by 166% and the equity in capital assets has grown by nearly \$200 million. The Burnaby campus has seen four new academic buildings: Blusson Hall, Saywell Hall, and TASC 1 & 2. These award-winning facilities contribute to a dynamic and vibrant campus complemented by the unique urban development of UniverCity, a community that is an outstanding example of sustainability and social responsibility.

The relocation of the School for the Contemporary Arts to SFU Woodward's this year is another remarkable achievement in campus development. This state-of-the-art facility in the heart of the Downtown Eastside will put Vancouver on the map as an exciting destination for the international arts community. Two other exciting restoration projects in downtown Vancouver have also left their mark on the Vancouver

landscape in the last decade, the Morris J Wosk Centre for Dialogue, and the Segal Graduate School of Business. The creation of the Surrey campus and the integration of TechBC in 2002 provided the South Fraser region with much needed access to university education. SFU Surrey is already surpassing enrolment targets, and there remains great opportunity to improve access in this fast-growing region. Funding from the Knowledge Infrastructure Program will allow the campus to expand its teaching and research space in the areas of science and health science, and SFU continues to foster deep engagement with the community, providing opportunities for education through a multitude of continuing studies and community outreach programs.

The University was especially proud to win the 2009 gold award from the Institute of Public Administration of Canada (IPAC)/Deloitte for public-sector leadership in education, which noted our pioneering moves to become firmly rooted in the local community. The community in turn has been generous in its support of the University through contributions to operating, capital and endowment initiatives, with the endowment fund growing by over \$100 million over the last ten years.

While huge investments of public funding have contributed to the growth of SFU over this decade, protecting base funding from inflationary pressures and creating a diversification of revenues will be necessary in future. In the past few years, the University has achieved expenditure control through extensive reorganization, and will continue to manage resources strategically.

Leading the University through such a period of growth and achievement has been a great privilege. But our achievements are the product of the faculty, staff, and students whose dedication to this university is the source of its strength.



DR. MICHAEL STEVENSON
PRESIDENT



In August 2010, Michael Stevenson will retire as SFU's longest-standing president. Over the past decade, he has led one of the most ambitious programs of organizational change and development at any Canadian university. With vision and fortitude, he championed SFU Contemporary Arts in the Woodward's redevelopment as an art school contributing to social and cultural renewal. Through expanded facilities and new faculties, his legacy is a greatly enhanced educational landscape.

The University achieved an \$83.2 million surplus for fiscal 2009/10, a significant improvement over the previous year. This is attributable to the increase in student enrolment, the outstanding performance of our investment portfolios, and our diligent financial management.

Tuition revenues increased due to growth in student enrolment which was well over target, particularly in international students. Although increased tuition revenues provide a step towards strategic growth, the intake exceeded government funded targets and going forward, this will require careful management of resources to ensure ongoing support for students.

Events triggering the global financial crisis in late 2008 caused the University to experience considerable financial constraint during fiscal 2008/09. The recent rebound in financial markets led to a large increase in our investment returns, investment income reached \$55.2 million this year compared to a loss of \$37.0 million in 2008/09. Despite the rebound and positive growth expectations for the Canadian economy, we are cautioned by the continuing economic crises outside of Canada which have the potential to negatively impact our investments.

Sponsored research revenues remained strong due to the government's commitment to support Canada's innovation and research agenda. We continued to achieve above average success in competing for funding, demonstrating an ambitious research agenda and laying the foundation for future research activities.

Managing expenses has been an ongoing priority for the University. Expenses were reduced by 2% overall in fiscal 2009/10 while revenues, excluding investment gains, increased 9% over the same period. This resulted in operating net assets being restored to modest surplus levels.

We are entering the next fiscal year in a much stronger financial position. We will work with the University community and stakeholders to ensure continued financial sustainability while maintaining our reputation as one of Canada's best universities—ensuring superior quality in our academic programs, research pursuits, student experiences, and community engagement activities.



A handwritten signature in dark ink, reading "Pat Hibbitts".

DR. PAT HIBBITTS
VICE PRESIDENT, FINANCE & ADMINISTRATION

The Architectural Institute of British Columbia has given SFU Burnaby's Blusson Hall (designed by Busby Perkins+Will Architects) its highest award, the Lieutenant-Governor Award in Architecture medal. It exceeds Leadership in Energy and Environmental Design (LEED) Silver standards with ecologically friendly features such as a planted roof, sustainably harvested timber, underground storm-water collection for irrigation, a minimal use of off-gassing construction materials, radiant-floor heating and abundant natural light.





MANAGEMENT DISCUSSION & ANALYSIS UNAUDITED

ABOUT SFU

Simon Fraser University is a public university serving students from British Columbia, Canada, and the world. The University is a research intensive, comprehensive post-secondary learning institution with approximately 34,100 credit students and nearly 940 instructional and research faculty members. The University's three distinct campuses offer a broad range of degrees from eight faculties as well as many varied continuing education and mature learner courses.

Committed to advancing knowledge through teaching, research, and community engagement, the University is recognized worldwide for its faculty, students, academic programs, and research activities. SFU consistently ranks among the nation's top comprehensive universities. The 2009 *Maclean's* University Rankings ranked SFU #1 among Canada's Comprehensive institutions. SFU is also ranked in the Top 200 universities in the world according to the *Times Higher Education*. ReSearch Infosource Inc. ranks SFU 4th among Canada's comprehensive universities and 19th among Canada's top 50 research universities for sponsored research income.

SFU's strengths include its ability to offer students a range of interdisciplinary programming on a trimester basis. The University offers innovative and diversified core programs in the natural sciences, social sciences, humanities, engineering, business and education and a current priority to building expertise in the fields of health sciences and environmental studies. SFU's work-integrated programs, international field schools, and dual degree program are also well regarded.

Three distinct campuses in Burnaby, Vancouver, and Surrey offer the finest facilities for scholarly pursuits. The main Burnaby campus provides academic and research space for all faculties as well as residences for 1,757 students. SFU Surrey offers courses from five faculties in a more intimate environment, with progressive programs in science, technology, communication, and engineering, and the Vancouver campus includes the Segal Graduate School of Business, new state-of-the-art facilities for the School for the Contemporary Arts at Woodward's, and interdisciplinary graduate programs and credit and non-credit continuing education courses.

SFU has a long history of excellence in intercollegiate athletics. SFU has 15 varsity sports teams involving more than 300 student athletes. Beginning with the 2011-12 season, all of SFU's varsity teams will become the first Canadian teams to compete in the Great Northwest Athletic Conference of the NCAA's Division II.

In 2009/10 the University had annual revenues of \$614 million. Government funding accounted for 48%, and 28% was raised via tuition and student fees. The rest was associated with investment income as well as donations, grants, and contracts supporting research and other activities. The endowment fund is valued at \$186 million and generates resources to support student aid, academic programs, athletics, library materials, and research. The University provides services to students, faculty and staff on campus through ancillary operations run as self-sustaining businesses: the SFU bookstores, residences and housing, parking services, microcomputer store, document solutions, and dining services.

SFU BY NUMBERS	2010	2009	2008	2007	2006
STUDENTS					
Undergraduate (including International)	28,477	27,479	26,332	25,009	24,368
Graduate	5,685	5,461	5,241	5,044	4,637
International (Fall)	3,790	2,991	2,802	2,524	2,384
Average Entry Grade (BC Grade 12, %)	84	81	82	84	84
Credentials Awarded (calendar year)	5,896	5,743	5,859	5,582	5,609
REVENUES & EXPENSES (millions)					
Total Revenues	614	483	519	502	479
Government Funding	292	271	274	267	259
Student Tuition & Fees	171	155	142	134	130
Sponsored Research Funding	62	64	67	67	60
Ancillaries Revenue	35	35	35	30	28
Total Expenses	537	545	512	478	455
FINANCIAL POSITION (millions)					
Total Assets	1,206	1,113	1,173	1,063	986
Capital Assets	808	779	767	700	601
Endowment Fund	186	149	177	148	133
Internally Restricted Operating Net Assets	13	(19)	3	14	33
RESOURCES					
Faculty and Staff (continuing)	2,671	2,564	2,548	2,426	2,323
Burnaby Campus Space (gross square metres)	339,270	324,280	321,270	297,075	280,082
Vancouver Academic Campus Space (gasm)	27,723	29,071	27,760	28,750	22,939
Surrey Campus Space (gasm)	29,071	27,531	23,684	10,842	10,512

The Management Discussion and Analysis (MD&A) is meant to assist readers of the University's financial statements to better understand its financial position and operating activities during the fiscal year ended March 31, 2010. It discusses some internal and external factors influencing the year's financial results and may influence future performance. The MD&A is unaudited and should be read with the audited financial statements and accompanying notes prepared in accordance with Canadian generally accepted accounting principles.

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

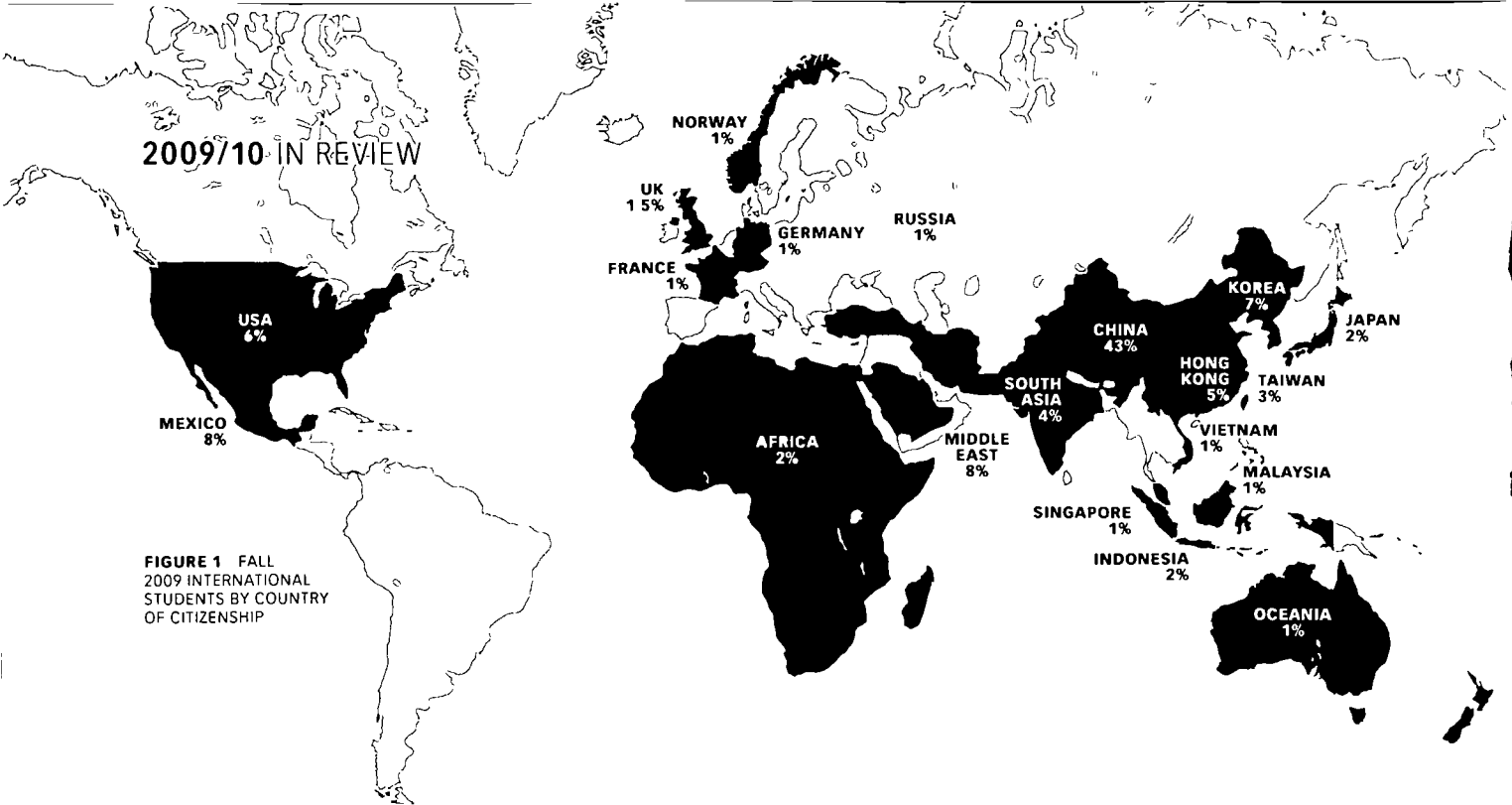
legislation and regulations, the impact of competition, and business continuity risks. SFU does not undertake any obligation to update or revise these forward-looking statements to reflect events or circumstances after the date of this report, or to reflect the occurrence of unanticipated events, except as required by law.

SFU'S VALUES & COMMITMENTS

Our mission is to advance knowledge through teaching, research, and engagement with the community.

- We are an open, inclusive university whose foundation is intellectual and academic freedom
- Our scholarship unites teaching and research: we celebrate discovery, diversity and dialogue
- Our students and communities can expect teaching that is personal and learning opportunities that are lifelong
- We champion the liberal arts and sciences and pioneering interdisciplinary and professional programs
- We are a university where risks can be taken and bold initiatives embraced

Upon these foundations, we will engage all our communities in building a robust and ethical society.



