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Total	
\$	
	5,062
1,808	12,507,214
1,761	1,094,501
1,151	842,512
1,657	9,289
1,377	14
	9,832
1,651	64,749,989
1,701	2,58
	<u>9,110</u>
1,759	82,08
	7,418
1,48	7,210,386
1,12	3,09
	-
1,381	7,804
1,015	10,30
	-
1,358	9,989
1,701	2,543,788
1,724	62,57
	1,946
1,924	4,3,170
	1,617,600
1,981	685,187
1,985	1307,529
1,17	6,60
	9,110
1,9	82,08

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UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Operations and Net Assets

Year ended March 31, 2003, with comparative figures for 2002

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2003 Total	2002 Total
	\$	\$	\$	\$	\$	\$
Revenue	54,506,922	3,901,000	4,952,987	500,024	63,860,933	56,596,477
Expenditures	50,329,089	3,417,890	5,292,372	500,024	59,539,375	55,817,145
Excess (deficiency) of revenue over expenditures	4,177,833	483,110	(339,385)	-	4,321,558	779,332
Net assets (deficiency), beginning of year	(213,451)	564,710	4,643,100	1,613,170	6,607,529	5,483,140
Endowment contributions	-	-	-	117,008	117,008	345,057
Interfund transfers	(1,819,100)	(224,935)	2,044,035	-	-	-
Transfer bookstore equity to capital	-	(447,342)	447,342	-	-	-
Transfer endowments to UCFV Foundation (Note 13)	-	-	-	(1,730,178)	(1,730,178)	-
	(2,032,551)	(107,567)	7,134,477	-	4,994,359	5,828,197
Net assets, end of year	2,145,282	375,543	6,795,092	-	9,315,917	6,607,529

See accompanying notes to financial statements.

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Revenue

Year ended March 31, 2003, with comparative figures for 2002

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2003 Total	2002 Total
	\$	\$	\$	\$	\$	\$
Ministry of Advanced Education						
Grants						
Continuing programs	35,070,490	-	-	-	35,070,490	32,539,515
Special projects	1,411,699	-	-	-	1,411,699	1,856,574
University start-up program	2,746	-	-	-	2,746	51,513
Leases and property taxes	-	-	132,807	-	132,807	124,200
Total Ministry of Advanced Education						
Grants	36,484,935	-	132,807	-	36,617,742	34,571,802
Tuition Fees						
Continuing programs	9,881,311	-	-	-	9,881,311	7,205,855
Other Income						
Amortization of deferred contributions (Note 5)	-	-	4,724,610	500,024	5,224,634	4,457,923
Contract services	4,390,204	-	-	-	4,390,204	3,438,677
Ancillary services	-	3,901,000	-	-	3,901,000	3,760,704
Investment income	303,679	-	-	-	303,679	237,564
Special projects	2,953,536	-	-	-	2,953,536	2,346,514
Other	493,257	-	95,570	-	588,827	577,438
Total Other Income	8,140,676	3,901,000	4,820,180	500,024	17,361,880	14,818,820
Total Revenue	54,506,922	3,901,000	4,952,987	500,024	63,860,933	56,596,477

See accompanying notes to financial statements.

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Expenditures

Year ended March 31, 2003, with comparative figures for 2002

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2003 Total	2002 Total
	\$	\$	\$	\$	\$	\$
Salaries and wages	32,074,743	417,074	-	-	32,491,817	31,257,462
Employee benefits	6,589,343	68,828	-	-	6,658,171	5,329,289
Supplies and books	1,739,320	27,038	-	2,781	1,769,139	1,775,342
Travel and conferences	567,267	1,820	-	-	569,087	567,048
Printing and advertising	278,173	2,697	-	-	280,870	273,661

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Cash Flows

Year ended March 31, 2003, with comparative figures for 2002

	2003	2002
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenditure	\$ 4,321,558	\$ 779,332
Change in deferred contributions for operating - net	-	(148,580)
Change in deferred contributions for capital - net	(2,320,560)	2,541,425

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

General:

University College of the Fraser Valley is a post-secondary educational institution funded by the provincial government and is incorporated under the College and Institutes Act of British Columbia. The University College is exempt from income tax under the Income Tax Act.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the University College have been prepared in accordance with accounting principles established by the British Columbia Ministry of Advanced Education for Colleges operating in the Province and conform in all material respects with Canadian generally accepted accounting principles.

