

#### Regular Meeting Agenda

#### **Board of Governors**

 Date:
 May 25, 2016

 Time:
 3:00 pm - 4:05 pm

 Location:
 Surrey Campus,

**Cedar Boardroom 2110** 

**Attending**: Doug Beaton, Steven Button, Sandra Case, Tanya Corbet, Alan Davis, Marc Kampschuur, Jamie Kokoska, Jessica Lar-Son, Hanne Madsen, Suzanne Pearce, Lisa Skakun, Praveen Vohora, Kim Rose

Excused: George Melville

**University Community:** Salvador Ferreras, Marlyn Graziano, Jon Harding, Vivian Lee, Kathy Lylyk, Maggie MacKenzie, Joe Sass, Keri van Gerven, Shelley Wrean

M = Motion to ApproveD = DiscussionI = InformationE = Education

#### 3:00 pm Regular Board Meeting In camera Board Meeting to follow In camera Debriefing Session to follow

	Agenda Item	Resource	Action	Time	Page
1.	Presentation by the KPU Alumni Association Board of Directors	Lindsay Civitarese, Chair David Dryden, Vice Chair	I	3:00-3:15	
2.	Call to Order & Introductory Remarks	Lisa Skakun		3:15- 3:16	
3.	Approval of Agenda	Lisa Skakun	M	3:16-3:18	1
4.	Consent Agenda 4.1. Minutes of March 30, 2016 4.2. Program Concept and Full Program Proposal: Post Baccalaureate Diploma i Accounting 4.3. Kwantlen Student Association Financial Statements for the year ended December 31, 2015		M	3:18-3:20	3
5.	Audit Committee 5.1. Committee Chair Report 5.2. Draft Financial Statements for Year Ending March 31, 2016 5.3. Appointment of the External Auditor	Hanna Madsen Kathy Lylyk Hanne Madsen	I M	3:20-3:21 3:21-3:26 3:26-3:31	30 51
6.	Finance Committee 6.1. Committee Chair's Report	Hanne Madsen	ı	3:31-3:32	
7.	Governance Committee				



## Regular Meeting Agenda

#### **Board of Governors**

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 May 25, 2016

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 3:00 pm - 4:05 pm

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 Surrey Campus,

**Cedar Boardroom 2110** 

	7.1. Committee Chair's Report	Lisa Skakun	ı	3:32-3:33	
	7.2. 2016/17 Mandate Letter for KPU	Lisa Skakun	ı	3:33-3:38	53
	7.3. Board of Governors Meeting Schedule for 2016/2017	Lisa Skakun	M	3:38-3:43	60
	Human Resources Committee				
	8.1. Committee Chair's Report	Hanne Madsen	ı	3:43-3:44	
9.	President's Report				
	9.1. Report to the Board	Alan Davis	ı	3:44-3:47	
10.	Provost's Report				
	10.1. Report to the Board	Salvador Ferreras	ı	3:47-3:50	
	Vice President, Finance & Administration				
	11.1. Report to the Board	Jon Harding	I	3:50-3:53	
12.	Senate Report: April 25, 2016	Alan Davis	ı	3:53-3:54	62
13.	Issues and Concerns	Lisa Skakun	D	3:54-3:56	
14.	Next Meeting Agenda Contribution	Lisa Skakun	D	3:56-3:58	
15.	For the Good of the Order	All	D	3:58-4:00	
16.	Feedback on the Meeting	All	D	4:00-4:02	
17.	Appendix:				
	17.1. Report to the Board of Governors	Alan Davis	ı	4:02-4:04	
18.	Next Meeting	Lisa Skakun		4:04-4:05	
	Regular Board Meeting				
	Wednesday June 22, 2016				
	Surrey Campus, Cedar Boardroom 2110 3:00 – 7:00 pm				
	Adjournment	Lisa Skakun		4:05	



**Board of Governors** Regular Meeting

Agenda Item: #4

Meeting Date: May 25, 2016 Presenter(s): Lisa Skakun

Agenda Item: Consent Agenda

Action Requested:	⊠Motion to Approve
	□Discussion
	□Information
	□Education

# Recommended Resolution: THAT the Board of Governors approve the following items on the Consent Agenda: 4.1 Minutes of March 30, 2016 4.2 Program Concept and Full Program Proposal: Post Baccalaureate Diploma in Accounting AND THAT the Board of Governors receive the following for information: 4.3 Kwantlen Student Association Financial Statements for the year ended December 31, 2015

Attachments: 1. Minutes of March 30, 2016

- 2. Program Concept and Full Program Proposal: Post Baccalaureate Diploma in Accounting
- 3. Kwantlen Student Association Financial Statements for the year ended December 31, 2015