OUR STUDENTS

SFU's total student headcount for 2009/10 was 34,162 students, including 28,477 undergraduates and 5,685 graduates. With 51% of undergraduate students attending the university on a part-time basis, this equates to 24,283 total full-time equivalent (FTE) students, an increase of 5% over the previous year and exceeded the government funded enrolment target of 20,105. The 2009 fall intake of new domestic students was 4,526 students, significantly more than the University's goal of 4,120.

The majority of students enter SFU's undergraduate programs either directly from BC Grade 12 or through college transfer. In 2009/10, 40% of SFU's new undergraduates came from BC Grade 12 with average entry grades of 84%. BC College transfer students made up another 27% of new students, making SFU the largest receiving institution of BC College transfer students. The Faculty of Arts accepted 70% of incoming students followed by the Faculties of Communication, Art and Technology (8%), Science (8%), and Applied Sciences (6%). SFU exceeded its international student target of 608, enrolling 1,481 new international students or 20% of new undergraduate students.

SFU places strategic emphasis on building graduate programs and providing innovative research opportunities to attract graduate students. The annualized graduate student headcount rose 3% over the previous year to 4,171 FTE students, this represents SFU's largest ever increase in new graduate students. SFU continues to focus strategic planning on accommodating the growth of graduate enrolments.

Students	09/10	08/09	07/08	06/07	05/06
Int'l FTE	2,417	1,812	1,502	1,280	1,125
% of total	13.2	10.5	9.0	7.8	7.0

The largest proportion of international students came from China, where Canadian curriculum courses prepare Chinese students for studying in Canada. SFU International also provides Canadian students with a variety of opportunities to study and learn abroad with 116 participants in 8 field schools, 210 students in exchange programs, and approximately 160 co-op students placed internationally.

SFU is committed to supporting the BC government's priority to post-secondary access to Aboriginal students. In 2007, a First Nations university-wide strategic plan was approved by the Senate and Board of Governors. SFU's Office for Aboriginal Peoples is responsible for coordinating university-wide Aboriginal activities. SFU supports Aboriginal research, teaching, and engagement with Aboriginal peoples and communities and in 2008/09, 532 Aboriginal students took courses at SFU.

Recruitment and retention of students is a core strategic focus. Student Services has implemented initiatives to enrich student engagement and provide students with a rewarding experience while at SFU and after graduation. These initiatives will continue with the intent to not only provide students with greater academic success but to promote a quality of life that makes the university journey at SFU a memorable and enjoyable one.

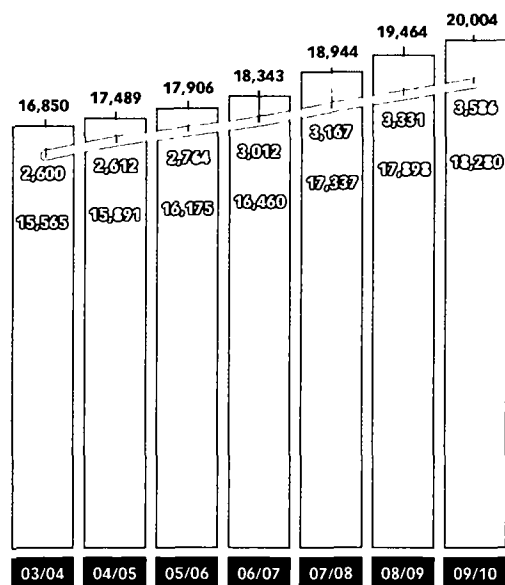
Measuring Student Enrolment

Enrolment is perhaps the most significant indicator of growth and provides a direct link to revenues through government funding, tuition and student fees. International student enrolment and enrolment in professional programs provide an important source of additional revenue. Graduate student enrolment directly impacts the research mission of the University and SFU's long-term goal to increase the graduate student population to 25% of total enrolment.

While government funded enrolment has increased by 18.7% since 2003/04, SFU's total enrolment has increased by 20.4% (figure 2).

2 / STUDENTS

□ UNDERGRADUATES □ GRADUATES □ GOVERNMENT FUNDED

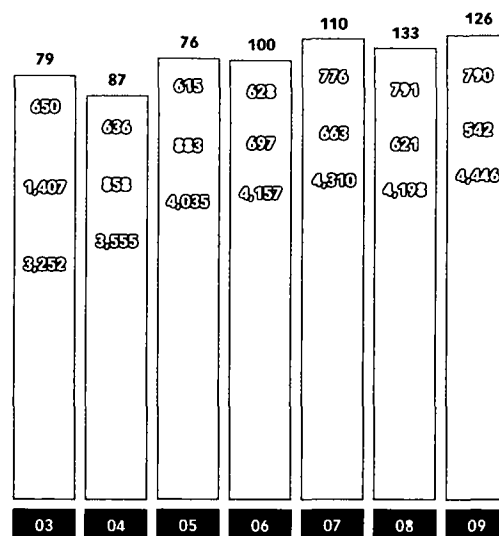


Measuring Student Success

One of the core mandates of the University is to educate students and provide them with the knowledge and skills needed to enter the workforce and make immediate contributions to society. One measure of success in achieving this goal is the number of credentials annually awarded by the University. Total credentials awarded by SFU to students has grown by 10% from 2003 to 2009, with Bachelors increasing by 37%, Masters by 22%, and Doctorate degrees by 59% (figure 3). Significant decreases of enrolment in liberal arts certificates have led to decreases in undergraduate diplomas and certificates and enrolment in business and education graduate diplomas has also decreased.

3 / CREDENTIALS AWARDED

□ BACHELORS □ OTHER GRAD CREDENTIALS □ MASTERS □ DOCTORATES





Our new Faculty of Environment includes resource and environmental management, geography, sustainable community development, and development studies

OUR FACULTIES

As of April 1, 2009, after extensive consultation, two new faculties—Environment, and Communication, Art and Technology—were added to the six existing Faculties of Applied Sciences, Arts and Social Sciences, Business Administration, Education, Health Sciences, and Science. The new Faculty of Environment brings together the School of Resource and Environmental Management, the geography department, the Centre for Sustainable Community Development, the environmental science program, and the graduate certificate program in development studies. The new Faculty of Communication, Art and Technology combines the School of Communication, the School for the Contemporary Arts, the School of Interactive Arts and Technology, and the masters of publishing and TechOne programs.

In addition, the Faculty of Applied Sciences was refocused to include the School of Computing and the School of Engineering while the School of Kinesiology joined the Faculty of Science as the Department of Biomedical Physiology and Kinesiology. The Faculty re-organization and corresponding changes to the curriculum are expected to position SFU to provide new and enhanced programs in areas of social priority and student demand.

SFU offers students a broad range of choice in programming and promoting interdisciplinary learning, including 57 joint major programs. Students can pick from a multitude of combinations of majors and minors from across faculties.

In 2009, 136 students graduated with joint majors, a 10% increase over the previous year.

A new 3-year Academic Plan (2010–2013) was approved by the university's academic Senate in January 2010 and will provide the strategic direction for the University's academic mandate over the next three years. The new plan identifies key goals in the areas of academic curricula, pedagogy, academic quality, and student services.

Focus on Health Sciences

Offering a comprehensive program on public and population health, the Faculty of Health Sciences provides an interdisciplinary approach to learning and research in the health field. The Faculty's mission is to integrate social and natural science research in order to discover vital information about population health on a global scale—and then apply this knowledge to develop better public health policies. The Faculty is committed to giving students practical opportunities to apply their knowledge to health problems in BC and beyond.

The growth of the Faculty of Health Sciences is one of the University's key strategic priorities and enrolment within the Faculty has increased five times since Fall 2006. SFU continues to plan innovative clinical programs in the health sciences and medicine that do not duplicate established programs of existing medical schools.

Focus on Environmental Studies

With continuing global concern over environmental sustainability and the increase in green technologies, SFU will provide opportunities to students in areas that address environmental issues. Key activities for the new Faculty of Environment in the new fiscal year include planning and developing new undergraduate programs and research foci with a goal to position SFU as a leader in environmental studies.

OUR PEOPLE

SFU has nearly 940 faculty, of whom approximately 60% are tenured. The University also employs over 2,900 sessional lecturers, teaching, and research assistants. SFU's faculty are accomplished educators and researchers and have received national and international recognition for their achievements.

To increase Canada's research capacity, in 2000 the federal government established the Canada Research Chairs (CRC) program with a mandate to create 2,000 new research chairs across Canada over a five year period. The program allocated 45 CRC chairs to SFU. SFU has also been awarded five BC Leadership Chairs, including Salmon Conservation and Management, Pharmaceutical Genomics and Bioinformatics, and Cognitive Neuroscience in Childhood Health and Development. The search for the Proactive Approaches to the Reduction of Violence among Children and Youth has been completed and this Chair will be filled in 2010/11.

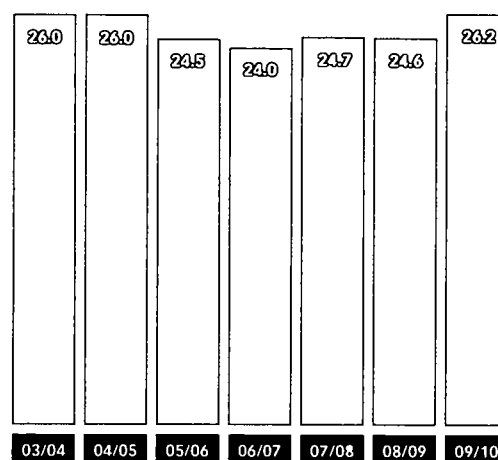
SFU employs over 1,700 non-academic staff who provide the administrative structure needed to support the extensive academic and research activities. In 2009, Mediacorp Canada named SFU as one of Canada's Top 100 employers for the third year in a row.

Teaching

One of SFU's core values is to provide personalized teaching that builds meaningful connections between faculty and students. While class sizes vary from faculty to faculty and course to course, the average undergraduate class size in the Fall semester has remained stable at around 59 students and the average Graduate class size has decreased from 16 to 14 students. The student to faculty ratio improved between 2003/04 and 2006/07 but has returned to prior levels in the last two years due to budget constraints and the impact this has had on faculty hiring (figure 4).

4 / STUDENT TO FACULTY RATIO

NUMBER OF FULL-TIME EQUIVALENT STUDENTS PER FILLED FACULTY FTE





SFU microbiologist Fiona Brinkman was named one of Canada's 100 Most Powerful Women by the Women's Executive Network, a Toronto-based professional development agency. Chosen in the Trailblazers & Trendsetters category, Brinkman is a pioneer in the emerging field of pathogen bioinformatics—the use of powerful computers to study DNA and protein sequences in bacteria that cause disease. Brinkman has attracted more than \$50 million in research funds, led or coordinated 16 major collaborative research projects, and received numerous accolades.

OUR RESEARCH

SFU's research profile continues to grow, as demonstrated by the increase in sponsored research revenues and various well-publicized research achievements. Approximately half of SFU's research funding comes from the three federal granting councils: Natural Sciences and Engineering Research Council (NSERC), Social Sciences and Humanities Research Council (SSHRC), and Canadian Institutes of Health Research (CIHR). SFU's faculty have been extremely successful in obtaining grants through the Tri-Council Agencies and have consistently exceeded the national success rates in SSHRC and NSERC competitions. The impressive growth in research income corresponds with increases in both the quantity and quality of our research output. Between 2002 and 2007, SFU's number of publications increased by over 62%, surpassing all but one other comprehensive university.

Past and future success in competing for research awards depends on many factors: faculty members and their stature and track records in their respective fields, recruitment and retention of superior graduate students available to work with these professors, the effectiveness of collaborative partnerships, both within SFU and with other institutions, and a distinctive, competitive edge in innovative programs.

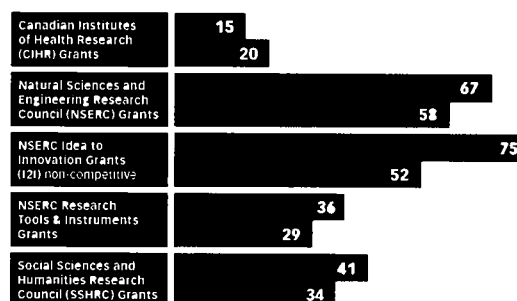
The Strategic Research Plan (2010-2015) was updated and approved by Senate in January 2010. The plan is intended to serve as a road map for establishing the focus, infrastructure, and capability that are necessary to further advance the research performance of the University over the next five years. The plan articulates the University's strengths by identifying integrative research themes that cross disciplinary boundaries. New discoveries in Canada and around the world are being made by interdisciplinary teams of investigators organized to address research questions that are multidimensional and inspired by global societal, environmental, and economic change. The seven themes described in the Plan are: Origins, Communication, Computation and Technology, Culture, Society and Human Behaviour, Economic Organization, Public Policy and the Global Community, Environment, Resources, and Conservation, Health and Biomedical Sciences, and Pedagogy.

Measuring Research Success

In comparison with other Canadian universities, SFU continues to achieve excellent results in annual competitions for research awards from the three federal granting agencies (figure 5).

5 / SUCCESS OBTAINING RESEARCH FUNDING

■ SFU ■ NATIONAL AVERAGE



The success of our researchers in obtaining funding means that SFU received \$6.4 million from the Federal Indirect Cost of Research program in 2009/10, used to invest in research facilities and supporting infrastructure.

In measuring research intensity (Tri-Council funding per faculty member), SFU surpasses several medical/doctoral universities and all but one comprehensive university, a fact that demonstrates the high quality and competitiveness of its outstanding research programs.



