



Financial Statements of

**UNIVERSITY of the FRASER VALLEY**

Year ended March 31, 2010



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## **AUDITORS' REPORT**

To the Board of  
University of the Fraser Valley

We have audited the statement of financial position of the University of the Fraser Valley as at March 31, 2010, and the statements of operations and net assets, revenue, expenditures, 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, changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants  
Abbotsford, British Columbia  
May 6, 2010

**UNIVERSITY of the FRASER VALLEY**

Statement of Financial Position

March 31, 2010, with comparative figures for 2009


	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2010 Total	2009 Total
	\$	\$	\$	\$	\$	\$
<b>Assets</b>						
<b>Current assets:</b>						
Cash	26,368,367	-	-	2,478,381	28,846,748	32,256,253
Short-term investments	15,329,285	-	-	-	15,329,285	10,088,889
Accounts receivable	1,717,331	169,667	-	7,778	1,894,776	2,439,699
Inventories	63,120	1,596,258	-	-	1,659,378	1,814,951
Prepaid expenses	347,024	-	-	-	347,024	481,632
	43,825,127	1,765,925	-	2,486,159	48,077,211	47,081,424
Capital assets available for sale (Note 5 (c))	-	-	11,227,748	-	11,227,748	-
Interfund balance	-	-	11,493,487	-	11,493,487	12,043,039
Investments	5,000,000	-	-	-	5,000,000	-
Capital assets (Note 5)	-	-	134,905,273	-	134,905,273	144,914,569
	48,825,127	1,765,925	157,626,508	2,486,159	210,703,719	204,039,032
<b>Liabilities, Deferred Contributions and Net Assets</b>						
<b>Current liabilities:</b>						
Accounts payable and accrued liabilities	14,112,876	-	427,717	5,880	14,546,473	14,509,752
Unearned revenue	7,985,754	-	-	-	7,985,754	7,682,689
Current portion of long-term loans payable (Note 6)	-	-	322,914	-	322,914	403,731
	22,098,630	-	750,631	5,880	22,855,141	22,596,172
Long-term loans payable (Note 6)	-	-	12,864,527	-	12,864,527	13,135,111
Interfund balance	10,925,676	554,721	-	13,090	11,493,487	12,043,039
Deferred contributions (Note 7)	274,246	-	106,248,148	2,467,189	108,989,583	107,241,289
<b>Net assets:</b>						
Investment in capital assets (Note 8)	-	-	28,593,390	-	28,593,390	29,160,757
Internally restricted (Note 9)	14,926,980	-	9,169,812	-	24,096,792	18,172,684
Unrestricted	599,595	1,211,204	-	-	1,810,799	1,689,980
	15,526,575	1,211,204	37,763,202	-	54,500,981	49,023,421
Commitments (Note 12)	48,825,127	1,765,925	157,626,508	2,486,159	210,703,719	204,039,032

See accompanying notes to financial statements.

Approved by:



Chairman of the Board



VP Administration

**UNIVERSITY of the FRASER VALLEY**

## Statement of Operations and Net Assets

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

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2010 Total	2009 Total
	\$	\$	\$	\$	\$	\$
Revenue	93,996,213	7,383,098	5,752,200	1,076,900	108,208,411	101,583,671
Expenditures	86,804,536	6,322,849	8,526,566	1,076,900	102,730,851	98,736,890
Excess (deficiency) of revenue over expenditures	7,191,677	1,060,249	( 2,774,366)	-	5,477,560	2,846,781
Net assets, beginning of year	11,203,015	1,172,216	36,648,190	-	49,023,421	46,176,640
Interfund transfers	( 2,868,117)	( 1,021,261)	3,889,378	-	-	-
Net assets, end of year	15,526,575	1,211,204	37,763,202	-	54,500,981	49,023,421

See accompanying notes to financial statements.

