

Financial Statements of

KWANTLEN POLYTECHNIC UNIVERSITY
(Formerly Kwantlen University College)

Year ended March 31, 2009



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AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the statement of financial position of Kwantlen Polytechnic University (formerly Kwantlen University College) (the "University") as at March 31, 2009 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, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Burnaby, Canada

May 8, 2009

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Financial Position

Statement 1

March 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current assets:		
Cash and cash equivalents	\$ 10,411,131	\$ 10,116,542
Short-term investments	386,898	6,058,609
Accounts receivable	1,219,664	1,907,487
Inventory	1,131,021	1,083,329
Prepaid expenses	480,440	368,283
	13,629,154	19,534,250
Long-term investments (note 4)	29,014,153	19,788,784
Capital assets (note 6)	180,070,810	178,910,484
	\$ 222,714,117	\$ 218,233,518
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,852,911	\$ 5,773,513
Obligations under capital lease (note 7)	458,659	210,426
Salaries and wages payable	2,985,741	2,932,929
Accrued vacation payable	7,679,622	7,690,920
Deferred revenue	9,775,082	8,671,236
	28,752,015	25,279,024
Obligations under capital lease, net of current portion (note 7)	427,363	346,751
Deferred capital contributions (note 8)	136,325,901	138,856,099
	165,505,279	164,481,874
Net assets:		
Invested in capital assets (note 9(a))	45,818,131	42,960,816
Internally restricted	14,334,604	13,364,079
Unrestricted	(2,943,897)	(2,573,251)
	57,208,838	53,751,644
	\$ 222,714,117	\$ 218,233,518

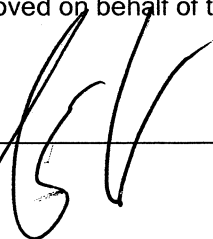
Commitments and contingencies (note 12)

Employee future benefits (note 13)

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, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Grants - Province of British Columbia	\$ 71,269,052	\$ 70,041,656
Tuition fees	33,531,341	32,528,596
Access and other fees	3,056,811	2,912,648
Contract and other services	2,229,890	2,505,063
Interest, shop earnings and other income	4,576,443	4,379,785
Ancillary services	7,825,276	7,548,497
Amortization of deferred capital contributions (note 8)	4,815,719	4,173,812
	127,304,532	124,090,057
Expenses:		
Salaries and benefits	89,530,183	87,747,113
Travel and professional development	2,485,210	2,185,956
Supplies	2,987,741	2,966,964
Student awards and bursaries	1,186,275	1,078,612
Fees and services	5,098,557	4,463,274
Facilities	6,143,508	5,223,575
Cost of sales	4,918,188	4,549,847
Leases, property taxes and insurance	288,940	230,785
Amortization of capital assets	9,583,736	7,850,055
Contributions to Kwantlen Polytechnic University Foundation	1,625,000	625,000
	123,847,338	116,921,181
Excess of revenue over expenses (note 10)	3,457,194	7,168,876
Net increase in net assets invested in capital assets	(2,857,315)	(5,097,638)
Decrease (increase) in internally restricted net assets	(970,525)	(1,056,846)
Net change in unrestricted net assets	\$ (370,646)	\$ 1,014,392

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Changes in Net Assets

Statement 3

Year ended March 31, 2009, with comparative figures for 2008

				2009	2008
	Invested in capital assets (note 9)	Internally restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 42,960,816	\$13,364,079	\$ (2,573,251)	\$ 53,751,644	\$ 46,582,768
Excess (deficiency) of revenue over expenses (note 9(b))	(4,768,017)	-	8,225,211	3,457,194	7,168,876
Net change in invested in capital assets (note 9(c))	7,625,332	-	(7,625,332)	-	-
Net change in internally restricted net assets	-	970,525	(970,525)	-	-
Balance, end of year	\$ 45,818,131	\$ 14,334,604	\$ (2,943,897)	\$ 57,208,838	\$ 53,751,644