(b) Fund accounting:

The University College follows fund accounting practices. Available resources and their related expenditures are recorded in separate funds in accordance with determinations made by the Board and limitations and restrictions imposed by sources outside the University College.

Funds consist of:

Operating - revenue and expenditures relating to general operations.

Capital - investment in capital assets as well as related financing activities.

Ancillary Services - revenue and expenditures relating to the bookstore and to the parking services.

Trust - receipts and disbursements for specific externally restricted purposes such as scholarships and bursaries.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

1. Significant accounting policies (continued):

(c) Revenue recognition:

The University College follows the deferral method of accounting for contributions which include donations and government grants.

Under the College and Institutes Act and regulations thereto, the University College is funded by the Province of British Columbia in accordance with budget arrangements established by the Ministry of Advanced Education. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of the grant relates to a future period, it is deferred and recognized in the subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2003.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue using rates consistent with the related amortization of the capital asset as per note 1 (f).

Endowment contributions are recognized as direct increases in endowment net assets.

Restricted investment income, specifically investment income earned by endowment funds, is recognized as revenue in the year in which the related expenses, specifically scholarships, bursaries and related costs, are recognized. Unrestricted investment income is recognized as revenue when earned.

(d) Interfund balances:

Interfund balances are without interest or specific terms of repayment.

(e) Inventories:

Inventories are valued at the lower of cost and net realizable value.

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UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

1. Significant accounting policies (continued):

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

3. Capital assets:

	Total Cost 2002	Additions During Year	Disposals During Year	Total Cost 2003	Accumulated Amortization	Net Book Value 2003
Buildings	\$74,534,998	\$1,825,344	\$ -	\$76,360,342	\$22,312,609	\$54,047,733
Furniture and equipment	23,781,617	1,397,036	183,395	24,995,258	22,064,402	2,930,856
Library books	5,797,236	665,614	-	6,462,850	3,906,732	2,556,118
Land and improvements	4,983,315	-	-	4,983,315	-	4,983,315
Site improvements	479,046	-	-	479,046	139,387	339,659
Leasehold improvements	318,390	-	-	318,390	318,390	-
	\$109,894,602	\$3,887,994	\$183,395	\$113,599,201	\$48,741,520	\$64,857,681

Funding for the additions during the year consist of the following:

Add:	Transfer grant revenue from operating fund	\$948,680
	Capital projects grant	1,420,239
	Capital advances	145,485
	Start up grant and library grant	426,848
	Transfers from other funds	1,068,946
	Transfer from bookstore equity	447,341
	Bank loan	976,779
	Donations for capital assets	12,869
	Other revenue	502,786
Less:	Unspent deferred contributions	(673,953)
	Funding spent on minor renovations, equipment and repairs	(1,388,026)
		\$3,887,994

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

4. Long-term loan payable:

2003

2002

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

5. Deferred contributions - Operating Fund:

(a) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent externally restricted grants for courses and projects.

	2003	2002
Balance, beginning of year	\$ -	\$148,580
Less amount recognized as revenue in the year	-	(148,580)
Balance, end of year	\$ -	\$ -

Deferred contributions - Trust Fund:

Deferred contributions related to expenses of future periods represent unspent externally restricted donations for scholarships, bursaries and other purposes.

	2003	2002
Balance, beginning of year	\$493,627	\$797,315
Receipts and contributions:		
Donations	548,112	228,828
Interest & investment income	64,669	83,192
Legacy reserve contributions	23,405	39,343
Disbursements:		
Amortized to revenue	(500,024)	(265,868)
Transfer to capital fund	(12,869)	(389,183)
Transfer to UCFV Foundation	(151,797)	-
Balance, end of year	\$465,123	\$493,627

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

5. Deferred contributions (continued) - Capital Fund:

(b) Capital assets:

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of grants received for the purchase of capital assets.

