

Financial Statements of

KWANTLEN UNIVERSITY COLLEGE

Years ended March 31, 2005 and 2004



KPMG LLP
Chartered Accountants
400 – 625 Agnes Street
New Westminster BC V3M 5Y4
Canada

Telephone (604) 527-3600
Fax (604) 527-3636
Internet www.kpmg.ca

AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the statement of financial position of Kwantlen University College (the "University College") as at March 31, 2005 and the statements of changes in net assets, operations and changes in unrestricted net assets and cash flows for the year then ended. These financial statements are the responsibility of the University College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we 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 our opinion, these financial statements present fairly, in all material respects, the financial position of the University College as at March 31, 2005 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

New Westminster, Canada

May 6, 2005

KWANTLEN UNIVERSITY COLLEGE

Statements of Financial Position

March 31, 2005 and 2004

	2005	2004
Assets		
Current assets:		
Cash and cash equivalents	\$ 14,467,224	\$ 23,196,390
Short-term investments	4,847,900	501,720
Accounts receivable	1,177,592	1,620,137
Inventory	1,367,552	1,414,113
Prepaid expenses	420,447	387,595
	<u>22,280,715</u>	<u>27,119,955</u>
Long-term investments (note 3)	12,000,000	-
Capital assets (note 4)	<u>108,213,757</u>	<u>105,613,889</u>
	<u>\$ 142,494,472</u>	<u>\$ 132,733,844</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,546,769	\$ 5,360,643
Salaries and wages payable	4,345,049	3,773,731
Accrued vacation payable	6,556,639	6,272,120
Deferred revenue	5,216,107	5,359,771
	<u>22,664,564</u>	<u>20,766,265</u>
Deferred capital contributions (note 5)	<u>85,025,119</u>	<u>83,535,455</u>
	<u>107,689,683</u>	<u>104,301,720</u>
Net assets:		
Invested in capital assets (note 6)	27,890,286	25,694,261
Internally restricted	9,645,955	5,826,555
Unrestricted	<u>(2,731,452)</u>	<u>(3,088,692)</u>
	<u>34,804,789</u>	<u>28,432,124</u>
	<u>\$ 142,494,472</u>	<u>\$ 132,733,844</u>

Commitments and contingencies (note 9)
Employee future benefits (note 10)

See accompanying notes to financial statements.

Approved on behalf of the Board:


Chair


Vice President, Financial Resources &
Market Development

KWANTLEN UNIVERSITY COLLEGE

Statements of Changes in Net Assets

Years ended March 31, 2005 and 2004

				2005	2004
	Invested in capital assets (note 6)	Internally restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 25,694,261	\$ 5,826,555	\$ (3,088,692)	\$ 28,432,124	\$ 20,544,419
Excess (deficiency) of revenue over expenses	(1,135,578)	-	7,508,243	6,372,665	4,633,247
Net change in invested in capital assets (note 6(c))	3,331,603	-	(3,331,603)	-	-
Investment in non-amortizing capital assets	-	-	-	-	3,254,458
Increase in internally restricted net assets	-	3,819,400	(3,819,400)	-	-
Balance, end of year	\$ 27,890,286	\$ 9,645,955	\$ (2,731,452)	\$34,804,789	\$ 28,432,124

See accompanying notes to financial statements.

KWANTLEN UNIVERSITY COLLEGE

Statements of Operations and Changes in Unrestricted Net Assets

Years ended March 31, 2005 and 2004

	2005	2004
Revenue:		
Grants - Province of British Columbia	\$ 55,991,764	\$ 55,326,769
Tuition fees	31,074,967	29,314,138
Access and other fees	2,036,867	1,755,517
Contract and other services	3,091,622	5,292,103
Interest, shop earnings and other income	2,332,934	2,606,069
Ancillary services	7,162,178	7,395,348
Amortization of deferred capital contributions	5,707,062	4,448,713
	<u>107,397,394</u>	<u>106,138,657</u>
Expenses:		
Salaries and benefits	75,260,589	75,856,027
Travel and professional development	1,814,850	2,116,605
Supplies	3,693,947	3,973,523
Fees and services	3,918,294	3,755,586
Facilities	4,383,206	4,123,536
Cost of sales	4,810,126	4,641,737
Leases, property taxes and insurance	1,091,344	1,107,363
Amortization of capital assets	5,527,373	5,591,033
Contributions to Kwantlen University College Foundation	525,000	340,000
	<u>101,024,729</u>	<u>101,505,410</u>
Excess of revenue over expenses (note 7)	6,372,665	4,633,247
Net increase in net assets invested in capital assets	(2,196,025)	(3,089,709)
Increase in internally restricted net assets	(3,819,400)	(1,394,084)
Net change in unrestricted net assets	<u>\$ 357,240</u>	<u>\$ 149,454</u>

See accompanying notes to financial statements.