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Cash Flows

Statement 4

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 3,457,194	\$ 7,168,876
Items not involving cash:		
Gain on disposal of capital assets	(1,304)	(12,871)
Amortization of capital assets	9,583,736	7,850,055
Amortization of deferred capital contributions	(4,815,719)	(4,173,812)
Changes in non-cash operating working capital:		
Accounts receivable	687,823	2,384,065
Inventory	(47,692)	(174,559)
Prepaid expenses	(112,157)	(10,712)
Accounts payable and accrued liabilities	2,079,398	(4,506,599)
Salaries and wages payable	52,812	(3,616,696)
Accrued vacation payable	(11,298)	566,761
Deferred revenue	1,103,846	85,014
	11,976,639	5,559,522
Investments:		
Acquisition of capital assets	(10,130,044)	(10,843,051)
Proceeds from disposal of capital assets	44,211	42,556
(Increase) decrease in short-term investments	5,671,711	(4,422,352)
(Increase) decrease in long-term investments	(9,225,369)	8,019,520
	(13,639,491)	(7,203,327)
Financing:		
Contributions received - capital	2,285,521	1,196,000
Repayment of obligation under capital lease	(328,080)	(176,931)
	1,957,441	1,019,069
Increase (decrease) in cash and cash equivalents	294,589	(624,736)
Cash and cash equivalents, beginning of year	10,116,542	10,741,278
Cash and cash equivalents, end of year	\$ 10,411,131	\$ 10,116,542

See note 6 for supplementary information on cash flows.

See accompanying notes to financial statements.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

1. Authority and purpose:

On September 1, 2008, Kwantlen University College (established in 1981) was designated a Special Purpose Teaching University by the Lieutenant Governor in Council, with a new name of Kwantlen Polytechnic University. Kwantlen Polytechnic University (the "University") is a post-secondary educational institution funded by the provincial government and is incorporated under 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 to maturity of greater than three months and less than one year when purchased and have been classified as held for trading and carried at market value, with any changes in market value being recorded in the statement of operations.

(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 to maturity of greater than one year when purchased. These investments have been classified as held for trading and are carried at market value, with any changes in market value being recorded in the statement of operations.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

2. Significant accounting policies (continued):

(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.

Asset	Years
Buildings	
Site improvements	40 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.

Investment income is recognized as revenue when it is earned.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

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) 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.

(k) 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.

(l) Future changes in accounting standards:

The University has chosen to continue to apply Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3861, *"Financial Instruments – Disclosures and Presentation"*, rather than adopting CICA Handbook Section 3862, *"Financial Instruments - Disclosures"* and CICA Handbook Section 3863, *"Financial Instruments – Presentation"* as permitted in these sections for not-for-profit organizations.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

3. Changes in accounting policy:

- (a) Effective April 1, 2008, the University adopted CICA Handbook Section 1535, "*Capital Disclosures*". Under this new standard, the University is required to disclose both qualitative and quantitative information that enables users of the financial statements to evaluate the University's objectives, policies, and processes for managing capital. It also includes disclosure regarding what the University regards as capital, whether the University has complied with any external requirements and in the event of non-compliance, the consequences of not complying with these capital requirements. These discussions have been addressed in note 5.
- (b) Effective April 1, 2008, the University adopted CICA Handbook Section 3031, "*Inventories*", which provides more extensive guidance on measurement and expands disclosure requirements to increase transparency. Reversal of previous write downs to net realizable value when there is a subsequent increase in the value of inventories is now required.

The adoption of the new standard has not resulted in additional disclosure in these financial statements and had no impact to opening balance at April 1, 2008.

- (c) Effective April 1, 2008 the University adopted CICA Handbook Section 1400, "*General Standards of Financial Statement Presentation*". This section changes the guidance related to management's responsibility to assess the ability of the University to continue as a going concern. Management is required to make an assessment of the University's ability to continue as a going concern and should take into account all available information about the future, which is at least, but not limited to 12 months from the balance sheet date. Disclosure is required of material uncertainties related to events that may cast significant doubt upon the University's ability to continue as a going concern.