	2003	2002
Balance, beginning of year	\$62,080,161	\$59,538,736
Contributions from Province (Capital Projects)	1,565,724	5,431,585
Contributions from Province (Start Up Grant)	426,848	300,499
Contributions from Province (Operating Capital)	-	464,677
Contributions from donations (Trust transfer)	12,869	389,183
Other revenue	398,609	147,536
Less amount amortized to revenue current year	(4,724,610)	(4,192,055)
Balance, end of year	\$59,759,601	\$62,080,161

The balance of unamortized capital contributions related to capital assets consists of the following:

	2003	2002
Unamortized capital contributions used to purchase assets	\$56,675,289	\$59,669,802
Unspent contributions	3,084,312	2,410,359
Balance, end of year	\$59,759,601	\$62,080,161

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

6. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2003	2002
Capital assets, net of accumulated amortization	\$64,857,681	\$64,749,832
Amounts financed by:		
Deferred contributions	(59,759,601)	(62,080,161)
Unspent portion of deferred contributions	3,084,312	2,410,359
Student recreation centre loan	(976,779)	-
Loan from operating	(410,521)	(436,930)
Less:		
Internally restricted	(1,848,168)	(31,154)
Balance, end of year	\$4,946,924	\$4,611,946

(b) Change in net assets invested in capital assets is calculated as follows:

	2003	2002
Net change in investment in capital assets:		
Balance, beginning of year	\$4,611,946	\$4,452,180
Add:		
Amortization of deferred contributions	4,724,610	4,192,055
Transfer of grant revenue from operating fund	948,680	-
Transfer of bookstore equity	447,341	-
Interfund transfers	1,095,355	811,571
Other revenue	228,377	189,382
Transfer from internally restricted	31,154	40,413
Less:		
Amortization of capital assets	(3,780,146)	(3,639,482)
Items expensed	(1,512,225)	(1,403,019)
Internally restricted	(1,848,168)	(31,154)
	\$4,946,924	\$4,611,946

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

7. Internally restricted net assets:

Internally restricted funds committed for specific purposes include research start-up, curriculum development, commitments for the completion of special projects/programs, and capital purchases.

8. Scholarship and bursaries trust fund:

In October, 1984, an endowment fund in the name of the University College was established with the Vancouver Foundation. Capital of this endowment fund (\$160,000 as at March 31, 2003) is held by the Vancouver Foundation and its use is restricted. Income earned by the fund is paid semi-annually to the University College.

The fund balance is made up of various endowments as well as funds yet to be awarded for bursaries and scholarships. The disbursement of these funds is restricted to the criteria set out in each of the endowment, bursary or scholarship awards.

9. Pension plans:

The University College and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. Joint trusteeship was established effective April 1, 2000 for the College Pension Plan and April 5, 2001 for the Municipal Pension Plan. 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 the plans. The pension plans are multi-employer contributory defined benefit pension plans. The College Pension Plan has over 8,600 active contributors from college senior administration and instructional staff. The Municipal Pension Plan has about 125,000 active contributors, with approximately 4,500 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, 2000 indicated a funding surplus of \$120 million. The most recent valuation for the Municipal Pension Plan as at December 31, 2000 indicated a funding surplus of \$436 million. The Joint Trust Agreements specify how surplus assets can be used. The actuary does not attribute portions of the surplus to individual employers. Each employer expenses contributions to the plan in the year in which payments are made.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

March 31, 2003

10. Commitments:

The University College has long-term facility lease commitments, including estimated triple net costs, which are approximately as follows:

2004	\$221,200
2005	221,200
2006	97,000
2007	73,400

11. Bank credit facility:

The University College has a credit facility with the Royal Bank of Canada for the maximum amount of \$2,000,000. Any amounts borrowed through this facility incur interest costs at the Bank Prime Lending Rate. As at March 31, 2003, there was no amount drawn down on this line of credit.

12. Fair value of financial assets and financial liabilities:

The carrying values of cash and term deposits, accounts receivable and accounts payable and accrued liabilities approximate

UNIVERSITY COLLEGE of the FRASER VALLEY**Schedule of Operating Fund Expenditures by Division**

Year ended March 31, 2003, with budget comparative figures

	Actual	Budget (Unaudited)
Instruction:		
Faculty of Arts and Applied Arts	\$7,196,576	\$7,141,156
Faculty of Science, Health and Human Services	8,874,291	8,892,301
Faculty of Community Access, Business & Info Tech	4,660,743	4,670,132
Academic	3,638,442	3,734,178
Part Time Program Administration	1,605,962	1,601,770
International Education	3,211,694	1,962,067
Learning & Student Success	7,897,159	7,755,374
Administration	3,744,927	3,841,199
Institutional	3,702,150	3,646,507
Facilities	3,109,788	3,069,469
Start-up Program	2,746	-
Vacation pay	(14,883)	-
	47,629,595	46,314,153
Special Projects:		
Ministry funded	2,314,702	-
Work study and youth employment	(38,783)	-
Other projects	423,575	-
Total Expenditure	\$50,329,089	\$46,314,153