Burnaby's Student Central is an information centre and gathering space for students and visitors, and has lounge seating, wireless access and a plug-in laptop bar

OUR CAMPUSES

SFU Burnaby

SFU's main campus on Burnaby Mountain offers a breathtaking landscape where students, faculty, and staff work and live. The 339,000 square metres of space provides facilities for SFU's 23,700 students at Burnaby every year. In 2007, the Burnaby campus was awarded the Prix du XXe siècle (20th century prize) from the Royal Architectural Institute of Canada to recognize Arthur Erickson's campus architecture and SFU's continued adherence to the principles and architectural expression of Erickson's original vision.

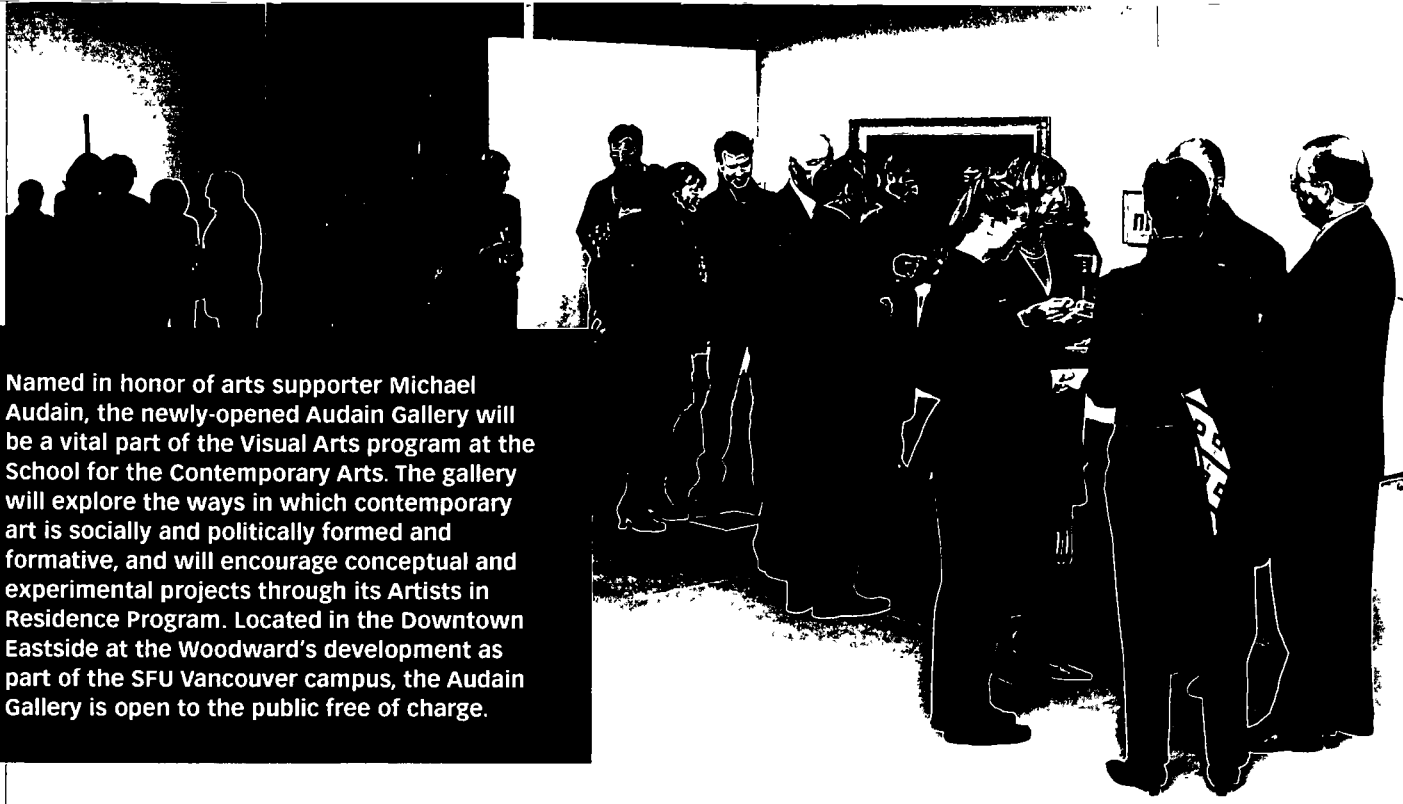
SFU has embarked upon a program of environmental sustainability and in 2008 became North America's first post-secondary institution to achieve Go Green certification from the International Building and Owner Managers Association (BOMA). The new Blusson Health Sciences building is the greenest building on the Burnaby Campus. A new sustainability policy was approved to ensure SFU will continue its leadership in sustainable operations, research, teaching, performance evaluation, and community outreach.

The SFU 5-Year Capital Plan identifies a number of infrastructure renewal projects at the Burnaby campus. The renovation of graduate residences was completed in 2009. With additional infrastructure funding from the provincial government and the federal Knowledge Infrastructure Program grant, the existing Chemistry facilities are being renewed and upgraded to LEED Gold standards.

SFU Surrey

Established in 2002, the Surrey campus located in Surrey's Central City area provides a friendly and supportive learning environment for over 4,100 students. Offering undergraduate and graduate programs in five of SFU's faculties, it offers unique programs in computing science, interactive arts and technology, mechatronic systems engineering, entrepreneurship, management and technology, mathematics operations research, criminology police studies, and world literature.

In 2010/11, with \$10 million in Knowledge Infrastructure Program grants, SFU Surrey is upgrading and renovating over 5,000 square metres of space adjacent to the campus's main public space. Surrey's Podium 2 will provide teaching and research facilities allowing the campus to meet student demand in the critical areas of Science and Health Sciences. University science options in the South Fraser region are particularly limited and Science students at SFU Surrey must now travel to the Burnaby campus for their laboratory courses.



Named in honor of arts supporter Michael Audain, the newly-opened Audain Gallery will be a vital part of the Visual Arts program at the School for the Contemporary Arts. The gallery will explore the ways in which contemporary art is socially and politically formed and formative, and will encourage conceptual and experimental projects through its Artists in Residence Program. Located in the Downtown Eastside at the Woodward's development as part of the SFU Vancouver campus, the Audain Gallery is open to the public free of charge.

SFU Vancouver

SFU's Vancouver campus has five sites: the original SFU Harbour Centre, which celebrated its 20th anniversary in May 2009, the Morris J. Wosk Centre for Dialogue, the Segal Graduate School of Business, the Alexander Street studio space, and now the School for the Contemporary Arts at Woodward's opening in September 2010. The 12,000 square metres of space will provide state-of-the-art facilities for SFU's School for the Contemporary Arts as well as teaching studios, theatres, a cinema, an art studio and gallery, a multimedia centre, and a sound stage.

SFU Vancouver offers a variety of undergraduate programs, including the Undergraduate Semester in Dialogue, and professional graduate degrees including master's programs in business, gerontology, international studies, liberal studies, public policy, publishing and urban studies. Currently the campus welcomes more than 70,000 people annually, 10,000 are students enrolled in credit and non-credit courses and thousands of others attend SFU public programs or are involved in events organized externally. As with Surrey, SFU's Vancouver campus has been a critical component in renewing and improving Vancouver's downtown core, becoming the "cultural heart of Vancouver."

COMMUNITY ENGAGEMENT

SFU Woodward's has made community engagement a goal. We will contribute positively to the creative life of Vancouver and benefit a broad population with relevant educational programs and activities.

How will we get there? First, we're listening. We're asking questions. And we're engaging in conversation with anyone and everyone with ideas about the roles that contemporary arts and SFU Woodward's can play in the local community. We envision SFU Woodward's as a creative hub—a vital network of arts-related partnerships and inter-relationships that will help stimulate community-generated projects in the arts.



Metis student Kelvin Redvers is the 2010 winner of the undergraduate Gordon Shrum gold medal for academic excellence and extracurricular activities demonstrating outstanding qualities of character and unselfish devotion to the university. Since completing Contemporary Arts' film program, his work *The Making of a Haida Totem Pole* has aired nationwide on Bravo, and is on loop at the Vancouver International Airport. And the Knowledge Network has aired three of his mini-documentaries on Aboriginal heroes working to save indigenous languages.

6 / POPULATION PROJECTION BY AGE COHORT, INCLUDING CAPILANO, DOUGLAS, FRASER VALLEY, KWANTLEN, VANCOUVER

IN THOUSANDS ■ 18-24 ■ 25-44 ■ 45-64 ■ 65+ (BC STATS PEOPLE 34 POP. PROJECTION 2009)

Year	18-24	25-44	45-64	65+
2009	1,473	1,602	525	209
2010	1,519	1,625	524	210
2011	1,559	1,652	523	211
2012	1,585	1,681	520	212
2013	1,613	1,708	518	213
2014	1,642	1,736	513	214
2015	1,670	1,760	509	215
2016	1,696	1,786	505	216
2017	1,716	1,814	501	217
2018	1,734	1,842	498	218
2019	1,748	1,870	494	219
2020	1,760	1,897	490	220

OUR EXTERNAL ENVIRONMENT

The most significant external factors currently shaping SFU's operating environment are the economy and British Columbia's changing student demographic

Economy

After declining rapidly at the end of 2008, the Canadian economy entered into a worldwide recession in the early part of 2009. Canada's governments implemented stimulus plans to improve conditions and renewed focus on higher education and research, including increased infrastructure funding through the Knowledge Infrastructure Program and increased graduate student funding. SFU received the benefits of this funding with \$59.4 million in KIP funding to renew our chemistry laboratories on the Burnaby campus and to continue expansion of the Surrey campus. The rebound of the financial markets throughout the year significantly increased the market value of SFU's investment portfolios, recovering the losses in market value suffered in the 2008/09

Student Demographic

BC Statistics estimate the province's population will grow by almost 38% between 2008 and 2036. The K-12 population, ages 5-17 years, is expected to decline until 2014 then return to current levels by 2018. The 18-29 year cohort is expected to continue rising until 2014 when it will slowly decline until 2026 (figure 6). These trends are significant: the traditional post-secondary model was built to serve students from the K-12 system and universities have been focused on the 18-29 cohort. Both of these populations are in flux and post-secondary institutions will need to adapt to these changing demographics. These trends are not so severe for the Fraser Valley region, served in part by SFU's Surrey campus, where the traditional

post-secondary demographic continues to grow. Also affecting BC's post-secondary environment has been the conversion of community colleges to university status. Shrinking cohorts and the creation of teaching universities competing for fewer students increase the risk to SFU of meeting enrolment targets. SFU will continue to work with lower mainland colleges to promote post-secondary articulation and maintain the level of transfer students. Strategic partnerships with lower mainland colleges benefit students and the entire BC post-secondary system.

Another consequence of BC's changing demographic is the growing demand for mature learner programs. Adult learners are returning to university to upgrade their skills and expand their career and economic opportunities. These changes require post-secondary institutions to adjust in order to meet the needs of these learners and make the time right for part-time credit studies for older adults to expand at SFU. Only a few competing part-time degree studies programs exist in BC for a learner seeking face-to-face experiences, and there has been little emphasis on non-cohort-based part-time degree studies for working adults.

SFU implemented a continuing education program called SFU NOW (Nights or Weekends), an initiative to help working adults complete an undergraduate degree through programming flexibility. All SFU NOW classes are on weekday evenings or on Saturday. This allows students to earn a full bachelor of general studies degree or take upper or lower division courses such as communication, political science, sociology and anthropology, and use them towards another degree programme. In 2009/10, this program enrolled approximately 260 students.



A \$49.4-million KIP renovation of Burnaby's chemistry building in the Shrum Science Centre, built in 1965, is creating state-of-the-art facilities and generating 316 jobs

FUTURE OUTLOOK

With the remarkable rebound in equity markets, the current year financial results present a much improved situation compared to a year ago, however SFU's operating budget for 2010/11 included another round of strategic budget allocation decisions to produce a balanced budget. While operating reserves have started to recover, they have not yet returned to sustainable levels.

BC's Economic Forecast Council expects BC's economy to grow by almost 3% in 2010, fuelled partly by the effects of the 2010 Olympic and Paralympic Winter Games, however, fiscal 2010/11 is expected to be the last year of government stimulus spending in response to the global economic downturn.

The federal government recognizes the importance of research and innovation for the long-term health of economy and is supporting research in Canada through the Knowledge Infrastructure Program and the fellowship program. Additional infrastructure funding is allowing the University to upgrade Chemistry laboratories and build additional capacity at SFU Surrey. Both these projects will be complete by the end of 2010/11.

Despite recent improvements, uncertainty remains about the stability of the financial markets. SFU will continue to employ its long-term investment strategy to maximize total returns on investment portfolios at an appropriate level of risk, while maintaining a spending-rate that protects the University's operations from temporary market volatility.

Managing the flow-through of excess student enrolment which occurred in fall 2009 will require careful management of resources to ensure that the high quality of programs and services is maintained. Ensuring undergraduate courses remain available to students is vital to the University's success as accessibility impacts the student's ability to complete degrees on a timely basis and has consequences to student satisfaction and the University's reputation. To address these risks, incremental tuition fees beyond previously planned levels have been allocated to faculties to provide additional course sections and to student support services. The new course scheduling policy and the new academic plan also address this challenge.

The new Academic Plan was finalized in the spring of 2010 and will guide the future of the University in terms of adapting the academic curriculum, improving the students' experience, and sustaining the high level of community engagement over the next three years. The Strategic Research Plan has also been updated to reflect evolving research priorities. In addition, the University has implemented a new comprehensive planning framework to help improve the strategic focus for allocating resources. Overall, SFU is well positioned to continue providing excellent opportunities to its students, faculty and staff, the research community, the province, and Canada.

