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The new 1995 *University of Saskatchewan Act* reaffirms the role of the Board of Governors to be one of "overseeing and directing all matters respecting the management, administration and control of the university's property, revenues and financial affairs." In light of budget reductions, the Board is confronted with a number of serious decisions as it executes these responsibilities.

Our challenge is to determine the appropriate role for the University in today's society and to adapt our institution to fulfill that role effectively. Saskatchewan, like the rest of Canada, faces many challenges. One stems from the impact of the rapid rate of social change. Another is the need to diversify and expand our economy. The solutions rest with students of post-secondary institutions like the University of Saskatchewan. Our best hope for the future rests with highly qualified graduates who are able to meet challenges and seize opportunities.

The Board of Governors is fully attuned to campus issues and community concerns.

FROM THE CHANCELLOR

In this, my first year of office, I have been immensely impressed by the accomplishments and level of activity at the University of Saskatchewan. The professionalism demonstrated by our faculty and staff, researchers and student body provide testimony to the "true grit" character and resilience of Saskatchewan people. In all parts of the campus and in all areas of endeavour we asked our community to do more with less. That we have maintained our array of programs, access for students, and high standard of performance is remarkable.

Like other universities across Canada, greater demands are being placed on our creativity and ingenuity to preserve the essential university while redefining the University's role and methods of instruction. It is gratifying, and indeed uplifting, to be able to report that in my travels on behalf of the University during the year, I encountered tremendous support and goodwill towards our University.

FROM THE CHAIR, BOARD OF GOVERNORS



The health and vitality of the University of Saskatchewan is the Board's paramount concern. We are committed to the people of Saskatchewan and to the extended university community to ensure responsible stewardship.

H.E. (Hal) Wyatt



I am pleased to announce that the 90th Anniversary celebration of the University of Saskatchewan begins April 3, 1997. Plans include a cultural tour with stops in many locations throughout the province. I will be travelling with the tour and look forward to meeting many of you.

M.L. (Peggy) McKercher

The University of Saskatchewan is on the threshold of major change. After four years of reduced government funding and likelihood of a further three years of reductions, the University faces enormous pressures to maintain its wide range of programs and to sustain its role as the people's University.

In the fall of 1995, a Budget Communications Task Force was organized to make the public aware of the implications of funding cuts to post-secondary education. The Task Force's visits to various locations in the Province revealed widespread support for the University and a public desire for involvement in the resolution of the University's difficulties.

In the spring of 1996, following the government's announcement of continued funding reductions, a Minister's Special Representative, Mr. Harold MacKay, was appointed to assist in the process of renewal of the university communities. Mr. MacKay's Report clearly underlines the fact that the universities have slipped as a provincial priority in recent years, while pointing out that universities are in fact an investment in the future. He also identified areas for cooperation and collaboration to effect cost savings between the province's two universities.

We are fully supportive of initiatives to enhance the University's viability while maintaining our autonomy, and welcome the implementation of Mr. MacKay's Report to help revitalize the universities.

We are preparing ourselves for the changing environment that confronts universities across the land. Several examples of internal initiatives follow.

We recently concluded an extensive *Programme Audit and Framework for Evaluation of Programmes* to prepare for effective academic planning. We initiated new programs to accommodate evolving academic needs, including multi-disciplinary programs such as the Centre for Studies in Agriculture, Law, and the Environment. We embarked on programs and promotion to enhance an international presence and perspective on our campus.

In the face of budget cuts and changes, we are, above all, maintaining our teaching, research, and performance standards of excellence. The achievements of our students, such as Terry Lechler, winner of the Governor General's medal and a full scholarship to the Harvard School of Medicine, and the acknowledgments of our teachers and researchers, locally, nationally, and indeed internationally, continue unabated.

FROM THE PRESIDENT



We provided a new thrust and direction to our Human Resources Division through reorganization, while making key appointments including a Director of Services for Students with Disabilities and a Director of Disability Management and Employment Equity, to assist in the changing campus support needs.

In addition to academic and cultural contributions to the province, the University plays a vital role in its economic life, generating an impact in excess of \$800 million annually. The University is actively involved in developing research opportunities with attendant spin-off benefits. The University, in collaboration with scientists and industry leaders from across Canada, has championed the construction of a Synchrotron light facility at the University. This facility would provide Canada with an essential competitive tool for the world of research.

The validation we receive affirms our worth and encourages us to seek new means of preserving the essential University while incorporating the necessary changes to take a proud institution into the 21st century.

We are evolving new structures of governance, funding, and programming, and I am confident that we have the necessary courage and vision to meet all challenges and ultimately emerge stronger than before.

J.W. George Ivany

TRANSLATING OUR MISSION INTO ACTION

The College of Education launched an innovative approach to the education of interning students. Using a variety of delivery methods (print, video conferencing, satellite television, audio conferencing, and videotape), the practicum course EDPSY 432.2, Classroom Dynamics and Student Discipline, was delivered to 219 students while they were teaching in schools throughout Saskatchewan.

When the University's first Mission Statement was approved by Council, Senate, and the Board of Governors in 1993, it outlined 12 general goals and four interdependent scholarly activities. The achievement of our mission is sought through objectives related to: academic activities; the university in society; and support activities and infrastructure. Twelve high priority objectives initially identified include:

- Improve the quality of undergraduate and graduate instruction.
- Encourage innovation in teaching.
- Undertake a University-wide academic planning process to achieve an appropriate array of high-quality undergraduate, graduate, and certificate programs.
- Implement and monitor a coordinated education equity program to provide a supportive educational environment for students from underrepresented and disadvantaged groups and to ensure that undergraduate and graduate curricula are reviewed with respect to equity.
- Encourage the development of programs and curricula that provide an international perspective on campus.
- Eliminate unjust discrimination in all the University's activities.
- Build mutually beneficial partnerships with Aboriginal communities.
- Advance the status of women throughout the University.
- Recruit, support, and reward the best available faculty and staff.
- Establish a unified process that integrates financial, academic, and administrative planning.
- Reduce administrative and collegial inefficiencies that impede scholarship.
- Explore ways to acquire more revenue from new and traditional sources.

TEACHING SUPPORT, IMPROVEMENT AND INNOVATION

To encourage teaching excellence, the University has established a standing committee on Instructional Development and has sponsored annual Master Teacher Awards. 1995-96 was an active year for instructional development and teaching innovations:

- The Instructional Development Program delivered 13 programs, including an orientation for new faculty and instructional staff, on topics ranging from teaching strategies to computer-assisted instruction. The program provides an ongoing peer consultation service.
- In 1995, the provincial government established a Multi-Media Program Development and Support Fund to encourage projects using innovative educational technologies. Of the \$500,000 post-secondary fund, the University of Saskatchewan obtained funding for ten projects totalling \$361,058. These projects focus primarily on course delivery via the Internet or CD-ROM.
- The Division of Audio Visual Services initiated videoconferencing experiments enabling five prairie universities to collaborate on class delivery. The experiments tested the effectiveness and interactive qualities of Asynchronous Transfer Mode (ATM) protocol on fibre optics to deliver courses in real time. A formal partnership between the Universities of Saskatchewan and Regina and SaskTel was created to enable ongoing delivery of courses using ATM.
- Donations to the First and Best Campaign have been specifically pledged for teaching improvement.

ACADEMIC PLANNING AND PROGRAMS

The University initiated several major academic planning projects, of which two came to fruition in 1995-96:

- The Academic Planning and Priorities Committee (APPC) completed the *Programme Audit Project* in December 1995. This project provides a comprehensive database on current instructional programs and identifies issues related to program delivery and evaluation. This information assists planners to understand the available options and to make program-related decisions.
- University Council approved the *Framework for*

the Evaluation of Programmes, which identifies the characteristics most valued in our instructional programs and criteria for evaluating them.

ABORIGINAL AND OTHER EQUITY INITIATIVES

The University of Saskatchewan first became involved in Aboriginal education in the early 1970s. There are now numerous programs and services encouraging Aboriginal enrolment and fostering links with Aboriginal communities, such as: provincial Aboriginal Teacher Education Programs (TEP); the national Program of Legal Studies for Aboriginal People (Native Law Centre); the National Native Access Program to Nursing; the Aboriginal Students' Centre; and affirmative action spaces for Aboriginal students in many colleges' admission quotas, through exemptions approved by the Saskatchewan Human Rights Commission (SHRC). We are the first university in Canada with an Aboriginal Caucus (a traditional talking circle) which reports directly to the President. In 1995-96, new initiatives included:

- approval of the Aboriginal Teacher Associate Certificate Program (College of Education) in collaboration with the Gabriel Dumont College of Metis Studies and Applied Research.
- SHRC approval of an Education Equity program in Physical Therapy.

As examples of other equity-related areas, the University encourages enrolment by women in the sciences and engineering, and provides an office of Services for Students with Disabilities and an International Student Advisor. In 1995-96:

- a major report entitled *Implementing Education Equity at the University of Saskatchewan* was released, which presented four major principles and 26 recommendations.
- the College of Graduate Studies and Research completed a report on Education Equity, which focused on increasing access.
- an Adaptive Technology Room, funded by the Kinsmen Foundation, was opened in the Main Library to provide computer equipment designed for students with disabilities.

INTERNATIONALIZATION

Since 1992, the University has managed the \$20 million Yeltsin Democracy Trust Fund and facilitated training programs for the Russian participants. Academic exchange programs are available in several countries including Ukraine, Germany, and Malaysia. In 1995-96, further international initiatives included:

- development of new agreements for academic exchange and collaboration with institutions in Australia, France, Malaysia, Mexico, the Philippines, Thailand, and the United States.
- membership in the Commonwealth Universities Study Abroad Consortium (CUSAC), which expands academic exchange opportunities for U of S students and increases other forms of collaboration.
- a two-week research and development management training program for faculty from Indonesian universities, under a special contract with World University Services of Canada.
- agreement between the College of Education and three institutions in Ukraine to collaborate on projects related to educational reform.
- three new Canadian International Development Agency-funded projects: a five-year contribution enabling collaboration with Vietnamese schools on sustainable agro-forestry development; the English language training component of a project on entrepreneurship in Ukraine; and a health care administration curriculum development project in Estonia.

INCREASING REVENUE FROM NEW SOURCES/PARTNERSHIPS

Besides its highly successful fundraising initiative (the First and Best National Campaign), the University is increasing partnerships with the private sector for research endeavours and is exploring international and other sources of revenue. For example, in 1995-96:

- the University and Sedaya College in Kuala Lumpur, Malaysia, signed an agreement enabling students from Sedaya College to enrol in our Doctor of Medicine program at full-fee rates.

In 1995, the U of S College of Dentistry developed an affiliation agreement with the Saskatchewan Indian Federated College (SIFC) to administer and operate the National School of Dental Therapy in Prince Albert. SIFC was awarded a five-year, \$10 million federal contract to operate the school on the condition an accredited dental faculty be involved. Previously the contract had been administered by the University of Toronto.

A new collaborative program with the Saskatchewan Institute of Applied Science and Technology (SIAST) was approved in May 1996. The Nursing Education Program of Saskatchewan is a four-year baccalaureate program, with an optional diploma exit, designed to prepare graduates with the knowledge, skills, abilities, values, and attitudes necessary for professional nursing practice in a variety of health care settings within a changing health system.

A RICH ARRAY OF PROGRAMS

The early vision of a university providing a blend of liberal, artistic, professional and applied education for the people of Saskatchewan began with the establishment of colleges of Arts & Science and Agriculture on the same campus, allowing each to influence the other. Today the University of Saskatchewan offers a wide variety of undergraduate, graduate, and certificate programs, in fields ranging from professional health sciences to liberal arts. The table on the inside back cover lists the many areas of specialization available.

At the undergraduate level, the colleges of Agriculture, Arts & Science, Commerce, Education, Engineering, Pharmacy & Nutrition, and Physical Education offer direct entry programs, admitting students directly from high school. Non-direct entry programs, requiring one or two years of university study prior to admission, are offered by the colleges of Dentistry, Education, Law, Medicine (including the School of Physical Therapy), Nursing, Pharmacy & Nutrition, and Veterinary Medicine.

At the graduate level, the University offers PhD and/or Master's programs in approximately 60 areas of specialization, as well as post-graduate diplomas in most areas. Special Case programs are often available to individual students in departments or colleges which lack an approved graduate program.

In 1995-96, eight new programs were approved:

- a cooperative education program in Agriculture;
- interdisciplinary honours programs in Ancient History & Classical Culture and Mathematical Physics;
- a double honours program in Classics and another discipline;
- a four-year major in Womens & Gender Studies;
- a graduate program in Marketing and an interdisciplinary graduate program in Environmental Engineering; and

- the Aboriginal Teacher Associate Certificate Program in collaboration with Gabriel Dumont College.

Major revisions were approved to three programs:

- Bachelor of Commerce;
- Bachelor of Science in Nursing; and
- Bachelor of Science in Physical Therapy.

Four programs were deleted:

- the MSc and PhD programs in Poultry Science and
- the 3- and 4-year BA in Slavic Studies.

A four-month work-study term in Guatemala was also approved for History students.

DISTANCE EDUCATION

Since 1929, when the University of Saskatchewan became the second Canadian university to offer correspondence courses, the University has developed considerable expertise in design, technology, and distance education management. Our excellence in distance education has earned several awards. Through a wide array of degree and certificate courses available to off-campus students, the University is responding to the needs of the province and beyond.

New distance education initiatives over the past year include establishment of the Distance Learning Centre and a grant from the Agricultural Institute of Management in Saskatchewan (AIMS) to develop two of the courses in the Certificates in Agriculture Program (CAP) for delivery via the Internet. 350 degree credit courses and 76 certificate courses were delivered off-campus in 1995-96, including independent study (correspondence) courses, interactive televised courses, and traditional face-to-face courses at sites as distant as the Northwest Territories.

On May 13, 1996 the new Centre for Studies in Agriculture, Law, and the Environment (CSALE) opened. It is the first centre to integrate the disciplines of economics, law, and agricultural life sciences in researching fundamental assumptions of environmental analysis.

The Program in Agricultural Cooperative Education (PACE) was approved by University Council in December 1995. The new program allows students to intersperse their studies with career related paying jobs. Students are placed in industry or government positions where they acquire relevant work experience. For those students choosing PACE, the degree program is extended by one year.

The Certificates in Agriculture Program received the Adult Education Program of the Year Award from the Saskatchewan Association of Lifelong Learning. The program, responding to the needs of farmers, meets the rural demand brought about by continuous changes in farming technology, methods, and management.

