

2003—2004 Annual Report



Interuniversity Services Inc.

20 Years of Cooperation

***Serving the Universities and Colleges in the
Atlantic Provinces***

Member Institutions

Acadia University	Wolfville, NS
Atlantic School of Theology	Halifax, NS
Dalhousie University	Halifax, NS
Holland College	Charlottetown, PE
Memorial University of Newfoundland	St. John's, NL
Mount Allison University	Sackville, NB
Mount Saint Vincent University	Halifax, NS
NSCAD University	Halifax, NS
Saint Mary's University	Halifax, NS
St. Francis Xavier University	Antigonish, NS
St. Thomas University	Fredericton, NB
Université de Moncton	Moncton, NB
Université Sainte-Anne	Pointe-de l'Église, NS
University College of Cape Breton	Sydney, NS
University of King's College	Halifax, NS
University of New Brunswick	Fredericton, NB
University of Prince Edward Island	Charlottetown, PE

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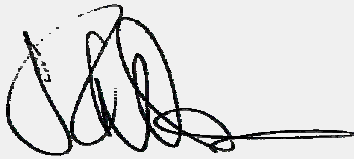
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Executive Summary

This past year has been one of the Company's busiest. While maintaining our core business activities, other new opportunities will begin in the upcoming year.

Above all, staff within ISI and the member institutions continue to rise to the challenge of our Vision and Mission.

Thanks to all who contribute to ISI's success as a "Model for Cooperation".

A handwritten signature in black ink, consisting of several loops and a long horizontal tail, representing R.C. (Ron) MacDonald.

R.C. (Ron) MacDonald, CPP, FPMAC
Chief Executive Officer

About Interuniversity Services Inc.

Profile

Interuniversity Services Inc. (ISI) is a not-for-profit company incorporated in 1984 by four independent Halifax universities. ISI provides selected central administrative services to seventeen member institutions in Nova Scotia, New Brunswick, Prince Edward Island, and Newfoundland, reducing their overall operating costs, improving services, and providing a framework for cooperation among the members while maintaining their independence.

Each member institution is entitled to appoint one representative to the Board of Directors. The representative must be the Senior Administrative Officer of the member institution.

The Board appoints an Executive committee consisting of five Board members annually. The Committee is charged with the overall management of the Company on behalf of the Board of Directors.

The Chief Executive Officer is responsible for the day to day management of the Company, and serves on both the Board of Directors and the Executive Committee (non-voting). The CEO is also the Secretary/Treasurer of the Company. ISI shares office resources with and provides administrative support to Novanet Inc.

History

In 1981 the Presidents of Saint Mary's University, Mount Saint Vincent University, and Dalhousie University approved the formation of an office to consolidate and direct the procurement of goods and services, and to give direction to their individual purchasing departments. The office was known as Purchasing and Centralized Services. Significant cost reductions resulted from the contracts consolidated for the universities. In 1983 this office was asked to operate a scientific repair service for the metro universities and affiliated hospitals. The prime focus of this new service was to maintain electron microscopes, x-ray equipment, radiation measuring equipment, and other related scientific equipment, on a fee-for-service basis and contract basis to user departments.

About Interuniversity Services Inc.

The Purchasing and Centralized Services office further expanded in 1984 to include the Technical University of Nova Scotia. With the increasing complexity of operations and anticipated growth and growing desire to cooperate, the four universities decided to formally incorporate the operation in late 1984 as Interuniversity Services Incorporated, a non-profit company under the laws of the Province of Nova Scotia. In April 1994, the Company was reorganized to include seventeen institutions in the four Atlantic Provinces as equal partners. University of Prince Edward Island joined ISI in June 1996.

Novanet was added as a division of the Company in 1987. Novanet was incorporated as a separate company in April 1994 with the reorganization of ISI. ISI continues to provide administrative services to Novanet. Office space is shared in partnership with Novanet.

ISI is unique in servicing the university environment in Canada. Please refer to the Chronology on page 16 and 17.

Vision

To be a model for University cooperation.

Mission

To identify and promote opportunities for members to acquire goods and services with enhanced value and reduced costs.

Core Business Activity

The core business activity of ISI is supply and services management, including Contracting, Consulting, Technical Servicing, and Facilitating.

Contract Services

Overview

ISI Contract Services coordinates over fifty contracts for materials and services on behalf of our member institutions. Annual expenditures against these agreements are \$14.8 million, with cost reductions estimated at \$2.2 million.

Agreements for materials and services are coordinated and administered by Contract Services Staff, with input from the Supply Management Committee.

The Supply Management Committee is appointed by the Board of Directors. The Committee reports through the Chief Executive Officer of ISI.

Each member appoints one representative to the Supply Management Committee.

Normally, the representative is the Purchasing Manager, or employee usually responsible for the supply process within the institution.

The Committee elects one of the university representatives to Chair the Committee.

The Manager of Contract Services (ISI) serves on the Committee as an ex-officio member and coordinator of committee activities. The Purchasing Coordinator also serves as an ex-officio member, providing a staff resource and acting as recording secretary at the Committee Meetings. Meetings are held semi-annually, or more frequently as the need arises.

On behalf of the members, the Committee provides a channel for:

- * The development of the supply management plan for ISI.
- * The communication and dissemination of information to and from member institutions on supply and contract issues.