SFU evolutionary biologist Bernard Crespi (pictured) and colleague Christopher Badcock made headlines around the world with their revolutionary genetic theory of mental disorders, providing psychiatry with perhaps its grandest working theory since Freud (according to the *New York Times*). This theory—that a tug of war between a mother's and father's genes may underly autism and schizophrenia—will provide new insights into the biology of mental illness that can ultimately lead to new treatments.



FINANCIAL HIGHLIGHTS

FOR THE YEAR ENDED MARCH 31, 2010

The year was financially strong with total assets growing to \$1.2 billion and consolidated revenues increasing by 27% over 2009 to \$614 million. This outcome is attributable to growth in the investment portfolio and to successful management of revenues and expenses associated with carrying out the University's academic and research activities. The following briefly summarizes the most significant elements of the financial statements.

Investments

While investments are not traditionally the focus of the financial statements, this year is exceptional because the University's investment portfolio contributed a \$92 million change to net revenues over the previous year. From a loss of \$37 million in 2009 to a gain of \$55 million at March 31, 2010, the recovery of global financial markets resulted in substantial unrealized investment gains and an increase in market value to \$366 million. The healthy investment returns also improved the position of the endowment stabilization reserve, bringing it back to a small deficit of less than \$2 million. This reserve helps protect endowment spending from fluctuations in income from the underlying investments.

Operations and fiscal restraint

The University's academic operations are funded primarily by government grants and tuition fees. The provincial operating grant rose to \$216 million and funded 18,280 undergraduate and 3,586 graduate full-time equivalent student spaces. Total student enrolment exceeded plans by 6%, particularly with international students, and resulted in tuition and student fee revenues of \$171 million. Ancillary revenues also benefited from increased activity while external revenues to fund research activities remained steady at \$62 million.

SFU has been actively managing operating costs and total expenses dropped 1% to \$537 million. The largest expense, salary and benefits, totaled \$333 million and remained consistent with prior years, however efforts to reduce discretionary spending in all other areas, except for student financial aid, contributed to the overall decrease of expenses.

Capital

The federal government's commitment to supporting research and innovation included additional infrastructure funding through the Knowledge Infrastructure Program. SFU received \$49.4 million to fund the renovation of Chemistry facilities on Burnaby campus and \$10 million to expand SFU Surrey. Overall, capital investment in property and equipment was \$81 million, which included the near completion of the Woodward's redevelopment for the School for the Contemporary Arts.

Financial health

Between 2004/05 and 2008/09, internally restricted net operating assets decreased 151% from \$38.6 million to a deficit of \$19.5 million. As a result of revenue growth and careful management of expenses, this year the net assets recovered to \$13.1 million. Included in this figure is \$19.9 million of cumulative operating budget carryovers which are offset by unfunded employee future benefits and vacation pay and an operating investment loss in the stabilization account which has not yet recovered its value.

The Endowment portfolio which supports student aid, academic programs, athletics, library materials, and research has grown 60% since 2004/05 and reached a high of \$186 million at March 31, 2010.

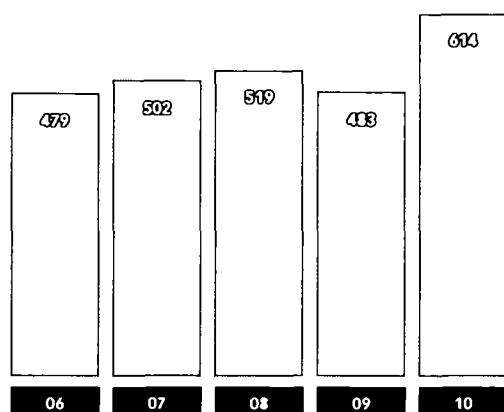
Financial exposures

The University has two pension plans for its employees, one which is a defined benefit plan funded entirely by the University. It has a going concern actuarial surplus, but a solvency actuarial deficit of \$22 million which will need to be addressed in the future.

With respect to employee future benefits, the unamortized net actuarial loss has been reduced to \$4 million which is a \$10 million improvement in comparison to 2009.

7 / REVENUE

IN MILLIONS OF DOLLARS



REVENUES

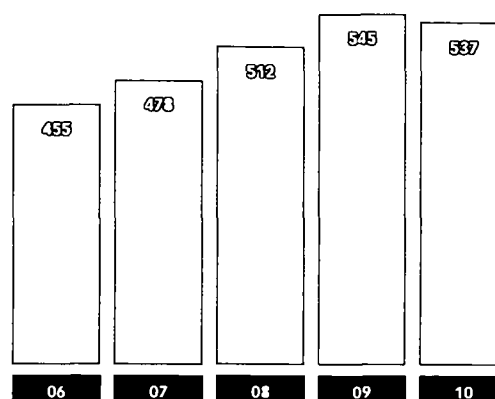
Revenues increased significantly over 2009 to \$614 million

\$ in thousands	2010	2009	%
Govt Grants & Contracts	291,955	270,695	8
Tuition & Student Fees	171,099	154,790	11
Sales of Goods & Services	40,010	41,382	(3)
Donations, Non-Gov't Grants & Contracts	31,016	29,139	6
Investment Income	54,984	(37,048)	248
Amortization of Deferred Capital Contributions	13,755	13,962	(1)
Miscellaneous revenues	11,143	9,840	13
Total	613,962	482,760	27

- Grants & contracts** including sponsored research revenues, increased by 8% over 2009. Provincial funding was 6% higher, \$231 million.
- Tuition & student fees** rose due to a 5% increase in enrolment over last year and a 2% increase in fees. Undergrad international tuition had the most significant increase at 32%.
- Sales of goods and services** includes ancillary operations, which were stable but offset by decreases in security, computing services, and student services.
- Donations, non-government grants and contracts** increased due to growth in research grants from Canadian non-profit organizations.
- Investment income** is \$55 million, compared to a loss of \$37 million last year. There was an unrealized market increase of \$53 million and \$2 million in realized income.
- Other revenue** includes fees for services, and increased partially due to external facility rentals and royalties.

8 / EXPENSES

IN MILLIONS OF DOLLARS



EXPENSES

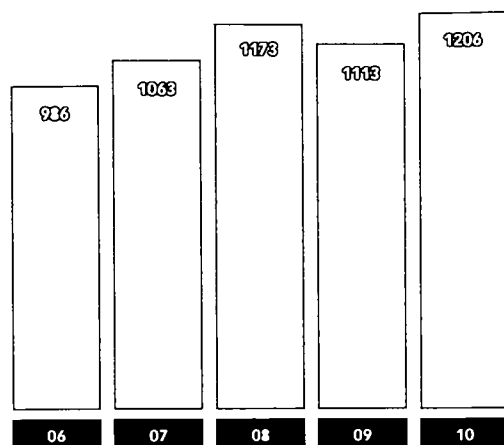
Total expenses for the year decreased 1% over 2009 to \$537 million, due to these significant changes

\$ in thousands	2010	2009	%
Salaries & Benefits	333,375	331,812	0
Supplies & Other	53,780	58,603	(8)
Amortization	50,920	49,508	3
Professional Services	28,212	30,022	(6)
Scholarships & Bursaries	27,155	26,338	3
Travel & Personnel Exp	14,560	17,372	(16)
Cost of Goods Sold	12,128	12,771	(5)
Interest on long term debt	10,043	10,381	(3)
Utilities	7,232	8,164	(11)
Total	537,405	544,971	(1)

- Salaries and benefits** represent 62% of expenses and remained stable over the year. Benefits represent 17% of total compensation expenses.
- Supplies & other expenses** decreased as a result of budget reductions in discretionary spending and funding cuts for renovations and alterations. The Annual Capital Allowance grant was reduced by \$2.2 million mid-way during the year, calling for reductions to this category.
- Travel & personnel expenses** decreased by 16% due to reduced operating budgets and spending on conferences, general travel, and general expenses.
- Cost of goods sold** was reduced 5% while related sales were down 3%.
- Utility costs** were substantially lower due to savings associated with an unseasonably warm winter.

9 / ASSETS

IN MILLIONS OF DOLLARS



ASSETS

Total assets increased by 8% over 2009 to \$1,206 million

\$ in thousands	2010	2009
Current assets	24,531	18,855
Receivable from related party	5,033	-
Property & equipment	807,679	779,463
Investments	365,835	311,740
Prepaid lease	2,437	2,751
Total	1,205,515	1,112,809

- Current assets** are higher due to increases in general and students accounts receivable, and a receivable of a distribution from SFU Community Trust
- Property and equipment** combines capital projects for buildings and leasehold improvements, with library acquisitions, computers, and furniture and equipment. Spending included construction at the School for the Contemporary Arts and renovation of the Chemistry building and the retrofit of Surrey's Podium 2 space
- Investments** increased by \$57 million which includes market adjustments of \$52 million

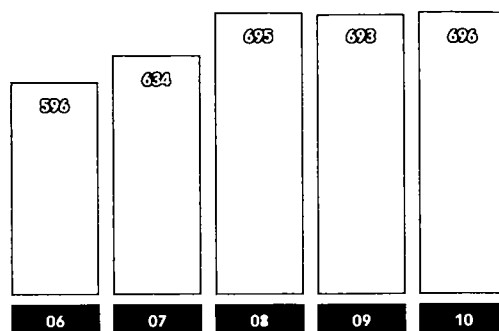
LIABILITIES

Liabilities increased slightly over 2009 to \$696 million

- Current liabilities** decreased as a result of the elimination of obligations due to the transfer of the Mathematics of Information Technology and Complex Systems (MITACS) research program to the University of British Columbia. The current portion of long term debt also decreased due to

10 / LIABILITIES

IN MILLIONS OF DOLLARS



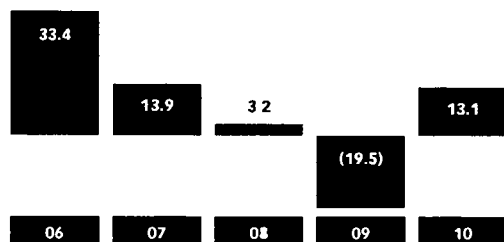
refinancing of short term debt to a five year term

- Employee future benefits** liability increased by \$4.5 million as accruals were made based on actuarial recommendations. The unaccrued portion has been reduced by \$9.7 million as a result of actuarial gains and amortization of the unaccrued amount. The accrued but unfunded portion of these liabilities has been reduced by \$3.6 million to \$10.9 million
- Long term debt** increased due to the conversion of short term floating rate debt to a five year fixed term
- Deferred contributions** are externally restricted resources not recognized as revenue until the related expenses are incurred. Fewer contributions for research and specific purpose projects mean a small decrease
- Deferred capital contributions** represent the unamortized portion of restricted capital advances, and increased due to contributions for ongoing projects including SFU Contemporary Arts at Woodward's, the Chemistry renewal, and the retrofit of Surrey's Podium 2

\$ in thousands	2010	2009
Current liabilities	35,245	54,406
Employee future benefits	44,797	40,244
Long-term debt	160,347	157,751
Deferred contributions	54,301	55,640
Deferred capital contrib	379,915	365,142
Deferred lease proceeds	21,533	19,331
Total	696,138	692,514

11 / NET ASSETS

IN MILLIONS OF DOLLARS



NET ASSETS

Net assets increased from 2009 by 21% to \$509 million

\$ in thousands	2010	2009
Internally restricted for operating commitments	13,150	(19,508)
Lease and other	30,372	27,919
Invested in property, plant & equipment	280,013	262,913
Endowment	185,842	148,971
Total	509,377	420,295

I Internally restricted for operating commitments

include balances derived from operating budget carry forward amounts at the department level as well as internally restricted funds for research and other projects. These amounts are offset by accrued but unfunded liabilities for employee future benefits and unfunded vacation pay

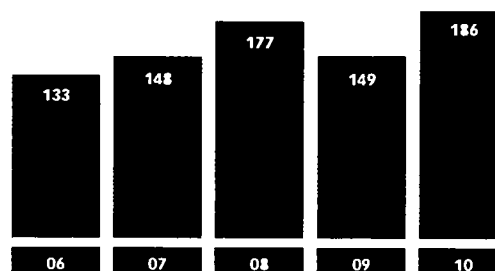
I **Lease and other reserves** are for non-operating commitments which relate to long term lease commitments for SFU Harbour Centre, and reserves which are designated for contracts for specific purpose activities

ENDOWMENT FUND

SFU's endowment funds are an important source of financial support for our students, research, academic programs, library collections, athletics, and many other University activities. Endowments are donations that are restricted by the contributor. The Endowment Fund investment strategy aims to maintain the

12 / ENDOWMENT FUND

IN MILLIONS OF DOLLARS



purchasing power of the original capital value for future generations, while also ensuring that adequate spending income allocations remain stable each year

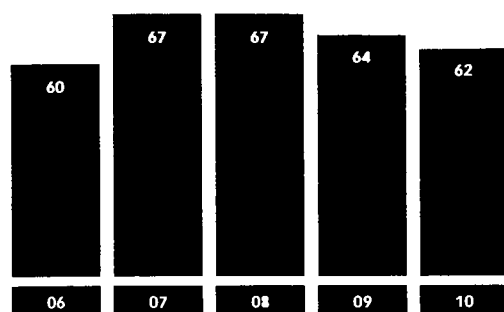
With the rebound of the financial markets in 2009/10, investment income related to the endowment fund of \$39.7 million was recorded this year. The income stabilization reserve which protects endowment spending against fluctuations in the value of the fund recovered by \$31 million leaving a balance to recover of less than \$2 million. Additional donations of also \$4.4 million contribute to the new fund balance of \$186 million.