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 2.90% to 7.90% and maturity dates to March 2019.

5. 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.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

6. Capital assets:

			2009	2008
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 20,327,345	\$ -	\$ 20,327,345	\$ 20,327,345
Buildings	182,461,806	39,997,306	142,464,500	113,913,630
Site improvements	941,195	644,724	296,471	65,555
Furniture and equipment	31,227,771	20,176,227	11,051,544	11,789,206
Library holdings	4,045,514	2,113,212	1,932,302	1,630,916
Vehicles	45,176	4,518	40,658	-
Construction in progress	3,957,990	-	3,957,990	31,183,832
	\$ 243,006,797	\$ 62,935,987	\$ 180,070,810	\$ 178,910,484

During the year, capital assets were acquired at an aggregate cost of \$10,786,970 (2008 - \$11,223,431), of which \$656,926 (2008 - \$380,380) was acquired by means of capital leases. The University completed the construction of several buildings at the 72nd Avenue campus in Surrey. The University also began construction of horticulture research laboratories and a greenhouse in Langley, jointly funded by the Canada Foundation for Innovation, British Columbia Knowledge Development Fund and the University. Assets with a net book value of \$42,907 (2008 - \$29,686) were also disposed of during the year.

7. Obligations under capital lease:

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

	2009	2008
Total minimum lease payments	\$ 943,702	\$ 605,963
Imputed interest	(57,680)	(48,786)
	886,022	557,177
Current portion of obligations under capital lease	458,659	210,426
	\$ 427,363	\$ 346,751

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

7. Obligations under capital lease (continued):

As at March 31, 2009, the University was committed to payments under capital leases, including imputed interest as follows:

	2009	2008
2009	\$ -	\$ 239,406
2010	458,659	235,245
2011	323,518	114,041
2012	125,965	17,271
2013	35,560	-
	<u>\$ 943,702</u>	<u>\$ 605,963</u>

8. 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.

	2009	2008
Balance, beginning of year	\$ 138,856,099	\$ 141,833,911
Contributions received	2,285,521	1,196,000
Amortization of deferred capital contributions - capital (note 9(b))	(4,815,719)	(4,173,812)
Balance, end of year	<u>\$ 136,325,901</u>	<u>\$ 138,856,099</u>

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

	2009	2008
Unamortized capital contributions (note 9(a))	\$ 133,366,657	\$ 135,392,491
Unspent contributions	2,959,244	3,463,608
Balance, end of year	<u>\$ 136,325,901</u>	<u>\$ 138,856,099</u>

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

9. Invested in capital assets:

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

	2009	2008
Capital assets	\$ 180,070,810	\$ 178,910,484
Amounts financed by:		
Unamortized capital contributions (note 8)	(133,366,657)	(135,392,491)
Obligations under capital lease (note 7)	(886,022)	(557,177)
	\$ 45,818,131	\$ 42,960,816

(b) Deficiency of revenue over expenses:

	2009	2008
Amortization of deferred capital contributions		
- capital (note 8)	\$ 4,815,719	\$ 4,173,812
Less: amortization of capital assets	(9,583,736)	(7,850,055)
	\$ (4,768,017)	\$ (3,676,243)

(c) Net change in invested in capital assets:

	2009	2008
Net increase in capital assets	\$ 10,744,063	\$ 11,193,745
Amounts funded by deferred capital contributions	(2,789,886)	(2,216,416)
Increase in obligations under capital lease	(328,845)	(203,448)
	\$ 7,625,332	\$ 8,773,881

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

10. 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:

- (i) Operating Fund: related to the general operations of the University;
- (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:

	2009	2008
Operating	\$ (370,646)	\$ 1,154,625
Capital	1,584,072	5,199,643
Special purpose	1,375,782	(176,045)
Ancillary	867,986	990,653
	<u>\$ 3,457,194</u>	<u>\$ 7,168,876</u>

11. 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, 2009, total assets were \$8,355,500 (2008 - \$9,046,985). Of the total assets, \$6,348,000 (2008 - \$7,179,719) are non-distributable endowment contributions and \$2,007,500 (2008 - \$981,798) is restricted for distribution in accordance with specific terms. During the year ended March 31, 2009, the Foundation paid awards to students of the University in the amount of \$1,149,860 (2008 - \$1,033,695). Included in accounts payable on the statement of financial position is \$1,008,410 (2008 - \$74,929 receivable) due to the Foundation.