Contract Services

Objectives

- To exploit opportunities to facilitate further cooperation between the members.
- To support the members by maximizing value, and managing the supply interface.
- To promote the Supply Process as a Value Added Service.
- To encourage teamwork, promote the value of cooperating at all levels; and to encourage, develop, and maintain effective cross functional teams.
- To ensure that the universities are at the forefront of evolving purchasing trends/technology.

Using appropriate procurement methods, and in compliance with applicable procurement regulations, we maximize value for our members. Leveraging our members' collective volume, we reduce both the costs of goods and services, as well as administrative overhead in obtaining these goods and services.

In addition, ISI Contract Services Staff act as a resource for, and as consultant to members on procurement and materials management issues.

ISI Contract Services Staff provides project management for CAUBO National Procurement Committee (NPC) initiatives on Moving Services. Contract Services Staff are the designated liaison for our members for other NPC agreements and initiatives.

Contract Services

2003—2004 Highlights

Fuel Supplies – Fuel prices continued to be volatile during the last year, however increases in prices were offset somewhat by the increased value of the Canadian Dollar, and weaker Bunker Oil Markets. This year we coordinated two meetings with Imperial Oil to resolve service issues. We also began discussion with Heritage Gas on bringing Natural Gas to Metro Halifax members.

Supply Management Committee - The Supply Management Committee met in October 2003, at Mount Allison University and in May 2004 at NSCAD University, with full agendas at both meetings. Suppliers invited to present at SMC were:

- * MacQuarrie Capital (Equipment Leasing Options)
- * Dymaxion (Network Copy/Printing)
- * Go-Business (E-Procurement Portal)
- * Livingston International (Document Management)
- * GoSource(Electronic Printing Bid Portal)

The SMC, as a group, also attended the Xerox Technology Roadshow.

CAUL Portal – Contract Services coordinated an RFP process for the Council of Atlantic University Librarians for a regional library portal. Proposal responses were received, supplier presentations conducted, and a recommendation for award was made to CAUL in April, 2004. The project implementation will go ahead on a reduced scope in late 2004.

Emergency Measures – Hurricane Juan, and the February 2004 snow emergency posed challenges for Metro Halifax universities. One problem that came to light was University ranking and status with the Emergency Measures Organization. In June, Contract Services coordinated a meeting between University Facilities Management and HRM EMO to discuss issues from the weather emergencies, and to establish a relationship with EMO for the future. ISI agreed to collect contact information for key University Personnel, and forward it to EMO for their database.

Newsletter – The Supply Management Newsletter was discontinued due to lack of interest.

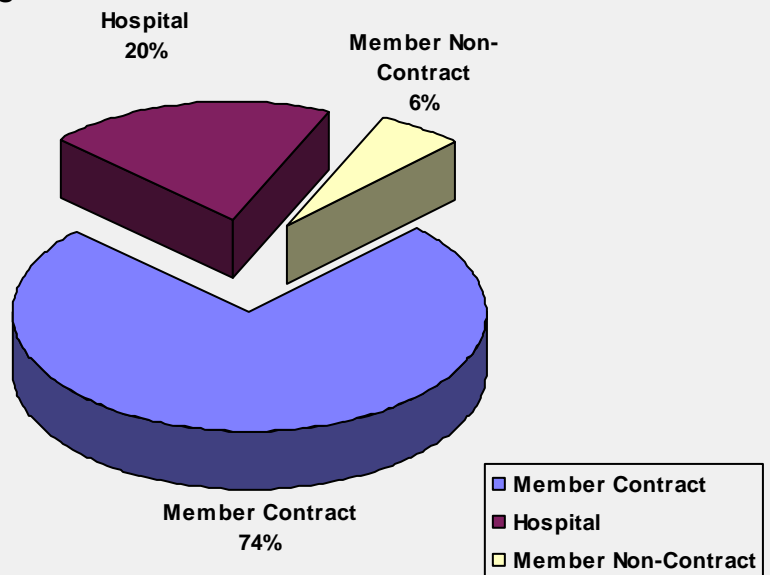
Staff Notes – In May, Diana MacDonald celebrated her 20th anniversary with the Company. Contract Services Staff attended several courses, including Management Development, and the Purchasing Management Association of Canada 79th Annual Conference in Halifax. Staff also served as volunteers on the Coordinating Committee for this conference. Contract Services Staff took Executive positions on the Nova Scotia Institute of the Purchasing Management Association of Canada Board of Directors. The Manager Contract Services was elected to PMAC's National Board of Directors for a three year term.

Technical Services

ISI Technical Services Division provides full-time professional scientific equipment repair and maintenance service. Equipment service includes transmission electron microscopes, scanning electron microscopes, analytical electron microscopes, x-ray spectrometers, x-ray diffractometers, infrared spectrophotometers, liquid scintillation counters, vacuum coating systems, and cash card readers. These services have been offered since 1983 to clients in the Atlantic Provinces, including member universities, teaching hospitals in Nova Scotia and New Brunswick, organizations such as the National Research Council, and several private and corporate clients.

Technical Services Unit revenue stream stabilized after several years of decline. Discussions are ongoing with firms in central Canada to service Atlantic Canada based equipment, both within the ISI Member Institutions and other not-for-profit organizations, such as hospitals.