## UNIVERSITY of the FRASER VALLEY

### Statement of Revenue

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

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2010 Total	2009 Total
	\$	\$	\$	\$	\$	\$
Ministry of Advanced Education Grants:						
Continuing programs	54,802,441	-	-	-	54,802,441	49,670,166
Special projects	1,293,211	-	-	-	1,293,211	1,618,069
Leases and property taxes	-	-	239,436	-	239,436	218,529
<b>Total Ministry of Advanced Education Grants</b>	<b>56,095,652</b>	<b>-</b>	<b>239,436</b>	<b>-</b>	<b>56,335,088</b>	<b>51,506,764</b>
Tuition fees:						
Continuing programs	23,990,618	-	-	-	23,990,618	21,620,671
Other income:						
Amortization of deferred contributions (Note 7)	1,111,199	-	5,501,562	1,076,900	7,689,661	8,764,808
Contract services	7,488,384	-	-	-	7,488,384	6,598,825
Ancillary services	-	7,383,098	-	-	7,383,098	6,825,986
Investment income	460,800	-	-	-	460,800	858,202
Special projects	3,983,313	-	-	-	3,983,313	4,139,152
Other	866,247	-	11,202	-	877,449	1,269,263
<b>Total other income</b>	<b>13,909,943</b>	<b>7,383,098</b>	<b>5,512,764</b>	<b>1,076,900</b>	<b>27,882,705</b>	<b>28,456,236</b>
<b>Total revenue</b>	<b>93,996,213</b>	<b>7,383,098</b>	<b>5,752,200</b>	<b>1,076,900</b>	<b>108,208,411</b>	<b>101,583,671</b>

See accompanying notes to financial statements.

## UNIVERSITY of the FRASER VALLEY

### Statement of Expenditures

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

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2010 Total	2009 Total
	\$	\$	\$	\$	\$	\$
Salaries and wages	56,859,446	691,461	-	16,197	57,567,104	54,214,657
Employee benefits	13,634,759	131,391	-	3,077	13,769,227	13,268,952
Supplies and books	3,208,070	63,612	-	7,067	3,278,749	2,926,720
Travel and conferences	2,500,462	19,221	-	10,734	2,530,417	2,483,806
Printing and advertising	608,619	36,003	-	11,666	656,288	834,486
Utilities	1,557,875	153,905	-	-	1,711,780	1,800,804
Rentals and leases	268,912	180,315	236,061	-	685,288	558,072
Contracted services	5,304,999	197,915	1,178,680	1,908	6,683,502	5,642,880
Other expenditures	2,861,394	818,412	1,994	3,406	3,685,206	3,350,564
Cost of sales	-	4,013,207	-	-	4,013,207	3,940,335
Amortization/write-down of capital assets	-	-	6,257,358	-	6,257,358	8,037,824
Minor equipment and supplies	-	17,407	-	59,535	76,942	96,309
Minor renovations and repairs	-	-	852,473	-	852,473	386,612
Scholarships and bursaries	-	-	-	963,310	963,310	1,194,869
<b>Total expenditures</b>	<b>86,804,536</b>	<b>6,322,849</b>	<b>8,526,566</b>	<b>1,076,900</b>	<b>102,730,851</b>	<b>98,736,890</b>

See accompanying notes to financial statements.

**UNIVERSITY of the FRASER VALLEY**

## Statement of Changes in Net Assets

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

	Investment in Capital Assets	Internally Restricted	Unrestricted	2010 Total	2009 Total
	\$	\$	\$	\$	\$
Balance, beginning of year	29,160,757	18,172,684	1,689,980	49,023,421	46,176,640
Excess (deficiency) of revenue over expenditures	(2,774,366)	4,241,729	4,010,197	5,477,560	2,846,781
Interfund transfers	2,206,999	1,682,379	(3,889,378)	-	-
Balance, end of year	28,593,390	24,096,792	1,810,799	54,500,981	49,023,421

See accompanying notes to financial statements.

**UNIVERSITY of the FRASER VALLEY**

## Statement of Cash Flows

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

	2010	2009
	\$	\$
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenditures	5,477,560	2,846,781
Items not involving cash:		
Amortization of deferred contributions	(7,689,661)	(8,764,808)
Amortization/write-down of capital assets	6,257,358	8,037,824
Net changes in non-cash working capital:		
Accounts receivable	544,923	(211,336)
Inventories	155,573	(168,611)
Prepaid expenses	134,608	(320,944)
Accounts payable and accrued liabilities	36,721	3,577,585
Unearned revenue	303,065	(281,621)
	5,220,147	4,714,870
Financing activities:		
Repayment of long-term loans	(351,401)	(414,795)
Deferred contributions received	9,437,954	20,300,279
	9,086,553	19,885,484
Investing activities:		
Short-term investments	(5,240,396)	(10,088,889)
Investments	(5,000,000)	-
Purchase of capital assets	(7,475,809)	(14,970,049)
	(17,716,205)	(25,058,938)
Decrease in cash	(3,409,505)	(458,584)
Cash, beginning of year	32,256,253	32,714,837
Cash, end of year	28,846,748	32,256,253
Supplemental cash flow information:		
Interest paid	688,390	710,245

See accompanying notes to financial statements.



