

Financial Statements of

**KWANTLEN UNIVERSITY COLLEGE**

Year ended March 31, 2008



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## **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, 2008 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, 2008 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants

Burnaby, Canada

May 9, 2008

# KWANTLEN UNIVERSITY COLLEGE

## Statement of Financial Position

March 31, 2008, with comparative figures for 2007

	2008	2007
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 10,116,542	\$ 10,741,278
Short-term investments	6,058,609	1,636,257
Accounts receivable	704,379	4,291,552
Inventory	1,083,329	908,770
Prepaid expenses	368,283	357,571
	<u>18,331,142</u>	<u>17,935,428</u>
Long-term investments (note 4)	19,788,784	27,808,304
Capital assets (note 5)	178,910,484	175,566,794
	<u>\$ 217,030,410</u>	<u>\$ 221,310,526</u>

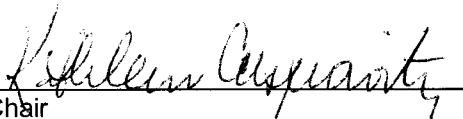
## Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 5,773,513	\$ 10,280,112
Obligations under capital lease (note 6)	210,426	106,224
Salaries and wages payable	2,932,929	6,549,625
Accrued vacation payable	7,690,920	7,124,159
Deferred revenue	7,468,128	8,586,222
	<u>24,075,916</u>	<u>32,646,342</u>
Obligations under capital lease (note 6)	346,751	247,505
Deferred capital contributions (note 7)	138,856,099	141,833,911
	<u>163,278,766</u>	<u>174,727,758</u>
Net assets:		
Invested in capital assets (note 8)	42,960,816	37,863,178
Internally restricted	13,504,312	12,447,466
Unrestricted	(2,713,484)	(3,727,876)
	<u>53,751,644</u>	<u>46,582,768</u>
	<u>\$ 217,030,410</u>	<u>\$ 221,310,526</u>

Commitments and contingencies (note 11)  
Employee future benefits (note 12)

See accompanying notes to financial statements.

Approved on behalf of the Board:

  
Chair

  
Vice President, Administrative and  
Student Services & CFO

# KWANTLEN UNIVERSITY COLLEGE

## Statement of Changes in Net Assets

Year ended March 31, 2008, with comparative figures for 2007

				2008	2007
	Invested in capital assets (note 8)	Internally restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 37,863,178	\$ 12,447,466	\$ (3,727,876)	\$ 46,582,768	\$ 40,677,948
Excess (deficiency) of revenue over expenses (note 8(b))	(3,676,243)	-	10,845,119	7,168,876	5,904,820
Net change in invested in capital assets (note 8(c))	8,773,881	-	(8,773,881)	-	-
Net change in internally restricted net assets	-	1,056,846	(1,056,846)	-	-
Balance, end of year	\$ 42,960,816	\$ 13,504,312	\$ (2,713,484)	\$ 53,751,644	\$ 46,582,768

See accompanying notes to financial statements.

# KWANTLEN UNIVERSITY COLLEGE

## Statement of Operations and Changes in Unrestricted Net Assets

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Grants - Province of British Columbia	\$ 70,041,656	\$ 69,097,711
Tuition fees	32,528,596	32,617,861
Access and other fees	2,912,648	2,746,149
Contract and other services	2,505,063	2,900,384
Interest, shop earnings and other income	4,379,785	3,756,668
Ancillary services	7,688,730	7,728,716
Amortization of deferred capital contributions (note 7)	4,173,812	4,347,272
	<u>124,230,290</u>	<u>123,194,761</u>
Expenses:		
Salaries and benefits	87,887,346	88,329,163
Travel and professional development	2,362,358	2,899,933
Supplies	4,045,576	3,916,170
Fees and services	4,286,872	4,731,047
Facilities	5,223,575	4,869,744
Cost of sales	4,549,847	4,859,063
Leases, property taxes and insurance	230,785	1,100,174
Amortization of capital assets	7,850,055	5,959,647
Contributions to Kwantlen University College Foundation	625,000	625,000
	<u>117,061,414</u>	<u>117,289,941</u>
Excess of revenue over expenses (note 9)	7,168,876	5,904,820
Net increase in net assets invested in capital assets	(5,097,638)	(8,920,520)
Decrease (increase) in internally restricted net assets	(1,056,846)	3,948,618
Net change in unrestricted net assets	<u>\$ 1,014,392</u>	<u>\$ 932,918</u>

See accompanying notes to financial statements.