**Technical Services
Revenue Base**



Cooperative Training & Development

The fourth annual Atlantic Universities Risk Management Workshop was held in Dartmouth on November 18, 2003. The agenda included the following presentations:

- Contractors/Architects/Engineers Liability
- Should Universities in the Atlantic Area Devote More Full-time Attention to Risk Management/ Experience from another Canadian University
- Hurricane Juan
- An Update from CURIE
- Best Practices and Potential Exposure Related to Non-Owned Auto-Personal Auto Use for University Business

There were seven presenters from various backgrounds, including McInnes Cooper, University of Calgary, Mount Saint Vincent University, Saint Mary's University, Dalhousie University, and CURIE.

ISI and HRA Consultants presented a workshop October 14 & 15, 2003 in Halifax titled *Administrative Assistant's Professional Development*. The workshop was attended by sixteen (16) participants.

With the success of previous workshops offered to Administrative staff, ISI has partnered with HRA Consultants to offer a more formal package. The *Certificate Management Skills Development for University Professionals* will consist of 5 modules to be offered over 18 months. The first module took place March 4 & 5 in Moncton. The second & third modules will be offered October 27 & 28, 2004, in Charlottetown, and November 24 & 25, 2004, in Halifax. The fourth module will be offered in the Winter of 2005 in Moncton; the fifth module will be offered in the Fall of 2005 in Charlottetown.

There are eighteen (18) registered for the *Certificate Management Skills Development for University Professionals* with registration open to participants wishing to take part in a portion of the workshop modules.

Committee Updates

Employee Benefits

Employee benefits is one of the largest expenditures (after salaries) for our member institutions. The consolidation for these benefits under umbrella agreements through ISI results in cost reductions in excess of \$2 million annually. In addition, improved servicing agreements and significant cooperation also accrues.

To oversee this process the Employee Benefits Committee is established by the Board of Directors and reports through the Chief Executive Officer of ISI. Each member is entitled to appoint one representative to the Committee. Normally, the representative is the Director of Human Resources (or equivalent title) or the employee usually responsible for employee benefits within the member institution. Others may attend at the invitation of the Committee. Meetings will normally be held semi-annually (spring and fall) or more frequently when the need arises. On behalf of the ISI members, the Committee provides an organizational channel for:

- * The development of the cooperative employee benefits agreement plan for ISI.
- * The communication of information to and from member institutions on employee benefits issues.
- * The review of new areas and opportunities for members to pursue.

The ISI Employee Benefits Committee met in Halifax at Dalhousie University in November 2003.

The Committee received presentations from Manulife Insurance and Sun Life Financial. These presentations gave the committee insight into other providers in the marketplace.

The fall meeting is traditionally a meeting to receive the renewals for the upcoming year. In particular, Maritime Life and Atlantic Blue Cross Care (ABCC) presented their proposals for renewed rates to begin in April 2004.

A three-year arrangement was proposed by Maritime Life to begin in April 2004. Issues such as cost of legal surveillances, rehabilitation charges, and proposed return on invested capital were several of the issues reviewed in the Maritime Life Proposal.

In general, LTD claims had increased 34% and this primarily affected the Pooled Group for Life and LTD for those institutions under 500 lives.

The deficit recovery for these programs was reviewed by the Committee and an agreement was later reached with Maritime Life on many of the issues covered in their proposal.

The ABCC Proposal was also reviewed as it had a proposed increase of 12.4% in drug claims, which was below the standard increases in the industry. The ISI Benefits Committee also discussed the war exclusion clauses forwarded by ABCC. The sub-committee undertook a further review of the situation, and a satisfactory solution was reached.

The Committee also received an overview of strategic reviews that are being carried out at Member Institutions, notably Saint Mary's University and Dalhousie University.

Committee Updates

Employee Benefits, continued

With the proposed merger of Maritime Life with Manulife, representatives from Maritime Life gave an overview at the fall meeting of the current organization in light of the proposed merger. Following the meeting, the CEO of ISI forwarded a letter to both Manulife and John Hancock (parent company of Maritime Life) expressing concerns about the implication of this merger and the potential impact on service in the Atlantic area.

At the request of the Board, the Committee reviewed the increasing costs for consulting services, along with any possible recommendations. In conclusion, the Committee agreed that no action should be taken regarding the current servicing of the cooperative arrangements on employee benefits. This arrangement now uses an external consulting firm along with ISI staff. No further changes should be made at this time, to the portion of service provided in these two areas.

The Committee also met in May at the University College of Cape Breton. Again, representatives of both Atlantic Blue Cross Care and Maritime Life made presentations at the meeting.

ABCC gave an overview of changes at the company and also gave a presentation of their @live pricing, which includes a health risk assessment profile process.

Maritime Life gave a further update on the Manulife merger. The Committee was advised that service would continue locally for sales, life and disability.

There was also a discussion on the Pooled Group rating formula for life and LTD, which covers most institutions under 500 lives. It was agreed that the fall 2004 meeting would include an additional session for the Pooled Group Members to discuss the potential formulas for the future.

Morneau Sobeco gave several presentations at this meeting. Effective Communication of Employee Benefits outlined a fundamental communications model which included a communication strategy, and development of a strategy and objectives for this area.