# UNIVERSITY of the FRASER VALLEY

## Notes to Financial Statements

Year ended March 31, 2010

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### General:

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

### 1. Significant accounting policies:

#### (a) Basis of presentation:

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

#### (b) Fund accounting:

The University 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.

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, student residences and to the parking services.

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

# UNIVERSITY of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

### (c) Revenue recognition:

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

Under the University Act and regulations thereto, the University 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, 2010.

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.

Deferred contributions represent externally restricted funds received for which the related expenditure has not yet been incurred. These contributions are recognized as revenue in the period in which the related expenditures are incurred.

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.

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) Short-term investments:

Short-term investments, which are recorded at market value, include investments with terms to maturity of greater than three months and less than one year when purchased and are classified as held for trading.

### (f) Investments:

Investments, which are recorded at market value, include investments with terms to maturity of greater than one year when purchased and are classified as held for trading.

# UNIVERSITY of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

(g) Inventories:

Inventories are valued at the lower of cost and net realizable value with cost defined as weighted average cost.

(h) Capital assets:

Purchased capital assets are recorded at cost and contributed capital assets are recorded at their fair value on the date of contribution. Capital assets are amortized on a straight-line basis over the estimated useful life of the asset as follows:

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

(i) Impairment of capital assets:

If it is determined that the net carrying amount of a capital asset exceeds its long-term service potential, the capital asset is written down to its residual value, if any.

(j) Capital funding:

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

(k) Unearned revenue:

Unearned revenue represents tuition fees and contracted service fees received for specific courses or projects which were not completed at year end. Where a grant is received that relates to a future period, it is deferred as unearned revenue and recognized in the subsequent period that the related expenditures are incurred.

(l) Salaries and wages:

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

# UNIVERSITY of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

### (m) Employee future benefits:

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

### (n) 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.

### (o) Financial instruments:

The University has classified cash, short-term investments and investments as held for trading, accounts receivable as loans and receivables and accounts payable and accrued liabilities and long-term loans as other financial liabilities. The University has not identified any embedded derivatives that are not closely related to the host contract and currently the University does not have any financial instruments that would qualify for hedge accounting.

### (p) Adoption of new accounting standards:

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

Effective April 1, 2009, the University adopted the amendments to 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 a requirement 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 any impact on the University's financial statements.

# UNIVERSITY of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 1. Significant accounting policies (continued):

(p) 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.

## 2. Future changes in accounting policies:

The University is classified as a not-for-profit organization. The Accounting Standards Board and Public Sector Accounting Board have released exposure drafts 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. Financial statement presentation:

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

Financial information relating to the University 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 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 and its students, and the Foundation has certain Directors in common with the University. The financial position, results of operations and cash flows of the Foundation are not consolidated with those of the University.

## 4. Capital management:

The University receives its principal source of capital through funding received from the Ministry of Advanced Education. 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 Ministry of Advanced Education and makes 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 Ministry of Advanced Education.

# UNIVERSITY of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 5. Capital assets:

	Total Cost 2009	Reclassifications During Year	Additions During Year	Disposals During Year	Total Cost 2010	Accumulated Amortization	Net Book Value 2010	Net Book Value 2009
Buildings	\$ 130,604,362	\$ (7,537,866)	\$ 3,897,392	\$ -	\$ 126,963,888	\$ 28,116,766	\$ 98,847,122	\$ 94,933,080
Construction-in-progress	14,381,320	(14,341,556)	1,680,026	-	1,719,790	-	1,719,790	14,381,320
Furniture and equipment	35,922,622	-	1,626,341	500,860	37,048,103	30,019,618	7,028,485	7,897,404
Library books	8,237,968	-	212,304	-	8,450,272	6,874,260	1,576,012	1,709,991
Land	23,834,681	-	-	-	23,834,681	-	23,834,681	23,834,681
Site improvements	3,143,308	-	59,746	-	3,203,054	1,303,871	1,899,183	2,158,093
Leasehold improvements	318,390	-	-	-	318,390	318,390	-	-
	\$ 216,442,651	\$ (21,879,422)	\$ 7,475,809	\$ 500,860	\$ 201,538,178	\$ 66,632,905	\$ 134,905,273	\$ 144,914,569
Available for sale	-	21,879,422	-	-	21,879,422	10,651,674	11,227,748	-
	\$ 216,442,651	\$ -	\$ 7,475,809	\$ 500,860	\$ 223,417,600	\$ 77,284,579	\$ 146,133,021	\$ 144,914,569