# KWANTLEN UNIVERSITY COLLEGE

## Statement of Cash Flows

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 7,168,876	\$ 5,904,820
Items not involving cash:		
Gain on disposal of capital assets	(12,871)	-
Amortization of capital assets	7,850,055	5,959,647
Amortization of deferred capital contributions	(4,173,812)	(4,347,272)
Changes in non-cash operating working capital:		
Accounts receivable	3,587,173	191,266
Inventory	(174,559)	253,082
Prepaid expenses	(10,712)	58,178
Accounts and other payables	(7,556,534)	6,344,952
Deferred revenue	(1,118,094)	1,144,286
	5,559,522	15,508,959
Investments:		
Increase in capital assets	(10,843,051)	(49,326,701)
Proceeds from disposal of capital assets	42,556	-
Decrease (increase) in short-term investments	(4,422,352)	1,625,405
Decrease (increase) in long-term investments	8,019,520	(9,263,228)
	(7,203,327)	(56,964,524)
Financing:		
Contributions received - capital	1,196,000	37,161,296
Repayment of obligation under capital lease	(176,931)	(35,971)
	1,019,069	37,125,325
Decrease in cash and cash equivalents	(624,736)	(4,330,240)
Cash and cash equivalents, beginning of year	10,741,278	15,071,518
Cash and cash equivalents, end of year	\$ 10,116,542	\$ 10,741,278

See note 5 for supplementary information on cash flows.

See accompanying notes to financial statements.

# KWANTLEN UNIVERSITY COLLEGE

## Notes to Financial Statements

Year ended March 31, 2008

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### 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 three 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 cash and highly liquid securities with original terms to maturity of three months or less when purchased and have been classified as held for trading.

#### (c) Short-term investments:

Short-term investments, which are recorded at 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 and have been classified as held for trading.

#### (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 are defined to include investments with original terms to maturity of greater than one year when purchased. These investments have been classified as held for trading and are recorded at market value.

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

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## 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.

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

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### (g) Revenue recognition:

The University College follows the deferral method of accounting for contributions. Unrestricted contributions are recorded as revenue when received or receivable 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, is 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 to the extent the courses have been 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 on the same basis as the amortization expense related to the capital asset purchased is recorded. 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

Year ended March 31, 2008

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## 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.

(k) Future changes in accounting standards:

(i) Financial instruments:

Commencing with the fiscal year beginning April 1, 2008, the University College will be adopting CICA handbook section 3862, *“Financial Instruments - Disclosures”* and section 3863, *“Financial Instruments - Presentation”*. These standards revise the current standards on financial instruments disclosure and presentation and place an increased emphasis on disclosures regarding the risks associated with both recognized and unrecognized financial instruments and how these risks are managed.

(ii) Inventories:

The CICA issued section 3031, *Inventories*, which will replace section 3030, *Inventories*. This new standard is effective for fiscal years beginning on or after July 1, 2007, and hence will be effective for the University College on April 1, 2008. Section 3031 provides more extensive guidance on measurement, and expands disclosure requirements transparency.

Management is currently determining the impact of the adoption of these standards on the financial statements for the 2009 fiscal year.

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

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### 3. Change in accounting policy:

Effective April 1, 2007, the University College adopted the Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, *Financial Instruments – Recognition and Measurement* and CICA Section 3861, *Financial Instruments – Disclosure and Presentation*, and CICA Section 3865, *Hedges*. These new Handbook Sections provide comprehensive requirements for the recognition and measurement of financial instruments and related disclosures.

Under these new standards, all financial instruments are classified into one of the following five categories: held for trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments, including derivatives, are included on the balance sheet and initially measured at fair market value. Subsequent measurement and recognition of changes in fair value of financial instruments depend on their initial classification. Held for trading financial investments are measured at fair value and all gains and losses are included in statement of operations in the period they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in the net asset balance until the asset is removed from the balance sheet. Loans and receivables, held-to-maturity and other financial liabilities are measured at amortized cost.