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

12. 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 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 will be funding \$2.7 million of this project.
- (c) As at March 31, 2009, the University had \$271,880 (2008 - \$275,618) in letters of credit outstanding, which are secured by term deposits as required by the financial institution.

13. Employee future benefits:

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 approximately 11,000 active contributors from college senior administration and instructional staff, and approximately 3,500 retired members. The Municipal Pension Plan has approximately 150,000 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 has expensed its contributions of \$5,944,554 (2008 - \$5,637,991) to the plans in the current year.

In addition to the above, the University provides supplemental employee benefits for faculty, staff, or administration on maternity or parental leave. As at March 31, 2009, these benefits amounted to \$481,202 (2008 - \$507,523).

KWANTLEN POLYTECHNIC UNIVERSITY

Notes to Financial Statements

Year ended March 31, 2009

14. 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. 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.

15. 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 Polytechnic University (formerly Kwantlen University College) (the "University") as at and for the year ended March 31, 2009.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University taken as a whole. The current year's supplementary information included in schedules 1 through 6 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 8, 2009

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Operating and Capital Revenue and Allocations

Schedule 1

Year ended March 31, 2009, with comparative figures for 2008

	Budget March 31, 2009	Actual March 31, 2009	Actual March 31, 2008
Revenue:			
Grants - Province of British Columbia	\$ 67,942,300	\$ 69,329,832	\$ 67,766,133
Tuition fees	33,515,000	33,531,341	32,528,596
Access and other fees	2,975,000	3,056,811	2,912,648
Contract and other services	2,000,000	1,235,060	1,760,938
Interest; shop earnings, other income and transfers	1,600,000	2,476,460	3,506,184
Transfer from Contingency Fund	1,050,000	-	-
	\$ 109,082,300	\$ 109,629,504	\$ 108,474,499
Allocation of revenue:			
Operations	\$ 101,905,900	\$ 102,453,104	\$ 100,892,914
Capital:			
Library materials	500,000	500,000	500,000
Furniture and equipment	2,250,000	2,250,000	2,250,000
Facilities renewal	1,826,400	1,826,400	2,231,585
Major capital projects	2,000,000	2,000,000	2,000,000
Student aid:			
Contribution to Kwantlen Polytechnic University Foundation	600,000	600,000	600,000
	\$ 109,082,300	\$ 109,629,504	\$ 108,474,499

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Operating Fund Expenses

Schedule 2

Year ended March 31, 2009, with comparative figures for 2008

	Budget March 31, 2009	Actual March 31, 2009	Actual March 31, 2008
Allocation of revenue:			
Operations (schedule 1)	\$ 101,905,900	\$ 102,453,104	\$ 100,892,914
Expenses:			
Salaries and benefits	87,888,500	86,734,029	85,184,028
Travel and professional development	2,346,700	2,320,610	1,705,000
Supplies	2,947,100	3,161,816	2,870,704
Fees and services	3,313,300	4,257,749	3,884,768
Facilities	4,553,300	4,706,707	4,500,571
Leases, property taxes and insurance	88,400	78,627	177,744
Transfers to other funds	1,375,000	1,564,212	1,415,474
	102,512,300	102,823,750	99,738,289
Excess (deficiency) of revenue over expenses	\$ (606,400)	(370,646)	1,154,625
Unrestricted balance, beginning of year		(2,573,251)	(3,727,876)
Unrestricted balance, end of year		\$ (2,943,897)	\$ (2,573,251)
Unrestricted - operating		\$ 4,172,652	\$ 5,117,669
Unrestricted - accrued vacation payable		(7,116,549)	(7,690,920)
Unrestricted balance		\$ (2,943,897)	\$ (2,573,251)