### (a) Funding:

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

Add:	Transfer grant revenue from operating fund	\$ 1,282,209
	Transfer Annual Capital Allowance revenue from operating fund	152,061
	Transfer start-up grant from operating fund	998,825
	Capital advances	3,681,978
	Federal KIP capital advance	1,500,000
	Transfers from other funds	2,067,219
	Donations for capital assets	216,435
	Other revenue	67,651
Less:	Change in deferred contributions	1,224,956
	Change in internally restricted funds	(1,682,378)
	Funding spent on minor renovations, repairs, and interest expense	(2,033,147)
		\$ 7,475,809

**UNIVERSITY of the FRASER VALLEY**

Notes to Financial Statements (continued)

Year ended March 31, 2010

**5. Capital assets (continued):**

(b) Construction-in-progress:

Construction-in-progress consists of costs incurred to date for the new building at the Canada Education Park in Chilliwack.

(c) Available for sale:

The University of the Fraser Valley Chilliwack North Campus is actively listed for sale and is expected to sell in fiscal 2011. Plans to relocate the activity on this campus to the University land at the Canada Education Park in Chilliwack are in progress.

**6. Long-term loans payable:**

	2010	2009
BC Immigrant Investment Fund Ltd. (BCIIF) loan, payable in quarterly installments of \$248,304 including interest at 5.15% per annum, due August 1, 2017	\$13,187,441	\$13,441,916
Royal Bank loan	-	96,926
	13,187,441	13,538,842
Current portion of long-term loans payable	(322,914)	(403,731)
	<b>\$12,864,527</b>	<b>\$13,135,111</b>

Interest on long-term loans payable in the amount of \$1,994 is included in other expenditures of the capital fund and \$686,396 in other expenditures of the ancillary services fund.

Principal repayments required on the long-term loan payable over the next five years are approximately as follows:

2011	\$322,914
2012	\$340,193
2013	\$357,386
2014	\$376,493
2015	\$396,260

**UNIVERSITY of the FRASER VALLEY**

Notes to Financial Statements (continued)

Year ended March 31, 2010

**7. Deferred contributions - Operating Fund:**

Deferred contributions related to expenditures of future periods represent unspent Annual Capital Allowance funds (ACA) received for which the related expenditures such as minor maintenance, renovations and other items have not yet been incurred.

	2010	2009
Balance, beginning of year	\$ 291,387	\$ 466,155
Contribution from Province (ACA)	1,094,058	1,471,127
Contribution from Province (Start Up Grant)	998,825	-
Less:		
Amortized to revenue	(1,111,199)	(1,645,895)
Transfer to capital fund	(998,825)	-
Balance, end of year	\$ 274,246	\$ 291,387

**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.

	2010	2009
Balance, beginning of year	\$ 1,747,430	\$ 1,309,850
Receipts and contributions:		
Donations	914,212	670,342
Tuition contribution - scholarships and bursaries	582,218	588,031
Interest and investment income	16,663	37,321
Legacy reserve contributions	500,000	500,000
Less:		
Amortized to revenue	(1,076,900)	(1,304,489)
Transfer to capital fund	(216,434)	(53,625)
Balance, end of year	\$ 2,467,189	\$ 1,747,430



## UNIVERSITY of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2010

### 7. 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.

	2010	2009
Balance, beginning of year	\$ 105,202,472	\$ 93,929,815
Contributions from Province (Capital Projects)	3,681,978	16,879,022
Contributions from Province (Start Up Grant)	998,825	-
Contributions from Federal government (KIP)	1,500,000	-
Contributions from Legacy Fund and donations (Trust transfer)	216,435	53,625
Other revenue	150,000	154,434
Less amount amortized to revenue	(5,501,562)	(5,814,424)
<b>Balance, end of year</b>	<b>\$ 106,248,148</b>	<b>\$ 105,202,472</b>

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

	2010	2009
Unamortized capital contributions used to purchase assets	\$ 103,586,167	\$ 101,315,535
Unspent contributions	2,661,981	3,886,937
<b>Balance, end of year</b>	<b>\$ 106,248,148</b>	<b>\$ 105,202,472</b>