\$ in thousands	spending 2010/11
Faculty & academic support	3,225
Student financial aid	2,247
Research chairs	2,044
Professorships	391
Library	179
Athletics	108
Total	8,193

The endowment fund investment policy requires diversification between fixed income (30%) and equity securities (70%) to balance investment risk with optimizing earnings.

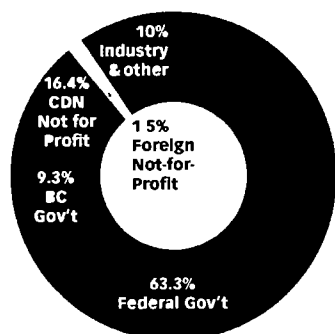
13 / SPONSORED RESEARCH REVENUES

IN MILLIONS OF DOLLARS



SPONSORED RESEARCH REVENUES

Research is primarily funded by three federal granting agencies: Natural Sciences and Engineering Research Council, Social Sciences and Humanities Research Council, and Canadian Institutes of Health Research.

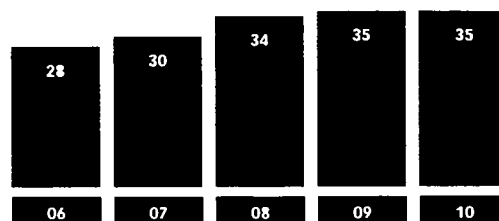


While there was a gain compared to last year, the net decrease is a result of the transfer of the Mathematics of Information Technology and Complex Systems research program to UBC, decreasing the total by \$6.9 million.

\$ in thousands	2010	2009
Federal Government	39,376	42,189
Canadian Not for Profit	10,208	8,326
BC Government	5,815	7,158
Foreign Not for Profit	930	985
Industry	2,659	3,122
Other	3,227	3,165
Total	62,215	64,945

14 / ANCILLARIES

IN MILLIONS OF DOLLARS



ANCILLARIES

Ancillary services provide goods and services to the University community. They are:

- SFU Bookstores** in Burnaby, Harbour Centre & Surrey
- Residence & Housing** have accommodation capacity for over 1,800 students and provide 14 hotel rooms
- Food Services** are provided through a contractor at seven locations on the Burnaby campus
- Parking** operates all parking lots and repays debt on the parkade. U-Pass is a key initiative to control demand from limited parking spaces and encourage the use of transit for environmental benefits
- Document Solutions** provides both digital and traditional printing services
- Microcomputer Store** in the Cornerstone building adjacent to the Burnaby campus sells personal computers and supplies to the university community

Revenues are generated to cover operating expenses, debt service payments and to provide reinvestment necessary to ensure long term financial viability. Revenues remained stable at \$35.2 million.

\$ in thousands	2010	2009
Bookstore	14,104	13,990
Residences	13,553	13,213
Parking	4,430	4,105
Microstore	2,524	2,591
Food Services	515	596
Document Solutions	119	82
Total	35,245	34,577

INFORMATION ON RELATED ORGANIZATIONS

As explained in Note 2 and Note 23, the University's financial statements include the financial information for the following related entities

SFU COMMUNITY TRUST

SFU Community Trust's mandate is to oversee the development of UniverCity, a compact, mixed-use residential neighbourhood founded on the Four Cornerstones of Sustainability: Equity, Economy, Education and Environment. The Official Community Plan allows for up to 4,536 residential units in two distinct neighbourhoods to the south and east of SFU's campus, each with its own elementary school and neighbourhood park. 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 presided over by a 17-member Board of Directors comprising key SFU stakeholders, faculty and student representatives as well as a number of prominent real estate and development experts from in and around Vancouver and 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.

SIMON FRASER UNIVERSITY FOUNDATION

The purpose of the Simon Fraser University Foundation (the "Foundation") is to encourage public awareness of, and support for, Simon Fraser University (the "University") 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 the 15 rental units in the Verdant housing complex which are owned by the Foundation for the purposes of leasing to SFU's faculty and staff. The Foundation is consolidated in the endowment fund of the University.

GREAT NORTHERN WAY

The Great Northern Way (GNWC) collaborative university campus combines the strengths of four academic institutions: University of British Columbia, Simon Fraser University, Emily Carr University of Art + Design and the British Columbia Institute of Technology. GNWC has the mandate to intersect arts, technology and the environment in a manner that bridges academia with industry, artists with technology, and innovation with development. It is an integrative environment that builds community and celebrates innovation.

SFU has a 25% interest in GNWC and it is recorded on a proportionate consolidation basis.

STATEMENT OF **MANAGEMENT RESPONSIBILITY**



The University is responsible for the preparation of the financial statements and has prepared them in accordance with Canadian generally accepted accounting principles. The financial statements present fairly the financial position of the University as at March 31, 2010 and the results of its operations 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 control designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements.

The Board of Governors carries out its responsibility for review of the financial statements and oversight of management's performance of its financial reporting responsibilities principally through its Audit Committee. Members of the Audit Committee are not officers or employees of the University. The Committee meets with Management, the internal auditor and the external auditors to discuss the results of audit examinations and financial reporting matters. The external auditors have full access to the Audit Committee, with and without the presence of Management.

The financial statements for the year ended March 31, 2010 have been reported on by the Auditor General of British Columbia. The Auditors' Report outlines the scope of their examination and provides their opinion on the fairness of presentation of the information in the statements.

A handwritten signature in dark ink, appearing to read "Michael Stevenson".

DR. MICHAEL STEVENSON
PRESIDENT

A handwritten signature in dark ink, appearing to read "Pat Hibbitts".

DR. PAT HIBBITTS
VICE PRESIDENT, FINANCE & ADMINISTRATION
MAY 27, 2010



Report of the Auditor General of British Columbia

*To the Members of the Board of Governors of
Simon Fraser University, and*

*To the Minister of Advanced Education and Labour Market Development,
Province of British Columbia*

I have audited the statement of financial position of *Simon Fraser University* as at March 31, 2010, and the statements of operations and changes in operating net assets, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of *Simon Fraser University* as at March 31, 2010, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Victoria, British Columbia
May 27, 2010*

John Doyle, MBA, CA
Auditor General

FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2010

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2010

\$ in thousands	2010	2009
ASSETS		
Current Assets		
Cash and cash equivalents (notes 3 & 26)	1,936	1,811
Accounts receivable (note 26)	18,301	12,610
Inventories	2,198	2,446
Prepaid expenses	2,096	1,988
	24,531	18,855
Receivable from related party (note 4)	5,033	-
Investments (notes 5 & 26)	365,835	311,740
Property and equipment (note 6)	807,679	779,463
Prepaid lease (note 7)	2,437	2,751
Total Assets	1,205,515	1,112,809
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued liabilities	30,757	45,889
Current portion of long term debt (note 8)	4,488	8,517
	35,245	54,406
Employee future benefits (note 9)	44,797	40,244
Long term debt (note 8)	160,347	157,751
Deferred contributions (note 11)	54,301	55,640
Deferred contributions for property and equipment (note 11)	379,915	365,142
Deferred lease proceeds (note 12)	21,533	19,331
	696,138	692,514
Net Assets (note 13)		
Operating	-	-
Internally restricted for commitments		
Operating (note 14)	13,150	(19,508)
Lease and other (notes 15 & 26)	30,372	27,919
	43,522	8,411
Invested in property and equipment (note 26)	280,013	262,913
Endowment (note 16)	185,842	148,971
	509,377	420,295
Total Liabilities and Net Assets	1,205,515	1,112,809

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



MICHAEL FRANCIS
CHAIR, BOARD OF GOVERNORS



PAT HIBBITTS
VICE PRESIDENT, FINANCE & ADMINISTRATION

STATEMENT OF OPERATIONS AND CHANGES IN OPERATING NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2010

\$ in thousands	2010	2009
REVENUE		
Government grants and contracts (note 17)		
Province of British Columbia	231,321	215,007
Government of Canada	58,827	53,412
Other governments	1,807	2,275
Tuition		
Credit courses	150,326	135,704
Non-credit courses and other student fees	20,773	19,087
Sales of goods and services	40,010	41,382
Donations, non-government grants and contracts	31,016	29,139
Investment income (loss) (note 18)	55,284	(37,048)
Amortization of deferred contributions property & equipment	13,755	13,962
Other revenue	10,843	9,840
	613,962	482,760
EXPENSE		
Salaries	277,566	278,336
Employee benefits	55,809	53,476
	333,375	331,812
Supplies and other operational expenses	53,780	58,603
Amortization of property and equipment	50,920	49,508
Professional and contracted services	28,212	30,022
Scholarships, bursaries and prizes	27,155	26,338
Travel and personnel expenses	14,560	17,372
Cost of goods sold	12,128	12,771
Interest on long-term debt	10,043	10,381
Utilities	7,232	8,164
	537,405	544,971
Net revenue (loss) from continuing operations	76,557	(62,211)
Gain on disposal of properties (note 19)	6,648	-
Net revenue (loss) for the year	83,205	(62,211)
CHANGES IN NET ASSETS		
Decrease (increase) in net assets restricted for commitments	(35,111)	34,075
Increase in investment in property and equipment	(17,100)	(4,733)
Loss (gain) on endowment investments allocated to endowment principal (note 11)	(30,994)	32,869
Net change in operating net assets	(83,205)	62,211
Operating net assets, beginning of year	-	-
Operating net assets, end of year	-	-

The accompanying notes are an integral part of these financial statements

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2010

\$ in thousands	INTERNALLY RESTRICTED COMMITMENTS				
	GENERAL OPERATING	OPERATING	LEASE & OTHER	INVESTED IN PROPERTY & EQUIPMENT	RESTRICTED FOR ENDOWMENT PRINCIPAL
NET ASSETS, beginning of year					
As previously stated	(25,048)	5,540	24,372	266,460	148,971
Reclassification of operating investment stabilization to operating internally restricted (note 26)	25,048	(25,048)			
Reclassification of internally restricted to invested in property and equipment (note 26)			3,547	(3,547)	
As restated	-	(19,508)	27,919	262,913	148,971
CHANGES FOR THE YEAR					
Net revenue for the year	83,205				
Transfers					
Change in restricted for specific commitments	(35,111)	32,658	2,453		
Increase in investment in property & equipment	(17,100)			17,100	
Endowment Transactions					
Contributions and other transfers					6,638
Capitalized investment income					2,463
SFU Community Trust equity income (note 12)					242
Gain on endowment investments allocated to endowment principal (notes 11, 16)	(30,994)				30,994
Removed from endowment per donor request					(1,500)
Capital reduction from loss on related investment					(1,966)
Net assets, end of year	-	13,150	30,372	280,013	185,842
		<i>note 14</i>	<i>note 15</i>	<i>see below</i>	<i>note 16</i>

Invested in Property & Equipment is represented by

Property and Equipment	807,679
Sinking Fund Investment (note 5)	6,678
Long-term debt, before current portion (note 8)	(164,835)
Deferred Contributions for property and equipment	(379,948)
Net current assets and current liabilities invested in Capital Fund	6,823
Long-term donation receivable	3,616

Invested in Property & Equipment	280,013
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The accompanying notes are an integral part of these financial statements

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2010

\$ in thousands	2010	2009
OPERATING ACTIVITIES		
Net Revenue (loss) for the year	83,205	(62,211)
Items not involving cash		
Gain on sale of properties	(6,648)	-
Unrealized portion of investment losses (gains) (note 18)	(53,078)	36,773
Amortization of deferred contributions, property & equipment	(13,755)	(13,962)
Amortization of property and equipment	50,920	49,508
Employee future benefits	4,553	3,515
	65,197	13,623
Changes in non-cash operating balances		
Accounts receivable	(5,691)	1,519
Receivable from related party	(5,033)	-
Inventories	248	(883)
Prepaid expenses	(108)	306
Prepaid lease	314	315
Accounts Payable and accrued liabilities	(15,132)	(955)
Deferred contributions	(1,339)	(3,919)
Cash provided by operating activities	38,456	10,006
INVESTING ACTIVITIES		
Net decrease (increase) in long term investments, net of market adjustment	(1,017)	13,880
Proceeds from sale of properties (note 19)	6,728	-
Property and equipment acquisitions	(81,073)	(61,704)
Endowment contributions	8,080	6,365
Cash used in investing activities	(67,282)	(41,459)
FINANCING ACTIVITIES		
Deferred contributions for property and equipment	30,384	15,328
Long term debt proceeds	159	-
Debt principal repaid	(1,592)	(2,564)
Cash provided by financing activities	28,951	12,764
Net increase (decrease) in cash and cash equivalents	125	(18,689)
Cash and cash equivalents, beginning of year	1,811	20,500
Cash and cash equivalents, end of year	1,936	1,811

SUPPLEMENTAL CASH FLOW INFORMATION

Cash interest paid during the year was \$9,988,000 (2009 \$10,294,000)
During the year, the University entered into non-monetary transactions related to the disposal and acquisition of an interest in a building which has been excluded from the foregoing (note 19)

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2010

1. AUTHORITY AND PURPOSE

Simon Fraser 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 continuing studies 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 which are appointed by the provincial government of British Columbia. The academic governance of the University is vested in the Senate. The University is a registered charity and is therefore exempt from income taxes under section 149 of the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES AND REPORTING PRACTICES

Accounting Method

The financial statements are prepared in accordance with Canadian generally accepted accounting principles using the not-for-profit organizations reporting standards recommended by the Canadian Institute of Chartered Accountants (CICA). These principles are consistent with those used in prior years.

