

Financial Statements of

KWANTLEN POLYTECHNIC UNIVERSITY

Year ended March 31, 2010



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AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the statement of financial position of Kwantlen Polytechnic University (the "University") as at March 31, 2010 and the statements of operations and changes in unrestricted net assets, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University'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 as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, slanted style. A horizontal line is drawn underneath the signature.

Chartered Accountants

Burnaby, Canada

May 7, 2010

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Financial Position

Statement 1

March 31, 2010, with comparative figures for 2009

	2010	2009
Assets		
Current assets:		
Cash and cash equivalents	\$ 13,088,165	\$ 10,411,131
Short-term investments	1,720,233	386,898
Accounts receivable	956,708	1,219,664
Inventory	1,359,529	1,131,021
Prepaid expenses	1,061,822	480,440
	<u>18,186,457</u>	<u>13,629,154</u>
Assets held-for-sale (note 4)	974,290	-
Long-term investments (note 5)	30,845,595	29,014,153
Other asset (note 6)	900,000	-
Capital assets (note 8)	179,972,364	180,070,810
	<u>\$ 230,878,706</u>	<u>\$ 222,714,117</u>

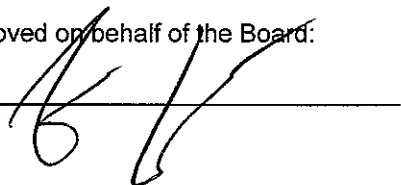
Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 8,629,067	\$ 7,852,911
Current portion of obligations under capital leases (note 9)	400,833	458,659
Salaries and wages payable	3,128,323	2,985,741
Accrued vacation payable	8,130,787	7,679,622
Deferred revenue	9,443,376	9,775,082
	<u>29,732,386</u>	<u>28,752,015</u>
Obligations under capital leases (note 9)	289,479	427,363
Deferred capital contributions (note 10)	137,302,162	136,325,901
	<u>167,324,027</u>	<u>165,505,279</u>
Net assets:		
Invested in capital assets (note 11(a))	45,175,919	45,818,131
Internally restricted	17,172,946	14,334,604
Unrestricted	(1,294,186)	(2,943,897)
Endowment (note 12)	2,500,000	-
	<u>63,554,679</u>	<u>57,208,838</u>
Commitments and contingencies (note 15)		
Employee future benefits (note 16)		
	<u>\$ 230,878,706</u>	<u>\$ 222,714,117</u>

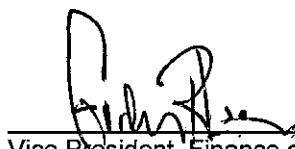
See accompanying notes to financial statements.

Approved on behalf of the Board:

Chair



Vice President, Finance and Administration



KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Operations and Changes in Unrestricted Net Assets

Statement 2

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Grants - Province of British Columbia	\$ 72,565,175	\$ 71,269,052
Tuition fees	39,470,849	34,161,856
Access and other fees	3,480,501	3,056,811
Contract and other services	1,902,407	1,599,375
Interest, shop earnings and other income	4,969,142	4,576,443
Ancillary services	8,600,048	7,825,276
Amortization of deferred capital contributions (note 10)	5,403,955	4,815,719
	<u>136,392,077</u>	<u>127,304,532</u>
Expenses:		
Salaries and benefits	96,357,409	89,530,183
Travel and professional development	2,538,139	2,485,210
Supplies	3,332,087	2,987,741
Student awards and bursaries	1,085,011	1,186,275
Fees and services	5,219,453	5,098,557
Facilities	7,380,943	6,143,508
Cost of sales	5,517,097	4,918,188
Leases, property taxes and insurance	573,357	288,940
Amortization of capital assets	9,620,640	9,583,736
Contributions to Kwantlen Polytechnic University Foundation	809,500	1,625,000
	<u>132,433,636</u>	<u>123,847,338</u>
Excess of revenue over expenses (note 13)	3,958,441	3,457,194
Increase (decrease) in net assets invested in capital assets	642,212	(2,857,315)
Transfer to internally restricted net assets	(2,950,942)	(970,525)
Net change in unrestricted net assets	<u>\$ 1,649,711</u>	<u>\$ (370,646)</u>