**Submitted by:** Keri van Gerven, University Secretary

**Date submitted:** May 19, 2016



REGULAR MEETING MINUTES

Board of Governors

March 30, 2016
Richmond Campus, Melville Centre

Present Board

Lisa Skakun / Chair Douglas Beaton Steven Button Sandra Case

Alan Davis / President & Vice

Chancellor Marc Kampschuur Jamie Kokoska Jessica Lar-Son

Hanne Madsen / Vice Chair

Suzanne Pearce Kim Rose **University Vice Presidents** 

Salvador Ferreras / Provost & VP Academic Jon Harding / VP, Finance & Administration

**University Community Members** 

Harry Gray / AVP, Administration

Marlyn Graziano / Executive Director, External &

**Government Affairs** 

Kathy Lylyk / Executive Director, Finance

Maggie MacKenzie / Confidential Assistant, Board of

Governors

Lori McElroy / Executive Director, Institutional Analysis &

Planning

Joe Sass / Director, Business Performance & Advisory

Services

Keri van Gerven / University Secretary

Regrets Tanya Corbet

George Melville / Chancellor

Praveen Vohora

1. Call to Order The Chair called the meeting to order at 3:05 pm and welcomed guests.

2. Approval of Agenda

Motion #23-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve

the agenda.

3. Consent Agenda

Motion #24-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve the following items on the Consent Agenda:

- 3.1 Minutes of January 27, 2016
- 3.2 Program Concept and Full Program Proposal: Post Baccalaureate Diploma, Operations and Supply Chain Management Specialist
- 3.3 Program Concept and Full Program Proposal: Post Baccalaureate Diploma, Technical Management & Services
- 3.4 Full Program Proposal: Diploma in Acupuncture
- 3.5 Full Program Proposal: Certificate in Education Assistant

**AND** 

**THAT the Board of Governors receive the following for information:** 

3.6 KSA Student Fees for 2016-17

3.7 Nominations Board Election

Alan Davis expressed his appreciation to the individuals, councils and committees for their work in developing, reviewing and recommending the program proposals. Board Chair, Lisa Skakun also expressed appreciation on behalf of the Board of Governors.

# 4. Audit Committee Report

#### 4.1 Chair's Report

Committee Chair, Hanne Madsen noted that Joe Sass has joined KPU as the Director, Business Performance and Advisory Services.

# 5. Finance Committee Report

#### 5.1 Chair's Report

Committee Chair, Hanne Madsen advised that the committee approved four Program Concepts and /or Full Program Proposals for recommendation to the Board, all of which were also approved and recommended by the Governance Committee and have now been approved by the Board as part of the Consent Agenda. Ms. Madsen also noted that the Finance Department is reviewing Business Travel & Expense Procedures and that the remainder of the committee report is covered by the items included on the Agenda.

# 5.2 Third Quarter Financial Report of Operating Fund Only – Quarter Ending December 31, 2015

Jon Harding noted that the Third Quarter Financial Report of Operating Fund Only – Quarter Ending December 31, 2015 was included in the Board package for information.

#### 5.3 Revision to Bylaw No. 4, Fees

Kathy Lylyk reviewed the changes to Bylaw No. 4, Fees reflecting a 2% increase for both domestic and international fees and establishment of several new categories.

Discussion ensued regarding programming that was previously tuition free including the Career Choices and Life Skills Program and it was noted that the tuition charged only partially covers cost; KPU continues to provide financial support for the program.

#### Motion #25-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve the revisions to Bylaw No. 4, *Fees* as recommended by the Board Finance Committee.

#### 5.4 Draft FY 2016/17 University Budget

Jon Harding presented highlights of the Draft FY 2016/17 University Budget and recognized the contributions of the Deans in preparing budget proposals. Mr. Harding reviewed proposed budget requests, potential

funds available for reallocation and confirmed that the budget includes a contingency of \$500,000.

Discussion followed regarding government funding for the Acupuncture Diploma, the budget process and program approvals, growth in international enrollment and Continuing & Professional Studies and slower than expected growth in domestic enrollment. In addition, First Nations programming and ancillary services were noted.

Alan Davis advised that Dr. Jennifer Au, Vice Chair of Senate assumed the role of Chair on the Senate Standing Committee University Budget (SSCUB). SSCUB completed a full review of the budget and provided sound advice, useful comments and constructive feedback. Next year a zero-based budget process will be introduced which will be more strategically focused. Dr. Davis noted that future plans are to move to a performance-based budget process.

#### Motion #26-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve the FY 2016/17 University Budget as recommended by the Board Finance Committee.

#### 6. Governance Committee Report

#### 6.1 Chair's Report

Committee Chair, Lisa Skakun advised that the committee approved four Program Concepts and /or Full Program Proposals for recommendation to the Board, all of which were also approved and recommended by the Finance Committee and have now been approved by the Board as part of the Consent Agenda.