A STRONG COMMITMENT TO STUDENTS

ENROLMENT

A total of 19,013 students attended the University of Saskatchewan in the 1995-96 regular (September to April) session, with a further 5,766 enrolled in Intersession and Summer Session classes. While total enrolment was down slightly (-0.6%) over the previous year, mainly due to a drop in the number of part-time undergraduate students, both graduate and certificate/diploma enrolment increased, as did enrolment by full-time undergraduates.

7.3% of students pursued their studies off-campus. The vast majority of undergraduate students (97.3%) came from Canada, while about two-thirds of graduate students were Canadian. There is a slight trend toward increasing enrolment by international and out-of-province students at the undergraduate level. Of new full-time undergraduates, 92.2% were from Saskatchewan, and almost 60% of those came from outside Saskatoon.

A total of 3,345 degrees were awarded at the Fall 1995 and Spring 1996 Convocations. 87% of

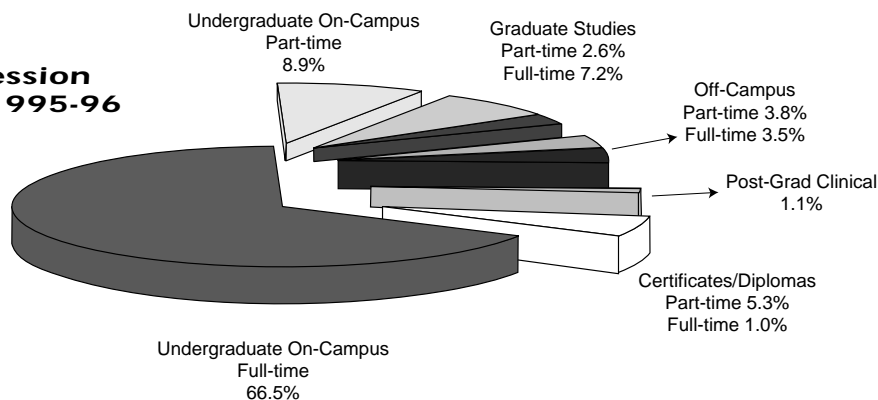
these were undergraduate degrees and 13% were graduate degrees. In addition, 323 diplomas and certificates were awarded in 1995-96.

STUDENT ENROLMENT (headcount including off-campus)		
	1994-95	1995-96
Undergraduate Degree Students		
Full-Time	13,205	13,308
Part-Time	2,744	2,424
Total Undergraduate	15,949	15,732
Graduate Degree Students		
Full-Time	1,376	1,372
Part-Time	476	500
Total Graduate	1,852	1,872
Certificate/Diploma Students		
Full-Time	148	183
Part-Time	965	1,009
Total Certificate/Diploma	1,113	1,192
Post-Graduate Clinical	216	217
REGULAR SESSION TOTAL	19,130	19,013
INTERSESSION	3,480	3,502
SUMMER SESSION	2,367	2,264

Opportunities for students to study abroad are expanding:

- *In the past year, a work-study program in Guatemala was established for History students.*
- *Education students travelled to China to study the Chinese approach to adult education.*
- *MBA students worked on special projects for Saskatchewan businesses during their stay in Ukraine.*
- *Three U of S students were involved in a collaborative venture to study development issues in Zimbabwe.*

Regular Session Enrolment 1995-96



SERVICES TO STUDENTS

A new financial component is now included in the U-STAR automated telephone system, allowing students to quickly determine admission status, register and drop classes, find out marks, and get fee balances.

The Internet provides applicants and current students with access to the latest information. The University calendar and information on exam schedules, bursaries, scholarships, and instructors can be located on the World Wide Web at <http://www.usask.ca/>

Several recruitment drives were continued or initiated during the year. Over 3,000 high school

students attended Open House in September. An additional 750 potential students attended "Information Extravaganza" in May. Approximately 1,200 Grade 11 and 12 Honour Roll students received congratulatory letters and informational brochures. 98 Saskatchewan high schools and a number of selected schools in B.C., Alberta, and Ontario were visited. Internationally, the U of S is represented by the Canadian Education Centre, which promotes the University to many sites primarily across the Pacific Rim. New recruitment videos and an expanded World Wide Web site have been produced to attract more international students to the campus.



Greg Dueck

Greg Dueck, a U of S biology graduate spent his summer like no other student in the country. From June 15 to July 26, 1996, he worked alongside NASA scientists at the Kennedy Space Centre.

Greg was the only Canadian student selected for a Space Life Sciences Training Program Scholarship.

As part of the program, Greg researched water models for advanced life support. Greg's findings were published as an abstract for the 1996 conference of the American Society for Gravitational and Space Biology.

During Greg's visit, the shuttle Columbia was launched and landed. On board were Canadian astronaut Dr. Bob Thirsk and an experiment on motion sickness funded by the Canadian Space Agency.

Greg summarized his experience by saying, "I always thought it would be great to be an astronaut. Being there really demystified space travel but at the same time made it even more fantastic."

Photo by Saskatoon Star Phoenix

STUDENT AFFAIRS AND SERVICES

Student Affairs and Services undertook several initiatives to increase the effectiveness of its services.

New Programs:

- peer health education program
- chiropractic care
- Youth Experience Program providing job search and job readiness training for recent graduates
- new cultural support programs aimed at increasing retention and success rates for Aboriginal students

Expanded Programs:

- retention and success of first-year students
- group therapy program, short-term treatment offerings and career counselling
- programs to assist visa students, such as: Orientation Program, International Friendship Program, Spouses Program, and an Oral English Program

UNIVERSITY OF SASKATCHEWAN STUDENTS' UNION

The University of Saskatchewan Students' Union (USSU) developed a corporate review process, culminating in its first-ever vision and mission statements. The process reaffirmed advocacy and services as the USSU's primary functions, and paved the way for major projects.

On the advocacy side, the USSU renewed its membership in the Canadian Alliance of Student Associations (CASA), a national organization dedicated to ensuring an affordable, accessible, and high-quality system of post-secondary education in Canada. The USSU also worked with the provincial government exploring options for re-inventing Saskatchewan universities and ultimately presented a discussion paper entitled "Hard Choices Now" to the provincial cabinet in Regina.

In an effort to meet students' needs, a consignment-based textbook store and campus-wide paper recycling program were added to the list of USSU-operated services. In addition, *The Sheaf* (student newspaper) was granted autonomy following a referendum vote and now operates as an independent campus business.

Denise Meier (left), setter for the women's volleyball team, won the Mary Ethel Cartwright Trophy as this year's outstanding female athlete.



Huskie Athletics photo

Huskie Athletics represents students competing in elite intercollegiate competitions administered by the Canadian Interuniversity Athletic Union and its members. Huskie Athletics provides intellectual, cultural, social, and physical activities as part of the University's mission of achieving academic excellence.

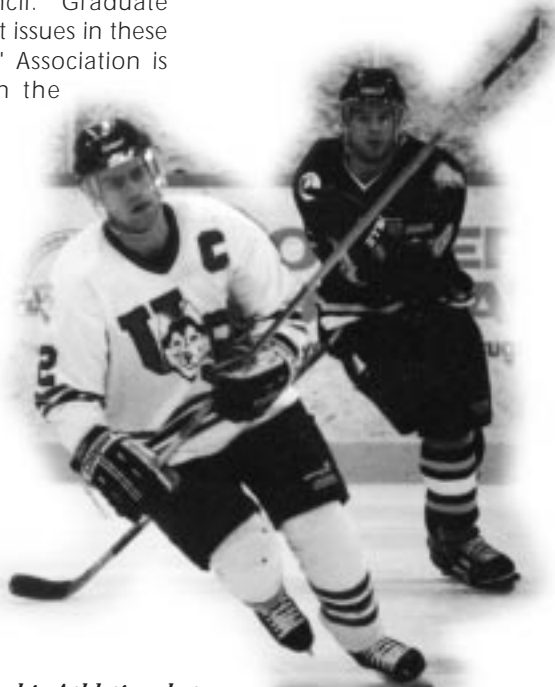
GRADUATE STUDENTS' ASSOCIATION

On September 2, 1995, the Graduate Students' Association implemented the first ever Orientation Day for new graduate students. 1995 also saw a new Dental Plan implemented for full-time graduate students. An Emergency Graduate Student Fund was established to assist students in financial need. To support and encourage academically related activities, the Special Project Fund was established. The Bursary Program received generous contributions from the President and Dean of the College of Arts and Science. A total of \$9,000 was awarded in bursaries this year. For the first time in its history, the Graduate Students' Association is represented on both the University Senate and the Council. Graduate students can now address relevant issues in these bodies. The Graduate Students' Association is pursuing full representation on the University's Board of Governors.

LIBRARIES

U-SEARCH, the collective name for all of the Libraries' electronic information services, is growing. In May 1995, the Libraries implemented networked access to the major medical and biological databases. A major new service offering access to the tables of contents of the most important scholarly journals was added in September. U-SEARCH is an important vehicle for sharing of databases, controlling costs and improving access to information. Several Saskatoon libraries use U-SEARCH to access databases of direct interest to their users. The U-SEARCH service is part of a Western Canada-wide project involving eleven university libraries with databases mounted at four host sites.

The Canadian Engineering Memorial Foundation Award was presented to the College of Engineering's Encouraging Enrolment in Engineering (E3) Committee for its Discover Engineering Program. The program promotes an understanding of engineering to Grade 8 girls. The Canadian Council of Professional Engineers' survey of undergraduate enrolment revealed that the U of S leads in the percentage of females enrolled, with a 21% rating.



Brian Purdy (left), centre for the hockey team, received the Outstanding Male Athlete award for 1995-96. He also received the Senator Sullivan Trophy for combining sportsmanship with ability.

Huskie Athletics photo

PRIDE IN ACHIEVEMENT: RECOGNITION & AWARDS

Each year Spring Convocation and Fall Convocation confer degrees on graduates of the University of Saskatchewan and recognize outstanding achievements.

The President's Medal is awarded to the undergraduate student achieving the highest academic standing at Fall Convocation. This year's recipient was Andrej Hnatov, a recent immigrant from Ukraine. After receiving a Bachelor of Science degree in Anatomy with Great Distinction, Andrej began his studies in the College of Medicine at the University of Saskatchewan.

Each spring the Governor General's Academic Medals are awarded to the graduate student and undergraduate student with the highest academic standing.

- The recipient for graduate work was Dietrich Tittelbach-Helmrich, a graduate of Humboldt University in Berlin. In 1991 he began his studies at the U of S where his research involved the use of technically demanding laser methods to measure the population decay dynamics of very short-lived excited electronic states of important model compounds in condensed media. Dietrich is presently a Postdoctoral Fellow at the University of Rochester.
- Terry Lechler was the recipient for undergraduate studies. He entered the College of Arts and Science in the fall of 1992 and began his Double Honours program in Biochemistry and Microbiology. Terry has been awarded many scholarships, and is now studying, under a full scholarship, at Harvard University in the Biological and Biomedical Sciences Ph.D. program.

Bill Sarjeant, of Geological Sciences, and Peter Nikiforuk, dean of the College of Engineering, were appointed Fellows of the Royal Society of Canada (RSC). The RSC cited Sarjeant's renown as a researcher in the areas of fossilized microplankton and vertebrate footprints and an authority on the bibliography and history of geology. Nikiforuk received his citation based on his seminal contributions in the field of automatic control systems, noting that he was one of the first to perform closed loop digital simulations.



Bill Sarjeant



Peter Nikiforuk



Rhoda Miko

*Rhoda Miko
President's Service
Award recipient*



Kamal Midha

Kamal Midha, a professor in the College of Pharmacy and Nutrition, was made Member of the Order of Canada in recognition of his research in drug treatment for mental illness.

The recipients of the Master Teacher Award were:

- Robert Grogin, Department of History (Fall Convocation)
- Ronald Steer, Department of Chemistry (Spring Convocation)

The Distinguished Researcher Award recipients were:

- Akira Hirose (Fall Convocation)
- John Weil (Spring Convocation)

Earned Doctor of Science recipients were:

- Ronald Steer (Fall Convocation)
- Narendra Bakhshi (Spring Convocation)
- Robert Kerrich (Spring Convocation)

The President's Service Award was established to recognize exceptional contributions by non-academic staff. In this, the inaugural year, the recipients were:

- Neil Richards, Main Library (Fall Convocation)
- Rhoda Miko, Drama Department (Spring Convocation)

Honorary Doctor of Science degree recipients were:

- Bertha Swirles (Lady Jeffreys) (Fall Convocation)
- Wayne Clifton (Spring Convocation)

Honorary Doctor of Laws recipients were:

- Robert Allen Kilpatrick (Fall Convocation)
- Russell Kisby (Spring Convocation)

Honorary Doctor of Letters recipient was:

- Eric Peterson (Spring Convocation)



Erica Irene Daes receiving honorary Doctor of Laws.

SPECIAL CONVOCATION

The Aboriginal community was honoured in a special convocation in 1996. The Aboriginal Caucus hosted the summer institute sponsored by the Social Sciences and Humanities Research Council of Canada. The international gathering of scholars and graduate students focused on the theme of Post-Colonial Restoration of Oppressed Aboriginal Cultures. In celebration of the unique gathering, the University held a special convocation, awarding honorary degrees to the Nobel Peace Laureate and human rights activist Rigoberta Menchu Tum of Guatemala; Cree Nation Ambassador to the United Nations, Ted Moses of Quebec; and Erica Irene Daes of Greece, the Chairperson to the United Nations Working Group on Indigenous Populations.

The Graduate Thesis Awards, recognizing outstanding research achievement, were created in 1995 through the joint initiative of the Research Committee of Council and the College of Graduate Studies and Research. Up to five Graduate Thesis Awards may be awarded annually at Spring or Fall Convocation. The 1995-96 recipients were:

*Jason Potts, M.A., English
Ruth Kinzel, Ph.D., Psychology
Audrey Gray, M.Ed., Curriculum Studies
Patricia Beck, M.Sc., Pharmacy
Vineet Chikarmane, M.Sc., Computer Science*

ENCOURAGING RESEARCH AND SCHOLARSHIP

Research is an essential element of the scholarly process. As Saskatchewan's research-intensive university, the University of Saskatchewan is noted for its innovative work in the Health Sciences, Agriculture, Veterinary Medicine, Engineering, Fine Arts, Humanities, and Social Sciences. Through its links with Canadian government laboratories, provincial government departments and agencies, and the private sector, the University of Saskatchewan is home to Canada's strongest centre of agricultural biotechnology research and development.