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Changes in Net Assets

Statement 3

Year ended March 31, 2010, with comparative figures for 2009

	Invested in capital assets (note 11)	Internally restricted	Unrestricted	Endowment (note 12)	2010 Total	2009 Total
Balance, beginning of year	\$ 45,818,131	\$ 14,334,604	\$ (2,943,897)	\$ -	\$ 57,208,838	\$ 53,751,644
Excess (deficiency) of revenue over expenses (note 11(b))	(4,216,685)	-	8,175,126	-	3,958,441	3,457,194
Net change in invested in capital assets (note 11(c))	3,574,473	-	(3,574,473)	-	-	-
Endowment contributions received (note 12)	-	-	-	2,387,400	2,387,400	-
Transfer from internally restricted net assets for endowment (note 12)	-	(112,600)	-	112,600	-	-
Transfer to/from internally restricted net assets	-	2,950,942	(2,950,942)	-	-	-
Balance, end of year	\$ 45,175,919	\$ 17,172,946	\$ (1,294,186)	\$ 2,500,000	\$ 63,554,679	\$ 57,208,838

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Cash Flows

Statement 4

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 3,958,441	\$ 3,457,194
Items not involving cash:		
Loss (gain) on disposal of capital assets	23,253	(1,304)
Amortization of capital assets	9,620,640	9,583,736
Amortization of deferred capital contributions	(5,403,955)	(4,815,719)
Changes in non-cash operating working capital:		
Accounts receivable	262,956	687,823
Inventory	(228,508)	(47,692)
Prepaid expenses	(581,382)	(112,157)
Accounts payable and accrued liabilities	776,156	2,079,398
Salaries and wages payable	142,582	52,812
Accrued vacation payable	451,165	(11,298)
Deferred revenue	(331,706)	1,103,846
	8,689,642	11,976,639
Investments:		
Acquisition of other assets	(900,000)	-
Acquisition of capital assets (note 8)	(10,262,843)	(10,130,044)
Proceeds from disposal of capital assets	19,402	44,211
Decrease (increase) in short-term investments	(1,333,335)	5,671,711
Increase in long-term investments	(1,831,442)	(9,225,369)
Endowment contributions received	2,387,400	-
	(11,920,818)	(13,639,491)
Financing:		
Contributions received - capital	6,380,216	2,285,521
Repayment of obligation under capital lease	(472,006)	(328,080)
	5,908,210	1,957,441
Increase in cash and cash equivalents	2,677,034	294,589
Cash and cash equivalents, beginning of year	10,411,131	10,116,542
Cash and cash equivalents, end of year	\$ 13,088,165	\$ 10,411,131

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2010

1. Authority and purpose:

Kwantlen Polytechnic University (the “University”) is a special purpose, teaching university funded by the provincial government and operates under the authority of the University 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 is exempt from income tax under the Income Tax Act.

The University is governed by a Board of Governors, the majority of whom are appointed by the provincial government of British Columbia (the “Province”).

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 and carried at fair value.

(c) Short-term investments:

Short-term investments are defined to include short-term investments with original terms exceeding 90 days with less than a year to maturity and have been classified as held for trading and carried at market value, with any changes in fair value being recorded in the statement of operations until the investment is disposed of.

(d) Inventory:

Inventory of merchandise held-for-resale is stated at the lower of cost and net realizable value with cost defined as weighted average cost.

(e) Long-term investments:

Long-term investments are defined to include investments with original terms exceeding 90 days with greater than one year to maturity and have been classified as held for trading and are carried at fair value, with any changes in fair value being recorded in the statement of operations until the investment is disposed of.