The deferral method of accounting for contributions is used. Net assets are reported in relation to general operating, internally restricted, invested in property & equipment and endowments. Revenues and expenses are recorded on a gross and accrual basis.

Related Entities

The University's 25% interest in the Great Northern Way Campus Trust is recorded on a proportionate consolidation basis. Simon Fraser University Foundation is consolidated in the accounts of the University. The SFU Community Trust is recorded based on the equity method as described in note 12.

Details of other corporations and consortiums, in which the University may have a significant interest, are contained in note 23. These entities are not consolidated in these financial statements as the net assets are not contemplated to be, and are not, readily realizable by the University.

Revenue Recognition

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 contributions until that future period. Other unrestricted revenue, including student fees and sales of goods and services, are reported as revenue at the time the services or products are provided. Unrestricted contributions and pledges are recognized as revenue when received.

Externally restricted contributions (grants and donations) are reported as revenue depending on the nature of restrictions on the use of the funds by the contributors.

- Contributions for specific purposes other than endowment or the acquisition of property and equipment are recorded as deferred contributions and recognized as revenue in the year related expenses are incurred.
- Contributions restricted for capital purposes are recorded as deferred contributions until the amount is invested in property and equipment.
 - » If the property and equipment acquired is land, property rights or a special collection item, the amount is recorded as a direct increase to net assets invested in property and equipment.
 - » If the property and equipment has a limited life, the amount invested is recorded as a deferred capital contribution and amortized over the useful life of the asset to net assets invested in property and equipment. Amortization of deferred capital contributions for property and equipment is recorded on a straight-line basis over the estimated life of the related assets.
- Endowment contributions, matching contributions and investment income allocated for endowment capital preservation are recognized as direct increases in net assets held for endowments in the period in which they are received or earned.

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

Financial Instruments

The University has elected to apply CICA Handbook section 3861 in relation to reporting on financial instruments with some additional disclosures in relation to risk. The University's financial instruments consist of cash and cash equivalents, accounts receivable, investments, accounts payable and accrued liabilities and long-term debt. These financial instruments are accounted for as follows:

Held-for-trading

The University has designated cash and cash equivalents and investments as held-for-trading. These instruments are recognized at their fair value, determined by published price quotations in an active market. Transaction costs to buy or sell these items are recognized in income on the settlement date. Net gains and losses arising from changes in fair value are recognized immediately in income unless funds are externally restricted.

Loans and receivables and other financial liabilities

The University has classified accounts receivable as loans and receivables, and accounts payable and accrued liabilities and long-term debt as other financial liabilities for financial reporting purposes.

These instruments are initially recognized at their fair value and are subsequently measured at their amortized cost, using the effective interest method. Gains and losses arising from changes in fair value are recognized in net income upon derecognition or impairment. Given the short-term nature of accounts receivable, accounts payable and accrued liabilities, their carrying value equates to their fair value.

Inventories

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

Property and Equipment

Property and equipment acquisitions are recorded on the statement of financial position at cost. Donated assets are recorded at fair market value at the date of acquisition. Amortization of property and equipment is recorded on a straight line basis over the estimated life of the asset.

Estimated useful life (time in years)

Site Services	50
Buildings	
concrete	50
wood frame	30
Library books	10
Equipment and furnishings	8
Computing equipment	3
Leasehold improvements	Term of Lease

No amortization is taken on land, property rights, works of art and collections, which include that portion of library assets considered to have permanent value, as they are considered to have an unlimited useful life.

Impairment of Long-Lived Assets

Long-lived assets are tested for impairment whenever circumstances indicate that the service potential has declined. When events or circumstance indicate that the service potential has declined, the long-lived assets are written down based upon the relative loss of service potential and a related expense recognized in the statement of operations and changes in net operating assets. A long-lived asset taken completely out of use is written down to its residual value. In 2010, a modular building was written down by \$76,000 to nil (note 19). There was no write down of long-lived assets in 2009.

Prepaid Lease

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

Use of Estimates

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and revenue and expenses during the reporting period. Significant areas requiring the use of management estimates include the impairment of assets, provision for doubtful accounts, amortization period for property and equipment, and actuarial assumptions for employee future benefits and pension plans. Actual results could differ from management's best estimates as additional information becomes available in the future.

New Accounting & Regulatory Pronouncements

The University's financial reporting is based on the CICA Handbook's private entity standards which include the section 4400 series on not-for-profit accounting standards.

In March 2010, the Public Sector Accounting Board released an Exposure Draft "Financial Reporting for Government Not-for-Profit Organizations", in which they propose that organizations like the University utilize the Public Sector Accounting Handbook with incorporation of the existing 4400 series of standards. The proposed change would apply beginning in the fiscal year ending March 31, 2013 with comparative figures to be provided on that basis for the preceding fiscal year. If the proposal in the Exposure Draft is adopted, this would be a major change to the underlying framework of financial reporting.

In February 2010, the Government of British Columbia's Throne Speech announced their intent to introduce legislation that would enable universities to remove themselves from the government reporting entity. This could enable universities to continue reporting pursuant to the current financial reporting standards.

The combination of accounting standards that are under development and the potential change in the relationship with the provincial government that could change the determinants of the appropriate accounting standards provides considerable uncertainty on the framework of financial reporting that the University will apply in the future. The implications of these potential changes has not been determined at this time.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are demand deposits in Canadian financial institutions, primarily in Canadian currency, and presented net of outstanding items including cheques written but not cleared by the bank as at the date of the statement of financial position.

4. RECEIVABLE FROM RELATED PARTY

The receivable from a related party is due from SFU Community Trust and is without interest or fixed repayment terms. The University is a beneficiary of SFU Community Trust and accounts for it by the equity method as discussed in note 12.

5. INVESTMENTS

\$ in thousands	2010 market	2009 market
Actively managed bond fund	77,562	87,966
Indexed bond fund	71,433	67,915
Total Bonds	148,995	155,881
Canadian equities	108,840	73,863
Foreign equities	56,255	29,292
Long term annuity	12,004	12,075
Private equities	12,155	10,714
Great Northern Way portfolio	8,052	8,413
Long term promissory note	6,316	7,236
Sinking fund	6,678	6,249
Vancouver Foundation	6,540	5,925
Donated hedge fund	-	2,092
Total	365,835	311,740

Actively Managed Bond Fund

\$ in thousands	2010 market	2009 market
Government bonds		
Federal	18,401	23,563
Provincial and municipal	32,472	29,558
	50,873	53,121
Corporate debentures	26,689	34,845
Total	77,562	87,966

Bonds in the actively managed bond fund mature between 2011 and 2041, and have coupon rates from 2.9% to 7.5%.

The indexed bond fund is based on the DEX Universe Bond index, referencing 1,024 bonds: 47% federal government, 26% provincial and municipal, and 27% corporate. As at March 31, 2010, the portfolio's one year return was 5.18% and the duration was 5.94 years.

Foreign equity investments are invested approximately 50% in US markets and 50% outside of Canada and the US.

The long term annuity is receivable in installments of \$1,457,000 from 2011 to 2013, \$2,257,000 from 2014 to 2017 and \$8,257,000 in 2018.

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

The Great Northern Way portfolio is the University's proportionate share of their investments, being \$4,250,000 of money market funds and \$3,802,000 of balanced pooled equity and bond funds.

The long term promissory note is receivable in annual payments of \$1,200,000 of both principal and 4% interest until February 2016.

Sinking funds investments are held and invested by the Province of BC. These funds totaled \$6,678,000 (2009: \$6,249,000) and will provide for the retirement of debentures issued to the Province at maturity. Annual sinking fund payments due within the next five years are included in the debt repayment schedule in note 8.

The Vancouver Foundation investment is in its Consolidated Trust Fund pool which invests in investment pools of equities, fixed income and real estate.

Market Adjustment Analysis

\$ in thousands	2010	2009
Market adjustment		
Operating investments		
<i>Balance, beginning of year</i>	<i>(1,730)</i>	<i>(1,933)</i>
<i>Change in the year</i>	<i>10,283</i>	<i>203</i>
<i>Balance, end of year</i>	<i>8,553</i>	<i>(1,730)</i>
Endowment investments		
<i>Balance, beginning of year</i>	<i>(21,727)</i>	<i>15,249</i>
<i>Change in the year</i>	<i>42,795</i>	<i>(36,976)</i>
<i>Balance, end of year</i>	<i>21,068</i>	<i>(21,727)</i>
Total, end of year	29,621	(23,457)
Investments, at cost, year end	336,214	335,197
Investments, at market, year end	365,835	311,740

6. PROPERTY AND EQUIPMENT

\$ in thousands	Cost	Accumulated Amortization	2010 net	2009 net
Buildings, concrete	653,000	165,402	487,598	514,469
wood	23,133	12,231	10,902	15,301
Site services	35,844	11,886	23,958	24,823
Leasehold improvements	12,253	7,919	4,334	4,822
Computing equipment	30,231	15,060	15,171	18,133
Equipment and furnishings	126,742	54,064	72,678	72,273
Library books	83,083	36,003	47,080	46,693
Special Collections	8,615	-	8,615	7,346
Land and property rights	30,776	-	30,776	30,141
Construction in progress	106,567	-	106,567	45,462
Total capital assets	1,110,244	302,565	807,679	779,463

Space in the Central City complex for the Surrey campus is included in buildings. The 429 acres of land in Burnaby is recorded in the financial statements at its 1965 assessed value of \$572,000. A portion of this land is set aside for development by the SFU Community Trust.

As at March 31, 2010, the University had committed to contracts for the construction and acquisition of buildings with future expenditures of approximately \$42 million. The capital financing plan in relation to construction of the School for the Contemporary Arts at the Woodward's redevelopment includes fundraising of which a further \$8.4 million of pledges need to be obtained. Alternatively, the University will need to seek other sources of financing.

7. PREPAID LEASE

The University prepaid a liability due on the expiry of the Harbour Centre lease in December 2017. The prepaid lease amount is being amortized over the remainder of the lease. Commitments in relation to the Harbour Centre lease are \$4,181,000 per year until the end of the lease in December 2017.

8. LONG TERM DEBT

\$ in thousands	2010	2009
Demand loan — GNWCT	3,785	3,750
Term loan	4,537	4,378
Mortgages, student residences	1,658	1,791
Verdant	3,186	4,969
Debentures, senior unsecured	140,669	140,380
Province of BC	11,000	11,000
	164,835	166,268
Current portion	(4,488)	(8,517)
Total long term debt	160,347	157,751

Demand loan is the University's ¼ share of the Great Northern Way Campus Trust demand loan and revolving loan. It bears interest at bank prime plus 0.65%, payments are interest only, and principal is due on demand. The debt is secured by a promissory note, general security agreement and first charge over certain properties. Term loan bears interest at 4.26%, and has annual payments of \$400,000 (principal and interest), due September 30, 2014.

Mortgages collateralized by student residences bear interest at rates between 5.375% and 6.875%, have annual payments of \$248,000 (principal and interest), and are due between January 1, 2017 and July 1, 2019. Mortgage collateralized by the Verdant rental units bears interest at 5.20%, has quarterly payments of \$84,165, (principal and interest), is amortized to June 3, 2023, and is due June 3, 2017.

Debentures—Senior Unsecured issued by the University for \$150,000,000 bear interest at 5.613%, interest paid semi-annually, due June 10, 2043, and are recorded using the effective interest method. Net proceeds were used to finance capital projects. The debentures are neither obligations of, nor guaranteed by, the Province of BC. Debentures unsecured obtained through the Province of BC, bear interest at rates between 8.75% and 9.5%, and are due between 2012 and 2022. Annual payments of principal, sinking fund installments and interest due within the next five years are as follows:

\$ in thousands	Principal	Sinking fund	Interest
2011	4,312	175	9,882
2012	556	178	9,854
2013	585	216	9,398
2014	616	44	9,226
2015	459	44	9,083

9. EMPLOYEE FUTURE BENEFITS

Some benefit plans for employees involve payments to be made after the provision of service and are described as *employee future benefits*. Estimating the expense for the current fiscal period of these future benefits involves an actuarial valuation to determine the *accrued benefit obligation*. The expected average remaining service life of eligible employees is utilized as the attribution method applied to recognize the expense and determine the *accrued benefit liability*. The difference between the obligation and the liability is the *unamortized net actuarial loss*. The University does not segregate assets to specifically offset this liability, but does establish *net assets internally restricted for employee future benefits*.

\$ in thousands	2010	2009
Accrued benefit obligation	48,630	53,814
Unamortized net actuarial loss	3,833	13,570
Accrued benefit liability (note 14)	44,797	40,244
Funded by internally restricted for the employee future benefits (note 14)	33,874	25,723
Not funded by internally restricted for the employee future benefits (note 14)	10,923	14,521

Accrued benefit liability

\$ in thousands	Non-Pension Benefits	Early Retirement	Long term Disability	2010 total	2009 total
Balance, beginning of year	28,740	4,505	6,999	40,244	36,729
Current service cost	947	35	2,268	3,250	2,822
Interest on benefit obligation	1,926	218	729	2,873	2,037
Amortization of actuarial deficiency	1,086	-	380	1,466	1,423
Disbursements	(943)	(307)	(1,786)	(3,036)	(2,767)
Balance, end of year	31,756	4,451	8,590	44,797	40,244

Description of Benefit Plans

The University has three defined benefit plans that provide retirement and post-employment benefits to employees, all of which are not funded by the segregation of assets, as follows

Non-Pension Benefits

Non-pension benefits represents the liability for portions of premiums payable to eligible current employees and retirees for Medical Services Plan, Extended Health Benefits 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.