Strong ties are maintained with government and private sector research associates, including many at Innovation Place, a 120-acre research and development park on campus. Among the research and development facilities at Innovation Place are the Canada Agri-Food Research Station, the National Research Council's Plant Biotechnology Institute, Canada Wildlife Services, and the POS Pilot Plant. Other federal, provincial, and private sector research facilities located at Innovation Place with which university faculty and students are associated include Environment Canada's National Hydrology Research Centre, Saskatchewan Research Council, POS Pilot Plant, Telecommunication Research Laboratories (TRLabs), BIOSTAR Inc., and SED Systems.

FUNDING

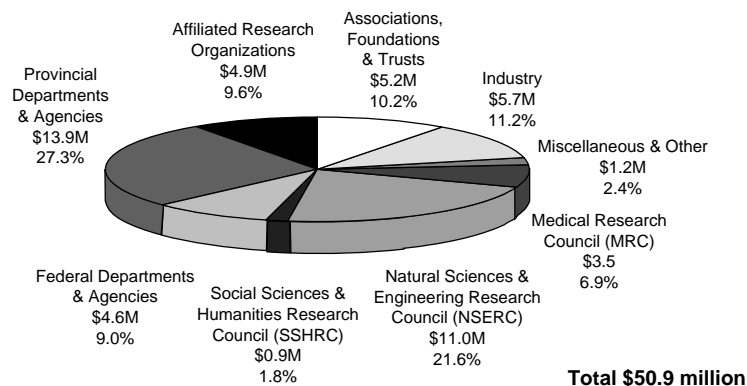
The University of Saskatchewan complex is one of Canada's largest centres of research. In 1995-96, the University attracted \$50.9 million in research funding (\$42.8 million in research projects to faculty, \$3.2 million for graduate research scholarships, and \$4.9 million to affiliated research organizations). 65% of the research was funded from non-provincial sources including the Natural Sciences and Engineering Research Council, the Medical Research Council, and Canadian government departments.

The Infrared Space Observatory (ISO), a European satellite for research in infrared astronomy, was successfully launched from French Guyana on November 16, 1995. The satellite carries four experiments which conduct measurements on a variety of cold astronomical objects, measurements which are impossible from the ground because infrared radiation is absorbed in the Earth's atmosphere



Dr. Gary Davis, Associate Professor of Physics and Engineering Physics, designed the cryogenic Fabry-Perot interferometers which are used in one of the experiments. The launch of the satellite was the culmination of nine years of effort on the experiment hardware.

Research Revenue by Source 1995-96



University faculty from the Colleges of Medicine, Arts and Science, Engineering, Graduate Studies and Research, and Pharmacy and Nutrition receive substantial funding from the private sector, an increasingly important contributor to the University's research enterprise. Since 1990, private sector funding has increased (in constant 1995 dollars) from \$3,456,000 to \$6,653,000.

COLLABORATION

The University encourages and supports research collaborations across disciplines and between university faculty and industry. This trend recognizes that the social, economic, political, and scientific challenges confronting modern society cannot be addressed adequately from a single disciplinary perspective.

University of Saskatchewan faculty and graduate students are involved in nine National Centres of Excellence (NCE), including the Prairie Centre of Excellence on Immigration and Integration. In this 1996 initiative, faculty and graduate students from Sociology, Law, History, Political Studies, Economics, and Education joined with colleagues from the universities of Alberta, Calgary, Regina, Winnipeg, and Manitoba to study the sociocultural, economic, and policy concerns of immigrants on the prairies. Other NCE in which faculty are involved are Inspiraplex (Respiratory Health), Canadian Bacterial Diseases Network, Intelligent Robotics and Information Systems (IRIS), HEALNet, TeleLearning Research Network, Sustainable Forestry Network, and Neuroscience Network.

PUBLISHING

Faculty present their scholarly research at learned conferences and professional seminars and through the publication of articles in refereed scholarly journals. The University supports publication of monographs and books and editing of journals.

KNOWLEDGE TRANSFER

The University encourages a full spectrum of research and development: from the idea, to the bench, to prototype development, and finally to commercialization. The products of research and scholarly and artistic activities are extended to the public through exhibitions, concerts, recitals, and dramatic presentations, including such venues as Shakespeare on the Saskatchewan and Wanuskewin Heritage Park.

Through its subsidiary, University of Saskatchewan Technologies (UST) Inc., the University actively pursues opportunities to transfer technologies and knowledge from the University to the private sector for the benefit of society. These activities involve the assessment of new discoveries or inventions, patenting inventions, and licensing technologies to existing companies.



Researchers work with industry leaders to exploit newly developed products or processes. This year, the University and its subsidiary organizations, such as Veterinary Infectious Disease Organization (VIDO) and the Crop Development Centre (CDC), licensed 14 new technologies and 11 new registered crop varieties to private industry.

The economic impact of the University's research enterprise and technology transfer are measured by the creation of new businesses, the employment of highly skilled graduates, and the transfer of new products to Saskatchewan industries. For example, the development of specialty crops such as Laird lentils, field peas, beans, and malting barley has had tremendous incremental value to Saskatchewan farmers. In addition, the University has identified more than 25 first, second and third generation spin-off companies that contribute to the Saskatchewan economy, including SED Systems, Biostar, International Road Dynamics, Vemax Management, Philom Bios, BDM Information Systems, and QCC Communications.

In 1995, the Saskatchewan Stroke Research Centre of the College of Medicine was designated a World Health Organization Collaborating Centre for research and training in stroke prevention, epidemiology, and surveillance. The Saskatoon Centre, a collaboration of federal, provincial, and private sector interests, is involved in teaching both medical and postgraduate students and will offer courses in stroke prevention for students from developing countries.

Established in 1971 to develop and diversify Saskatchewan's crops industry, the Crop Development Centre (CDC) is recognized as one of Canada's leading plant breeding institutions. Since 1985 the Centre has released nearly 100 varieties, including Harrington barley, Laird lentils, calibre oats, flax, and peas, all which have become staple crops in Saskatchewan and western Canada.

Biotechnology is an important tool. The CDC's biotechnology programs focus on oil seeds and stress tolerance but also include collaborative projects in cereals and pulses.

Harrington barley, as one crop developed by the Centre's scientists, has had a major economic impact on Saskatchewan's agricultural industry and one that demonstrates the value of research and development.

MALTING BARLEY

Cost of Development was \$3.5 million.

The value to producers of malting barley, in excess of feed barley, ranged from \$32 million to \$99 million annually.

The investment is returned 10 to 30 times annually.

STIMULUS TO THE ECONOMY

As a major centre for education, research, and service, the University of Saskatchewan plays a vital role in the economic and cultural life of Saskatoon and the Province. With a full-time staff/student complement of over 23,000 people, this "city within a city" is larger than most Saskatchewan urban centres and provides the largest single annual stimulus to the local economy.

The most recent economic impact study showed that the University and associated organizations (federated colleges, Royal University Hospital, Innovation Place, federal research agencies, Wanuskewin Heritage Park, etc.) contribute over

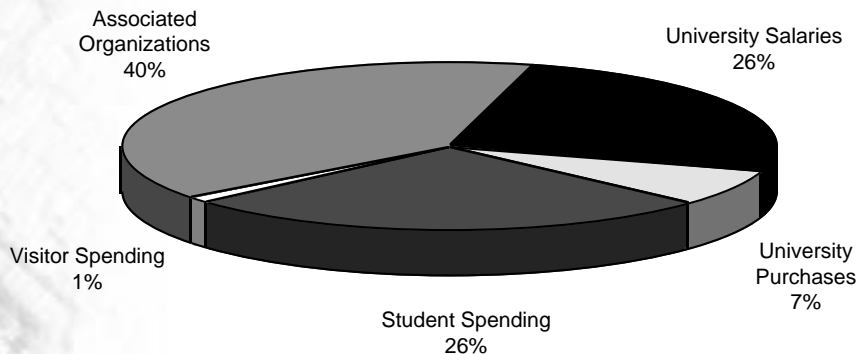
\$650 million annually to the economy of Saskatoon, representing 21% of the City's gross income. This includes the direct impact of purchases made locally by the University complex, its employees, students and visitors, and the indirect or second-round expenditures stimulated by those direct purchases.

At the provincial level, the University and associated organizations contribute more than \$800 million to the provincial economy annually. The University purchases approximately 43% of its goods and services within Saskatchewan.

For every University job, it is estimated that one additional job is created in Saskatoon and 1.3 additional jobs in the Province. This means that the University complex is responsible for almost one in seven jobs in the City, and the total provincial employment generated by the University complex is more than 18,000 full-time-equivalent jobs.

ECONOMIC IMPACT

Cash Flow from University Complex into Provincial Economy: \$801.3 M



PharmaDerm Laboratories, Inc. was founded in 1991 by Dr. Marianna Foldvari, from the College of Pharmacy and Nutrition, to commercialize research on liposomes. Liposome technology allows for the delivery of drugs by absorption through the skin. With research agreements with the U of S, the National Research Council, and pharmaceutical companies, in 1995-96 PharmaDerm had sales in excess of \$200,000.

A major initiative of the University of Saskatchewan in 1995-96 was the development of a proposal for a synchrotron light source facility for Canada. Building on the experienced research team at the Saskatchewan Linear Accelerator, the University of Saskatchewan was chosen as the Canadian site for a synchrotron light source. The University and its partners in other Canadian universities, the Saskatchewan government, and industry await the decision on funding from the federal government. The proposed facility will house a synchrotron light source with immense and diverse applications-- from industrial research to medical breakthroughs. A synchrotron is a source of very intense x-rays, many times more powerful and effective than a conventional x-ray or light source. A Canadian synchrotron in Saskatchewan would assist Canadian researchers and industry in developing new scientific knowledge and new products as well as adding significantly to Saskatchewan's economic well-being by creating 200 new jobs.

RESPONDING TO THE NEEDS OF THE COMMUNITY

The University of Saskatchewan prides itself on its long and strong tradition of service to the community. In the University's 1909 Annual Report, Walter C. Murray, the University's first President, stated, "What is the sphere of the university? Its watchword is service — service of the state in the things that make for happiness and virtue as well as in the things that make for wealth."

Whether it be in the lecture hall, the theatre, or the gym, visitors to campus experience a variety of cultural and recreational options. In 1995-96, the Extension Division offered a wide selection of credit and non-credit programs. Courses ranged from black-and-white photography to home-based business. In addition to regular instruction, in 1995-96 most colleges with professional programs provided professional continuing education (especially the health science colleges), and several were heavily involved in extension activities (most notably Agriculture). Other outreach activities included public lectures, artistic, musical and dramatic presentations, and provision of clinical and other professional expertise to the people of the province.

The University, through its faculty, staff, and students, was active in many fundraising activities for the United Way, Canadian Cancer Society, Food Bank, and Telemiracle.

Over one hundred services are offered to the public, many free of charge, as a result of teaching and research. Examples of such services include:

- diagnostic and surgical services at the large and small animal clinics

- 24-hour access to information on drug-related questions
- dental care to Aboriginal children in three northern communities
- consulting on a variety of subjects including marketing and systems development
- recreational programs for children with special needs
- advisory services in traffic accident investigation and motor vehicle safety
- the Native Law Centre serves as a resource for lawyers mounting claims for Aboriginals
- free consultation and advice to teachers and parents of children with special needs
- counselling at Camp Circle of Friends, a special camp for terminally ill children
- agricultural extension services throughout the province, serving farmers, the food industry, agribusinesses, and government agencies
- forensic identification services to law enforcement agencies, pathology departments, and wildlife agencies

Services also include the sponsorship of conferences and workshops. Two impressive conferences were hosted this year: the First Annual Congress on Rural Education held in March, and the Post Colonial Restoration of Oppressed Aboriginal Cultures International Summer Institute, held in June.

The College of Education significantly increased its involvement in distance education with the establishment of the Distance Learning Centre. Not only was new instructional technology learned and used, but the students were also exposed to an instructional mode that will become common in the schools of Saskatchewan. The ability to provide distance delivery of courses resulted in discussions with Alaska, the Northwest Territories, and several foreign universities, including the Aboriginal Colleges of the United States, to deliver courses or programs to them.

Modern databases and software are essential for the efficient functioning of universities. Until recently the University's information infrastructure was supported by a software license grant from Digital Equipment of Canada. When Oracle Corporation purchased Digital's software tools, the University was required to license its users and servers. Coincidentally the University of Regina and SIAST wished to work with Oracle. The three institutions formed the Federation of Colleges and Universities of Saskatchewan and made a bulk purchase. Over the three year contract, the U of S will save nearly \$600,000.

From January to March, 1996, 100 "at risk youth" in Grades 4 and 5 from King George Community School and Westmount Community School traveled once a week to the Physical Education Centre for an hour of physical activity. Volunteers from the College of Physical Education were recruited to supervise small groups of children while instructors were hired to teach lessons in three areas: aquatics, gymnastics, and creative games.

SOURCE OF NEW REVENUE: FIRST & BEST NATIONAL CAMPAIGN

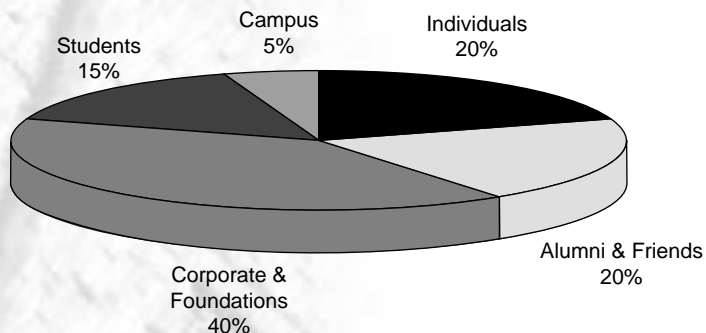
In the fall of 1993, the University of Saskatchewan launched a campaign to raise \$30 million (over a five year period) from the University community, students, alumni, business, foundations, and government. The campaign priority is "supporting students."

By February 1996, the Campaign reached its \$30 million goal and has continued to grow. A Campaign Celebration was held at Innovation Place in May 1996 honouring the more than 18,000 donors and 250 volunteers. By July 1996, the total had grown to more than \$35 million.