KWANTLEN UNIVERSITY COLLEGE

Statements of Cash Flows

Years ended March 31, 2005 and 2004

	2005	2004
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 6,372,665	\$ 4,633,247
Items not involving cash:		
Amortization of capital assets	5,527,373	5,591,033
Amortization of deferred capital contributions	(5,707,062)	(4,448,713)
Changes in non-cash operating working capital:		
Accounts receivable	442,545	(735,934)
Inventory	46,561	(104,222)
Prepaid expenses	(32,852)	150,625
Accounts and other payables	2,041,963	2,465,843
Deferred revenue	(143,664)	(1,771,231)
	<u>8,547,529</u>	<u>5,780,648</u>
Investments:		
Net increase in capital assets	(8,127,241)	(2,842,819)
Investment in non-amortizing capital assets	-	(3,254,458)
Increase (decrease) in short-term investments	(4,346,180)	9,589,414
Acquisition of long-term investments	(12,000,000)	-
	<u>(24,473,421)</u>	<u>3,492,137</u>
Financing:		
Restricted contributions invested in non-amortizing capital assets	-	3,254,458
Contributions received - capital	7,196,726	2,755,674
	<u>7,196,726</u>	<u>6,010,132</u>
Increase (decrease) in cash and cash equivalents	(8,729,166)	15,282,917
Cash and cash equivalents, beginning of year	23,196,390	7,913,473
Cash and cash equivalents, end of year	<u>\$ 14,467,224</u>	<u>\$ 23,196,390</u>

See accompanying notes to financial statements.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

1. Authority and purpose:

Kwantlen University College (the "University College"), established in 1981, is a degree granting, post-secondary educational institution that operates under the Colleges and Institutes Act of British Columbia. It offers career, vocational, developmental and academic programs from its Richmond, Langley, and two Surrey campuses located in southwestern British Columbia.

The University College is governed by a Board of Governors, the majority of whom are appointed by the provincial government of British Columbia (the "Province"). The University College is exempt from the payment of income taxes under section 149 of the Income Tax Act.

2. Significant accounting policies:

(a) Basis of accounting and presentation:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(b) Cash and cash equivalents:

Cash and cash equivalents are defined to include highly liquid securities with original terms to maturity of three months or less when purchased.

(c) Short-term investments:

Short-term investments, which are recorded at the lower of cost and market value, are defined to include short-term investments with original terms to maturity of greater than three months and less than one year when purchased.

(d) Inventory:

Inventory of merchandise held for resale is stated at the lower of cost and net realizable value.

(e) Long-term investments:

Long-term investments, which are recorded at the lower of cost and market value, are defined to include investments with original terms to maturity of greater than one year when purchased.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

2. Significant accounting policies (continued):

(f) Capital assets:

Capital assets purchased by the University College are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation. Capital assets are amortized on a straight-line basis over their estimated useful lives as shown in the schedule below. Land and works of art are not amortized as they are deemed to have permanent value.

Asset	Years
Buildings	40 years
Site improvements	10 years
Furniture and equipment	5 years
Library holdings	10 years

(g) Revenue recognition:

The University College follows the deferral method of accounting for contributions. Unrestricted contributions are recorded as revenue when received if the amounts can be estimated and collection is reasonably assured. Government grants not restricted as to their use are recognized as revenue when receivable. Other unrestricted revenue, including tuition fees and sales of services and products, are reported as revenue at the time the services are provided or the products are delivered. Tuition fees received in advance of courses being delivered are deferred and recognized when the courses are delivered.

Externally restricted contributions are reported as revenue when the restrictions imposed by the contributors on the use of the monies are satisfied as follows:

- (i) Non-capital contributions for specific purposes are recognized as revenue in the year in which the related expense is incurred.
- (ii) Contributions of or for the purchase of capital assets having a limited life are recognized as revenue over the same accounting periods as those in which the amortization expense related to the capital asset purchased is recorded, and on the same basis as the amortization expense. Where the capital asset involved is land or works of art to be held for use by the University College, the contribution is reported as a direct increase in net assets invested in capital assets rather than as revenue.