(f) Capital assets:

Capital assets purchased by the University 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.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

2. Significant accounting policies (continued):

(f) Capital assets (continued):

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

(g) Capital funding:

Capital funding from the Province in the form of prepaid capital advances is recorded by post-secondary institutions as deferred capital contributions and are amortized to revenue in order to match the expense generated through amortization of the capital assets acquired with the funds. Any debt obligations are the responsibility of the Province and reported at the provincial level.

(h) Revenue recognition:

The University 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, the contribution is reported as a direct increase in net assets invested in capital assets rather than as revenue.
- (iii) Endowment contributions are recorded as direct increases in net assets in the period the contribution is received.

Investment income is recognized as revenue when it is earned.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

2. Significant accounting policies (continued):

(i) Pledges and contributed services:

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

(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:

The University is classified as a not-for-profit organization. The Accounting Standards Board and Public Sector Accounting Board of the Canadian Institute of Chartered Accountants ("CICA") have jointly released an exposure draft relating to the future of financial reporting by not-for-profit organizations. The University is in the process of reviewing the potential impact of the proposals on its reporting framework and financial statements.

3. Adoption of new accounting standards:

(i) Revisions to Not-for-Profit accounting standards:

Effective April 1, 2009, the University adopted the amendments to the CICA Handbook Sections 4400, *Financial Statement Presentation by Not-for-Profit Organizations*, and 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. The amendments removed the requirement to disclose net assets invested in capital assets, clarified capital asset recognition criteria and amortization, expanded interim financial statement requirements to not-for-profit organizations that prepare interim financial statements, and added requirements for disclosure of allocated fundraising and general support expenses by not-for-profit organizations, and a requirement to follow Handbook Section 1540, *Cash Flow Statements*. The application of these amendments did not have a material impact on the University's financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

3. Adoption of new accounting standards (continued):

(ii) Financial instruments:

During the University's 2010 fiscal year, the CICA announced that not-for-profit organizations could elect to continue to apply Handbook Section 3861, *Financial Instruments – Disclosure and Presentation*, in place of Handbook Sections 3862, *Financial Instruments – Disclosure*, and 3863, *Financial Instruments – Presentation*. The University has elected to continue to apply the financial instrument disclosure and presentation standards in accordance with Section 3861.

4. Assets held-for-sale:

During fiscal 2010, the University adopted a formal plan to dispose of the Newton campus. Accordingly, land and buildings with net book values of \$287,500 and \$686,790, respectively, have been classified as assets held-for-sale. The sale of these assets is expected to be completed in fiscal 2011.

5. Long-term investments:

Long-term investments are comprised of various federal, provincial and municipal government and corporate bonds, with varying coupon rates ranging from 2.30% to 7.90% and maturity dates to March 2020.

	2010	2009
Government & Corporate Bonds:		
1 to 5 years	\$ 15,076,038	\$ 16,562,918
Greater than 5 years	12,249,245	12,451,235
	27,325,283	29,014,153
Securities	3,520,312	-
	\$ 30,845,595	\$ 29,014,153

6. Other asset:

During fiscal 2010, the University has agreed to pay \$1.0 million to the City of Surrey (the "City") for scheduled unrestricted use of an artificial turf field at the Newton Athletic Park and priority booking rights at other times at no additional cost. The payment is being amortized over the term of the agreement plus one renewal period. As at March 31, 2010, \$100,000 has been included in current assets as a prepaid expense.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

7. Capital management:

The University receives its principal source of capital funds from the Ministry of Advanced Education and Labour Market Development ("ALMD"). The University defines capital to be net assets and deferred capital contributions.

The University's objective when managing capital is to fund its operations and capital asset additions. The University manages the capital structure in conjunction with the ALMD making adjustments based on available government funding and economic conditions. Currently, the University's strategy is to monitor expenditures to preserve capital in accordance with budgeted funding granted by the ALMD.

The University is not subject to debt covenants or any other capital requirements.