#### 6.2 Bylaw 3 – Meetings of the University Board of Governors

#### Motion #27-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors affirm Bylaw 3 without revision as recommended by the Board Governance Committee.

# 6.3 GV10: Mission, Vision and Values Development and Amendment Policy and Procedures

Alan Davis advised that Section 35.2(6) of the *University Act* grants Senate a role in the development of the Mission, Vision and Values and that this role is now imbedded in GV10: Mission, Vision and Values Development Policy and Procedures.

#### Motion #28-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors approve GV10: Mission, Vision and Values Development Policy and Procedure as recommended by the Board Governance Committee.

# 6.4 Election of Representatives to the University Board and Senate Rules and Regulations

Lisa Skakun advised that as per Section 43(1) of the *University Act*, Senate approved amendments to the Election of Representatives to the University Board and Senate Rules and Regulations. A copy of the Rules and Regulations was included in the Board Package for information.

#### 6.5 Skills Gap Plan for 2016/17

Lori McElroy highlighted the Skills Gap Plan for 2016/17 which began in 2014 following the BC Government's launch of the Skills for Jobs Blueprint.

# 6.6 Notice of Election for the positions of Chair & Vice Chair of the Kwantlen Polytechnic University Board of Governors

Lisa Skakun highlighted the Notice of Election for the positions of Chair & Vice Chair of the KPU Board of Governors and confirmed that the election will be held in June.

Board members interested in serving as Chair or Vice Chair or wish to obtain further information on these roles were asked to contact Lisa Skakun or Keri van Gerven.

#### 6.7 Board Governance Manual Task Force

Keri van Gerven advised that the Board Governance Committee discussed the Board Governance Manual and the role of the Task Force. The committee determined that in light of the extensive consultation that is taking place, the first draft of the manual will be taken to the Governance Committee as a whole. At that point, the committee will determine whether they would like the Task Force to look at the manual in more detail.

#### 7. Human Resources Committee Report

#### 7.1 Chair's Report

Committee Chair, Hanne Madsen advised that Harry Gray, AVP Administration provided an Education Session on Administration Compensation and Bargaining. The Education Session had been noted on the Committee Workplan for some time, however it was delayed until the Board reached full complement. All other items were included on the Agenda.

Alan Davis was excused from the meeting and left the Melville Centre.

#### 7.2 Presidential Search/Reappointment Advisory Committee

Lisa Skakun advised that the March 18, 2016 meeting was rescheduled for April 22, 2016 to allow additional time for receipt of submissions to the Presidential Reappointment Advisory Committee [PRAC]. Ms. Skakun advised that the PRAC will present its recommendation to the Board at the May 25, 2016 Board meeting.

Alan Davis rejoined the meeting.

#### 7.3 Accountability and Disclosure Information Session – April 21, 2016

Hanne Madsen advised that the Accountability and Disclosure Information Session is scheduled for April 21, 2016. It is a 3-hour session with an option to attend via teleconference. While still in the planning phase, possible topics include a discussion of the statutory accountability framework and updates on ongoing PSEC initiatives connected to the Taxpayer Accountability Principles.

Discussion followed and it was noted that the session provides good information about the regulatory environment KPU operates in and that Board members were encouraged to attend. Those members interested in attending either in person or via teleconference were asked to contact Keri van Gerven.

#### 8. Board / Senate Task Force on Bi-cameral Governance

# 8.1 Recommendation from the Board / Senate Task Force on Bi-cameral Governance that it be Disbanded

Marc Kampshuur provided the background for the establishment of the Board / Senate Task Force on Bi-cameral Governance and advised that the Task Force has confirmed that it has fulfilled its mandate and recommends that it be disbanded.

Mr. Kampschuur also noted that the Principles to Guide Bi-cameral Governance have been approved by both the Board and Senate, are posted on the Senate website and will be updated in the revised Board Governance Manual. Mr. Kampschuur also noted that Tanya Corbett currently serves as the Board's representative to Senate.

#### Motion #29-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors disband the Board / Senate Task Force on Bicameral Governance following confirmation by the Task Force that it has fulfilled its mandate and recommends that it be disbanded.

#### 9. President's Report

#### 9.1 Report to the Board

Alan Davis presented highlights of the President's Report included as an Appendix and linked to the Agenda. Dr. Davis also noted several upcoming events including Spring Convocation featuring seven ceremonies and honorary degree presentations.

Dr. Davis also provided an update on Advanced Education Minister Andrew Wilkinson's visit to KPU Tech earlier today to meet with students and faculty and tour the campus.