The standards require derivative instruments to be recorded as either assets or liabilities measured at their fair value unless exempted from derivative treatment as normal purchase and sale. Certain derivatives embedded in other contracts must also be measured at fair value. All changes in the fair value of derivatives are recognized as earnings unless specific hedge criteria are met, which require that the University College must formally document, designate and assess the effectiveness of transactions that receive hedge accounting.

As a result of the adoption of these standards, the University College has classified cash and cash equivalents, short-term investments and long-term investments as held for trading. Accounts receivable are classified as loans and receivables. Accounts payable and accrued liabilities, salaries and wages payable and accrued vacation payable are classified as other financial liabilities. The University College has not identified any embedded derivatives that are not closely related to the host contract and currently the University College does not have any financial instruments that would qualify for hedge accounting.

As required, these standards have been applied prospectively.

There was no impact of adopting these standards on the opening net assets at April 1, 2007.

### 4. Long-term investments:

Long-term investments are comprised of various federal, provincial and municipal government and corporate bonds, with varying coupon rates ranging from 3.49% to 6.54% and maturity dates to April 2033.

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

## 5. Capital assets:

			2008	2007
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 20,327,345	\$ -	\$ 20,327,345	\$ 20,327,345
Buildings	149,348,317	35,434,687	113,913,630	74,153,563
Site improvements	664,922	599,367	65,555	71,398
Furniture and equipment	27,444,600	15,655,394	11,789,206	12,123,800
Library holdings	3,484,244	1,853,328	1,630,916	1,302,393
Construction in progress	31,183,832	-	31,183,832	67,588,295
	\$ 232,453,260	\$ 53,542,776	\$ 178,910,484	\$ 175,566,794

During the year, capital assets were acquired at an aggregate cost of \$11,223,431 of which \$380,380 was acquired by means of capital leases. The University College continued the construction of several buildings at the 72<sup>nd</sup> Avenue campus in Surrey. Assets with a net book value of \$29,686 were also disposed of during the year.

## 6. Obligation under capital lease:

The University College has entered into capital leases to finance computing equipment at an estimated cost of borrowing ranging from 6.15 to 6.35% per annum. The principal and interest payments are as follows:

Total minimum lease payments	\$ 605,963
Imputed interest	(48,786)
	557,177
Current portion of obligation under capital lease	210,426
	\$ 346,751

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

## 6. Obligation under capital lease (continued):

As at March 31, 2008, the University College was committed to payments under capital leases, including imputed interest as follows:

2008	\$	239,406
2009		235,245
2010		114,041
2011		17,271
	\$	605,963

## 7. 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.

	2008	2007
Balance, beginning of year	\$ 141,833,911	\$ 109,019,887
Contributions received (note 8(c))	1,196,000	37,161,296
Amortization of deferred capital contributions		
- capital (note 8(b))	(4,173,812)	(3,699,509)
Amortization of deferred capital contributions		
- renovations and facilities	-	(647,763)
Balance, end of year	\$ 138,856,099	\$ 141,833,911

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

	2008	2007
Unamortized capital contributions (note 8(a))	\$ 135,392,491	\$ 137,349,887
Unspent contributions	3,463,608	4,484,024
Balance, end of year	\$ 138,856,099	\$ 141,833,911

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

## 8. Invested in capital assets:

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

	2008	2007
Capital assets	\$ 178,910,484	\$ 175,566,794
Amounts financed by:		
Unamortized capital contributions (note 7)	(135,392,491)	(137,349,887)
Capital lease obligations (note 6)	(557,177)	(353,729)
	\$ 42,960,816	\$ 37,863,178

(b) Deficiency of revenue over expenses:

	2008	2007
Amortization of deferred capital contributions		
- capital (note 7)	\$ 4,173,812	\$ 3,699,509
Less: amortization of capital assets	(7,850,055)	(5,959,647)
Amortization of deferred capital contributions		
- renovations and facilities	-	647,763
	\$ (3,676,243)	\$ (1,612,375)