When pledging, donors are invited to designate their gifts to specific areas of the campaign. Money

FIRST & BEST NATIONAL CAMPAIGN

Forecasted Sources of Funding



has been pledged for student financial support, for technological change (upgrading library collections and systems, equipment and computers, instructional development), and toward infrastructure for students (which may materialize in the form of a student centre upgrade or expansion).

The Western College of Veterinary Medicine installed a sophisticated interactive audio visual system which allows interactive transmission of surgeries from operating rooms to classrooms. In the future it is expected other veterinary colleges across the country may receive the transmissions. The initiative is funded in its entirety by donations from alumni and contributions from students.

ALUMNI

The University of Saskatchewan Alumni Association with the support of the Development and Alumni Affairs office, created a new strategic plan.

The first Annual Reunion Weekend, held in June 1996, was attended by over 800 people. This marks a departure, with annual reunions replacing class reunions. Weekend components included an Annual General Meeting, Alumni Council strategic planning, branch education sessions, and a variety of social events.

The University of Saskatchewan has graduated 102,535 students since its inception. There are 13 established alumni branches and an additional seven contact areas throughout Canada and the world coordinating a variety of activities for their members and encouraging a lifelong partnership with the University of Saskatchewan.

*U of S alumni Darwin Peachey (BSc '78, MSc '83) and Debbie Fowler (BSc '85, MSc '87), both of whom are employed by Pixar, of California, contributed to the development of the computer animation software that went into making the 1996 Academy Award-winning film **Toy Story** (Disney). The achievement followed a 1993 Academy Award for the development of the Renderman computer software, used in such films as **Terminator 2**, **Aladdin**,*



The UNIVERSITY OF SASKATCHEWAN'S
FIRST & BEST NATIONAL CAMPAIGN



Since April 1994, more than 18,000 individuals, corporations and foundations have supported the First & Best National Campaign.

Listed here are some of our corporate partners.

SEPTEMBER 1996

LEADERSHIP GIFTS: \$100,000+

Atomic Energy of Canada Limited
Bank of Montreal
Bank of Nova Scotia
Cameco Corporation
Canadian Imperial Bank of Commerce
DowElanco Canada Inc.
Dynavest Corp.
Federated Co-operatives Limited
Imasco Limited
IMC Kalium
Imperial Oil Charitable Foundation
IPSCO Inc.
NOVA Corporation
PanCanadian Petroleum Limited
Petro-Canada
Pioneer Grain Company Limited
Potash Corporation of Saskatchewan Inc.
Royal Bank of Canada
Saskatchewan Wheat Pool
Shell Canada Limited
Toronto Dominion Bank
TransCanada Pipeline Limited
Trimac Limited/Kenting Hi-Tower Drilling
University of Saskatchewan Alumni
University of Saskatchewan Campus Community
University of Saskatchewan Students' Union
Wascana Energy Inc.

MAJOR GIFTS: \$25,000 - \$99,999

Agrium Inc.
Canadian Occidental Petroleum Ltd.
Colliers McClocklin Estate Corp.
Co-operators Group Limited
Deloitte & Touche
Dupont Canada Inc.
ELAN Energy Inc.
Farm Credit Corporation
Great-West Life Assurance Company, The
Investors Group Inc.
KPMG
McKercher McKercher & Whitmore
Nortel

COMMUNITY GIFTS UP TO \$25,000

Administrative & Supervisory Personnel Assoc.
Alberta Natural Gas Company Ltd.
Anderson Exploration Ltd.
Avnet Computer (Digital Equipment Canada)
Bioriginal Food & Science Corp.
Blacklock Auction Services
Bourgault Industries
Burns Foods (1985) Limited
Canada Life Assurance Company
Cargill
Cherry Insurance Ltd.
Cochrane Group
Co-operative Trust Company of Canada
Cuelenaere Kendall Duncan Katzman & Richards
D.Black & Associates
Daniels Engineering Ltd.
Deutscher Kunaman & Scott
Eaket Menssa Baert Lacoursier & Cameron
European Hardware Distributors Ltd.
Fording Coal Limited
Gauley Management
GE Ground Engineering Ltd.
Gryphon Investment Counsel Inc.
Heagy Bailey Altrogge
Horachek Cannam Joa
J.E.M. Consulting Services
John Deere Foundation of Canada
J.D. Mollard & Associates Limited
Manufacturers Life Insurance Company
National Trust Company
Orr & Company
Phillips, Hager & North Investment Mngt. Ltd.
Philom Bios
Remai Construction Company Ltd.
Ritenburg & Associates Ltd.
Saskatoon Christophers
Simon OK Management
Small Business Development Bank
Star Phoenix
Teck Corporation

RESPONSIBLE GOVERNANCE

First established by an Act of the Provincial Legislature in 1907, the governing bodies of the University include a Board of Governors, a Council, and a Senate. Revised in 1995, the Act provides for a representative University Council with jurisdiction over academic matters. A feature of the revised Act, the General Academic Assembly, comprised of administrators, faculty,

and students, meets annually to receive the President's Report on the state of the University. The Senate is assigned the responsibility of providing contact with the citizens of the Province. The Board of Governors is responsible for overseeing and directing all matters respecting the management, administration and control of the university's property, revenues, and financial affairs.

THE MEMBERS OF THE BOARD OF GOVERNORS FOR 1995-96:

Government-appointed

David Dombowsky (to February 1996)
 The Hon. Sylvia Fedoruk (from April 1996)
 Wes Jamieson (to March 1996)
 Chief Harry Lafond
 Frank G. Quennell
 Herman Rolfes (from April 1996)
 Sheila Whelan (to March 1996)
 John Wright (from April 1996)
 H.E. (Hal) Wyatt

Senate-appointed

Bernie Goplen
 Ed Hobday

Faculty-appointed

Robert Hickie

Students' Union-appointed

Cory Exner

Ex-Officio

J.W. George Ivany
 M.L. (Peggy) McKercher

The University of Saskatchewan Senate is chaired by the Chancellor and in 1995-96 consisted of:

42 appointed members as designates from the province's professional associations,
 14 elected members representing specific geographic districts,
 14 members elected at large from Convocation,
 37 ex-officio members representing the University and provincial government,
 7 student members on behalf of undergraduate and graduate students.

FINANCIAL SECTION

FINANCIAL HIGHLIGHTS

The University's financial statements were revised in the current year to move towards compliance with the Canadian Institute of Chartered Accountants' (CICA) accounting standards for Not-For-Profit Organizations. Complete adoption of these standards will not be required until the 1997-98 fiscal year.

FINANCIAL OVERVIEW

The following table summarizes the sources of revenue, by fund, for the 1995-96 fiscal year (in millions).

Fund	Government Provincial	Grants Other	Student Fees	Sale of Products & Services	Gifts, Grants, Bequests	Investment Income	TOTAL	% of Total
Operating	\$118.3	\$2.9	\$41.4	\$12.0	\$.5	\$4.6	\$179.7	55.8%
Research	10.7	20.3			11.8		42.8	13.3%
Trust	.3	2.1			2.6	6.7	11.7	3.6%
Endowment					3.2		3.2	1.0%
Specific Purpose	21.8	4.5		20.7	10.2	.2	57.4	17.8%
Ancillary				19.1		.5	19.6	6.1%
Capital	6.2*				.3	.5	7.0	2.2%
Long-Term Disability						.8	.8	0.2%
TOTAL	\$157.3	\$29.8	\$41.4	\$51.8	\$28.6	\$13.3	\$322.2	100.0%
% of Total	48.9%	9.2%	12.8%	16.1%	8.9%	4.1%	100.0%	

* Includes \$0.6 million funding for Meewasin Valley Authority.

informed the public of the consequences of decreased funding on university education in the province. The task force found widespread public support for the University and a great public desire to participate in the resolution of the University's funding problems.

In addition to outright funding reductions, all University departments have faced deeper cuts, as they absorbed increasing costs of operation. One area significantly affected by such is the Library, whose acquisitions budget was held constant for the third consecutive year. Escalating price increases, especially in the area of scientific, technical and medical journals, resulted in a 33% decline in monograph acquisitions over this period.

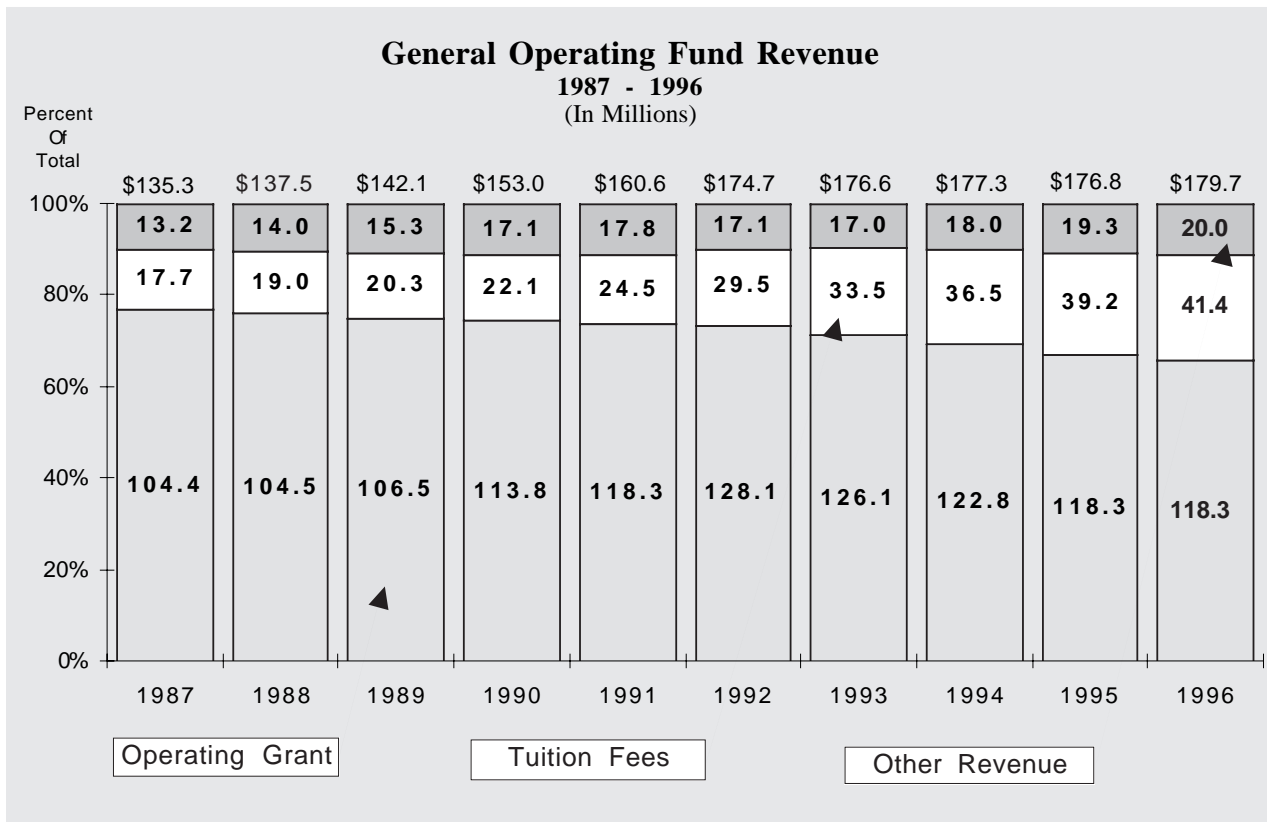
PROVINCIAL FUNDING

OPERATING

1995-96 is the final year of the University's four-year reduction plan. During that period, to cope with decreases in provincial funding (7.5% over the period) and to meet escalating costs, the University was forced to reduce college and unit expenditures by an average of 11% overall — or \$13.6 million. The actions taken to reduce this \$13.6 million envisioned a period of relief at the end of four years.

As news of extended government funding cuts began to surface, in the fall of 1995, the University formed a Budget Communications Task Force to share these issues with the people of Saskatchewan. A number of community visits

The period of expected relief from funding cuts has not occurred. Our provincial grant for 1996-97 remains constant. In response to the Federal Government's reduction in transfer payments, the Province announced a \$5 million reduction in each of 1997-98 and 1998-99 to be shared by both Universities. Allocation of this \$10 million reduction over the two-year period is yet to be announced. This reduction, coupled with an escalating cost base, will mean that the University will undergo another round of budget reductions. The following graph depicts quite dramatically the shift in University funding that has already occurred over the past ten years.



General operating revenues, over the past ten years, have increased from \$135.3 million to \$179.7 million — an increase of 32.8%. The portion of revenue relating to the operating grant from the Province of Saskatchewan, although it has increased 13.3% from \$104.4 million to \$118.3 million, represents 65.8% of total operating revenue (a decline from 77.2%). Student fees during this same time period have increased 133.9%, from \$17.7 million to \$41.4 million, and account for 23% of total operating revenues in 1995-96.

CAPITAL

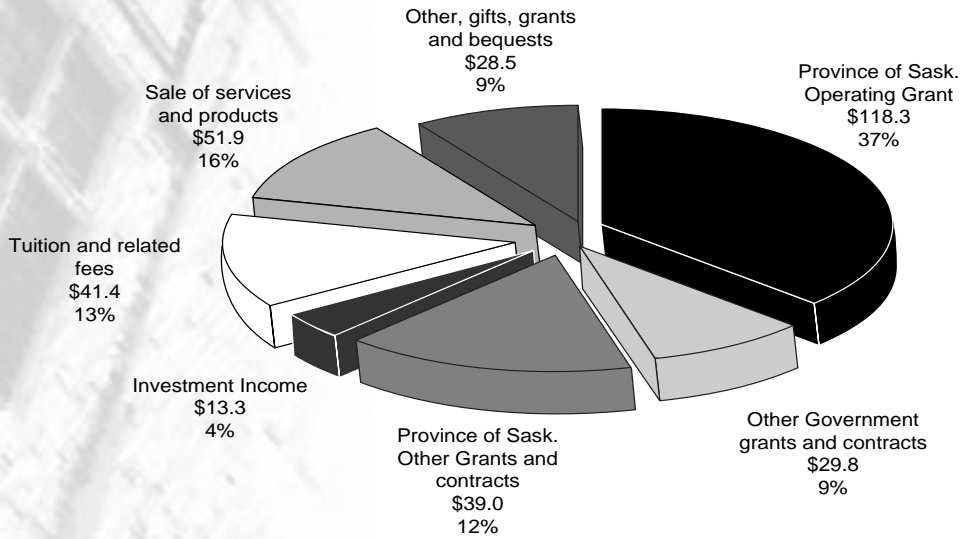
The University continues to struggle with inadequate capital funding. We take great pride in our beautiful campus, with its expansive grounds and Gothic style architecture. The province has an investment in buildings and grounds at the University of about \$1 billion. Based on industry standard models for renovation and repair of buildings, fixtures and grounds, the University requires an annual grant of \$38 million. For the 1995-96 year we received just under \$5.6 million (\$3.9 million for on-going renewal and replacement and \$1.7 million for equipment). Lack of sufficient capital funding forces use of operating funds for band-aid solutions to chronic problems.