Plan Governance and Responsibilities was also covered, including obligations of the Institutions, how the Institutions can meet these obligations, and the thought process on how to look at what the Institutions are currently doing. Included in this presentation were the fiduciary responsibilities for plan governance.

Following this presentation, it was agreed that the fiduciary responsibilities for the ISI Employee Benefits Committee should be clarified.

There was a presentation on the PIPEDA Legislation. This presentation outlined what information is required, what does the standard insurer permit, and what challenges Institutions have with the legislation.

Retirement Health Coverage and Retirement Planning Issues were also discussed at this meeting.

Discussion took place regarding proper communications during labour disruptions, interpretation of limited term contracts and whether individuals are covered under the Benefits Programs. These issues were followed up after the meeting and carried forward to the fall meeting for clarification and reporting.

Committee Updates

Canadian Association of University Business Officers National Procurement Committee

As written by Chair Gwen Toole, University of Saskatchewan

The mandate of the National Procurement Committee (NPC) is to promote and ensure the exchange of information on procurement activities at the national, regional and institutional levels in such areas as commodity research, pricing, government relations and best practices. Through its activities, the NPC facilitates regional, inter-regional and national cooperation, and communication in both languages.

Contract administrators are responsible for managing competitive bid processes, negotiating new agreements and handling contract or service related issues. The following change occurred this past year: John Bell from the University of Calgary replaced Linda Hilts from the University of British Columbia as contract administrator for courier services. Commodities that are formally contracted or handled through an annual bulk purchase are listed below (details are available on the CAUBO website at www.caubo.ca).

Commodity	Contract Administrator
Car Rentals	Danis Lee, University of Alberta
* <i>Budget Rent-A-Car of Canada</i>	
* <i>Enterprise Rent-A-Car</i>	
Courier Services	John Bell, University of Calgary
* <i>United Parcel Service Canada Ltd.</i>	
Credit Card Merchant	Tom Murray, Interuniversity Services Inc.
* <i>Amex Canada Inc.</i>	
Customs Clearance	Ray Williamson, University Western Ontario
* <i>Commerce Customs Brokers</i>	
* <i>Livingston International Inc.</i>	
Hotel Accommodations (negotiated annually)	Connie Fabro, University of British Columbia
International Re-mail	Jean Lefebvre, University of Ottawa
* <i>International Access Inc.</i>	
* <i>Spring</i>	

Committee Updates

Commodity

Moving Services

- * *AMJ Campbell Van Lines*
- * *Armstrong International Movers Ltd. /*

Contract Administrator

Tom Murray, Interuniversity Services Inc.

Tattle Tape Strips (annual volume purchase) EAST: Ken White, Brock University
WEST: Lori Melanson, The Alberta Library

Performance reviews of commodity agreements occurred at both the October and February NPC meetings. Discussions encompassed the status of agreements, volume reports, supplier performance issues and future opportunities.

Status of ongoing projects or initiatives:

- (a) Investigation of national cell phone rates proceeded to supplier presentations. The development of a member survey is in process.
- (b) The HR Committee is re-considering the feasibility of a national agreement for relocation services.
- (c) Investigation is in preliminary stages to determine feasibility of a national agreement for conferencing services.
- (d) Development of database for benchmarking information and commodity pricing will be determined pending further investigation of technical and legal implications.
- (e) Preliminary exploration of alliance with E & I Cooperative Service, Inc. and the National Association of Education Buyers, Inc. (NAEB) involving access to contracts and member services.

The Committee continued discussion on regulatory issues about potential strategies to mitigate the impact of CBSA (formerly CCRA) customs compliance programs. They identified Bill C45-OHS Criminal Negligence as an impetus for updated contractual clauses in competitive bid documents. Social issues around ethical procurement were identified as an area that NPC should monitor on behalf of members.

As a continuation of the CAUBO strategic planning, NPC worked with the website designer to develop the basic procurement web pages. Preliminary conceptual work has been completed on a reference area and an automated online procurement system that should facilitate the work of the contract administrators during the competitive bid process.

Committee Updates

In support of our mandate, NPC hosted a successful pre-conference seminar in Halifax that addressed purchasing performance assessment and benchmarking in the university environment, and managing large construction projects. The Committee also selected the topics and presenters for the procurement track sessions. For the pre-conference seminar in Saskatoon, the Committee has planned two panel discussions: buying consortia and what makes them work; and implementation of benchmarking and key performance indicators (KPI) for effective use in the university environment. The Committee has also planned for track sessions that provide updated information on regulatory and contractual issues, and a panel discussion about the inter-relationship between university advancement, research and procurement.

I would like to acknowledge and thank Linda Hilts for her outstanding commitment and dedication to our Committee. Linda was directly responsible for the coordination and development of the first national contracts for the courier services commodity back in 1996, and she was the contract administrator for the car rental contracts until replaced last year by Danis Lee from the University of Alberta. I would also like to express my appreciation for the valuable contributions of the Committee members and other contract administrators. Thank you to the CAUBO National Office staff: Lynne Séquin, Thérèse Chartrand, Tamara Nemchin and Jacques Samson, for your support of our Committee.

The CEO of ISI serves on the CAUBO NPC.