(c) Net change in investment in capital assets:

	2008	2007
Net increase in capital assets	\$ 11,193,745	\$ 49,716,401
Amounts funded by deferred capital contributions	(2,216,416)	(39,183,506)
Increase in capital lease obligations	(203,448)	(353,729)
	\$ 8,773,881	\$ 10,179,166

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

## 9. 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: related to the general operations of the University College;
- (ii) Capital Fund: related to the investment in capital assets;
- (iii) Special Purpose Fund: related to activities funded from externally and internally restricted revenues;
- (iv) Ancillary Fund: related to the bookstore, parking and food services operations.

The excess of revenue over expenses from operations of the above funds are as follows:

	2008	2007
Operating	\$ 1,014,392	\$ 932,918
Capital	5,199,643	4,159,317
Special purpose	(176,045)	(83,387)
Ancillary	1,130,886	895,972
	<u>\$ 7,168,876</u>	<u>\$ 5,904,820</u>

## 10. 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, 2008, total assets were \$9,046,985 (2007 - \$7,182,873). Of the total assets, \$7,179,719 (2007 - \$6,331,602) are non-distributable endowment contributions and \$981,798 (2007 - \$851,271) is restricted for distribution in accordance with specific terms. During the year ended March 31, 2008, the Foundation paid awards to students of the University College in the amount of \$1,033,695 (2007 - \$812,278). Included in accounts payable on the statement of financial position is \$74,929 (2007 - \$128,438 receivable) due to the Foundation.

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

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## 11. Commitments and contingencies:

- (a) 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.
- (b) The University College and the Province have committed to the renovation and expansion of the Surrey campus on 72<sup>nd</sup> Avenue for an original estimated cost of \$36.6 million. The total estimated cost has now increased to \$41.6 million, of which the University College will be funding \$16.0 million.
- (c) The University College has committed to the construction of a building on the Langley campus in partnership with the Canada Foundation for Innovation and the British Columbia Knowledge Development Fund for an estimated cost of \$7.3 million. The University College will be funding \$2.7 million of this project.
- (d) As at March 31, 2008, the University College had \$275,618 (2007 - \$717,680) in letters of credit outstanding, which are secured by term deposits as required by the financial institution.

## 12. 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 pension plans. Basic pension benefits provided are defined. The College Pension Plan has approximately 11,245 active contributors from college senior administration and instructional staff, and approximately 3,500 retired members. The Municipal Pension Plan has approximately 145,000 active contributors, with approximately 5,000 from colleges.

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, 2006 indicated an unfunded liability of \$54 million for basic pension benefits. The next valuation will be as at August 31, 2009 with results available in 2010. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers. Each employer expenses contributions to the plans in the year in which payments are made. The University College has expensed its contributions of \$5,637,991 (2007 - \$5,098,825) to the plans in the current year.

In addition to the above, the University College provides supplemental employee benefits for faculty, staff, or administration on maternity or parental leave. As at March 31, 2008, these benefits amounted to \$507,523 (2007 - \$661,995).

# KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2008

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## **13. Financial instruments:**

The University College's financial instruments, including cash and cash equivalents, short-term investments and long-term investments have been recorded at their fair value. Accounts receivable, accounts payable and accrued liabilities, salaries and wages payable and accrued vacation payable, approximate their fair values due to their immediate or short term to maturity.

## **14. Comparative figures:**

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





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## **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 (the "University College") as at and for the year ended March 31, 2008.

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.