Early Retirement

Early Retirement represents current and future pension payments to employees that took early retirement in the mid 1990's and other employees that receive supplementary pensions.

Long Term Disability

Long Term Disability represents the liability to employees who are being paid or have made claims pursuant to the University's self insured long term disability plans. An insurance company administers the plans and is reimbursed for disability claims payments plus service fees.

Total cash payments

Total cash payments for employee future benefits in the year is solely cash disbursements made to beneficiaries of its unfunded plans of \$3,036,000 (2009 \$2,767,000).

Defined employee future benefit plans

The University measures the accrued benefit obligations for accounting purpose as at March 31 of each year. The most recent actuarial valuations of all three plans were as of March 31, 2010 and reported an actuarial gain of \$8,271,000.

Accrued benefit obligation

\$ in thousands	Non-Pension Benefits	Early Retirement	Long term Disability	2010 total
Balance, beginning of year	38,510	4,505	10,799	53,814
Current service cost	947	35	2,268	3,250
Interest cost	1,926	218	729	2,873
Benefits paid	(943)	(307)	(1,786)	(3,036)
Actuarial (gains)	(6,408)	(861)	(1,002)	(8,271)
Balance, end of year	34,032	3,590	11,008	48,630

Funded actuarial status

The following table reconciles the accrued benefit obligation with the accrued benefit liability on the statement of financial position. The difference is the unamortized net actuarial loss (gain) and represents the surplus or deficit not yet recognized for accounting purposes of \$3,833,000 (2009 \$10,058,000). Deferred recognition is a key element of the Canadian GAAP

employee future benefits accounting. This approach gradually recognizes changes in accrued benefit obligations and fund performance over the expected average remaining service life of the employees covered by the plans, being ten years for the non-pension benefits and early retirement plans and eight years for the long term disability plan.

\$ in thousands	Non-Pension Benefits	Early Retirement	Long term Disability	2010 total
Fair value of plan assets	0	0	0	0
Accrued benefit obligation	34,032	3,590	11,008	48,630
Funded status (deficit)	(34,032)	(3,590)	(11,008)	(48,630)
Unamortized net actuarial loss (gain)	2,276	(861)	2,418	3,833
Accrued benefit (liability)	(31,756)	(4,451)	(8,590)	(44,797)

While employee future benefits plans are not funded via the segregation of assets to specifically offset the related liability, a portion of the net assets internally restricted

for operating commitments is reserved in relation to employee future benefits as described in note 14. This reconciles to the accrued benefit liability as follows:

\$ in thousands	Internally Restricted	Not Internally Restricted	2010 total	2009 total
Balance, beginning of year	25,723	14,521	40,244	36,729
Change in the year	8,151	(3,598)	4,553	3,515
Balance, end of year	33,874	10,923	44,797	40,244

Elements of defined employee future benefit costs recognized in the year

\$ in thousands	Non-Pension Benefits	Early Retirement	Long term Disability	2010 total
Current service cost	947	35	2,268	3,250
Interest cost	1,926	218	729	2,873
Actuarial (gains)	(6,408)	(861)	(1,002)	(8,271)
Cost before adjustments to recognize the long-term nature of employee future benefit costs	(3,535)	(608)	1,995	(2,148)
Difference between actuarial loss (gain) recognized for year and actual actuarial benefit loss (gain) on accrued benefit obligation for year	7,494	861	1,382	9,737
Defined employee future benefit costs recognized	3,959	253	3,377	7,589

Significant actuarial assumptions

Discount rate	5.00%	5.00%	6.60%
beginning of year			
end of year	6.25%	5.25%	4.00%
Health care cost trend rates			
Initial trend rate	8.25%	n/a	n/a
Cost trend rate declines to	5.00%	n/a	n/a
Year rate reaches the rate it is assumed to remain at	2017	n/a	n/a

Sensitivity Analysis

Assumed health care cost trend rates have a significant effect on the amounts reported for the health care plans. A one-percentage-point change has the following effects for the fiscal year:

Non-Pension Benefits		
1% increase	Total of service and interest cost	412
	Accrued benefit obligation, year end	5,441
1% decrease	Total of service and interest cost	(327)
	Accrued benefit obligation, year end	(4,410)

10. PENSION PLANS

The assets and liabilities of pension plans are not reflected in the University's financial statements. The boards of trustees of these plans represent plan members and the employer and are responsible for the management of the pension plans including the investment of assets and administration of benefits.

Academic Pension Plan

The University Pension Plan for Academic Staff generally provides benefits on a money purchase basis, but includes a defined benefit option for members who were in the plan on March 20, 1973. All contributions to the plan are by the employer. Contributions by the University for the calendar year 2009 were \$11,400,000 (2008: \$10,320,000).

An amendment to the plan in 1981 and a letter of agreement between the University and the Faculty Association in 1990 addressed the funding and the distribution of the formula retirement benefit account. The latest actuarial valuation as at December 31, 2006 shows an actuarial liability of \$25,123,000 against the actuarial value of assets of \$29,209,000 resulting in a surplus of \$4,086,000. The valuation is based on the 1994 Uninsured Pensioners Mortality Table, using an investment rate of return of 6.25% and price inflation of 3%. The next actuarial valuation is being completed as at December 31, 2009 and the results are expected after the completion of these financial statements.

Administrative/Union Pension Plan

The University Pension Plan for the Administrative/Union Staff provides benefits based on years of service and the average of the highest sixty (60) consecutive months' salary. Pensions are indexed to CPI up to a maximum of 3% per annum under the pension plan.

The University's contribution is based on the amounts estimated by the Actuary and recommended by the Administrative/Union Pension Plan Trustees to the Board of Governors of the University. The University contributes to the fund amounts required to fund retirement benefits as determined by the Board of Governors. All contributions are by the employer.

The latest actuarial valuation as at December 31, 2007 reports a going concern surplus on a smoothed value basis of \$104,000 and on a market value basis of \$3,931,000. The 2007 solvency valuation reported a solvency deficiency (ie. if the plan were to be wound-up on that date) of \$21,772,000. Pursuant to the BC Pension Benefits Standards Act, instead of making solvency deficiency payments of \$4,856,000 for five years commencing in 2008, the University chose to arrange letters of credit in the cumulative amount of \$10,000,000 to satisfy the current and prior years' contribution requirements. In the calendar years 2010 through 2012 contributions or further letters of credit of \$5,000,000 per year will be required to satisfy the contribution requirement.

Any surplus in the plan is not available to the University as the arrangement stipulates that the University will not suspend or reduce its contribution without the prior approval of the employee organizations. Pursuant to an agreement between the University and the employee organizations, the portion of any surplus in excess of 15% of the defined benefit portion of the liabilities with assets taken at market values would be distributed to members. The next valuation is to be completed with an effective date no later than December 31, 2010. The employer contribution rate is 12.69%, as indicated by the 2007 actuarial valuation. Employer contributions for calendar year 2009 were \$11,794,000 (2008: \$10,897,000). The valuation is based on the 1994 Uninsured Pensioner Mortality Table projected to 2015 using mortality projection scale AA, an investment rate of return of 6.00%, and an inflation rate of 2.25%.

Pension Plan for Certain Members

This plan covers two members who contributed to the Teachers Insurance and Annuity Association and College Retirement Equities fund in 1971, and have chosen to remain in the defined contribution plan. University contributions in calendar year 2009 were \$8,600 (2008: \$9,300).

11. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for a particular purpose in a subsequent fiscal period

Changes in deferred contributions

\$ in thousands	Sponsored Research	Specific Purpose	Subtotal	Property & Equipment	2010 total	2009 total
Balance, beginning of year	37,085	18,555	55,640	365,142	420,782	423,335
Contributions in the year	62,216	26,630	88,846	30,384	119,230	112,261
Transferred to revenue	(61,209)	(28,976)	(90,185)	(13,755)	(103,940)	(99,724)
Terminated in relation to disposal of building (note 19)	-	-	-	(1,856)	(1,856)	-
Increase (decrease) in endowment income account in the year stabilization	-	30,994	30,994	-	30,994	(47,959)
Loss (gain) on endowment investments allocated to endowment principal (below)	-	(30,994)	(30,994)	-	(30,994)	32,869
Balance, end of year	38,092	16,209	54,301	379,915	434,216	420,782

Source of deferred contributions, end of year

Province of British Columbia	5,280	5,045	10,325	306,031	316,356	306,990
Government of Canada	31,972	2,931	34,903	24,007	58,910	53,181
Other	840	8,233	9,073	49,877	58,950	60,611
Balance, end of year	38,092	16,209	54,301	379,915	434,216	420,782

Under the deferral method of accounting for contributions, restricted contributions related to expenses of future periods are deferred and recognized as revenue in the period in which the related expenses are incurred. The \$379,915,000 of deferred contributions for property and equipment represents the unamortized portion of restricted capital advances relating to assets which were purchased with restricted contributions.

Deferred contributions for specific purposes

\$ in thousands	2010	2009
External non-research contracts	7,439	10,004
Endowment spending accounts & other externally restricted funds	8,770	8,551
Endowment income stabilization account (see below)	-	-
Balance, end of year	16,209	18,555

The endowment income stabilization account represents the cumulative difference between endowment investment income and the funding applied to (a) individual endowment spending accounts and (b) the amounts added to endowment principal to preserve the spending power of the capital. Where the endowment stabilization account would otherwise be in deficit, negative balances are transferred to reduce endowment principal (note 16).

Endowment income stabilization account

\$ in thousands	2010	2009
Endowment investment income (loss) for the year		
Realized (note 18)	(3,106)	(1,762)
Unrealized (notes 5, 18)	42,795	(36,976)
	39,689	(38,738)
Endowment income allocated to		
Individual endowment spending accounts	(8,625)	(9,143)
Endowment principal to preserve purchasing power	(70)	(78)
Increase (decrease) in endowment income stabilization account during the year	30,994	(47,959)
Balance, start of year (note 18)	-	15,090
	30,994	(32,869)
Loss (gain) on endowment investments allocated to endowment principal (note 16)	(30,994)	32,869
Balance, end of year	-	-
Balance, end of year endowment income stabilization account losses applied to reduce endowment principle (note 16)	(1,875)	(32,869)

12. DEFERRED LEASE PROCEEDS / RELATED ENTITY ACCOUNTED FOR BY THE EQUITY METHOD

SFU Community Trust is developing land on Burnaby Mountain known as "UniverCity". The land was settled on the Trust by the University. The Trust is a taxable business trust and must pay income taxes on any taxable income that is not allocated to beneficiaries. The majority of the development is being accomplished by the sale of 99 year leases to developers who will develop residential housing

SFU Community Trust has two beneficiaries, the University and Simon Fraser University Foundation, whose beneficiary is also the University. The Trust is not consolidated, but is accounted for by the equity method with the income amortized over the 99 year terms of the related leases.

Since its inception, the Trust has distributed \$19,800,000 (2009 \$19,800,000) to the University and \$2,060,000 (2009 \$2,060,000) to the Foundation. Cumulatively, the University has, on an equity accounting basis, recognized

\$1,891,000 (2009 \$1,649,000) as income capitalized to the endowment. However, the entire actual funds received, \$19,800,000, is invested for the benefit of the endowment. In the coming year, SFU Community Trust has committed to distribute \$2,444,000 to the University.

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

Audited financial statements of the Trust as at December 31st are separately prepared. Information on the equity accounting in the University and a financial summary of the Trust's activities are provided below.

Equity in SFU Community Trust

The University records its equity accounted interest in the income (loss) of the Trust as a direct increase (decrease) in net assets held as endowment principal as described in note 16. This amounted to an income of \$242,000 (2009 loss of \$1,828,000), and was determined as follows:

Net income from Trust

\$ in thousands	2010	2009
Net income (loss) as reported by the Trust	2,539	(2,044)
Adjustment of land value on transfer to Trust realized through sales of leases	(2,513)	-
Deferred current net income from SFUCT	-	-
	26	(2,044)
Portion of Trust income of prior years recognized this year	216	216
Net income (loss) to University from Trust, recorded as increase (decrease) in net assets held as endowment principal (note 16)	242	(1,828)

Trust's Equity Reconciled to University's Deferred Lease Proceeds / Equity in Trust

\$ in thousands	Trust Equity	Consolidation Adjustments	University 2010 Deferred Lease Proceeds	University 2009 Deferred Lease Proceeds
Balance, beginning of year	11,781	(31,112)	(19,331)	(17,904)
Changes in the year				
Net income reported by Trust	2,539		2,539	(2,044)
Deferred current year's net income		(2,539)	(2,539)	-
Income of prior years recognized in the year		216	216	216
Income of current years recognized in the year		26	26	-
Base rent elimination				401
Allocation to Beneficiaries	(2,444)		(2,444)	-
Subtotal, changes in year	95	(2,297)	(2,202)	(1,427)
Balance, end of year	11,876	(33,409)	(21,533)	(19,331)

Consolidation adjustments relate to two factors: land was transferred to the Trust that was recorded at fair market value, but is retained in the University's records at cost until realized by third party

transactions, and, income from the sale of leases by the Trust is recognized in the Trust at the time of lease sale, but is recognized in the University over the 99 year terms of the related leases.