KWANTLEN POLYTECHNIC UNIVERSITY

Operating Expenses by Function

Schedule 3

Year ended March 31, 2009, with comparative figures for 2008

	Instruction	Contract and Other Services	Library and Media Services	Student Services	Business Functions	Facilities	2009 Total	2008 Total
Salaries and benefits	\$ 63,454,532	\$ 918,627	\$ 5,665,630	\$ 7,954,471	\$ 6,340,077	\$ 2,400,692	\$ 86,734,029	\$ 85,184,028
Travel and professional development	1,264,501	24,871	343,357	157,174	498,672	32,035	2,320,610	1,705,000
Supplies	1,836,108	3,896	436,561	151,501	524,829	208,921	3,161,816	2,870,704
Fees and services	420,184	-	563,125	250,262	2,284,429	739,749	4,257,749	3,884,768
Facilities	488,760	-	863,403	3,559	30,224	3,320,761	4,706,707	4,500,571
Leases and rentals	16,308	726	15,775	14,917	29,001	1,900	78,627	177,744
Transfers to other funds	1,564,212	-	-	-	-	-	1,564,212	1,415,474
	\$ 69,044,605	\$ 948,120	\$ 7,887,851	\$ 8,531,884	\$ 9,707,232	\$ 6,704,058	\$ 102,823,750	\$ 99,738,289

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Capital Operations

Schedule 4

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Amortization of deferred capital contributions	\$ 4,815,719	\$ 4,173,812
Internally restricted contributions	7,645,503	9,538,378
	12,461,222	13,712,190
Expenses:		
Amortization of capital assets	9,583,736	7,850,055
Renovations, facilities and other	1,293,414	662,492
	10,877,150	8,512,547
Excess of revenue over expenses	1,584,072	5,199,643
Net change in investment in capital assets	(2,857,315)	(5,097,638)
Balance, beginning of year	5,605,626	5,503,621
Balance, end of year	\$ 4,332,383	\$ 5,605,626

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Special Purpose Fund Operations

Schedule 5

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Revenues:		
Contracts and grants	\$ 2,831,245	\$ 2,971,649
Interest, shop earnings and other	1,372,529	1,208,630
Transfers from other funds	1,929,404	1,502,752
	<u>6,133,178</u>	<u>5,683,031</u>
Expenses:		
Salaries and benefits	1,537,503	1,340,535
Student awards and bursaries	1,186,275	1,078,612
Other	860,293	1,105,853
Transfer to other funds	173,325	2,334,076
Contribution to Kwantlen Polytechnic University Foundation	1,000,000	-
	<u>4,757,396</u>	<u>5,859,076</u>
Excess (deficiency) of revenue over expenses	1,375,782	(176,045)
Balance, beginning of year	2,959,062	3,135,107
Balance, end of year	<u>\$ 4,334,844</u>	<u>\$ 2,959,062</u>

KWANTLEN POLYTECHNIC UNIVERSITY

Statement of Ancillary Operations

Schedule 6

Year ended March 31, 2009, with comparative figures for 2008

	Actual March 31, 2009	Actual March 31, 2008
Bookstore sales	\$ 6,568,954	\$ 6,337,748
Cost of sales	4,918,188	4,549,847
Gross margin	\$ 1,650,766	\$ 1,787,901
Salaries and benefits	\$ 1,258,650	\$ 1,222,551
Other expenses	93,471	92,400
	\$ 1,352,121	\$ 1,314,951
Bookstore (net)	\$ 298,645	\$ 472,950
Food services (net)	200,743	194,946
Parking (net)	993,598	947,757
	1,492,986	1,615,653
Use of funds:		
Contribution to Kwantlen Polytechnic University Foundation	25,000	25,000
Transfer to operating and capital revenue	600,000	600,000
	625,000	625,000
Excess of revenue over expenses	867,986	990,653
Balance, beginning of year	4,799,391	3,808,738
Balance, end of year	\$ 5,667,377	\$ 4,799,391