Chartered Accountants

Burnaby, Canada

May 9, 2008

# KWANTLEN UNIVERSITY COLLEGE

Statement of Operating and Capital Revenue and Allocations

Schedule 1

Year ended March 31, 2008, with comparative figures for 2007

	Budget March 31, 2008	Actual March 31, 2008	Actual March 31, 2007
<b>Revenue:</b>			
Grants - Province of British Columbia	\$ 67,085,000	\$ 67,766,133	\$ 68,578,789
Tuition fees	33,149,000	32,528,596	32,617,861
Access and other fees	2,875,000	2,912,648	2,746,149
Contract and other services	1,840,000	1,760,938	1,679,455
Interest, shop earnings, other income and transfers	2,002,300	3,506,184	1,981,298
	<b>\$ 106,951,300</b>	<b>\$ 108,474,499</b>	<b>\$ 107,603,552</b>
<b>Allocation of revenue:</b>			
Operations	\$ 99,741,300	\$ 100,892,914	\$ 102,253,552
<b>Capital:</b>			
Library materials	500,000	500,000	500,000
Furniture and equipment	2,250,000	2,250,000	2,250,000
Facilities renewal	1,860,000	2,231,585	-
Major capital projects	2,000,000	2,000,000	2,000,000
<b>Student aid:</b>			
Contribution to Kwantlen University College Foundation	600,000	600,000	600,000
	<b>\$ 106,951,300</b>	<b>\$ 108,474,499</b>	<b>\$ 107,603,552</b>

# KWANTLEN UNIVERSITY COLLEGE

## Statement of Operating Fund Expenses

Schedule 2

Year ended March 31, 2008, with comparative figures for 2007

	Budget March 31, 2008	Actual March 31, 2008	Actual March 31, 2007
Allocation of revenue:			
Operations (schedule 1)	\$ 99,741,300	\$ 100,892,914	\$ 102,253,552
Expenses:			
Salaries and benefits	84,270,000	85,324,261	85,547,346
Travel and professional development	1,602,200	1,881,402	2,366,127
Supplies	4,109,600	2,870,704	2,981,212
Fees and services	3,198,700	3,708,366	3,643,768
Facilities	4,125,200	4,500,571	4,479,650
Leases, property taxes and insurance	301,700	177,744	1,118,031
Transfers to other funds	1,333,900	1,415,474	1,184,500
	<u>98,941,300</u>	<u>99,878,522</u>	<u>101,320,634</u>
<u>Excess of revenue over expenses</u>	<u>\$ 800,000</u>	1,014,392	932,918
Unrestricted balance, beginning of year		(3,727,876)	(4,660,794)
<u>Unrestricted balance, end of year</u>		<u>\$ (2,713,484)</u>	<u>\$ (3,727,876)</u>
Unrestricted - operating		\$ 4,977,436	\$ 3,396,283
Unrestricted - accrued vacation payable		(7,690,920)	(7,124,159)
<u>Unrestricted balance</u>		<u>\$ (2,713,484)</u>	<u>\$ (3,727,876)</u>

# KWANTLEN UNIVERSITY COLLEGE

## Operating Expenses by Function

Schedule 3

Year ended March 31, 2008, with comparative figures for 2007

	Instruction	Contract and Other Services	Library and Media Services	Student Services	Business Functions	Facilities	2008 Total	2007 Total
Salaries and benefits	\$ 61,599,473	\$ 1,106,350	\$ 5,035,598	\$ 7,597,115	\$ 7,681,951	\$ 2,303,774	\$ 85,324,261	\$ 85,547,346
Travel and professional development	699,003	10,019	390,017	178,780	571,905	31,678	1,881,402	2,366,127
Supplies	1,858,026	12,339	565,478	170,817	71,975	192,069	2,870,704	2,981,212
Fees and services	340,824	25,978	604,543	276,195	1,781,020	679,806	3,708,366	3,643,768
Facilities	429,998	-	797,347	271	18,964	3,253,991	4,500,571	4,479,650
Leases and rentals	18,171	30,860	15,721	15,096	27,539	70,357	177,744	1,118,031
Transfers to other funds	664,136	(6,613)	-	-	757,951	-	1,415,474	1,184,500
	\$ 65,609,631	\$ 1,178,933	\$ 7,408,704	\$ 8,238,274	\$ 10,911,305	\$ 6,531,675	\$ 99,878,522	\$101,320,634