1995-96 FINANCIAL RESULTS

TOTAL REVENUES AND EXPENDITURES

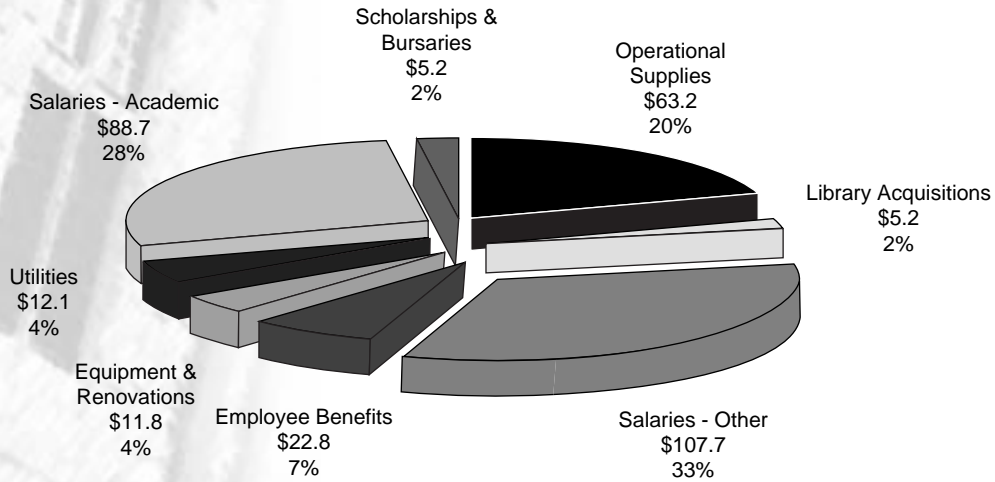
Revenues and expenditures of the University are reported by fund, and by source of revenue and object of expenditure. Total University revenue of \$322.2 million is comprised of the components depicted in the following figure. Total revenue includes \$51.9 million "sale of services and products." Prior to adoption of the revised financial statement format this revenue would have been reflected as an external recovery thereby reducing total expenditures. Provincial and other government funding amounts to \$187.1 million, accounting for 58% of the total.

TOTAL REVENUE
1995-96 Total: \$322.2
(In millions)



Salaries and benefits make up by far the largest component of expenditures amounting to 69% overall. Significant expenditure components are identified.

TOTAL EXPENDITURES
1995-96 Total: \$316.7
(In millions)



GENERAL OPERATING FUNDS

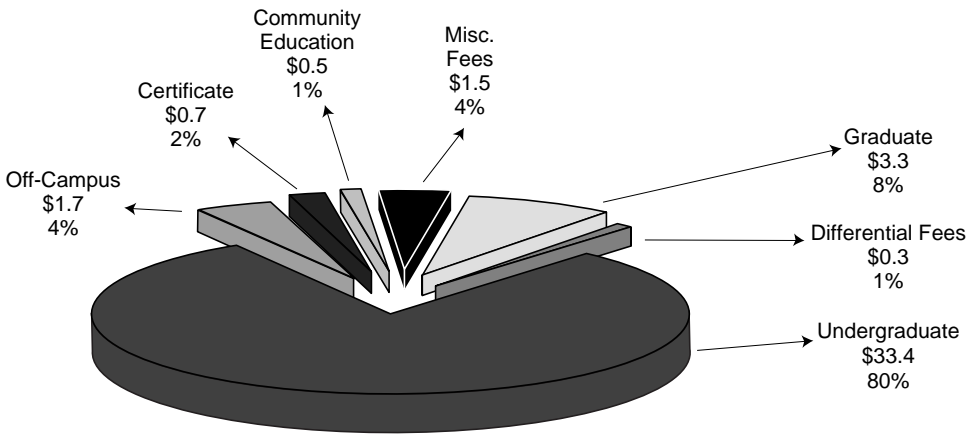
The University reported an appropriated operating reserve *deficiency* of \$6.2 million for 1995-96. In 1994-95 a *surplus* of \$6.0 million was reported. This major shift results from a change in accounting practices in accordance with CICA requirements. The effect of this change is the inclusion of accruals for vacation pay entitlements (\$6.4 million) and assisted early retirement payments (\$7.9 million) as expenditures in the year (1995-96) these commitments were entered into.

REVENUE

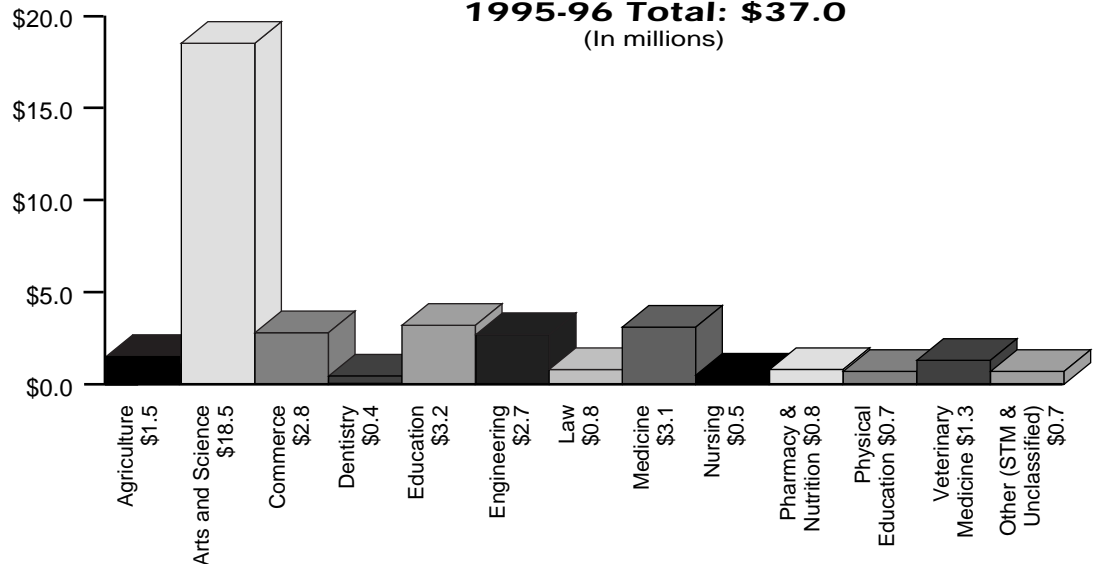
General operating fund revenue is comprised of four major components: Provincial Government operating grant, tuition fees, investment income, and miscellaneous income.

While levels of governmental funding remained constant for 1995-96, revenue from tuition fees increased by 5.7% over last year to \$41.4 million. This amount excludes any tuition originally charged to residents and interns. During the year the Professional Association of Interns and Residents of Saskatchewan (PAIRS) successfully appealed the right of the University to levy tuition on the basis that such a levy was equivalent to a registration fee. The University was denied leave to appeal this decision to the Supreme Court. The composition of tuition revenue by type, e.g. undergraduate, graduate and by college, is shown in the following illustrations.

TUITION AND OTHER FEE REVENUE
1995-96 Total: \$41.4
 (In millions)



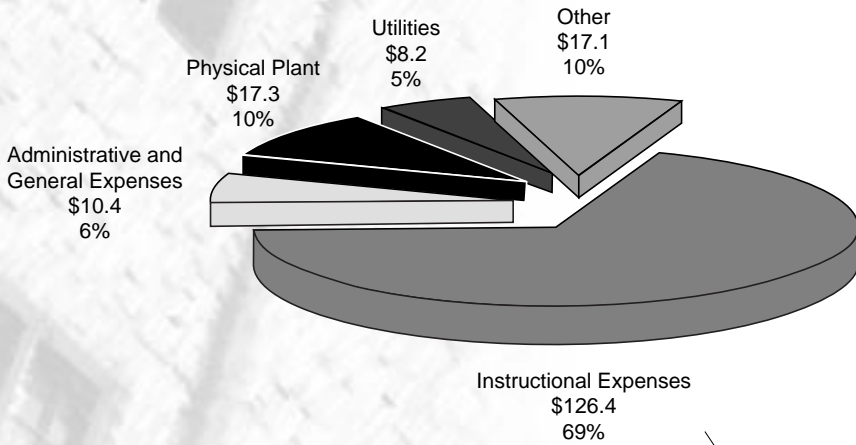
ON CAMPUS DEGREE CREDIT TUITION REVENUE
1995-96 Total: \$37.0
 (In millions)



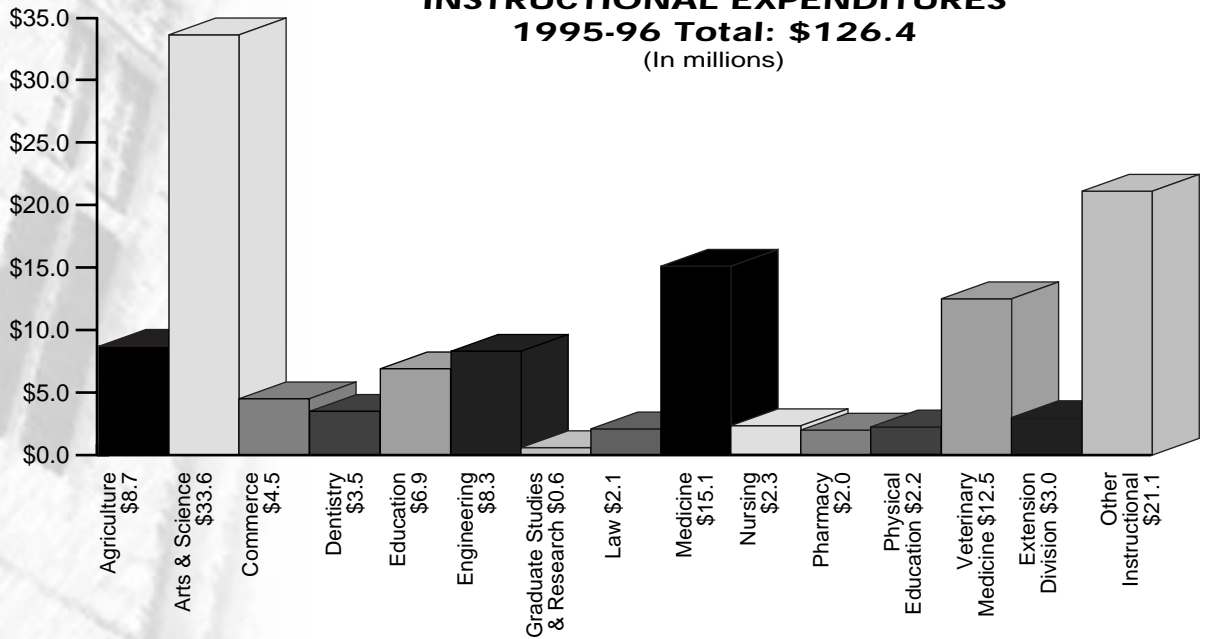
EXPENDITURES

Operating fund expenditures by organizational grouping are portrayed in the following illustrations. Instructional expenditures account for \$126.4 million — or 70% of the total of \$179.4 million. The allocation of this \$126.4 million by college is also shown.

**OPERATING EXPENDITURES
1995-96 Total: \$179.4
(In millions)**

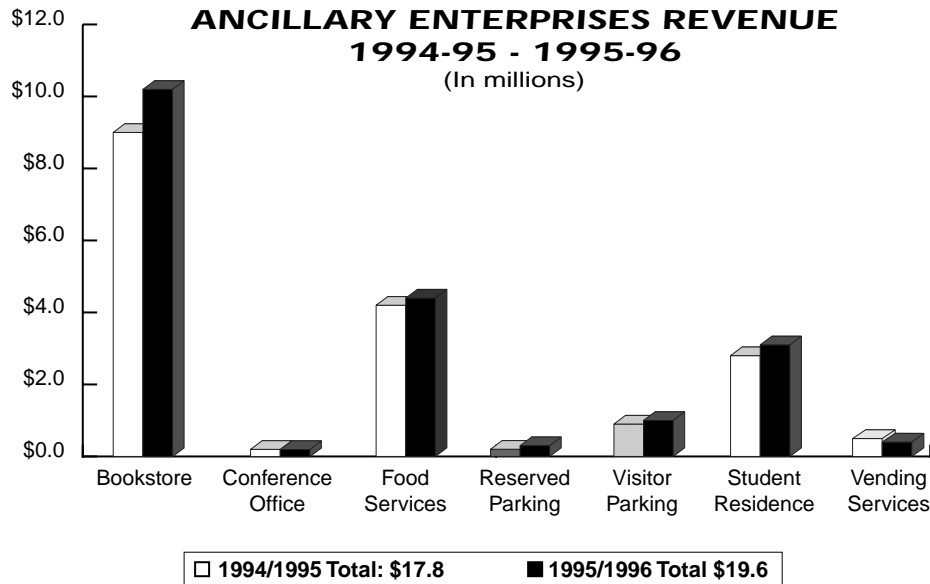


**INSTRUCTIONAL EXPENDITURES
1995-96 Total: \$126.4
(In millions)**



ANCILLARY FUNDS

The University operates a number of functions which provide goods and services to the University community and are expected to operate on at least a break-even basis. These functions include the Bookstore, Conference Office, Food Services, Parking, Student Residences, and Vending. Total revenue for ancillaries increased by 10.3% to \$19.6 million from last year's total of \$17.8 million with the largest increase realized in the operation of the Bookstore — 13.4%. Expenditures increased as well, by 9.8%, resulting in a net excess of revenues over expenditures of \$1.2 million or 6.1% of revenue. Additional details of the activities of these units are included in the Consumer Services Division annual report.