#### 10. Provost's Report

#### 10.1 Report to the Board

Salvador Ferreras highlighted the Provost Report included in the Appendix and linked to the Agenda and noted that the report reflects activities in both the Academic and Student Services areas.

#### 11. Vice President, Finance and Administration

#### 11.1 Report to the Board

Jon Harding noted that the Finance & Administration Report is included in the Appendix and linked to the Agenda.

12. Senate Report:
 January 25, 2016,
 February 22, 2016 and
 March 21, 2016

The Senate Reports of January 25, 2016, February 22, 2016 and March 21, 2016 were received.

Alan Davis stated that Senate has been extremely busy and an extraordinary amount of work has been accomplished by Faculty staff and Senate and its committees. Senate Agendas include items for discussion which provides an opportunity for open discussion. Senate In Camera meetings also provide a forum to test ideas and obtain feedback.

#### 13. Issues and Concerns

No issues or concerns were identified.

# 14. Next Meeting Agenda Contribution

Board members are asked to send contributions for the next meeting agenda to Keri van Gerven with a copy to Lisa Skakun.

# 15. For the Good of the Order

- KPU Fashion show at the Imperial Vancouver on April 6 and 7, 2016
- Fine Arts Show at KPU Tech on April 8, 2016
- Science Rendezvous at Langley Campus on May 7, 2016

# 16. Feedback on the Meeting

Lisa Skakun thanked management and staff for their investment of time and energy to develop materials for the Board Package and ensure board members have ample time to review the package before the meeting.

# 17. Appendix: Information Package

The Report to the Board of Governors was received.

**18. Next Meeting** Wednesday, May 25, 2016 at the Surrey Campus, Cedar Boardroom 2116

**19. Adjournment** The meeting adjourned at 3:57 pm.

Electronic Poll Results – February 26, 2016

Motion #22-15/16

MOVED, SECONDED AND CARRIED THAT the Board of Governors ratify the

Presidential Reappointment Advisory Committee (PRACC) Terms of

Reference 2016.





**Board of Governors** Regular Meeting

Consent Agenda Item: 4.2

Meeting Date: May 25, 2016
Presenter(s): Wayne Tebb

Agenda Item: Post Baccalaureate Diploma in Accounting [PBDA]

Agenua item.	Post Baccalaureate Diploma in Accounting [PDDA]
Action Requested:	
Recommended Resolution:	N/A
Board Committee Report:	The Board Finance and Board Governance Committees approved the Program Concept and Full Program Proposal for the Post Baccalaureate Diploma in Accounting for recommendation to the Board of Governors at meetings held May 12, 2016 and May 18, 2016 respectively.
Context & Background:	Launch of a new program for a Post Baccalaureate Diploma in Accounting
<b>Key Messages:</b> [maximum of three]	<ol> <li>Self-Funded new programming to support the 5% FTE annual growth and aligns with the utilization of new KPU infrastructure</li> <li>Distinctive program that is designed to meet the Certified Professional Accountants (CPA) entrance requirements in a short time frame. Students wanting to pursue a CPA can graduate in 12 months if completed full-time.</li> <li>Program curriculum is designed to build strong international student interest.</li> </ol>
Resource Requirements:	Self-Funded program design to be eventually offered out of Civic Center 3.
Implications / Risks:	Current brand recognition is a risk to the recruitment, management of international enrollment – right international student being recruited.
Consultations:	<ol> <li>Refer to Program Concept</li> <li>Approved by Senate on March 22, 2016</li> </ol>
Attachments:	<ol> <li>PBDA Concept document</li> <li>PBDA FPP document</li> <li>IAP program viability assessment document</li> </ol>
Submitted by:	Wayne Tebb. Dean. School of Business

**Date submitted:** May 19, 2016

# Full Program Proposal, Post Baccalaureate, Accounting Executive Summary

(Abridged and adapted from attached Full Program Proposal, March 22, 2016 Senate Submission)

The Post Baccalaureate Diploma in Accounting ("PBDA") is designed for a student base that has completed a Bachelor's degree (in any discipline other than Accounting) and that are looking to pursue the Certified Professional Accounting ("CPA") Designation. The PBDA program is designed to meet (or exceed) the entrance requirements of the CPA Professional Education Program ("CPA PEP"). CPA PEP is required for everyone pursuing the CPA designation. The PBDA achieves this by mapping program content to the CPA competency map (provided by the CPA's to help guide curriculum in the post-secondary market).

The PBDA will provide students with both the technical competencies (financial reporting, managerial accounting, tax, audit, finance and strategy and governance) and the enabling competencies (professionalism, ethical behaviour, leadership, teamwork skills, problem solving skills, and written and verbal communication skills) to succeed in the CPA PEP. While we expect most students to self-pace through the program part-time, the program can be completed in as little as 12 months if taken full-time. This is a distinct advantage over competing programs such as The University of British Columba Diploma Accounting Program ("UBC DAP") and CPA PREP. In addition, our main competitor does not cover all of the required content in their program and students must supplement with elective courses.