# KWANTLEN UNIVERSITY COLLEGE

Statement of Capital Operations

Schedule 4

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenue:		
Amortization of deferred capital contributions	\$ 4,173,812	\$ 4,347,272
Internally restricted contributions	9,538,378	6,835,810
	<u>13,712,190</u>	<u>11,183,082</u>
Expenses:		
Amortization of capital assets	7,850,055	5,959,647
Renovations, facilities and other	662,492	1,064,118
	<u>8,512,547</u>	<u>7,023,765</u>
Excess of revenue over expenses	5,199,643	4,159,317
Net change in investment in capital assets	(5,301,086)	(8,920,520)
Balance, beginning of year	5,149,892	9,911,095
Balance, end of year	<u>\$ 5,048,449</u>	<u>\$ 5,149,892</u>

# KWANTLEN UNIVERSITY COLLEGE

Statement of Capital Fund Receipts and Disbursements

Schedule 5

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
<b>Receipts:</b>		
Externally restricted:		
Ministry - Renovations and facilities renewal	\$ -	\$ 1,904,696
- Cloverdale Project	-	16,553,938
- Surrey Project	-	18,908,195
- Designated renovation and equipment funding	1,196,000	-
	<u>1,196,000</u>	<u>37,366,829</u>
Internally restricted:		
Revenue allocation - Library materials	500,000	500,000
- Furniture and equipment	2,250,000	2,250,000
- Facilities renewal	2,231,585	-
- Major capital	2,000,000	2,000,000
Transfers from other funds for asset purchases	1,747,464	603,098
Printing recoveries, interest and disposals	809,329	1,351,341
	<u>9,538,378</u>	<u>6,704,439</u>
	<u>10,734,378</u>	<u>44,071,268</u>
<b>Disbursements:</b>		
Buildings	7,088,238	43,565,899
Furniture, equipment and library books	4,135,192	5,855,640
Renovations and facilities renewal	662,492	908,392
	<u>11,885,922</u>	<u>50,329,931</u>
Deficiency of receipts over disbursements	(1,151,544)	(6,258,663)
Funds available, beginning of year	10,175,172	16,433,835
Funds available, end of year	<u>\$ 9,023,628</u>	<u>\$ 10,175,172</u>
Externally restricted (note 7)	\$ 3,463,608	\$ 4,484,024
Internally restricted - Furniture and equipment	5,560,020	1,410,821
Internally restricted - Major Capital Fund	-	4,280,327
Funds available	<u>\$ 9,023,628</u>	<u>\$ 10,175,172</u>

# KWANTLEN UNIVERSITY COLLEGE

Statement of Special Purpose Fund Operations

Schedule 6

Year ended March 31, 2008, with comparative figures for 2007

	2008	2007
Revenues:		
Contracts and grants	\$ 2,971,649	\$ 1,450,364
Interest, shop earnings and other	1,208,630	1,313,515
Transfers from other funds	1,502,752	1,271,865
	<u>5,683,031</u>	<u>4,035,744</u>
Expenses:		
Salaries and benefits	1,340,535	1,118,453
Other	2,184,465	2,161,071
Transfer to other funds	2,334,076	839,607
	<u>5,859,076</u>	<u>4,119,131</u>
Deficiency of revenue over expenses	(176,045)	(83,387)
Balance, beginning of year	3,135,107	3,218,494
Balance, end of year	<u>\$ 2,959,062</u>	<u>\$ 3,135,107</u>

# KWANTLEN UNIVERSITY COLLEGE

Statement of Ancillary Operations

Schedule 7

Year ended March 31, 2008, with comparative figures for 2007

	Actual March 31, 2008	Actual March 31, 2007
Bookstore sales	\$ 6,337,748	\$ 6,499,354
Cost of sales	4,549,847	4,859,063
Gross margin	\$ 1,787,901	\$ 1,640,291
Salaries and benefits	\$ 1,222,551	\$ 1,203,563
Other expenses	92,400	134,819
	\$ 1,314,951	\$ 1,338,382
Bookstore (net)	\$ 472,950	\$ 301,909
Food services (net)	194,946	199,496
Parking (net)	1,087,990	1,019,567
	1,755,886	1,520,972
Use of funds:		
Contribution to Kwantlen University College Foundation	25,000	25,000
Transfer to operating and capital revenue	600,000	600,000
	625,000	625,000
Excess of revenue over expenses	1,130,886	895,972
Balance, beginning of year	3,808,738	2,912,766
Balance, end of year	\$ 4,939,624	\$ 3,808,738