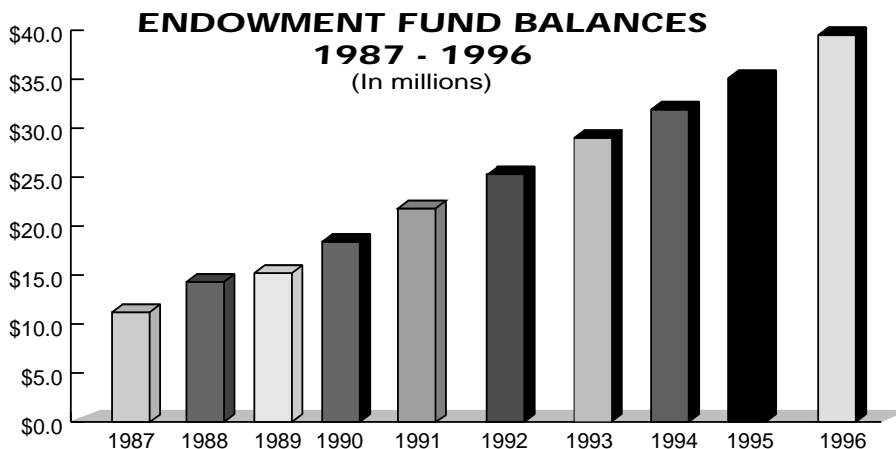


ENDOWMENT FUNDS

Endowment Funds consist of gifts and bequests received with the stipulation that these funds be invested and the income earned be utilized for designated purposes. As shown in the following graph, over the past ten years endowment funds have increased from \$11.2 million to \$39.5 million — an increase of 252.7%. Funds designated for use as student loans, bursaries, and scholarships currently account for 29.4% of total endowment funds, while funds designated for research and endowed chairs account for 15%.

In addition to funds held as part of the Endowment Fund, the University also holds \$22 million in the Yeltsin Democracy Fellowship Fund on behalf of the Federal Government. These funds are not included in the financial statements of the University.

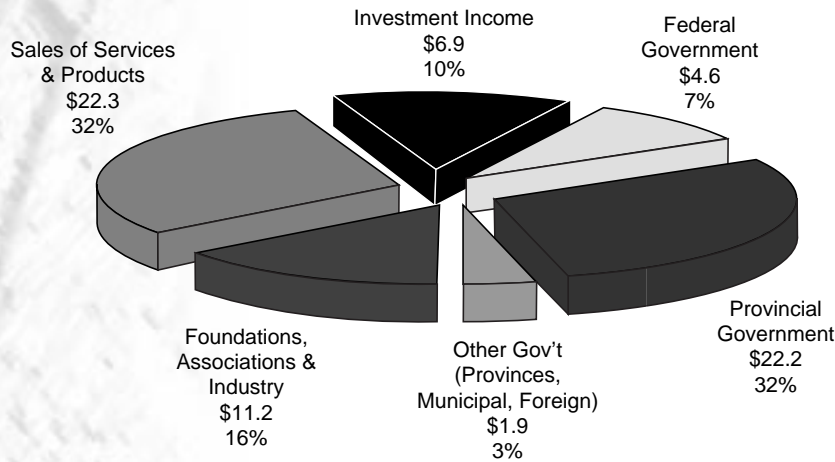
During the year, the Province of Saskatchewan established the University of Saskatchewan Crown Foundation through The Crown Foundations Act. The Foundation provides a vehicle through which the University can actively pursue donations while offering certain tax advantages to donors.



SPECIFIC PURPOSE AND TRUST FUNDS

Specific Purpose and Trust Funds account for funds received from donors or other funding sources for specific projects or purposes as stipulated by the funding agent. Total revenue for specific purpose and trust funds increased by 7.3% in 1995-96 to \$69.1 million from last year's total of \$64.4 million.

**SPECIFIC PURPOSE AND TRUST
1995-96 Total: \$69.1
(In millions)**



As indicated by the above chart, a significant portion of the total funding in this area comes from the Provincial Government, the major components of which are \$17 million in funding for the Clinical Services Fund and \$1.7 million relating to the Northern Medical Services program. Funding from other provincial governments includes contributions from the other western provinces of \$1 million towards the Western College of Veterinary Medicine graduate program. Individual colleges are also involved in revenue generating activities (sales of services and products) such as the College of Medicines Clinical Practice Plan which contributes \$12.5 million to the sales of services revenue and the College of Veterinary Medicine, Diagnostic Services, which contributes \$.5 million.

RESEARCH FUNDS

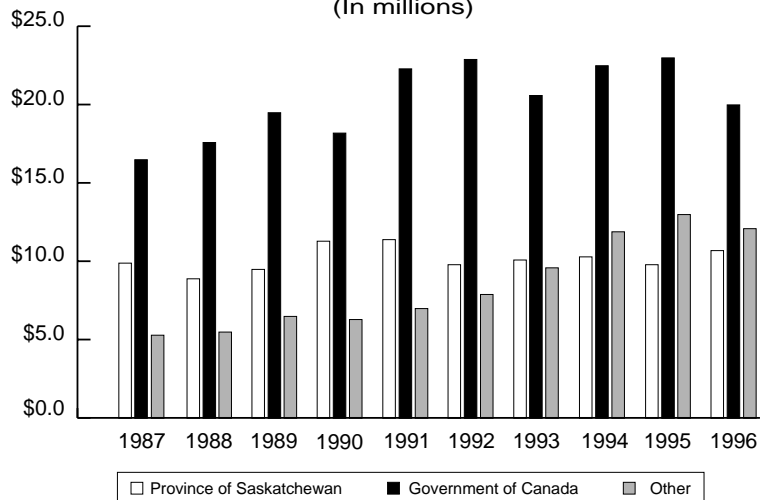
Over the past ten years research (contract and grant) revenues have increased from \$31.7 million to \$42.8 million (excluding the \$3.2 million in graduate research scholarships) — an increase of 34.9%. The most significant increase in funding for research over this time period has come from the private sector; industry funding increased 128%. The current trend in research funding saw a 12.9% decline in revenue from the Government of Canada in 1995-96 over the previous year, resulting in an overall decline in research revenue of 6.4% for 1995-96.

As shown in the following graph, federal funding continues to make up the largest share of research funding at 47%, derived from the following sources:

- Natural Sciences and Engineering Research Council (NSERC)
\$ 11.0 million
- Medical Research Council (MRC)
\$ 3.5 million
- Social Sciences and Humanities Research Council (SSHRC)
\$ 0.94 million
- Other
\$ 4.5 million

Provincial funding contributes about one-quarter of total research moneys, with 89% of those moneys coming from two departments: Agriculture - \$7.2 million; and Health (including Health Services Utilization and Research Commission) - \$2.25 million.

**RESEARCH REVENUES
1987 - 1996
(In millions)**



THE UNIVERSITY OF SASKATCHEWAN

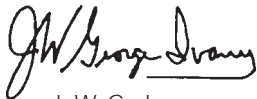
STATEMENT OF ADMINISTRATIVE RESPONSIBILITY FOR FINANCIAL REPORTING

The administration of the University is responsible for the preparation of the financial statements and has prepared them with reference to the "Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada", published by the Canadian Association of University Business Officers. The administration believes that the financial statements present fairly the financial position of the University as at April 30, 1996 and the results of its operations and the changes in its fund balances for the year then ended.

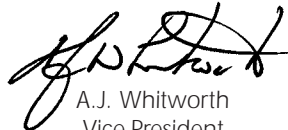
In fulfilling its responsibilities and recognizing the limits inherent in all systems, the administration has developed and maintains a system of internal controls designed to provide reasonable assurance that University assets are safeguarded from loss and that the accounting records are a reliable basis for the preparation of financial statements. The integrity of the internal controls is reviewed on an ongoing basis by the Internal Audit Department.

The Board of Governors carries out its responsibility for review of the financial statements principally through its Audit Committee, which is a committee of the Board of Governors. The external and internal auditors have access to the Audit Committee, with or without the presence of the administration.

The financial statements for the year ended April 30, 1996 have been reported on by the Provincial Auditor of the Province of Saskatchewan, the external auditor appointed under the University of Saskatchewan Act. The Auditor's Report outlines the scope of his examination and provides his opinion on the fairness of presentation of the information in the financial statements.



J. W. G. Ivany
President



A.J. Whitworth
Vice-President
(Finance and Administration)

AUDITOR'S REPORT

To the Members of the Legislative Assembly of Saskatchewan

I have audited the combined balance sheet of The University of Saskatchewan as at April 30, 1996 and the statements of operations, changes in fund balances, changes in equity in capital assets, and changes in financial position for the year then ended. The University's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, these financial statements present fairly, in all material respects, the financial position of the University as at April 30, 1996 and the results of its operations and the changes in its financial position for the year then ended in accordance with generally accepted accounting principles.



Regina, Saskatchewan
August 30, 1996

W.K. Strelloff, CA
Provincial Auditor

THE UNIVERSITY OF SASKATCHEWAN
COMBINED BALANCE SHEET
AS AT APRIL 30, 1996
(THOUSANDS OF DOLLARS)

ASSETS**1996****1995**

(Restated - Note 12)

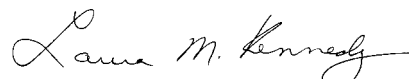
Cash and short term investments	\$ 94,144	\$ 77,830
Accounts receivable	14,235	23,513
Inventories (Note 2 (e))	6,427	5,875
Prepaid expenses	643	655
Deferred costs (Note 2 (f))	2,891	1,405
Long term investments (market value - 1996 - \$64,220; 1995 - \$61,467) (Note 2 (g))	58,151	58,125
Long Term Disability Trust Fund (Note 6)	9,383	8,034
Investment in subsidiary companies (Note 2 (h))	2,669	2,552
Other assets	1,196	562
Capital assets (Note 2 (i))	526,997	518,274
	<u>\$ 716,736</u>	<u>\$ 696,825</u>

The accompanying notes form an integral part of these Financial Statements.

Approved by the Board of Governors



Chair, Board of Governors and Audit Committee



Assistant Vice-President (Financial Services)

Statement 1

LIABILITIES AND FUND BALANCES	1996	1995
		(Restated -Note 12)
Accounts payable and accrued liabilities	\$ 28,079	\$ 23,115
Unearned fees and other deferred revenue	1,020	1,566
Long Term Disability Trust Fund -		
Provision for claims payable (Note 6)	8,239	7,073
Long-term debt (Note 3)	3,305	3,361
Fund balances (Statement 3)		
Appropriated	17,238	18,693
Restricted	133,479	126,588
Equity in capital assets (Statement 4)	523,492	514,662
Equity in subsidiary companies (Note 2 (h))	1,884	1,767
	\$ 716,736	\$ 696,825

THE UNIVERSITY OF SASKATCHEWAN
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED APRIL 30, 1996
(THOUSANDS OF DOLLARS)

	General Operating	
	1996	1995
REVENUE AND OTHER ADDITIONS		
Government grants and contracts		
Government of Canada	\$ 0	\$ 0
Province of Saskatchewan	118,323	118,323
Other	2,912	2,912
Student fees	41,470	39,225
Gifts, grants and bequests	0	0
Sales of services and products	11,955	11,919
Income from investments	4,557	3,807
Miscellaneous income	457	655
	179,674	176,841
EXPENDITURE AND OTHER DEDUCTIONS		
Salaries		
Academic	73,278	71,792
Other	56,287	54,929
Employee benefits	15,554	14,039
Library acquisitions	4,753	4,166
Operational supplies and expenses	32,259	26,712
Equipment, rental, maintenance and renovations	12,024	12,583
Utilities	11,283	11,077
Scholarships, bursaries and prizes	3,184	3,606
Debt servicing	0	0
Meewasin Valley Authority levy	0	0
Allowance for loans doubtful of collection	0	0
Internal cost recoveries	(29,223)	(25,571)
	179,399	173,333
Excess (deficiency) of revenue over expenditures	\$ 275	\$ 3,508

The accompanying notes form an integral part of these Financial Statements.

Statement 2

Other Funds		Sponsored Research, Specific Purpose, Trust and Endowment		Total	
1996	1995	1996	1995	1996	1995
\$ 0	\$ 0	\$ 24,643	\$ 26,944	\$ 24,643	\$ 26,944
6,173	11,091	32,815	31,331	157,311	160,745
0	0	2,225	2,324	5,137	5,236
0	0	0	0	41,470	39,225
0	0	26,015	24,718	26,015	24,718
19,139	17,566	20,707	20,072	51,801	49,557
1,743	824	6,956	6,301	13,256	10,932
365	175	1,704	1,063	2,526	1,893
27,420	29,656	115,065	112,753	322,159	319,250
0	0	16,156	15,694	89,434	87,486
4,529	4,211	48,444	47,987	109,260	107,127
2,735	1,804	4,508	4,464	22,797	20,307
0	0	479	404	5,232	4,570
11,094	9,616	34,008	27,645	77,361	63,973
9,559	8,643	7,491	9,656	29,074	30,882
793	723	55	42	12,131	11,842
0	0	2,001	1,780	5,185	5,386
387	438	0	0	387	438
574	574	0	0	574	574
0	0	1	11	1	11
(25)	0	(5,465)	(3,369)	(34,713)	(28,940)
29,646	26,009	107,678	104,314	316,723	303,656
\$(2,226)	\$3,647	\$7,387	\$8,439	\$5,436	\$15,594

THE UNIVERSITY OF SASKATCHEWAN
STATEMENT OF CHANGES IN FUND BALANCES
FOR THE YEAR ENDED APRIL 30, 1996
(THOUSANDS OF DOLLARS)

	GENERAL OPERATING	
	1996	1995
Fund balance, beginning of year	\$6,965	\$3,884
Excess (deficiency) of revenues over expenditures, current year (Statement 2)	275	3,508
Interfund transfers	(2,585)	(427)
Fund Balance, end of year (Statement 1)	<u><u>\$4,655</u></u>	<u><u>\$6,965</u></u>

DETAIL OF APPROPRIATED-ALLOCATED FUND BALANCE AT END OF YEAR

College/departamental appropriations carried forward	\$6,619	\$7,499
Provision for authorized specific expenditures	2,868	2,530
Provision for employee benefit plans	370	206
Purchase order commitments carried forward	689	699
Provision for the replacement of equipment, furnishings and facilities	369	354
Operating reserve	(6,260)	(4,323)
Provision for authorized capital projects	0	0
	<u><u>4,655</u></u>	<u><u>6,965</u></u>
Appropriated-unallocated fund balance at end of year	<u><u>0</u></u>	<u><u>0</u></u>
Total fund balance at end of year	<u><u>\$4,655</u></u>	<u><u>\$6,965</u></u>

The accompanying notes form an integral part of these Financial Statements.