Investment income is recognized as revenue when it is earned.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

2. Significant accounting policies (continued):

(h) Pledges and contributed services:

Pledges from donors are recorded when payment is received by the University College or the transfer of property is completed. The University College acknowledges the substantial and significant services provided by its many volunteers. The value of these services is not recorded in the financial statements.

(i) Employee future benefits:

The University College accrues its future obligations under employee benefit plans related to the supplemental employment benefit for faculty on maternity or parental leave. The University College is a member of multi-employer pension plans and applies defined contribution plan accounting.

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of useful lives of capital assets for amortization and the amortization of related deferred capital contributions and provisions for contingencies. Actual results may differ from these estimates.

3. Long-term investments:

The market value of the University College's long-term investments is \$12,000,000. They are comprised of guaranteed investment certificates earning interest at 3.1% per annum maturing in May 2006.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

4. Capital assets:

				2005	2004
		Cost	Accumulated amortization	Net book value	Net book value
Land	\$	20,327,345	\$ -	\$ 20,327,345	\$ 20,327,345
Buildings		104,911,746	26,645,227	78,266,519	77,019,666
Site improvements		664,922	556,701	108,221	174,713
Furniture and equipment		15,577,018	6,726,761	8,850,257	7,576,449
Library holdings		2,098,843	1,437,428	661,415	515,716
		\$ 143,579,874	\$ 35,366,117	\$ 108,213,757	\$ 105,613,889

During the year, the University College began construction of the Cloverdale campus and has incurred development costs to date of \$3,775,262. These costs have been included in buildings and will be amortized commencing when the buildings are available for use.

5. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount used to purchase capital assets and unspent amount of donations and grants received for the purchase and improvements of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

		2005	2004
Balance, beginning of year		\$ 83,535,455	\$ 85,228,494
Contributions received		7,196,726	2,755,674
Amortization of deferred capital contributions - capital		(4,391,795)	(3,484,510)
Amortization of deferred capital contributions - renovations and facilities		(1,315,267)	(964,203)
Balance, end of year		\$ 85,025,119	\$ 83,535,455

The balance of deferred capital contributions is comprised of the following:

		2005	2004
Unamortized capital contributions		\$ 80,323,471	\$ 79,919,628
Unspent contributions		4,701,648	3,615,827
Balance, end of year		\$ 85,025,119	\$ 83,535,455

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

6. Invested in capital assets:

(a) Net assets invested in capital assets are calculated as follows:

	2005	2004
Capital assets	\$ 108,213,757	\$ 105,613,889
Amounts financed by:		
Unamortized capital contributions	(80,323,471)	(79,919,628)
	\$ 27,890,286	\$ 25,694,261

(b) Deficiency of revenue over expenses:

	2005	2004
Amortization of deferred capital contributions - capital	\$ 4,391,795	\$ 3,484,510
Less: amortization of capital assets	(5,527,373)	(5,591,033)
	\$ (1,135,578)	\$ (2,106,523)

(c) Net change in investment in capital assets:

	2005	2004
Net increase in capital assets	\$ 8,127,241	\$ 2,842,819
Deferred capital contributions received	(7,196,726)	(2,755,674)
Increase in unspent contributions	1,085,821	2,134,714
Amortization of deferred capital contributions		
- renovations and facilities	1,315,267	964,203
Investment in non-amortizing capital assets	-	3,254,458
	\$ 3,331,603	\$ 6,440,520

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

7. Excess of revenue over expenses:

The University College follows fund accounting procedures whereby available resources and their related expenditures are segregated for accounting and financial reporting purposes. The funds used and their purposes are as follows:

- (i) Operating Fund: revenue allocations and expenses related to the general operations of the University College.
- (ii) Capital Fund: revenue allocations, capital contributions and disbursements related to the investment in capital assets.
- (iii) Special Purpose Fund: revenues from external and internal sources that are restricted in use.
- (iv) Ancillary Fund: revenues and expenses related to the bookstore, parking and food services operations.