The program's curriculum aligns with two of the top 100 high-opportunity occupations identified by government:

- NOC 1111/NOC-S B011 Financial auditors and accountants
- NOC 1311/NOC-S B111 Accounting technicians and bookkeepers

A total of 22,710 job openings within the two occupational groups are expected to be created between 2015 and 2024 in BC (of which 14,370 openings are expected in the Mainland/Southwest region). Over a ten-year period to 2024, demand for workers is expected to increase, in both BC and the Mainland/Southwest region, for both occupational groups listed above.

While this program will be attractive to domestic students wishing to pursue a career in accounting, it will allow international students an opportunity to supplement their undergraduate education with a Canadian credential.

The PDBA is consistent with the following KPU visions, missions and mandates:

- foremost provider of continuing and professional education in its region
- facilitates personal and professional development
- embraces emerging and experimental teaching methods
- encourages lifelong learning and a continuing relationship with the University
- opportunities for those seeking career change or development

The PBDA program is self-funded, designed to meet the time availability requirements of emerging professionals and aligns with the utilization of new KPU infrastructure.

#### FINANCIAL STATEMENTS

# KWANTLEN STUDENT ASSOCIATION

(formerly Kwantlen University College Student Association)

**December 31, 2015** 

#### INDEPENDENT AUDITOR'S REPORT

To the Members of

Kwantlen Student Association (formerly Kwantlen University College Student Association)

#### Report on the Financial Statements

We have audited the accompanying financial statements of Kwantlen Student Association, which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of Kwantlen Student Association as at December 31, 2015 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### Report on Other Legal and Regulatory Requirements

As required by the British Columbia Society Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

Tompline Worny. Miller & Co.

Vancouver, Canada March 24, 2016

Chartered Professional Accountants

Incorporated under the Society Act of B.C.

#### STATEMENT OF FINANCIAL POSITION

As at December 31

24			2015	3		2014
	Operating	Capital	Health &			
	Fund	Asset Fund	Dental Fund	Other Funds	Total	Total
	\$	\$	\$	\$	\$	\$
ASSETS				[Schedule 2]		
Current assets	1 000 005	1,422,477	1,041,577	1,748,398	5,302,457	5,070,635
Cash	1,090,005	1,422,477	1,041,577	1,740,330	3,302,437	3,070,033
Accounts receivable [note 3]	51.007	25 115	130,497	222,513	429,132	625,414
- Kwantlen Polytechnic University	51,007	25,115	130,497	222,313	17,144	19,606
- other	17,144	_	760 202	_		
Marketable securities [note 4]	824,020	-	769,393	_	1,593,413	1,503,808
Inventory [note 5]	28,584		-		28,584	81,035
Prepaid expenses and deposits	25,441		<del></del>	123,000	148,441	35,884
Total current assets	2,036,201	1,447,592	1,941,467	2,093,911	7,519,171	7,336,382
Capital assets [note 6]		1,309,613	_	_	1,309,613	1,174,624
Prepaid deposits on furniture		124,402	_		124,402	
Premise improvements						
in progress [note 7]		223,034			223,034	
Total assets	2,036,201	3,104,641	1,941,467	2,093,911	9,176,220	8,511,006
LIABILITIES AND FUND BALANC	FS					
and the second of the second o	ES					
Current liabilities	215 110				215,118	188,771
Accounts payable and accruals [note 8]	215,118	244.552	1 502 510	287,381	2,678,248	2,245,030
Deferred fee revenue [note 9]	453,805	344,552	1,592,510	207,301		
Other liabilities [note 10]	181,250		_	_	181,250	307,567
Interfund payable (receivable),		0.C2 W.10	(210.252)	(500.246)		
no specific terms	553,951	263,748	(218,353)	(599,346)	2.074.616	2.741.269
Total current liabilities	1,404,124	608,300	1,374,157	(311,965)	3,074,616	2,741,368
Fund balances						
Invested in capital assets	_	1,657,049	_		1,657,049	1,174,624
Internally restricted	_	839,292	567,310	2,405,876	3,812,478	4,017,441
Unrestricted	632,077	_			632,077	577,573
Total fund balances	632,077	2,496,341	567,310	2,405,876	6,101,604	5,769,638
Total liabilities and fund balances	2,036,201	3,104,641	1,941,467	2,093,911	9,176,220	8,511,006

Commitments [note 11]

See accompanying notes to the financial statements

Approved by the Board of Directors:

"Waheed Taiwo"

"Allison Gonzalez Biagi"

Vice-President, Finance & Operations

Vice-President, Services

Incorporated under the Society Act of B.C.

# STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

Year ended December 31

			2015			2014
	Operating	Capital	Health &			
	Fund	12 Cont <b>2</b> 200 Cont 10 Cont	<b>Dental Fund</b>	Other Funds	Total	Total
	\$	\$	\$	\$	\$	\$
REVENUES				[Schedule 3]		
Student activity fees [note 14]	1 212 222	004.544	1.040.015	2 004 552	# O#O < 4.4	
Investment income	1,212,333	804,544	1,849,015	2,004,752	5,870,644	5,620,578
Increase in fair value - marketable securities	72,303 63,224		5,046	_	77,349	145,996
Advertising and other	200 - 2	_			63,224	60,720
Grass Roots Café [schedule 1]	11,720		5,914	92,839	110,473	120,018
	390,613	_	_	_	390,613	431,295
Tickets, locks and other sales	43,323				43,323	40,306
	1,793,516	804,544	1,859,975	2,097,591	6,555,626	6,418,913
EXPENSES						
Activities	<del>-</del>	_	760	920,278	921,038	998,787
Amortization of capital assets	_	134,665		_	134,665	147,373
Bank charges and interest	7,744	_		-	7,744	8,468
Bursaries and endowment	_	_	_	73,651	73,651	13,840
Campaigning and dues	_		_	81,011	81,011	39,067
Common area expenses	18,857				18,857	17,567
Conferences and travel	- 1	1		14,420	14,420	36,947
Elections	42,484	_	_		42,484	26,991
Executive and representatives stipends	186,480				186,480	142,101
Grass Roots Café [schedule 1]	376,705	_			376,705	427,142
Handbook	28,194	_		_	28,194	28,882
Insurance	27,062	12 a			27,062	23,028
Investment management fees	18,389	_	- <u> </u>		18,389	16,576
Minor equipment, repairs	/-				10,000	10,570
and University infrastructure		102,873	· ·	204,991	307,864	21,619
Multi-cultural events (net of \$6,381 revenue)	_			14,154	14,154	13,301
Office, postage, supplies and other	85,189	-	_		85,189	93,344
Professional	231,536			_	231,536	211,528
Shuttle bus		_	_	248,706	248,706	304,052
Student Health and Dental Plan premiums	_		1,899,846	240,700	1,899,846	1,856,889
Telephone, internet and cable	44,322		1,022,040	_	44,322	
Tickets and locks	40,315		- 11 <u>- 12 - 1</u>		40,315	37,839
Wages, subcontractors and benefits	792,004	106,090		522,934		38,220
and selection and selection	1,899,281	343,628	1,900,606	2,080,145	1,421,028 6,223,660	1,192,255 5,695,816
		,,	, -,,	_,,	-,,000	0,000,010
Excess (deficiency) of revenue for the year	(105,765)	460,916	(40,631)	17,446	331,966	723,097
Fund balances, beginning of year	577,573	2,002,432	610,066	2,579,567	5,769,638	5,046,541
Interfund transfers						
Capital asset purchases	-	32,993	_	(32,993)		
Allocation of overhead	160,269		(2,125)	(158,144)	_	_
Fund balances, end of year	632,077	2,496,341	567,310	2,405,876	6,101,604	5,769,638

Incorporated under the Society Act of B.C.