Canadian Association of University Business Officers Administrative and Support Services Committee

As written by Chair Phyllis Clark, University of Alberta

Legg Mason Canada and Watson Wyatt are the sponsors for the Quality and Productivity Awards. The committee appreciates the ongoing financial support of the sponsors and their contribution in the award evaluation.

This year's 34 submissions for the Quality and Productivity Awards covered a wide range of projects relying heavily on leveraging technology. The committee agreed on three national winners and awarded five regional winners—three single winners in the eastern part of Canada and a dual winner in the west. Additionally, the committee awarded four honourable mentions. These projects will be recognized at the annual conference and included in a poster session.

The committee applauded all the submissions as examples of the innovative environment in administration in Canadian universities.

During the year, the committee concentrated on developing a volunteer recognition program for members. It will work with CAUBO administration to recognize our many valuable volunteers.

In the coming year, the committee intends to aid in populating the new web pages.

The CEO of ISI serves on this CAUBO Committee.

Committee Updates

Canadian Research Knowledge Network

The Canadian Research Knowledge Network (CRKN) announced its incorporation as a not-for-profit program of Canadian universities, dedicated to expanding access to scholarly research in digital formats for the benefit of academic researchers nation-wide.

The new corporation builds upon successful initiatives begun under the Canadian National Site Licensing Project (CNSLP), a pilot project launched in 2000 with seed funding totaling \$50 million from the Canada Foundation for Innovation, provincial and regional government sources, and 64 universities. Under the pilot project, more than 2,200 scholarly journals and key research databases have been made available online to over 650,000 university researchers and students, fostering their capacity to conduct interdisciplinary and innovative work.

CRKN strengthens the partnerships among university researchers, librarians, administrators, and national associations that have been a hallmark of success during the pilot phase. CRKN's membership structure opens an expanded Board of Directors that includes designates of regional and national organizations as well as representatives elected by the membership at large.

CRKN's inaugural annual general meeting was held April 22-23, 2004 in Toronto, and provided members and prospective members an opportunity to celebrate accomplishments, explore issues, participate in decision-making, and provide direction to the new Board of Directors.

The CEO of ISI serves as Business Advisor to the CRKN.

Other Activities

ISI continues to provide administrative services to Novanet on a fee-for-service basis.

In addition, this year ISI has been assisting Novanet in its search for a new integrated library system. This project will continue well into the next fiscal year

ISI continues to have discussions with the Nova Scotia Agricultural College for possible membership in the Company

Memberships & Affiliations

Acknowledgements & Changes

Memberships & Affiliations

ISI continues memberships in:

Senior Purchasing Executives Round Table

Metropolitan Halifax Chamber of Commerce

The Purchasing Management Association of Canada (PMAC), Nova Scotia Institute

ISI's CEO chairs PMAC's National Fellowship Awards Committee; and serves on CAUBO's National Procurement Committee and CAUBO's Administrative & Support Services Committee.

The CEO serves as Business Advisor on the Negotiations Resource Team for Canadian Research Knowledge Network (CRKN) for 64 universities in Canada.

The Manager, Contract Services was Vice-Chair Facilities for the 2004 PMAC National Conference held in Halifax, Nova Scotia in June; and serves on the Board of Directors of PMAC, Nova Scotia Institute, as well as PMAC National Board of Directors.

The Purchasing Coordinator serves on the Board of Directors of PMAC, Nova Scotia Institute.

Acknowledgments & Changes

Kent Decker, Vice-President, Administration & Finance, Memorial University of Newfoundland joined the ISI Board of Directors.

Chris Duggan, Purchasing Manager, left Dalhousie University in May, 2004 to accept a position in Victoria, BC.

Gale Esbaugh, Administrative Secretary, retired from ISI in May, 2004.

Over 20 Years of Cooperation

- 1981** Office called Purchasing and Centralized Services opened by Saint Mary's University, Mount Saint Vincent University, and Dalhousie University to consolidate procurement of goods and services.
- 1983** Purchasing and Centralized Services started servicing scientific equipment for the three universities and the teaching hospitals in Halifax.
- 1984** Technical University of Nova Scotia joined Purchasing and Centralized Services. These four universities formalized this arrangement to form Interuniversity Services Inc. (ISI).
- 1987** Novanet became a Division of ISI.
- 1988** ISI receives national recognition (second prize) in CAUBO's Quality and Productivity Awards Program.
Hosted PMAC's National Conference.
- 1989** Novanet receives funding of over \$725,000 from the Province of Nova Scotia and the Windsor Foundation.
- 1990** ISI establishes Associate Member category and the Nova Scotia College of Art and Design joins as an Associate Member.
ISI coordinates Host Conference Committee for Saint Mary's University, Mount Saint Vincent University and Technical University of Nova Scotia for the 1990 CAUBO National Conference.
University College of Cape Breton joins Novanet.
- 1991** Acadia University, Université Sainte-Anne and St. Francis Xavier University join as Associate Members.
ISI coordinates activities for Mount Saint Vincent University and Dalhousie University hosting the annual meeting of the Corporate Higher Education Forum.
University of King's College joins Novanet.
- 1992** Atlantic School of Theology, University College of Cape Breton and University of King's College join ISI as Associate Members.
Mount Allison University joins ISI as an Associate Member, and the first out-of-province member.
Atlantic School of Theology joins Novanet.

