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2005	2004
Total	Total
\$	\$

4	19,997,545
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2	945,708
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6	968,847
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0	65,974
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2	21,978,074
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3	4,862,799
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2	65,400,468
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2	92,241,341
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	7,073,786
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	5,064,321
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	84,250
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	12,222,357
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	816,148
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	4,862,799
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	60,216,665
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	6,325,004
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	6,913,933
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	884,435
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	14,123,372
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	92,241,341
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**UNIVERSITY COLLEGE of the FRASER VALLEY**

## Statement of Operations and Net Assets

Year ended March 31, 2005, with comparative figures for 2004

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2005 Total	2004 Total
	\$	\$	\$	\$	\$	\$
Revenue	64,667,865	4,559,074	4,630,318	724,149	74,581,406	69,566,146
Expenditures	60,760,516	3,938,595	5,745,056	724,149	71,168,316	64,758,691
Excess (deficiency) of revenue over expenditures	3,907,349	620,479	( 1,114,738)	-	3,413,090	4,807,455
Net assets, beginning of year	4,122,827	450,304	9,550,241	-	14,123,372	9,315,917
Interfund transfers	( 1,072,846)	( 370,674)	1,443,520	-	-	-
	3,049,981	79,630	10,993,761	-	14,123,372	9,315,917
Net assets, end of year	6,957,330	700,109	9,879,023	-	17,536,462	14,123,372

See accompanying notes to financial statements.





**UNIVERSITY COLLEGE of the FRASER VALLEY**

**UNIVERSITY COLLEGE of the FRASER VALLEY**

## Statement of Cash Flows

Year ended March 31, 2005, with comparative figures for 2004

	2005	2004
	\$	\$
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenditures	3,413,090	4,807,455
Items not involving cash:		
Amortization of deferred capital contributions	(4,443,701)	(4,304,877)
Amortization of capital assets	4,010,074	3,762,106
Increase (decrease) in deferred contributions for trust	562,843	492,522
Net change in non-cash working capital	716,842	(230,489)
	4,259,148	4,526,717
Financing activities:		
Repayment of long-term loan	(84,250)	(76,381)
Deferred capital contributions received	2,686,969	3,804,296
	2,602,719	3,727,915
Investing activities:		
Purchase of capital assets	(5,195,248)	(4,304,895)
	(5,195,248)	(4,304,895)
Net increase in cash	1,666,619	3,949,737
Cash, beginning of year	19,997,545	16,047,808
Cash, end of year	21,664,164	19,997,545

See accompanying notes to financial statements.



## UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

Year ended March 31, 2005

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### 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, University Station property 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 (continued)

Year ended March 31, 2005

### 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 as unearned revenue and recognized in the subsequent period that the related expenditures are incurred. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2005.

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.

Contributions received and utilized for the purchase of capital assets are recorded as deferred capital contributions and such amounts are amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

#### (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.

## UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2005

### 1. Significant accounting policies (continued):

#### (f) Capital assets:

Buildings	20-40 years
Furniture and equipment	2-5 years
Library books	10 years
Site improvements	10 years
Leasehold improvements	Life of the lease

Amortization begins in the second year of useful life and is taken in the year of disposal. Land is recorded at cost.

#### (g) Capital funding:

Capital funding from the Province of BC in the form of prepaid capital advances is recorded by post-secondary institutions as deferred

#### (h) Unearned revenue:

#### (i) Salaries and wages:

Operating expenditures relating to vacation pay entitlements are recorded as earned.

## **UNIVERSITY COLLEGE of the FRASER VALLEY**

Notes to Financial Statements (continued)

Year ended March 31, 2005

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**1. Significant accounting policies (continued):**

(j) Use of estimates:

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**2. Financial statement presentation:**

These financial statements reflect the financial position, operations and cash flows of the University College.

Financial information relating to the University College of the Fraser Valley Foundation (the "Foundation") is presented in Note 14. The Foundation is incorporated under the Society Act of B.C. and is a registered charity under the Income Tax Act. The Foundation is dependant on the University College for management and administration services. According to the Foundation's bylaws all resources of the Foundation must be provided for the benefit of the University College and its students, and the Foundation has certain Directors in common with the University College. The financial position, results of operations and cash flows of the Foundation are not consolidated with those of the University College.

**UNIVERSITY COLLEGE of the FRASER VALLEY**

Notes to Financial Statements (continued)

Year ended March 31, 2005



**UNIVERSITY COLLEGE of the FRASER VALLEY**

Notes to Financial Statements (continued)

Year ended March 31, 2005

**5. Deferred contributions - Trust Fund:**

Deferred contributions related to expenditures of future periods represent unspent externally restricted funds received for which the related expenditures such as scholarships, bursaries and other items have not yet been incurred.

	2005	2004
Balance, beginning of year	\$957,645	\$465,123
Receipts and contributions:		
Donations	421,965	200,467
Tuition contribution - scholarships and bursaries	341,000	339,685
Interest & investment income	24,027	18,861
Legacy reserve contributions	500,000	500,000
Less:		
Amortized to revenue	(724,149)	(517,364)
Transfer to capital fund	-	(49,127)
Balance, end of year	\$1,520,488	\$957,645

# UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2005

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## 5. Deferred contributions (continued) - Capital Fund:

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

	2005	2004
Balance, beginning of year	\$59,259,020	\$59,759,601







## UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

Year ended March 31, 2005

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### 10. Commitments:

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

2006	270,955
2007	126,055
2008	101,080
2009	51,129
2010	51,129

### 11. Contingency:

The University College has issued a letter of guarantee to the City of Abbotsford in the amount of \$222,335 pertaining to future building development.

### 12. 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, 2005, there was no amount drawn down on this line of credit.

### 13. Fair value of financial assets and financial liabilities:

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

The carrying value of the long-term loan payable approximates its fair value, because the interest rate on the debt approximates rates currently available.

# UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2005

## 14. University College of the Fraser Valley Foundation:

	2005	2004
Assets	\$ 2,768,534	\$ 2,162,260
Net assets	\$ 2,768,534	\$ 2,162,260
	2005	2004
Revenue	\$ 1,051,995	\$ 424,633
Expenditures	445,721	194,387
Excess of revenue over expenditures	\$606,274	\$230,246
Cash flows provided by:		
Operating activities	\$ 491,202	\$ 195,787
Financing and investments	\$ -	\$ -

## 15. Comparative figures:

**UNIVERSITY COLLEGE of the FRASER VALLEY**

## Schedule of Operating Fund Expenditures by Division

Year ended March 31, 2005, with budget comparative figures

	Actual	Budget (Unaudited)
Instruction:		
Faculty of Arts and Applied Arts	\$9,125,720	\$8,993,864
Faculty of Science, Health and Human Services	10,930,735	11,012,535
Faculty of Community Access, Business & Info Tech	5,385,588	5,442,230
Academic	4,061,748	4,151,094
Part Time Program Administration	1,798,545	1,052,808
International Education	3,934,531	2,968,167
Learning & student success	8,981,937	8,748,374
Administration	4,386,914	4,416,317
Institutional	4,382,067	3,349,146
Facilities	3,573,448	3,331,432
	56,561,233	53,465,967
Special Projects:		
Ministry funded	1,893,261	-
Work study and youth employment	137,774	-
Other projects	2,168,248	-
<b>Total expenditures</b>	<b>\$60,760,516</b>	<b>\$53,465,967</b>