Statement 3

APPROPRIATED FUNDS OTHER FUNDS		TOTAL		RESTRICTED FUNDS TOTALS	
1996	1995	1996	1995	1996	1995
\$11,728	\$6,116	\$18,693	\$10,000	\$126,588	\$119,687
(2,226)	3,647	(1,951)	7,155	7,387	8,439
3,081	1,965	496	1,538	(496)	(1,538)
\$12,583	\$11,728	\$17,238	\$18,693	\$133,479	\$126,588
\$0	\$0	\$6,619	\$7,499	\$0	\$0
0	0	2,868	2,530	0	0
0	0	370	206	0	0
0	0	689	699	0	0
1,322	1,107	1,691	1,461	0	0
0	0	(6,260)	(4,323)	0	0
4,011	4,478	4,011	4,478	0	0
5,333	5,585	9,988	12,550	0	0
7,250	6,143	7,250	6,143	133,479	126,588
\$12,583	\$11,728	\$17,238	\$18,693	\$133,479	\$126,588

THE UNIVERSITY OF SASKATCHEWAN
STATEMENT OF CHANGES IN EQUITY IN CAPITAL ASSETS
FOR THE YEAR ENDED APRIL 30, 1996
(THOUSANDS OF DOLLARS)

Statement 4

EQUITY INCREASED BY

	1996	1995
Additions to capital assets		
Land and site improvements	\$ 739	\$ 583
Buildings	4,679	4,413
Equipment and furnishings	2,955	2,280
	<u>8,373</u>	<u>7,276</u>
Capital assets provided from non-capital funds:		
General Operating		
Equipment and furnishings	2,602	3,478
Library acquisitions	5,559	4,828
Sponsored Research		
Equipment and furnishings	3,391	4,516
Specific Purpose and Trust		
Equipment and furnishings	2,683	3,621
Land and site improvements	60	0
Ancillary Enterprises		
Equipment and furnishings	103	163
	<u>14,398</u>	<u>16,606</u>
Equity arising from Long-term debt repayment and sinking fund instalment repayment of long - term principal		
Canada Mortgage and Housing Corporation Debentures	44	42
Consolidated Fund Loan - McEown Park - Unit IV		
Reduction of due to General Revenue Fund	12	11
	<u>56</u>	<u>53</u>
Total increase in equity	<u>22,827</u>	<u>23,935</u>

EQUITY DECREASED BY

	1996	1995
Equipment and furnishings written-off according to useful life policy	13,547	15,797
Library acquisitions annual reduction adjustment	450	417
Total decrease in equity	<u>13,997</u>	<u>16,214</u>
Net increase during the year	8,830	7,721
Equity, beginning of year	514,662	506,941
Equity, end of year (Statement 1)	<u>\$ 523,492</u>	<u>\$ 514,662</u>

The accompanying notes form an integral part of these Financial Statements.

THE UNIVERSITY OF SASKATCHEWAN
STATEMENT OF CHANGES IN FINANCIAL POSITION
FOR THE YEAR ENDED APRIL 30, 1996
(THOUSANDS OF DOLLARS)

Statement 5

	1996	1995
Cash provided from (used in) operating activities		
Excess (deficiency) of revenue over expenditure	\$ 5,436	\$ 15,594
Net decrease (increase) in non-cash working capital	13,908	(10,461)
Investment activities recorded as expenditures		
Purchase of capital assets and library holdings	22,771	23,882
Cash provided from operating activities	<u>42,115</u>	<u>29,015</u>
Cash provided from (used in) investing activities		
Purchase of investments	(7,604)	(12,218)
Disposal of investments	4,524	3,668
Purchase of capital assets and library holdings	(22,721)	(23,832)
	<u>(25,801)</u>	<u>(32,382)</u>
Net change in cash and short term deposits	16,314	(3,367)
Cash and short term deposits beginning of year	77,830	81,197
Cash and short term deposits end of year (Statement 1)	<u>\$ 94,144</u>	<u>\$ 77,830</u>

The accompanying notes form an integral part of these Financial Statements

THE UNIVERSITY OF SASKATCHEWAN
NOTES TO FINANCIAL STATEMENTS
April 30, 1996

1. Authority and Purpose

"The University of Saskatchewan" is a corporation operating under the authority of the University of Saskatchewan Act, 1995, Chapter U-6.1 of the Statutes of Saskatchewan. The primary role of the University is to provide post-secondary instruction and research in the humanities, sciences, social sciences, and other areas of human, intellectual, cultural, social and physical development. The University is a registered charity and is therefore exempt from the payment of income tax, pursuant to Section 149 of the Income Tax Act.

2. Summary of Significant Accounting Policies and Reporting Practices

a) General

These financial statements have been prepared in accordance with accounting principles for Universities as described in the "Guide to Accounting Principles, Practices and Standards of Disclosure for Universities and Colleges of Canada", published in 1984 by the Canadian Association of University Business Officers (CAUBO) and commended for use by the Association of Universities and Colleges of Canada (AUCC) to its members.

b) Fund Accounting

Transactions of the University are accounted for by fund accounting procedures in order to recognize various restrictions imposed on the use of available resources. Under these procedures, revenues and their related expenses are accounted for in separate funds in accordance with objectives specified by donors, limitations and restrictions imposed by sources outside the University and determinations made by the Board of Governors.

For financial statement reporting purposes the Balance Sheet combines the assets, liabilities and fund balances of all funds.

The University has classified accounts with similar characteristics into major funds as follows:

- the General Operating Fund consists of those revenues and expenses used in the general operations of the University.
- Other Funds consist of Ancillary Enterprises, the Capital Fund and the Long Term Disability Trust Fund.

Ancillary Enterprises provide goods and services to the University community and are expected to operate on a break-even basis. Any deficits must be recovered from future operations and unexpended balances are carried forward for replacement and upgrading of facilities in these ancillary operations. In accordance with the CAUBO guidelines this group of enterprises includes the Bookstore, Food Services, Parking, Student Residences and Vending Services. These enterprises are assessed most overhead costs associated with their operations including payments of principal and interest on all long-term debt.

The Capital Fund consists of grants, gifts, interest and authorized capital borrowings received for the purpose of acquiring capital assets including those pertaining to ancillary enterprises. These funds may also be used for major renovations, alterations and equipment acquisitions.

The Long Term Disability Trust Fund consists of those revenues and expenses applicable to the self-insured funding arrangement established by the University for the purpose of meeting its obligation to provide long term disability benefits to eligible persons, employed by the University or its affiliates.

- Sponsored Research, Specific Purpose and Trust, and Endowment Funds consist of the following:

The Sponsored Research Fund consists of grant and contract revenues and expenses specifically identified for research or related activities as approved by government granting agencies, research institutes and other public and private organizations.

The Specific Purpose and Trust Fund consists of those revenues and expenses used for projects and purposes stipulated by the donors and contributors, including scholarships, bursaries, student loans, special research fellowships and awards, clinical practice plan and clinical services funding.

The Endowment Principal Fund consists of gifts and bequests received with the stipulation that these funds be invested and the income earned be utilized for designated purposes.

c) Accrual Accounting

The University follows the accrual basis of accounting for additions to and deductions from fund balances except that no provision is made in the financial statements for depreciation on capital assets.

d) Appropriations

The University implemented in 1984-85 a general operating budget program approved by the Board of Governors which allows budget units to carry forward unexpended funds into the subsequent fiscal year. In addition the University has established appropriations for future expenditures of a specific or major nature and to make provision for certain unexpended allocations.

e) Inventories

Inventories of materials and supplies are valued at the lower of cost and net realizable value which is principally determined by the first in first out method. Feedlot cattle are stated at market value and all other inventories of livestock held primarily as experimental animals are valued at the lower of cost or market value.

f) Deferred Costs

The University sets up deferred costs to account for capital assets acquired by the Operating Fund, the Capital Fund, and Ancillary Enterprises by means of internal cash loans from operating funds. Internal loans of this nature occur when it is advantageous for the University to use its own cash resources rather than borrowing or leasing from outside parties. Other capital assets are included in Note 2 (i).

Deferred costs outstanding at April 30, 1996 and their methods of amortization are as follows:

	1996	1995
Parking development costs, including Capital Costs for both Reserved Parking and Visitor and Pay Parking - amortized against the Parking Ancillary Enterprise revenues on the basis of the estimated useful life of the particular assets.	\$1,535,649	\$1,262,900
Water conservation costs, including Capital Costs for the Education and Phys Ed pools make-up water systems and the LINAC equipment cooling system - amortized against the utility expenditures on the basis of estimated annual savings in utility costs.	1,239,577	-
Food Services development costs including Capital Costs for Branded Concept facilities - amortized against the Food Services revenues on the basis of the estimated useful life of the particular assets.	115,395	141,994
	<u>\$2,890,621</u>	<u>\$1,404,894</u>

g) Investments

Short term investments are recorded at cost which approximates market value. Long term investments purchased are recorded at cost or amortized cost where applicable. Investments received by bequest or gift are recorded at market value at the date of acquisition. Amortization of premiums and discounts is calculated on a straight line basis from acquisition date to maturity date. Gains or losses on sales of investments are recognized in the year of disposal.

h) Investment in Subsidiary Companies

University of Saskatchewan Technologies Inc., a company continued under the Saskatchewan Business Corporations Act is a wholly-owned subsidiary of the University. The company's specific mission is to evaluate,

protect, and exploit University controlled intellectual property for the benefit of the University, inventors, industry and the public. The corporation qualifies as a tax exempt organization under Section 149 of the Income Tax Act.

Agricol Research Investments Inc. was incorporated July 12, 1991 under the Saskatchewan Business Corporations Act as a wholly-owned subsidiary of the University. The corporation, which qualifies as a tax exempt organization under Section 149 of the Income Tax Act, provides an investment vehicle through which the University of Saskatchewan can promote and participate in research, education and technology transfer related to the agriculture industry.

The University does not consolidate the accounts of its subsidiary companies with those of the University of Saskatchewan. It accounts for these investments in accordance with the equity method.

The investment and related equity account are summarized as follows:

	1996	1995
Investment Account		
University of Saskatchewan Technologies Inc.		
- Carrying value of investment in shares	\$1,378,932	\$1,338,704
Agricol Research Investments Inc.		
- Carrying value of investment in shares	1,290,355	1,213,192
	<u>\$2,669,287</u>	<u>\$2,551,896</u>
Equity Account		
University of Saskatchewan Technologies Inc.		
- Balance - beginning of year	\$ 967,041	\$ 960,147
- Equity gain during year	40,228	6,894
	<u>1,007,269</u>	<u>967,041</u>
Agricol Research Investments Inc.		
- Balance - beginning of year	800,040	800,695
- Equity gain (loss) during year	77,163	(655)
	<u>877,203</u>	<u>800,040</u>
	<u>\$1,884,472</u>	<u>\$1,767,081</u>

i) Capital Assets

The CAUBO guidelines indicate that all capital assets including library acquisitions should be capitalized regardless of the source of funds or the means of acquisition of the capital assets, depreciation should not be recorded, and donated assets should be recorded at their fair market value.

Expenditures by the University of Saskatchewan for the acquisition of new properties, constructing of new buildings, rehabilitating existing buildings, initially equipping these new and rehabilitated buildings, acquiring certain additional or replacement equipment and for library acquisitions are recorded in the Statement of Operations (Statement 2) in the year in which they are incurred and then capitalized on the Balance Sheet as Capital Assets with a corresponding entry to Equity in Capital Assets. No depreciation is recorded.

Donated assets are reported at fair market value when acquired by the University.

Deferred costs which consist of capital asset costs acquired by means of internal cash loans from operating funds are included in Note 2 (f).

The University's policy on capitalization of capital assets assumes an average useful life for furnishings and equipment of nine years (eight plus the current year). Therefore, items recorded as assets nine years previously are removed from the Capital Asset Account and Equity in Capital Assets Account. A provision for the value of items removed from the library collection by disposals or withdrawals (superseded, poor condition, irrelevancy, lost or stolen) calculated at 3/4 of one percent of the net capitalized value of library holdings at the end of the preceding year is recorded as a deduction within the Capital Fund. Buildings, land and site improvements are permanent in nature and therefore dispositions will not normally occur.

Capital assets are summarized as follows:

	1996	1995
Land and site improvements	\$ 26,059,679	\$ 25,260,666
Buildings	316,900,323	312,271,616
Equipment and furnishings	118,867,303	120,679,564
Library acquisitions	65,169,206	60,061,097
	<u>\$526,996,511</u>	<u>\$518,272,943</u>

j) Donations and Pledges

Donations are recorded as revenue in the fiscal period in which they are received. Gifts-in-Kind, including works of art, equipment, investments and library holdings are recorded at fair market value on the date of their donation.

Pledges made by donors to the University for donations to be received in future years are not recorded in the financial statements.

3. Long Term Debt

	1996	1995
a) <u>Canada Mortgage and Housing Corp. - 6 7/8% Debentures due May 1, December 1, 2020</u>	\$2,889,857	\$2,934,418

This liability represents the remaining principal balance payable on two loans totaling \$3,450,000 originally borrowed from Canada Mortgage and Housing Corporation in 1970 to finance construction of the McEown Park Student Housing Complex.

These loans are repayable in equal semi-annual installments of blended principal and interest over 50 years. The total annual payments of \$245,550 are recovered in their entirety from the operating revenues of the Student Residences.

b) Due to General Revenue Fund

414,955

426,649

As part of the original arrangements for repayment of a loan to Canada Mortgage and Housing Corporation, it was agreed that \$600,000 of the principal portion due would be recovered from the University of Saskatchewan by charges to the Residence and Food Service operations of \$33,410 per year.

The balance of this loan which was previously payable to the Saskatchewan Universities Commission is now payable to the General Revenue Fund.

c) General Revenue Fund - 9.14% Loan due January 5, 1996

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This liability which retired at January 5, 1996 represented the net balance payable, after deduction of equity in a related Sinking Fund, (April 30, 1995 - \$1,740,000) on a loan of \$1,740,000 originally borrowed from the Saskatchewan Universities Commission in 1976 to finance construction of an additional (fourth) high-rise apartment building within the McEown Park Student Housing Complex.

Upon repeal of The Universities Commission Act, 1974 this asset of the Saskatchewan Universities Commission was assumed by the General Revenue Fund.