**UNIVERSITY of the FRASER VALLEY**

Notes to Financial Statements (continued)

Year ended March 31, 2010

**8. Investment in capital assets:**

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

	2010	2009
Capital assets, net of accumulated amortization	\$ 146,133,021	\$ 144,914,569
Unspent portion of deferred contributions	2,661,981	3,886,937
Amounts financed by:		
Deferred contributions	(106,248,148)	(105,202,472)
Student recreation centre loan	-	(96,926)
BCIIF loan	(13,187,441)	(13,441,915)
Loan from operating	(766,023)	(899,436)
<b>Net investment in capital assets</b>	<b>\$ 28,593,390</b>	<b>\$ 29,160,757</b>

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

	2010	2009
Excess of expenditures over revenues:		
Amortization of deferred capital contributions	\$ 5,501,562	\$ 5,814,424
Other revenue	250,638	271,597
Amortization expense of capital assets	(6,257,358)	(6,234,834)
Write-down of CEP Building 1003 - to be demolished	-	(1,802,990)
Other items expensed	(2,269,208)	(603,019)
	<b>\$ (2,774,366)</b>	<b>\$ (2,554,822)</b>
Interfund transfers and other changes:		
Transfer of grant revenue from operating fund	\$ 1,282,209	\$ 1,272,060
Transfer of Annual Capital Allowance revenue from operating fund	152,061	255,099
Interfund transfers	2,455,108	1,579,906
Transfer from internally restricted	7,487,433	6,733,258
Transfer to internally restricted	(9,169,812)	(7,487,433)
	<b>\$ 2,206,999</b>	<b>\$ 2,352,890</b>

## **UNIVERSITY of the FRASER VALLEY**

Notes to Financial Statements (continued)

Year ended March 31, 2010

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### **9. Internally restricted net assets:**

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

### **10. Scholarship and bursaries trust fund:**

In October, 1984, an endowment fund in the name of the University was established with the Vancouver Foundation. Capital of this endowment fund (\$160,000 cost as at March 31, 2010) is held by the Vancouver Foundation and its use is restricted. Income earned by the fund is paid semi-annually to the University.

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.

### **11. Pension plans:**

The University 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 about 12,000 active members from college 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.

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. The University of the Fraser Valley paid \$1,085,195 (2009 - \$1,033,406) for employer contributions to the Municipal plan and \$3,271,667 (2009 - \$3,025,273) to the College plan in fiscal 2010.

## UNIVERSITY of the FRASER VALLEY

Notes to Financial Statements

Year ended March 31, 2010

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### 12. Commitments:

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

2011	\$578,697
2012	\$339,261
2013	\$200,260
2014	\$170,669
2015	\$ 94,139

(b) Through a covenant agreement with the Canada Lands Company (CLC) the University is committed to expend a minimum of \$20,000,000 in the construction of new buildings on the University land located in the Canada Education Park on or before September 30, 2011. The University has a capital construction project in progress at the Canada Education Park, with a total estimated budget of \$45,350,000.

(c) The University and the University Student Union Society have signed a Memorandum of Understanding (MOU) as an expression of intent to develop a building on the Abbotsford Campus for their joint use. The University will make available \$5,000,000 from its own resources for this building.

### 13. Bank credit facility:

The University 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, 2010, there was no amount drawn down on this line of credit.

**UNIVERSITY of the FRASER VALLEY**  
Notes to Financial Statements (continued)

Year ended March 31, 2010

**14. University of the Fraser Valley Foundation:**

A summary of the Foundation's financial position, operations and cash flows are as follows:

	2010	2009
	\$	\$
Assets	7,307,761	5,803,722
Net assets	7,305,871	5,802,456

	2010	2009
	\$	\$
Revenue	1,774,832	15,398
Expenditures	271,417	241,742
Excess (deficiency) of revenue over expenditures	1,503,415	(226,344)

	2010	2009
	\$	\$
Cash flows provided by:		
Operating activities	369,398	437,969
Financing and investments	(325,000)	(431,605)

During the year the University provided management and administration services to the Foundation for nil consideration and received net donations of \$242,098 (2009 - \$166,470) from the Foundation.

**15. Comparative figures:**

Certain 2009 comparative figures have been reclassified to conform with the financial statement presentation adopted for the current year.