The excess of revenue over expenses results from operations of the following funds:

	2005	2004
Operating (schedule 2)	\$ 357,240	\$ 149,454
Capital (schedule 4)	4,052,057	3,089,709
Special purpose (schedule 6)	1,544,145	718,314
Ancillary (schedule 7)	419,223	675,770
	<u>\$ 6,372,665</u>	<u>\$ 4,633,247</u>

8. Related entity:

The University College has an economic interest in Kwantlen University College Foundation (the "Foundation"). The Foundation is a separate tax-exempt society formed to administer the University College's endowment funds, help raise funds for the benefit of the University College, and provide financial support to the University College and its students. The net assets and results of operations of the Foundation are not included in these financial statements.

At the Foundation's most recent year end of March 31, 2005, total assets were \$6,096,127 (2004 - \$5,232,170). Of the total assets, \$5,351,922 (2004 - \$4,860,757) are non-distributable endowment contributions and \$744,205 (2004 - \$371,413) is restricted for distribution in accordance with specific terms. During the year ended March 31, 2005, the Foundation paid awards to students of the University College in the amount of \$579,338 (2004 - \$368,229). Included in accounts receivable on the statement of financial position is \$182,962 due from the Foundation (2004 - \$44,585 due to the Foundation was included in accounts payable and accrued liabilities).

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

9. Commitments and contingencies:

- (a) The University College's campus on 77th and 78th Avenues in Surrey is occupied under long-term leases with varying terms to 2006 and renewal options extending to 2009. Minimum annual payments including, under the terms of certain leases, the University College's share of property taxes, utilities and other costs of occupancy over the next four years are as follows:

2006	\$ 516,600
2007	525,420
2008	536,760
2009	495,495
	<hr/>
	\$ 2,074,275

- (b) There are several lawsuits pending in which the University College is involved. It is considered that the potential claims against the University College resulting from such litigation would not materially affect the financial statements of the University College.
- (c) The University College and the Province have committed to the development of a new campus in Cloverdale community of Surrey, BC for an estimated cost of \$42.3 million. Of the total cost, the University College will be funding \$3.2 million. The University College will also be responsible for the renovation of vacated space on other campuses as programs are relocated after the opening of Cloverdale campus. The cost of renovations is estimated at between \$7.0 million to \$10.0 million.
- (d) The University College and the Province have committed to the renovation and expansion of the Surrey campus on 72nd Avenue for an estimated cost of \$36.0 million. Of the total cost, the University College will be funding \$10.0 million.
- (e) As at March 31, 2005, the University College had \$847,900 (2004 - \$501,720) in letters of credit outstanding.

10. Employee future benefits:

The University College and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan, including investment of the assets and administration of benefits. The pension plans are multi-employer contributory defined benefit pension plans. The College Pension Plan has over 10,000 active contributors from college senior administration and instructional staff, and approximately 2,600 retired members. The Municipal Pension Plan has about 130,000 active contributors, with approximately 5,000 from colleges.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Years ended March 31, 2005 and 2004

10. Employee future benefits (continued):

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation for the College Pension Plan as at August 31, 2003 indicated an unfunded liability of \$50 million for basic pension benefits. The next valuation will be as at August 31, 2006 with results available in 2007. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. Each employer expenses contributions to the plan in the year in which payments are made. The University College has expensed its contributions of \$4,047,262 (2004 - \$3,427,253) to the plans in the current year.

In addition to the above, the University College provides supplemental employee benefits for faculty on maternity or parental leave. As at March 31, 2005, these benefits amounted to \$348,088 (2004 - \$445,855).

11. Financial instruments:

The University College's financial instruments, including cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities, salaries and wages payable and accrued vacation payable, approximate their fair value due to their immediate or short term to maturity. The fair market value of long-term investments is disclosed in note 3.

12. Comparative figures:

Certain comparative figures have been reclassified to conform with the financial statement presentation adopted in the current year.