8. Capital assets:

			2010	2009
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 20,039,845	\$ -	\$ 20,039,845	\$ 20,327,345
Buildings	187,620,336	43,326,690	144,293,646	142,464,500
Site improvements	941,195	684,037	257,158	296,471
Furniture and equipment	35,419,111	24,678,604	10,740,507	11,051,544
Library holdings	4,613,515	2,410,725	2,202,790	1,932,302
Vehicles	45,176	13,553	31,623	40,658
Construction-in-progress	2,406,795	-	2,406,795	3,957,990
	\$ 251,085,973	\$ 71,113,609	\$ 179,972,364	\$ 180,070,810

During the year, capital assets were acquired at an aggregate cost of \$10,539,139 (2009 - \$10,786,970), of which \$276,296 (2009 - \$656,926) was acquired by means of capital leases.

Assets with a net book value of \$42,655 (2009 - \$42,907) were also disposed of during the year.

The University completed construction of the horticulture research laboratory and continued construction of the greenhouse in Langley, which are jointly funded by the Canada Foundation for Innovation, British Columbia Knowledge Development Fund and the University. The federal government is providing Knowledge Infrastructure Program funding of \$3.9 million, with matching funds from the Ministry of Advanced Education and Labour Market Development, to support three expansion and remediation projects at the University. Kwantlen has begun work on the approved projects at the Surrey, Richmond and Langley campuses, which either must be completed or substantially completed by March 31, 2011.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

9. Obligations under capital leases:

The University has entered into capital leases to finance computing equipment at an estimated cost of borrowing of 5.85% per annum. The principal and interest payments are as follows:

	2010	2009
Total minimum lease payments	\$ 734,545	\$ 943,702
Imputed interest	(44,233)	(57,680)
	690,312	886,022
Current portion of obligations under capital leases	400,833	458,659
	\$ 289,479	\$ 427,363

As at March 31, 2010, the University was committed to payments under capital leases, including imputed interest as follows:

	2010	2009
2010	\$ -	\$ 458,659
2011	400,833	323,518
2012	203,279	125,965
2013	112,874	35,560
2014	17,559	-
	\$ 734,545	\$ 943,702

10. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount used to purchase capital assets and the 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.

	2010	2009
Balance, beginning of year	\$ 136,325,901	\$ 138,856,099
Contributions received	6,380,216	2,285,521
Amortization of deferred capital contributions (note 11(b))	(5,403,955)	(4,815,719)
Balance, end of year	\$ 137,302,162	\$ 136,325,901

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

10. Deferred capital contributions (continued):

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

	2010	2009
Unamortized capital contributions (note 11(a))	\$ 134,106,133	\$ 133,366,657
Unspent contributions	3,196,029	2,959,244
Balance, end of year	\$ 137,302,162	\$ 136,325,901

11. Invested in capital assets:

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

	2010	2009
Capital assets	\$ 179,972,364	\$ 180,070,810
Amounts financed by:		
Unamortized capital contributions (note 10)	(134,106,133)	(133,366,657)
Obligations under capital leases (note 9)	(690,312)	(886,022)
	\$ 45,175,919	\$ 45,818,131

(b) Deficiency of revenue over expenses:

	2010	2009
Amortization of deferred capital contributions (note 10)	\$ 5,403,955	\$ 4,815,719
Less: amortization of capital assets	(9,620,640)	(9,583,736)
	\$ (4,216,685)	\$ (4,768,017)

(c) Net change in invested in capital assets:

	2010	2009
Net increase in capital assets	\$ 9,522,194	\$ 10,744,063
Amounts funded by deferred capital contributions	(6,143,431)	(2,789,886)
Decrease (increase) in obligations under capital leases	195,710	(328,845)
	\$ 3,574,473	\$ 7,625,332

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

12. Endowment net assets:

In fiscal 2010, the BC Regional Innovation Chair in Sustainable Horticulture Endowment Fund was established with contributions totaling \$2,500,000, of which \$2,387,400 has been received as endowment contributions in the current year. Net investment income on this amount is used to support the activities of the Chair at Kwantlen. Any undistributed income can be authorized by the Trustee, in its discretion, to be added to the capital of the Endowment to build future value.