The original terms of the loan required semi-annual interest payments of \$79,518 from the operating revenues of the Student Residences. In addition, the original term of the loan required the payment of an annual installment to the General Revenue Fund for investment in a Government administered Sinking Fund established to provide for repayment of the loan principal on maturity date.

These annual payments are no longer required, because the sinking fund balance plus interest is sufficient to repay the loan. At April 30, 1996 the balance in this Sinking Fund is \$ nil (April 30, 1995 - \$2,191,257).

During the year the Sinking Fund was retired with the debt repayment of \$1,740,000 and the balance of \$353,908 as interest revenue in 1995-96.

\$3,304,812	\$3,361,067
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4. Funds Held for Other Agencies

The University manages certain funds under agreement with external agencies for which the related assets have not been included as assets of the University of Saskatchewan, namely:

	1996	1995
The Yeltsin Democracy Fellowship Fund	\$ 22,026,735	\$ 21,412,001
Other agencies	10,000	22,265
	<u>\$ 22,036,735</u>	<u>\$ 21,434,266</u>
Comprised of:		
Cash	\$ 876,042	\$ 743,176
Accrued interest receivable	218,681	215,756
Long term investments (Market value 1996 - \$21,605,410; 1995 - \$20,604,000)	20,942,012	20,475,334
	<u>\$ 22,036,735</u>	<u>\$ 21,434,266</u>

5. Pension Funds

a) The University is responsible for the administration of two major pension plans, the Academic Pension Plan and the Non-Academic Pension Plan, as well as a third plan, the Clinicians Service Side Pension Plan, all of which are contributory defined benefit final average pension plans. Actuarial valuations are completed regularly as prescribed by statute and any unfunded pension plan liabilities are the responsibility of the University. The University contributes to the plans on behalf of its employees based on the advice of the plans' actuary with minimum amounts specified in accordance with the plans and in the collective bargaining agreements. The assets, including any potential surplus in the plan, are for the benefit of the members and their beneficiaries. There is no provision that allows the withdrawal of the surplus by the University. The market related value was determined using an average market to book value over the past five years.

i) Academic Pension Plan

An actuarial valuation of the Pension Plan for the Academic Employees of the University of Saskatchewan as at December 31, 1995, indicates that the fund is in a very strong position to meet its statutory obligations with a total estimated surplus of \$38.457 million.

Market Related Value of Assets at December 31, 1995	\$427.091 million
Actuarial Present Value of Accrued Pension Benefits at December 31, 1995	<u>388.634 million</u>
Estimated Surplus	<u>\$ 38.457 million</u>

On the advice of the Actuary, and with the approval of the University the surplus in excess of the amount of \$21.622 million estimated to be required to be held in the fund as a reserve balance as at December 31, 1995 will be allocated to be available to fund plan pension benefit improvements.

ii) Non-Academic Pension Plan

An actuarial valuation of the Non-Academic Pension Plan as at January 1, 1996 indicates that the plan has a surplus of \$9.402 million which is held in a contingency reserve.

Market Related Value of Assets as at January 1, 1996	\$110.154 million
Actuarial Present Value of Accrued Pension Benefits as at January 1, 1996	<u>100.752 million</u>
Estimated Surplus	<u>\$ 9.402 million</u>

On the advice of the Actuary, and with the approval of the University, a portion of the surplus in excess of the contingency reserve balance would be used to improve benefits provided by the plan.

iii) Clinicians Service Side Pension Plan

An actuarial valuation of the Clinicians Service Side Pension Plan for the Clinical Employees of the University of Saskatchewan as at December 31, 1992, together with an extrapolation of plan liabilities to December 31, 1995 indicates that the plan has a surplus of \$.193 million which is held in a contingency reserve. On the advice of the actuary, and with the approval of the University, a portion of the surplus in excess of the contingency reserve balance would be used to improve benefits provided by the plan.

b) The University is also responsible for the administration of the Research Pension Plan, a defined contribution plan. As at December 31, 1995 the plan held assets of \$18.345 million, offset by obligations to employees of the same amount.

6. Long Term Disability Trust Fund - Provision for Claims Payable

The Long Term Disability Trust Fund - Provision for claims payable in the amount of \$8,239,000 as at April 30, 1996 (April 30, 1995 - \$7,073,000) represents the present value of future payments arising from claims made prior to year end under the provisions of the University's self-insured Academic Long Term Disability Plan. The present value was determined pursuant to an actuarial valuation as at April 30, 1996 (and April 30, 1995).

The Assets of the Fund consist of the following:

	1996	1995
Cash	\$ 15,035	\$ 50,509
Premiums receivable	146,441	157,496
Accrued investment earnings	90,747	91,738
Investments	9,131,180	7,734,396
	<u>\$9,383,403</u>	<u>\$8,034,139</u>

7. Commitments - Capital Fund

The estimated cost of contractual commitments to complete major capital projects in progress as at April 30, 1996 is approximately \$905,814 (April 30, 1995 - \$373,857).

8. Statutory Obligations

Under the provisions of The Meewasin Valley Authority Act, the Meewasin Valley Authority is constituted as a body corporate, and the Government of Saskatchewan, the City of Saskatoon and the University of Saskatchewan were named as participating parties.

In accordance with the provisions of the Act, the University is responsible for an annual payment to the Authority of a sum equivalent to twenty-nine and one-third percent of an amount determined by application of a levy of four mills on the City of Saskatoon assessments of lands and buildings in the taxation year immediately preceding the fiscal year for which the sum is required.

Bill 85 of 1996 of the Legislature of Saskatchewan enacted an amendment to the Meewasin Valley Authority Act which had the effect of restricting the amount of the University's 1995-96 statutory obligation to the sum of \$574,000 (1994-95 - \$574,000).

9. Gifts-in-Kind and Donation Pledges

Gifts-in-Kind in the amount of \$524,880 were received and recorded in the year (1994-95 - \$657,111). Gifts-in-Kind consist of the following:

	1996	1995
Works of art	\$ 208,354	\$ 373,177
Equipment and furnishings	88,281	82,382
Investments	104,475	70,367
Library holdings	30,707	82,107
Other	93,063	49,078
	<u>\$524,880</u>	<u>\$657,111</u>

Donations pledged but not received as at April 30, 1996 totaled \$11,922,001 (April 30, 1995 - \$10,900,783). These pledges are expected to be honored during the subsequent five year period and will be recorded as revenue when received.

10. Related Party Transactions

Direct financial support provided by the University of Saskatchewan to the operations of the Prairie Swine Centre Inc., a non-profit, without share capital corporation affiliated with the University, is restricted to payment for contracted services provided during the year. During the 1995-96 fiscal year this form of support amounted to \$146,584 (1994-95 - \$153,192).

Also included in these financial statements are revenues and expenditures resulting from routine operating transactions conducted at prevailing market prices with various Saskatchewan crown controlled departments, agencies and corporations with which the University is related.

Account balances resulting from these transactions are included in the financial statements and are settled on normal trade terms. Other transactions with related parties and the terms of settlement are described separately in the financial statements and the notes thereto.

Included in investments are Province of Saskatchewan holdings of \$7,831,310 (April 30, 1995 - \$7,160,436).

11. Restatement of Comparative Figures

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 1995-96 financial statements.

12. Change in Accounting Policies

During the year, the University retroactively changed its accounting policy to recognize the accrual for assisted early retirement payments on a present value basis. In the past, an accrual for assisted early retirement payments was recognized at face value. The change has had the effect of decreasing employee benefit expense by \$1,194,561 (1995 - \$695,448), decreasing current liabilities and increasing the excess of revenue over expenditures by corresponding amounts. Prior year's financial statements have been restated for this change.

Also, during the year the University retroactively changed its accounting policy to charge the accruals for vacation pay and assisted early retirement against allocated fund balances, rather than using a negative appropriation. Use of this negative appropriation resulted in charges to the operating reserve for assisted early retirement payments and accrued vacation pay reflected on a cash basis rather than an accrual basis. The change has had the effect of eliminating expenses funded from future revenues of \$14,351,429 (1995 - \$11,039,964) and reducing the appropriated-allocated general fund balance by a corresponding amount. Prior year's financial statements have been restated for this change.

The effect of the above changes on the operating fund balance at the beginning of the year on the Statement of Changes in Fund Balances is as follows:

	1996	1995
General operating fund balance, beginning of year as previously reported	\$ 17,309,562	\$ 14,548,110
Assisted early retirement accrual	695,448	0
Expenses funded from future revenues	(11,039,964)	(10,664,170)
Appropriated-Allocated Fund Balance, beginning of year, as restated	<u>\$ 6,965,046</u>	<u>\$ 3,883,940</u>

The effect of the above changes on the excess of revenue over expenditures on the Statement of Operations is as follows:

Excess of revenues over expenditures, as previously reported	<u>1995</u>
Appropriated-Unallocated and Restricted Fund Balances	\$ 12,323,219
Endowment Fund	2,576,255
	<u>14,899,474</u>
Assisted early retirement accrual	695,448
Excess of revenues over expenditures, as restated	<u>\$15,594,922</u>

The effect of the above changes on the operating reserve on the Statement of Changes in Fund Balances is as follows:

	1996	1995
Operating reserve, beginning of year, as previously reported	\$ 6,021,539	\$ 3,504,490
Assisted early retirement accrual	695,448	0
Expenses funded from future revenues	(11,039,964)	(10,664,170)
Operating reserve, beginning of year, as restated	<u>\$(4,322,977)</u>	<u>\$(7,159,680)</u>

13. General Operating Expenditures

	1996	1995	
	<u>Budget</u>	<u>Expenditures</u>	<u>Expenditures</u>
Agriculture	\$7,721,913	\$7,923,811	\$7,688,864
Arts and Science	33,676,883	34,038,502	34,093,007
Commerce	4,444,630	4,513,941	4,451,870
Dentistry	3,015,301	2,908,077	2,792,060
Education	7,113,512	7,040,282	7,366,712
Engineering	8,420,287	8,378,995	9,107,184
Graduate Studies	561,607	600,825	549,221
Law	2,127,255	2,047,746	2,140,552
Medicine	15,739,736	15,238,072	15,382,698
Nursing	2,338,500	2,337,779	2,284,683
Pharmacy and Nutrition	2,069,433	2,050,049	2,106,221
Physical Education	2,118,260	2,200,068	2,026,517
Veterinary Medicine	10,142,528	10,314,476	10,213,394
Extension Division	2,944,525	3,051,560	2,928,996
Other Instructional	20,329,624	20,163,282	18,768,907
Administration	10,219,337	10,558,844	9,682,549
Physical Plant	21,629,485	20,455,552	21,157,195
Miscellaneous	10,919,884	16,205,303	11,062,885
Extraordinary Expenditures	3,181,479	0	0
Net expenditures for internal reporting purposes	<u>168,714,179</u>	<u>170,027,164</u>	<u>163,803,515</u>
Reclassification of net expenditures, included in College totals above as a recovery or expense, and restated for financial statement purposes:			
External cost recoveries restated as			
Sales of services and products (Statement 2)		11,955,814	11,919,127
Transfer from Capital Fund		0	(1,962,900)
Interfund transfers eliminated for financial statement purposes (Statement 3)		(2,584,215)	(427,138)
Expenditures for financial statement purposes	<u>\$168,714,179</u>	<u>\$179,398,763</u>	<u>\$173,332,604</u>

14. Internal cost recoveries

Sales and service provided by one sub-unit of the university to another sub-unit are recorded as internal cost recoveries. These recoveries are eliminated from the expenditure activity of the University as follows:

	1996			1995
	<u>Gross Expenditures</u>	<u>Net Recovery</u>	<u>Net Expenditures</u>	<u>Expenditures</u>
Salaries - academic	\$ 89,434	\$ (703)	\$ 88,731	\$ 87,420
Salaries - other	109,260	(1,521)	107,739	98,332
Employee benefits	22,797	(13)	22,784	19,458
Library acquisitions	5,232	0	5,232	4,570
Operational supplies and expenses	77,361	(15,234)	62,127	47,726
Equipment, rental, maintenance and renovations	29,074	(17,242)	11,832	28,679
Utilities	12,131	0	12,131	11,058
Scholarships, bursaries and prizes	5,185	0	5,185	5,386
Debt servicing	387	0	387	438
Meewasin Valley Authority levy	574	0	574	574
Allowance for loans doubtful of collection	1	0	1	11
Internal cost allocation	(34,713)	34,713	0	4
	<u>\$ 316,723</u>	<u>\$ 0</u>	<u>\$ 316,723</u>	<u>\$ 303,656</u>

OFFICERS OF THE UNIVERSITY

University officers are entrusted with the day-to-day operation of the institution. The President has general supervision over and direction of the University, its faculty members, and its student body. Deans of Colleges are the chief executive officers of their colleges, with general supervision over the direction of the college and the teaching and training of the students in the college.

THE 1995-96 OFFICERS:

<i>President</i> J.W. George Ivany	<i>Associate Vice-President (Information Technology Services)</i> Robert Kavanagh	<i>Registrar</i> Ken Smith
<i>Vice-President (Academic)</i> Patrick Browne	<i>Assistant Vice-President (Student Affairs & Services)</i> Vera Pezer	<i>Controller</i> Laura Kennedy
<i>Vice-President (Finance & Administration)</i> A.J. (Tony) Whitworth	<i>Assistant Vice-President (Human Resources)</i> Sharon Cochran (from March, 1996)	<i>Executive Director Physical Plant</i> Alan Reed
<i>Associate Vice-President (Academic)</i> Sylvia Wallace	<i>University Secretary</i> Iain MacLean	<i>Executive Director Development & Alumni Affairs</i> Elaine Cadell
<i>Associate Vice-President (Research)</i> Dennis Johnson		<i>Director Office of Public Relations</i> Suzanne Cornforth

DEANS OF COLLEGES:

<i>Agriculture</i> John Stewart	<i>Engineering</i> Peter Nikiforuk	<i>Nursing</i> Yvonne Brown
<i>Arts and Science</i> David Atkinson	<i>Extension Division</i> Gordon Thompson	<i>Pharmacy & Nutrition</i> Jim Blackburn
<i>Commerce</i> John Brennan	<i>Graduate Studies & Research</i> Louise Forsyth	<i>Physical Education</i> Robert Mirwald
<i>Dentistry</i> Ray McDermott	<i>Law</i> Peter MacKinnon	<i>Veterinary Medicine</i> Alex Livingston
<i>Education</i> Murray Scharf	<i>Medicine</i> David Popkin	<i>Libraries</i> Frank Winter