KPMG LLP
Chartered Accountants
400 – 625 Agnes Street
New Westminster BC V3M 5Y4
Canada

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Fax (604) 527-3636
Internet www.kpmg.ca

AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION TO THE BOARD OF GOVERNORS

We have audited and reported separately herein on the financial statements of Kwantlen University College as at and for the year ended March 31, 2005.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University College taken as a whole. The current year's supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

KPMG LLP

Chartered Accountants

New Westminster, Canada

May 6, 2005

KWANTLEN UNIVERSITY COLLEGE

Statements of Operating and Capital Revenue and Allocations

Schedule 1
(Unaudited)

Years ended March 31, 2005 and 2004

	Budget March 31, 2005	Actual March 31, 2005	Actual March 31, 2004
Revenue:			
Province of British Columbia grant	\$ 55,629,400	\$ 55,831,420	\$ 55,324,675
Tuition fees - domestic	26,150,000	25,826,033	23,411,767
Tuition fees - international	5,150,000	5,238,662	5,902,371
Access and other fees	2,350,000	2,036,867	1,991,654
Contract and other services	1,000,000	1,919,462	2,797,436
Interest, shop earnings, other income and transfers	1,702,000	2,107,481	2,101,776
	\$ 91,981,400	\$ 92,959,925	\$ 91,529,679
Allocation of revenue:			
Operations	\$ 87,181,400	\$ 88,147,925	\$ 86,540,362
Capital:			
Library materials	300,000	312,000	-
Furniture and equipment	2,000,000	2,000,000	2,699,317
Cloverdale project	2,000,000	2,000,000	2,000,000
Student aid:			
Contribution to Kwantlen Foundation	500,000	500,000	290,000
	\$ 91,981,400	\$ 92,959,925	\$ 91,529,679

KWANTLEN UNIVERSITY COLLEGE

Statements of Operating Fund Expenses

Schedule 2
(Unaudited)

Years ended March 31, 2005 and 2004

	Budget March 31, 2005	Actual March 31, 2005	Actual March 31, 2004
Allocation of revenue:			
Operations (schedule 1)	\$ 87,181,400	\$ 88,147,925	\$ 86,540,362
Expenses:			
Salaries and benefits	72,718,900	73,455,143	73,372,445
Travel and professional development	1,724,500	1,503,198	1,650,151
Supplies	3,088,300	3,084,311	3,464,979
Fees and services	3,009,900	3,507,723	3,360,315
Facilities	3,062,200	3,043,607	3,098,417
Leases, property taxes and insurance	1,027,600	1,081,048	1,037,430
Transfers to other funds	1,750,000	2,115,655	407,171
	86,381,400	87,790,685	86,390,908
Excess of revenue over expenses	\$ 800,000	357,240	149,454
Unrestricted balance, beginning of year		(3,088,692)	(3,238,146)
Unrestricted balance, end of year		\$ (2,731,452)	\$ (3,088,692)
Unrestricted - operating		\$ 3,825,187	\$ 3,183,428
Unrestricted - accrued vacation payable		(6,556,639)	(6,272,120)
Unrestricted balance		\$ (2,731,452)	\$ (3,088,692)

KWANTLEN UNIVERSITY COLLEGE

Operating Expenses by Function

Schedule 3
(Unaudited)

Years ended March 31, 2005 and 2004

	Instruction	Contract and Other Services	Library and Media Services	Student Services	Business Functions	Facilities	2005 Total	2004 Total
Salaries and wages	\$ 53,351,827	\$ 1,291,634	\$ 3,984,461	\$ 6,706,138	\$ 6,213,713	\$ 1,907,370	\$ 73,455,143	\$ 73,372,445
Travel and professional development	758,573	80,795	216,666	103,787	322,599	20,778	1,503,198	1,650,151
Supplies	1,860,611	56,326	634,071	107,481	120,791	305,031	3,084,311	3,464,979
Fees and services	1,042,625	69,824	919,160	260,058	705,608	510,448	3,507,723	3,360,315
Facilities	622,379	-	28,694	76	19,967	2,372,491	3,043,607	3,098,417
Leases and rentals	12,574	48,842	5,700	19,630	23,687	970,615	1,081,048	1,037,430
Transfers to other funds	1,023,892	138,129	655,221	116,213	173,653	8,547	2,115,655	407,171
	\$ 58,672,481	\$ 1,685,550	\$ 6,443,973	\$ 7,313,383	\$ 7,580,018	\$ 6,095,280	\$ 87,790,685	\$ 86,390,908

KWANTLEN UNIVERSITY COLLEGE

Statements of Capital Operations

Schedule 4
(Unaudited)