Over 20 Years of Cooperation

- 1993** New Brunswick and Prince Edward Island universities conduct an independent study on cooperation that results in St. Thomas University, Université de Moncton, and University of New Brunswick joining as Associate Members.
- Memorial University of Newfoundland joins as an Associate Member.
- Novanet receives \$1.5 million to upgrade its system following a proposal to the Province of Nova Scotia and the Windsor Foundation.
- 1994** St. Francis Xavier University joins Novanet.
- ISI reorganized to make all universities shareholders in the Company.
- Holland College joins ISI.
- Novanet incorporated as a separate company.
- 1996** University of Prince Edward Island joins ISI.
- ISI hosts the first seminar for Academic Department Chairs.
- 1997** ISI, representing ISINet member universities, receives a regional award under the CAUBO National Quality and Productivity Awards Program.
- 1999** ISI receives recognition as one of the “best in class” in a study commissioned by the Association of Commonwealth Universities.
- December 1999, ISI achieved another milestone; 15 years since its formal incorporation as a Company.
- 2000** ISI hosts first Training and Development Seminar Workshop.
- ISI hosts first Atlantic University Risk Management Workshop.
- 2001** September 14, 2001 marked the 20th Anniversary of the formation of Purchasing and Centralized Services by Saint Mary's University, Mount Saint Vincent University and Dalhousie University, the predecessor of ISI.
- 2004** ISI offers the *Certificate in Management Skills Development for University Professionals* program for the staff of ISI member institutions.

Agreement List

Air Filters	Insurance - Group Life, LTD, Optional
Alumni Magazines	International Re-Mail
Audio and Video Tapes	Labels – Barcode
Audio Visual Lamping Supplies	Lamping
Bags – Garbage	Linen
Benefits Consultants	Mattress & Box Springs
Boiler Chemicals	Moving Services – National & Local
Bookbinding	Paint
Building Supplies	Paper Products – Disposal
C/J Supplies – Chemicals	Paper Supplies – Fine
Car Rental	Photocopiers
Courier – Local	Photographic Film & Supplies
Courier – Out of Town	Pool Chemicals
Customs Clearances	Procurement Cards
Diskettes, Tapes, & Cartridges	Records Management
Electrical Supplies	Ribbons & Toner Cartridges
Employee & Family Assistance Plans	Salt
Envelopes	Stationery
Fax Equipment	Stock Tab & W.P. Paper
Fuel Oil	Tattle Tape Strips
Garbage Collection	Transparencies
Hotel Rates	Travel Services
Insurance-AD&D, Basic & Voluntary	Typewriter Service
Insurance-Dental, Supp. Health	Vending Machines
	Welding Supplies

Supplier List

A-1 Vacuum
Advance Labs
Advocate Printing & Publishing
Air Liquide Canada
Aliant Telecom
AMJ Campbell
American Express
Armstrong International
Atlantic Blue Cross Care
Atlantic Chemicals and Supply Ltd.
Atlantic Custom Brokers
Basin Stationery
GE Betz
Brock University
Brother International
Budget Rent-A-Car
Burnside Paint & Paper
Canada Post
Canadian Salt Company
Canadian Waste Management
Carsand-Mosher
Citadel General
Coastal Drywall
Corporate Express
Datarite
Discount Car & Truck Rentals
Dynamex Express
Eastlink
Enterprise Car Rentals
Excel Business Systems
Federal Express
FGI
Filtration Plus
Grand & Toy Ltd.
HRA
I.C.I. – Glidden Paints
Ikon Office Solutions
Imperial Oil
Instructor Aids
International Access
International Porter Paint
Iron Mountain Canada Corporation
Irving Oil
J & M Murphy Ltd.
Lehmann Bookbinding
Livingston International
Maritime Life Assurance Co.
Maritime Travel
Momentum IT Group
Morneau Sobeco
National Car Rental
NEDCO
Nova Specialty Building Supplies
O'Regan's Car & Truck Rental
Piercy's Building Supplies
Pitney Bowes
PPG Paints-Pittsburgh Paint
Provincial Sanitary Products
Purolator Courier
Red Carpet Food Services
Sherwin-Williams
Shoreline Business Machines Service Ltd
Single Source Sanitation
Sommex
Spring
Symcor
Toshiba Canada
Unisource
US Bancorp
Wood Wyant
Xerox

Technical Services Customer List

University Customers

- * Acadia University Geology ('93), Physics ('97)
- * Atlantic School of Theology ('93)
- * Dalhousie University Biology ('83), Microbiology ('84)
- * Memorial University of Newfoundland Medicine ('89), Biology ('94)
- * Mount Allison University Biology ('88)
- * Mount Saint Vincent University Biology ('85), Library ('90)
- * St. Francis Xavier University Biology ('91)
- * Saint Mary's University Biology ('83), Geology ('87), Patrick Power Library ('90)
- * University of New Brunswick Electron Microscopy Unit ('84)
- * University of Prince Edward Island Veterinary College ('92), Biology ('97)

Hospital Customers

- * IWK Health Centre Histology ('93)
- * QEII Health Sciences Centre Virology ('83), Pathology ('83)
- * Atlantic Health Sciences Corp—Saint John Regional Hospital ('95)

Customer Since (Year)