13. Excess of revenue over expenses:

The University 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:

- (a) Operating Fund: related to the general operations of the University;
- (b) Capital Fund: related to the investment in capital assets;
- (c) Special Purpose Fund: related to activities funded from externally and internally restricted revenues;
- (d) Ancillary Fund: related to the bookstore, parking and food services operations.
- (e) Endowment Fund: related to monies received as donations where either the donor or the Board of Governors has designated that the principal is required to be held in perpetuity.

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

	2010	2009
Operating	\$ 1,649,711	\$ (370,646)
Capital	1,025,886	1,584,072
Special purpose	417,577	1,375,782
Ancillary	865,267	867,986
	<u>\$ 3,958,441</u>	<u>\$ 3,457,194</u>

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

14. Related entity:

The University has an economic interest in Kwantlen Polytechnic University Foundation (the "Foundation"). The Foundation is a separate tax-exempt society formed to administer the University's endowment funds, help raise funds for the benefit of the University, and provide financial support to the University 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, 2010, total assets were \$9,407,420 (2009 - \$8,355,500). Of the total assets, \$8,246,680 (2009 - \$6,348,000) is comprised of non-distributable endowment contributions and \$1,160,740 (2009 - \$2,007,500) is restricted for distribution in accordance with specific terms. During the year ended March 31, 2010, the Foundation paid awards to students of the University in the amount of \$1,106,459 (2009 - \$1,149,860). Included in accounts receivable on the statement of financial position is \$9,313 (2009 - \$1,008,410 payable) due from the Foundation.

15. Commitments and contingencies:

- (a) There are several lawsuits pending in which the University is involved. It is considered that the potential claims against the University resulting from such litigation would not materially affect the financial statements of the University.
- (b) The University has committed to the construction of two buildings 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 will be funding \$2.7 million of this project. The research lab has been completed and the greenhouse is still under construction.
- (c) As at March 31, 2010, the University had \$25,323 (2009 - \$271,880) in letters of credit outstanding to support payments for construction, which are secured by term deposits as required by the financial institution.
- (d) The University has the ability to draw on a line of credit of \$3,150,000. As at March 31, 2010, the University has not utilized the available line of credit.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

16. Employee future benefits:

(a) Pension plans:

The University and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustees 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 about 12,000 active members from college and special purpose, teaching university senior administration and instructional staff and approximately 3,900 retired members. The Municipal Pension Plan has about 158,000 active members, with approximately 5,400 from colleges and special purpose, teaching universities.

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 was 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. The University has expensed \$6,410,037 for employer contributions to the plans in fiscal 2009/2010 (2008/09 - \$5,944,554).

(b) Maternity or parental leave:

The University provides supplemental employee benefits for faculty, staff, or administration on maternity or parental leave. For the duration of the leave, employees on maternity or parental leave receive a supplemental payment added to employment insurance benefits. Employer-paid benefits also continue to be paid on the employees' behalf. The University has expensed \$639,982 related to these benefits (2009 - \$481,202). As at March 31, 2010, the University has in obligations \$301,064 (2009 - \$382,497), which has been included in salaries and wages payable.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements (continued)

Year ended March 31, 2010

17. Financial instruments:

The University's financial instruments, including cash and cash equivalents, short-term investments and long-term investments, have been recorded at their fair value.

Accounts receivable have been classified as loans and receivables and are measured at amortized cost. Accounts payable and accrued liabilities, salaries and wages payable and accrued vacation payable have been classified as other financial liabilities and are measured at amortized cost. The carrying values of 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.

The University is not exposed to significant interest rate risk or credit risk.

18. Comparative figures:

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