#### STATEMENT OF CASH FLOWS

Year ended December 31

Add items not affecting cash       134,665       147,37         Amortization of capital assets       134,665       147,37         Increase in market value of marketable securities (net)       (63,224)       (60,72         Changes in non-cash working capital items       198,744       159,72         Accounts receivable       198,744       159,72         Inventory       52,451       (10,52         Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES       2       875,293       954,12         INVESTING ACTIVITIES       2       (269,654)       (81,50         Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       -         Premise improvements in progress       (223,034)       -         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the y		2015 \$	2014 \$
Excess of revenue for the year       331,966       723,09         Add items not affecting cash       134,665       147,37         Increase in market value of marketable securities (net)       (63,224)       (60,72         Changes in non-cash working capital items       198,744       159,72         Accounts receivable       198,744       159,72         Inventory       52,451       (10,52         Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES       2       875,293       954,12         Increase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       -         Premise improvements in progress       (223,034)       -         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       5,070,635       4,281,71          Cash, beginning of year	ODED ATING ACTIVITIES		
Add items not affecting cash       134,665       147,37         Amortization of capital assets       163,224       (60,72         Increase in market value of marketable securities (net)       (63,224)       (60,72         Changes in non-cash working capital items       198,744       159,72         Accounts receivable       198,744       159,72         Inventory       52,451       (10,52         Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES       10,22       10,22         Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)          Premise improvements in progress       (223,034)          Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635		331,966	723,097
Amortization of capital assets       134,665       147,37         Increase in market value of marketable securities (net)       (63,224)       (60,72         Changes in non-cash working capital items       198,744       159,72         Accounts receivable       198,744       159,72         Inventory       52,451       (10,52         Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES         Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       -         Premise improvements in progress       (223,034)       -         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71		552,555	,
Increase in market value of marketable securities (net)		134,665	147,373
Changes in non-cash working capital items       198,744       159,722         Accounts receivable       198,744       159,722         Inventory       52,451       (10,522)         Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES       Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       -         Premise improvements in progress       (223,034)       -         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71	•	5000 St. \$100 St. 500	(60,720)
Accounts receivable       198,744       159,72         Inventory       52,451       (10,52         Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES       Value of marketable securities (net)       (26,381)       (83,70)         Purchase of capital assets       (269,654)       (81,50)         Deposit paid on furniture       (124,402)       -         Premise improvements in progress       (223,034)       -         Cash used in investing activities       (643,471)       (165,21)         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71		(00)== 1)	(,)
Inventory       52,451       (10,52         Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES         Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       -         Premise improvements in progress       (223,034)       -         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71		198.744	159,725
Prepaid expenses and deposits       (112,557)       (6,68         Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES         Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       —         Premise improvements in progress       (223,034)       —         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71		and the second of the second of	(10,521)
Accounts payable and accruals       26,347       (118,42         Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES         Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       —         Premise improvements in progress       (223,034)       —         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71		15	(6,684)
Deferred fee revenue       433,218       47,17         Other liabilities       (126,317)       73,10         Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES         Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       —         Premise improvements in progress       (223,034)       —         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71			(118,424)
Other liabilities         (126,317)         73,10           Cash provided by operating activities         875,293         954,12           INVESTING ACTIVITIES         2         2           Purchase of marketable securities (net)         (26,381)         (83,70           Purchase of capital assets         (269,654)         (81,50           Deposit paid on furniture         (124,402)         -           Premise improvements in progress         (223,034)         -           Cash used in investing activities         (643,471)         (165,21           Increase in cash during the year         231,822         788,91           Cash, beginning of year         5,070,635         4,281,71			
Cash provided by operating activities       875,293       954,12         INVESTING ACTIVITIES       Purchase of marketable securities (net)       (26,381)       (83,70)         Purchase of capital assets       (269,654)       (81,50)         Deposit paid on furniture       (124,402)	2		
INVESTING ACTIVITIES         Purchase of marketable securities (net)       (26,381)       (83,70)         Purchase of capital assets       (269,654)       (81,50)         Deposit paid on furniture       (124,402)       —         Premise improvements in progress       (223,034)       —         Cash used in investing activities       (643,471)       (165,21)         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71			954,126
Purchase of marketable securities (net)       (26,381)       (83,70         Purchase of capital assets       (269,654)       (81,50         Deposit paid on furniture       (124,402)       -         Premise improvements in progress       (223,034)       -         Cash used in investing activities       (643,471)       (165,21         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71	Cash provided by operating activities	0,0,0,0	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,
Purchase of capital assets       (269,654)       (81,50)         Deposit paid on furniture       (124,402)       —         Premise improvements in progress       (223,034)       —         Cash used in investing activities       (643,471)       (165,21)         Increase in cash during the year       231,822       788,91         Cash, beginning of year       5,070,635       4,281,71	INVESTING ACTIVITIES		
Deposit paid on furniture         (124,402)         —           Premise improvements in progress         (223,034)         —           Cash used in investing activities         (643,471)         (165,21)           Increase in cash during the year         231,822         788,91           Cash, beginning of year         5,070,635         4,281,71	Purchase of marketable securities (net)	(26,381)	(83,707)
Deposit paid on furniture         (124,402)         —           Premise improvements in progress         (223,034)         —           Cash used in investing activities         (643,471)         (165,21)           Increase in cash during the year         231,822         788,91           Cash, beginning of year         5,070,635         4,281,71		(269,654)	(81,503)
Premise improvements in progress         (223,034)         —           Cash used in investing activities         (643,471)         (165,21)           Increase in cash during the year         231,822         788,91           Cash, beginning of year         5,070,635         4,281,71	Deposit paid on furniture	(124,402)	
Cash used in investing activities         (643,471)         (165,21)           Increase in cash during the year         231,822         788,91           Cash, beginning of year         5,070,635         4,281,71		(223,034)	·
Cash, beginning of year 5,070,635 4,281,71		(643,471)	(165,210)
Cash, beginning of year 5,070,635 4,281,71	The state of the s	231.822	788,916
, 8 8		1 0 0 0 0	
Cash and of year 5.307.457 5.070.63	Cash, end of year	5,302,457	5,070,635

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 1. PURPOSE OF THE ORGANIZATION AND NAME CHANGE

Kwantlen Student Association ("Association") is a not-for-profit organization incorporated pursuant to the Society Act of British Columbia that provides support services and advocacy representation to the student membership. The Association is exempt from income taxes.