Board of Directors 2003—2004

Gary Draper	V.P., Finance	Acadia University
David Myatt	Chief Administrative Officer	Atlantic School of Theology
Bryan Mason	V.P., Finance & Admin	Dalhousie University
Dick MacDonald	V.P., Finance, Student & Admin Services	Holland College
Kent Decker	V.P., Finance & Admin	Memorial University of Newfoundland
David Stewart	V.P., Admin	Mount Allison University
Amanda Whitewood	V.P., Admin	Mount Saint Vincent University
Peter Flemming	V.P., Finance & Admin	NSCAD University
Gabrielle Morrison	V.P., Admin	Saint Mary's University
Ramsay Duff	V.P., Finance & Operations	St. Francis Xavier University
Larry Durling	V.P., Finance & Admin	St. Thomas University
Nassir El-Jabi	Vice-Recteur à l'Administration aux Ressources Humaines	Université de Moncton
Eric Tufts	Vice-Recteur à l'Administration	Université Sainte-Anne
Gordon MacInnis	V.P., Finance & Admin	University College of Cape Breton
Gerald Smith	Bursar	University of King's College
Dan Murray (Chair)	V.P., Finance & Admin	University of New Brunswick
Gary Bradshaw	V.P., Finance & Admin	University of Prince Edward Island
Ron MacDonald	Chief Executive Officer	Interuniversity Services Inc.

Executive Committee 2003—2004

Dan Murray	Chair
Gabrielle Morrison	Vice-Chair
Ron MacDonald	Secretary / Treasurer
Bryan Mason	
Gerald Smith	
Gary Bradshaw	

Supply Management Committee 2003—2004

Garry McIver	Coordinator, Purchasing Services	Acadia University
David Myatt	Chief Admin Officer	Atlantic School of Theology
Chris Duggan	Manager of Purchasing	Dalhousie University
Priscilla MacKinnon	Purchasing Officer	Holland College
Brian Colbourne	Director, Financial & Admin Services	Memorial University of Newfoundland
Dale Creelman	Purchasing Manager	Mount Allison University
Dennis Digout	Purchasing Manager	Mount Saint Vincent University
Peter Flemming	V.P., Finance & Admin	NSCAD University
Gail Levangie	Manager, Procurement	Saint Mary's University
Lorris Keizer	Manager, Procurement Services	St. Francis Xavier University
Fred Wallace	Facilities & Purchasing Manager University Services	St. Thomas University
Armand LeBlanc	Chef, Service des Achats	Université de Moncton
Corinne Bassett	Directrice des Achats	Université Sainte-Anne
Nancy MacNeil	Manager of Procurement	University College of Cape Breton
Gerald Smith	Bursar	University of King's College
Lloyd Spencer	Purchasing Manager	University of New Brunswick
Roger Cook (Chair)	Purchasing Manager	University of Prince Edward Island
Ron MacDonald	Chief Executive Officer	Interuniversity Services Inc.
Tom Murray	Manager, Contract Services	Interuniversity Services Inc.
Diana MacDonald	Purchasing Coordinator	Interuniversity Services Inc.

Employee Benefits Committee 2003—2004

Glenn Hirschfeld	Senior Manager, Human Resources	Acadia University
David Myatt	Chief Admin Officer	Atlantic School of Theology
Michael Roughneen	Assistant V.P., Personnel Services	Dalhousie University
Beverley vanDiepan	Human Resources Officer	Holland College
Gerald McDonald	Director, Human Resources	Memorial University of Newfoundland
Ron Sutherland	Director, Human Resources	Mount Allison University
John Landry	Director, Human Resources	Mount Saint Vincent University
Valery Hill	Director, Human Resources	NSCAD University
Kim Squires (Chair)	Director, Human Resources	Saint Mary's University
Bev Frizzle	Director, Human Resources	St. Francis Xavier University
Colleen Comeau	Director, Human Resources	St. Thomas University
Terrance LeBlanc	Director, Human Resources	Université de Moncton
Donna Maillet-Mullen	Director, Human Resources	Université Sainte-Anne
Brian Siegner	Director, Human Resources	University College of Cape Breton
Gerald Smith	Bursar	University of King's College
Peter MacDougall	Associate V.P., Human Resources	University of New Brunswick
Peggy Leahey	Director, Human Resources	University of Prince Edward Island
Ron MacDonald	Chief Executive Officer	Interuniversity Services Inc.
Greg Forbes	Managing Partner—Atlantic Region	Morneau Sobeco
Ian Sullivan	Principal	

Employee Benefits Sub-Committee 2003—2004

Kerry Dunphy	HR Officer, Pension & Employee Benefits	Acadia University
Leland Crowell	Coordinator, Employee Benefits & Payroll	Dalhousie University
Kim Squires (Chair)	Director, Human Resources	Saint Mary's University
Gerard MacDonald	Director, Human Resources	Memorial University of Newfoundland
Peggy Leahey	Director, Human Resources	University of Prince Edward Island
Ron MacDonald	Chief Executive Officer	Interuniversity Services Inc.
Greg Forbes	Managing Partner—Atlantic Region	Morneau Sobeco
Ian Sullivan	Principal	Morneau Sobeco