SFU Community Trust: Financial Summary

\$ in thousands	2010	2009
FINANCIAL POSITION		
Total assets	63,057	29,705
Total liabilities	51,181	17,924
Trust balance, end of year	11,876	11,781
RESULTS OF OPERATIONS & TRUST BALANCE		
Revenue	5,900	1,032
Expenses	3,361	3,078
Net income (loss) for the year	2,539	(2,046)
Trust balance, beginning of year	11,781	13,827
Allocations to beneficiaries during the year	(2,444)	-
Trust balance, end of year	11,876	11,781
CASH FLOWS		
Operating activities	2,566	(3,054)
Investing activities	(14,094)	(3,248)
Financing activities	13,115	6,410
Increase (decrease) in cash during the year	1,587	108

13. CAPITAL DISCLOSURES

The University considers its capital to be its net assets, operating, restricted and capital. Its restricted net assets consist of amounts for future commitments (See notes 14 and 15) and amounts invested in property and equipment assets. The University's objectives when managing its capital are to safeguard its ability to continue as a going concern so it can continue to provide services to its students and research funding agencies. Annual budgets are developed and monitored to ensure the University's capital is maintained at an appropriate level. The University has no external restrictions imposed on its capital.

14. INTERNALLY RESTRICTED FOR COMMITMENTS : OPERATING

Internally restricted amounts are subject to funds being available and therefore, the investment loss carryover and accrued but not funded employee future benefits and vacation pay are deducted in determining the net amount of the internal restriction.

The unrealized portion of operating investment income inherent in internally restricted for commitments—operating at the end of the year is \$10,283,000 (2009: \$203,000).

\$ in thousands	2010	2009
Balance, beginning of year	(19,508)	3,160
Increase (decrease) in the year	32,658	(22,668)
Balance, end of year	13,150	(19,508)

The balance at the end of the year of internally restricted for commitments operating general consists of the following elements:

OPERATING BUDGET

Department carryovers	19,896	11,591
Investment loss carryover	(6,363)	(25,048)
	13,533	(13,457)
Auxiliaries and special projects	2,666	2,715
Research & other grants	13,794	11,765
	29,993	1,023

LESS: ACCRUED BUT NOT FUNDED EMPLOYEE FUTURE BENEFITS (NOTE 9)

Funded liability (note 9)	33,874	25,723
Accrued liability (note 9)	(44,797)	(40,244)
Unfunded portion (note 9)	(10,923)	(14,521)
Vacation pay	(5,920)	(6,010)
Subtotal: accrued but not funded	(16,843)	(20,531)
Balance, end of year	13,150	(19,508)

15. INTERNALLY RESTRICTED FOR COMMITMENTS : LEASE & OTHER

\$ in thousands	2010	2009
Ancillary enterprises	2,961	(400)
Specific purpose	12,681	12,560
Long term lease commitment	14,263	15,170
Self insurance	467	589
Total	30,372	27,919

The Ancillary enterprises represents accumulated funds held for (deficit of) the ongoing operations of ancillaries Bookstore, Food Services, Microcomputer Store, Residences, Parking and Document Solutions

Specific purpose represents funds from various sources that are allocated internally to specific activities

Long-term lease commitment funds provide for obligations entered into for the occupancy of the University's Harbour Centre facility, which include lease payments, tenant loan payments, a contribution towards operating costs, and to fund amortization of the prepaid lease that is reported as an asset on the University's statement of financial position (note 7)

Self-insurance funds are held to pay self-insured property and liability losses

16. ENDOWMENT

Endowment consists of restricted donations to the University whose capital is to be held in perpetuity. The investment income generated from endowments must be used in accordance with the various purposes established by the 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 capitalizing a portion of available investment income in order to maintain purchasing power

\$ in thousands	2010	2009
Balance, beginning of year	148,971	176,902
Donations	4,351	9,270
Capitalized investment income	2,463	919
Equity income for the year from SFU Community Trust (note 12)	242	(1,828)
Removed from endowment per donor request	(1,500)	-
Matching and other funds capitalized (returned)	2,287	(3,423)
Capital reduction from loss on specific related investment	(1,966)	-
Recovery of (loss on) endowment investments allocated to endowment principal (note 11)	30,994	(32,869)
Balance, end of year	185,842	148,971

Income (loss) from the University's beneficial interest in SFU Community Trust was recognized as a direct increase in (reduction of) net assets held as endowment principal. Note 12 describes, the Trust's sale of 99 year leases that result in recognition of "deferred lease proceeds" which are amortized to income over the remaining terms of the leases. Funds from the Trust are invested to generate income for the benefit of the endowment

Endowment principal		
\$ in thousands	2010	2009
Individual endowment principal balances, year end	187,717	181,840
Income stabilization account loss (gain) not applied to individual endowment principal balances (note 11)		
Balance, beginning of year	(32,869)	-
Change in the year	30,994	(32,869)
Balance, end of year	(1,875)	(32,869)
Balance, end of year	185,842	148,971

17. GOVERNMENT GRANTS AND CONTRACTS

During the year, the University recorded the following government grants and contracts as they became receivable in accordance with the deferral method of accounting for contributions

\$ in thousands	2010	2009
PROVINCE OF BRITISH COLUMBIA		
Operating	215,612	198,398
Sponsored research	5,815	7,158
Specific purpose	4,819	6,171
Property and equipment	4,488	6,955
Recorded as net deferred contributions	587	(3,675)
	231,321	215,007
GOVERNMENT OF CANADA		
Operating	6,498	6,771
Sponsored research	39,376	42,189
Specific purpose	12,477	12,108
Property and equipment	900	-
Recorded as net deferred contributions	(424)	(7,656)
	58,827	53,412
OTHER GOVERNMENTS		
Operating	236	241
Sponsored research	1,038	1,185
Specific purpose	533	849
Property and equipment	-	-
Recorded as net deferred contributions	-	-
	1,807	2,275
Total	291,955	270,694

18. INVESTMENT INCOME (LOSS)

Investment markets have been volatile and this is reflected in changing values of investments and investment income

\$ in thousands	General Operating	Operating Other	Endowment	2010 total	2009 total
Income (loss)					
Realized (note 11)	3,865	1,447	(3,106)	2,206	(15,365)
Unrealized (change in market adjustment (notes 5, 11))	10,283	-	42,795	53,078	(36,773)
Subtotal (note 11)	14,148	1,447	39,689	55,284	(52,138)
Decrease in endowment income stabilization account, beginning of year (note 11)	-	-	-	-	15,090
Total	14,148	1,447	39,689	55,284	(37,048)

note 11

19. GAIN ON DISPOSAL OF PROPERTIES

During the year, the University realized net gains on disposal of properties of \$6,648,000 (2009 nil) which consist of the following

\$ in thousands	Proceeds	Gain
MONETARY DISPOSALS		
With a related party, SFU Community Trust		
Concrete building, Burnaby	3,090	920
Wood frame building	1,943	1,943
	5,033	2,863
With third parties		
Rental units	1,695	133
Total monetary disposal	6,728	2,996
NON-MONETARY DISPOSALS		
Concrete building, Surrey	10,400	1,872
Modular building	-	(76)
Total non-monetary disposal	10,400	1,796
Total property disposals	17,128	4,792
Gain on termination of deferred contribution balance related to Burnaby concrete building disposal (note 11)	-	1,856
Total	17,128	6,648

During the year, the University disposed of two properties to SFU Community Trust, which the University is a beneficiary of and accounts for on the equity basis as described in note 12. The transaction value of the concrete building was based on an independent appraisal. The transaction value of the wood frame building was based on a mutually agreed reference value.

This year, the University entered into a non-monetary transaction whereby the University's ownership of the fourteenth and fifteenth floors of its interest in the Surrey building concrete was exchanged for, with the addition of cash, for a larger area in the Podium component of the building. In accordance with CICA Handbook section 3831, the exchanged asset was measured at the more reliable measure of fair value, in this case being the cash value per unit of area added through the exchange.

The modular building was written-off without proceeds when its use was planned to be discontinued.

20. PLEDGES

Pledges made by donors to the University for donations to be received in future years are estimated at cash donations \$22,400,000 (2009 \$19,800,000) and gifts

in kind \$12,600,000 (2009 \$12,500,000). Pledges are not recorded in the financial statements until the related donations are received by the University.

21. CONTINGENCIES

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. Most 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.

As described in the foregoing note 10, the University has a contingent liability of \$21,772,000 in relation to the Administrative/Union Pension Plan.

The University is a member in a self-insurance co-operative in association with other Canadian universities to provide property and general liability insurance coverage. Under this arrangement, referred to as the Canadian University 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. Subscribers to CURIE have exposure to premium retro-assessments should the premiums be insufficient to cover losses and expenses. The University is committed to this insurance arrangement until December 31, 2012.

22. ASSET RETIREMENT OBLIGATION

In accordance with Generally Accepted Accounting Principles, 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.

23. RELATED ENTITIES THAT ARE NOT CONSOLIDATED

TRIUMF

Simon Fraser University is one of six universities in a joint operation called the Tri-Universities Meson Facility (TRIUMF) at the University of British Columbia (UBC) campus. On April 1, 2010 five more universities joined the joint operation. TRIUMF is Canada's National Laboratory for research in Particle Physics. TRIUMF is not incorporated and each University has an undivided fractional interest in its assets, liabilities and obligations, except for the land and buildings it occupies that are owned by UBC. Facility and operations are funded by federal government grants, the University makes no direct financial contribution and expects no monetary gain from this research venture.

\$ in thousands	2010	2009
FINANCIAL POSITION		
Total assets	16,686	17,066
Total liabilities	13,705	13,706
Fund balances, restricted	2,471	3,139
other	510	221
	16,686	17,066
RESULTS OF OPERATION		
Revenue	63,288	59,787
Expenses	63,667	61,568
Net Revenue (loss)	(379)	(1,781)

WCUMBS

The University is one of five University members of the Western Canadian Universities Marine Biological Society (WCUMBS), which operates a research station at Bamfield, British Columbia. The Society is a not-for-profit organization incorporated under the Society Act of British Columbia. The University made a grant to the Society in 2010 of \$298,000 (2009 \$308,000). Such grants, when made, are recorded as an expenditure by the University. There is no expectation of monetary gain to the University from this venture.

SFU Community Corporation

The University owns all of the outstanding shares of SFU Community Corporation. SFU Community Corporation has no business operations and its sole purpose is to act as the trustee of SFU Community Trust as described in notes 2 and 12.

SF Univentures Corporation

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

24. FINANCIAL INSTRUMENT RISKS

Fair Value of Financial Instruments

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

Risk Management

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		
			Currency	Interest rate	Other price
Cash and cash equivalents	x				
Accounts receivable	x				
Investments	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

Cash and cash equivalents

Credit risk associated with cash and cash equivalents investments is minimized substantially 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 due to

- I Student accounts receivable being a large population of limited amounts, the leverage to stop further enrollment and the granting of transcripts until payment is made and pro-active collections management
- I Other receivables, advances and tax recoveries are generally with governments, major institutions 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

Receivable from related party

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

Investments

The University has investment policies to ensure investments are managed appropriately in order to balance preservation of capital, meeting liquidity requirements and achieving attractive returns. The University retains several external investment firms to invest funds in accordance with its investment policies utilizing diverse agreed upon investment strategies primarily in active trading markets. Applying the CICA fair value hierarchy for fair value measurements provides an indication of the overall types of investments held at March 31, 2010 being 94% quoted prices in active markets for identical investments (level 1), 5% direct or indirect observable prices that are not quoted prices (level 2), and 1% 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

are updated as required. In addition, the University requires authorizations of expenditures on projects to assist with the management of capital.

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 instrument traded in the market. The significant market risks to which the University is exposed are currency risk, interest rate risk and other price risk.

Currency risk

Currency 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 expenditure activity in U.S. dollars and other currencies due to certain operating costs being denominated in U.S. dollars and other currencies.

The University uses foreign exchange forward contracts only as a defensive strategy for known future obligations to manage foreign exchange transaction exposures.

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 mortgages.

The University's cash includes amounts on deposit with financial institutions that earn interest at market rates. The University manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds 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 currency 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.

25. COMPARATIVE AMOUNTS

Certain amounts on the financial statements for the year ended March 31, 2009 have been reclassified in order to conform to the presentation adopted in the current year.

26. PRIOR PERIOD ADJUSTMENTS

Net assets—general operating has had the balance at the beginning of the year retroactively restated to increase the balance by \$25,048,000 from (\$25,048,000) to nil and the balance of net assets—internally restricted for commitments—operating at the beginning of the year has been retroactively restated to decrease the balance by \$25,048,000 from \$5,540,000 to (\$19,508,000) in order to apply the operating investment stabilization account deficit in determining net assets internally restricted for operating purposes.

In order to classify all funds in investment portfolios managed by professional investment administrations as investments, retroactive for March 31, 2009, the statement of financial position has restated cash from \$6,525,000 to \$1,811,000, accounts receivable from \$13,098,000 to \$12,610,000, and investments from \$306,538,000 to \$311,740,000.

Net assets—internally restricted for commitments—lease and other has had the balance at the beginning of the year retroactively restated to increase the balance by \$3,547,000 from \$24,372,000 to \$27,919,000 (note 15) and the balance of Net assets—internally restricted—invested in property and equipment at the beginning of the year has been retroactively restated by \$3,547,000 from \$266,460,000 to \$262,913,000 in order to consolidate reporting of all internal restrictions related to capital.

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