Years ended March 31, 2005 and 2004

	2005	2004
Revenue:		
Amortization of deferred capital contributions	\$ 5,707,062	\$ 4,448,713
Internally restricted contributions	5,188,159	5,425,749
	<u>10,895,221</u>	<u>9,874,462</u>
Expenses:		
Amortization of capital assets	5,527,373	5,591,033
Renovations, facilities and other	1,315,791	1,193,720
	<u>6,843,164</u>	<u>6,784,753</u>
Excess of revenue over expenses	4,052,057	3,089,709
Net change in investment in capital assets	(2,196,025)	(3,615,827)
Balance, beginning of year	3,007,104	3,533,222
Balance, end of year	<u>\$ 4,863,136</u>	<u>\$ 3,007,104</u>

KWANTLEN UNIVERSITY COLLEGE

Statements of Capital Fund Receipts and Disbursements

Schedule 5
(Unaudited)

Years ended March 31, 2005 and 2004

	2005	2004
Receipts:		
Externally restricted:		
Ministry - Renovations and facilities renewal	\$ 2,656,622	\$ 2,503,622
- Cloverdale Project	3,919,200	2,596,720
Other	620,904	1,019,183
	<u>7,196,726</u>	<u>6,119,525</u>
Internally restricted:		
Revenue allocation - Library materials	312,000	-
- Furniture and equipment	2,000,000	2,699,317
- Major capital	2,000,000	2,000,000
Transfers from other funds for asset purchases	652,481	312,256
Printing recoveries, interest and disposals	223,678	414,176
	<u>5,188,159</u>	<u>5,425,749</u>
	<u>12,384,885</u>	<u>11,545,274</u>
Disbursements:		
Land and site improvements	-	3,254,458
Buildings	3,775,262	129,280
Furniture, equipment and library books	4,403,250	3,310,126
Renovations and facilities renewal	1,315,791	964,203
	<u>9,494,303</u>	<u>7,658,067</u>
Excess of receipts over disbursements	2,890,582	3,887,207
Funds available, beginning of year	6,359,790	2,472,583
Funds available, end of year	<u>\$ 9,250,372</u>	<u>\$ 6,359,790</u>
Externally restricted	\$ 4,701,648	\$ 3,615,827
Internally restricted - Furniture and equipment	548,724	743,963
Internally restricted - Major capital	4,000,000	2,000,000
Funds available	<u>\$ 9,250,372</u>	<u>\$ 6,359,790</u>

KWANTLEN UNIVERSITY COLLEGE

Statements of Special Purpose Fund Operations

Schedule 6
(Unaudited)

Years ended March 31, 2005 and 2004

	2005	2004
Revenues:		
Contracts and grants	\$ 1,896,721	\$ 3,007,900
Transfers from other funds	1,761,910	487,171
	<u>3,658,631</u>	<u>3,495,071</u>
Expenses:		
Salaries and benefits	779,448	1,319,921
Other	1,248,106	1,369,580
Transfer to other funds	86,932	62,256
Contribution to Kwantlen University College Foundation	-	25,000
	<u>2,114,486</u>	<u>2,776,757</u>
Excess of revenue over expenses	1,544,145	718,314
Balance, beginning of year	1,002,563	284,249
Balance, end of year	<u>\$ 2,546,708</u>	<u>\$ 1,002,563</u>

KWANTLEN UNIVERSITY COLLEGE

Statements of Ancillary Operations

Schedule 7
(Unaudited)

Years ended March 31, 2005 and 2004

	Budget March 31, 2005	Actual March 31, 2005	Actual March 31, 2004
Bookstore sales	\$ -	\$ 6,152,414	\$ 6,349,565
Cost of sales	-	4,810,126	4,641,737
Gross margin	-	1,342,288	1,707,828
Salaries and benefits	-	1,025,999	1,017,147
Other expenses	-	117,826	132,578
	-	1,143,825	1,149,725
Bookstore (net)	325,000	198,463	558,103
Food services (net)	175,000	207,826	173,617
Parking (net)	900,000	849,738	872,512
Testing and assessment (net)	-	-	26,538
	1,400,000	1,256,027	1,630,770
Use of funds:			
Contribution to Kwantlen University College Foundation	25,000	25,000	25,000
Transfer to other funds	100,000	211,804	-
Transfer to operating and capital revenue	600,000	600,000	930,000
	725,000	836,804	955,000
Excess of revenue over expenses	\$ 675,000	419,223	675,770
Balance, beginning of year		1,816,888	1,141,118
Balance, end of year		\$ 2,236,111	\$ 1,816,888