Staff 2003—2004

Ron MacDonald, B.A., B. Comm, CPP, FPMAC

Chief Executive Officer

Cynthia Martin-Magdy

Manager, Office Services

Gale Esbaugh

Administrative Secretary

Contract Services

Thomas Murray, B.A., B.B.A., CPP

Manager, Contract Services

Diana MacDonald

Purchasing Coordinator

Technical Services

Gordon Bruce

Manager, Technical Services

Appendix 1

Financial Statements

2003—2004

Statement of Revenue and Expense

Year Ended March 31	2004	2003
Revenue		
Cost Recoveries and Other	\$ 335,098	\$ 310,008
Technical Services	135,838	152,046
Training	15,865	44,330
	<u>486,801</u>	<u>506,384</u>
Expense		
Administration and Contract Services	371,141	361,137
Technical Services	116,912	145,677
Training	14,974	42,067
	<u>503,207</u>	<u>548,881</u>
Deficiency of revenue over expense before management fee recoveries	<u>(16,226)</u>	<u>(42,497)</u>
Management fee recoveries		
Technical Services	12,251	11,896
Training	1,485	3,142
	<u>13,736</u>	<u>15,038</u>
Deficiency of revenue over expense	<u>\$ (2,490)</u>	<u>\$ (27,459)</u>

Balance Sheet

March 31	2004	2003
Assets		
Current		
Cash	\$ 927,698	\$ 822,780
Receivables (Note 4)	29,189	38,169
Prepays	8,159	3,136
	<u>965,046</u>	<u>864,085</u>
Capital assets (Note 5)	16,020	14,575
	<u>\$ 981,066</u>	<u>\$ 878,660</u>
Liabilities		
Current		
Payables and accruals	\$ 51,073	\$ 67,558
Customer deposits	87,998	95,683
Due to members	85,000	29,345
Due to Novanet (Note 3)	530,090	522,990
Due to CAUL (Note 3)	123,544	-
Deferred revenue	34,034	35,612
	<u>911,739</u>	<u>751,188</u>
Members' Net Assets		
Net assets invested in capital assets	16,020	14,575
Restricted net assets (Note 6)	18,772	66,136
Unrestricted net assets	34,535	46,761
	<u>69,327</u>	<u>127,472</u>
	<u>\$ 981,066</u>	<u>\$ 878,660</u>

Commitments (Note 7)

Notes to Financial Statements

Year Ended March 31

1. Nature of operations

Interuniversity Services Inc. (ISI) is a not-for-profit company incorporated, without share capital, in 1984. Its mission is "To identify and promote opportunities for members to acquire goods and services with enhanced value and reduced costs". The Company currently provides selected central administrative services to 17 member institutions located throughout the Atlantic Provinces.

The core business activity of ISI is supply and services management, including contracting, consulting, technical servicing, and facilitating. ISI administers agreements for materials and services for its members currently in excess of 50 million dollars. ISI also provides administrative services to Novanet Inc. and the Council of Atlantic University Libraries (CAUL) on a fee-for-service basis.

The Company is exempt from income taxes as a not-for-profit organization.

2. Summary of significant accounting policies

Revenue recognition

The Company follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Capital assets

The cost of all capital assets is being amortized using a straight line basis over their estimated useful lives of three or five years, except in the year of acquisition, when amortization is taken at one-half the normal amount.

Cost recoveries

Operating costs for the Administration and Contract Services division are recovered from the members and are allocated among the members based upon a predetermined formula. Over time, it is expected that costs incurred will equal cost recoveries.

Use of estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

Notes to Financial Statements

Year Ended March 31

2. Summary of significant accounting policies (continued)

Financial instruments

The Company's financial instruments consist of cash, receivables, payables and accruals, customer deposits, due to members, due to Novanet and due to CAUL. Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying value, unless otherwise noted.

3. Due to Novanet Inc. and CAUL

Included in cash is a total unsegregated amount of \$653,634 held on behalf of Novanet Inc and CAUL (2003—\$522,990). The Company provides administrative services to these organizations on a fee-for-service basis.

4. Receivables	2004	2003
Due from participating universities	\$21,792	\$21,803
Other	\$ 7,397	\$16,366
	<u>\$29,189</u>	<u>\$38,169</u>

5. Capital assets		2004	2003
		Net	Net
	<u>Cost</u>	<u>Book Value</u>	<u>Book Value</u>
Equipment	<u>\$39,341</u>	<u>\$16,020</u>	<u>\$14,575</u>

Notes to Financial Statements

Year Ended March 31

6. Restricted net assets	2004	2003
Appropriated for equipment repairs	\$ -	\$48,255
Appropriated for training	<u>\$18,772</u>	<u>\$17,881</u>
	<u>\$18,772</u>	<u>\$66,136</u>

In the 1986-87 fiscal year, the Management Committee appropriated a reserve of \$55,655. This reserve is intended to cover any liabilities incurred for major part failures of electron microscope equipment under service contracts. In the 2003-04 fiscal year, the Board of Directors approved transfer of \$48,255 to the Due to Members account. This was done to better reflect the repayable contribution paid by the Members.

7. Commitments

The Company has entered into a lease commitment for office premises expiring in 2007. The minimum annual lease payments are as follows:

2005	\$28,359
2006	28,359
2007	2,950

Interuniversity Services Inc.

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