The mission of the Association is to support its members during their time of study by ensuring adequate provision for their welfare, activities, political and social needs. Through its democratic procedures, the Association represents and reflects the concerns and priorities of its membership to the Kwantlen Polytechnic University ("University") and beyond, and strives to uphold the rights of each of its members.

During the year the Society changed its name from Kwantlen University College Student Association to Kwantlen Student Association.

#### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-forprofit organizations ("ASNPO") and include the following significant accounting policies:

#### **Use of Estimates**

The preparation of financial statements in conformity with Canadian ASNPO 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 amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets and the determination of the deferred portion of fees collected. Actual results could differ from these estimates.

#### Revenue Recognition

The Association follows the deferral method of accounting for contributions.

Revenue from student activity fees is recognized according to the academic terms they relate to.

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

Revenue from all other sources is recognized when the service is provided or when the respective goods are sold to the customer.

Investment income is recognized as revenue in accordance with the terms of the underlying investment, which in the case of interest, is generally with the passage of time.



Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Fund Accounting**

The Association follows fund accounting. The major funds are described below:

Operating Fund

The Operating Fund reports the assets, liabilities, revenues and expenses related to the Association's support services and administrative activities.

#### Capital Asset Fund

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets.

The fund is internally restricted for the purchase of capital assets, minor capital purchases and related repairs.

#### Health & Dental Fund

Members of the Association have agreed to contribute up to \$190 per year for the purpose of offering both an extended health plan and dental plan for students at the University. This fund is internally restricted for expenditures on health and dental plans and wellness programs for students.

#### Other Funds

Other funds include the Lobbying Fund, Women's Centre Capital Fund, Bursary Fund, START Volunteer Program Fund, Reboot Computer Service Fund, Intramurals Fund, Clubs and Events Fund, Advocacy Service Fund, Social Justice Fund, Peer Counselling Fund and Multi-Pass Fund. These funds are internally restricted for expenditures related to their respective purposes as documented in the Association's regulations.

#### **Measurement of Financial Instruments**

The Association initially measures its financial assets and financial liabilities at fair value.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at fair value include marketable securities.

Financial liabilities measured at amortized cost include accounts payable and other liabilities.

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment.

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Foreign Currency Transactions**

The Society uses the temporal method to translate its foreign currency transactions. Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Items appearing in the current year's statement of operations are translated at monthly rates. Exchange gains and losses are included in the statement of operations.

#### Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the yearend.

#### Statement of Cash Flows

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are reported using the indirect method.

#### **Marketable Securities**

Marketable securities are recorded at market value.

#### **Inventory**

Grass Roots Café inventory is measured at the lower of cost and net realizable value, with the direct cost of purchase being determined using the weighted average cost method.

All other inventory is measured at the lower of cost and current replacement cost, with the direct cost of purchase being determined using the weighted average cost method.

#### **Capital Assets**

Purchased capital assets are recorded in the Capital Asset Fund at cost.

Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

•	Student Association premises - leaseholds	25 to 30 years
•	Yoga studio improvements	10 years
•	Bike lockers	10 years
•	Waterfillz stations	5 years
٠	Grass Roots Café equipment	5 years
•	Furniture and equipment	5 years
0	Computer equipment	3 years

Artwork is not amortized.

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 3. ACCOUNTS RECEIVABLE

	2015 \$	2014 \$
Kwantlen Polytechnic University - fees	429,132	625,414
Trade and other	15,252	16,645
Government - GST	1,892	2,961
Allowance for doubtful accounts	9	
	17,144	19,606
	446,276	645,020

#### 4. MARKETABLE SECURITIES

The Association's marketable securities, which are managed by CIBC Wood Gundy and Quadrus, consist of the following:

	Operating \$	Heath & Dental \$
2015		
Cash on account	10,783	15,066
Mutual funds / segregated funds	368,537	309,369
Money market funds	544	· · ·
Canadian equities	267,466	208,021
U.S. equities	176,690	236,937
	824,020	769,393
2014		
Cash on account	8,868	14,211
Mutual funds / segregated funds	384,242	307,133
Money market funds	544	
Canadian equities	278,496	246,636
U.S. equities	99,196	164,482
1	771,346	732,462

#### 5. INVENTORY

	2015	2014 \$
	J .	Φ
Fitness passes	5,859	61,698
Movie tickets, promotional items and others	12,260	9,676
Grass Roots Café supplies and liquor	10,465	9,661
	28,584	81,035

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 6. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
2015	5		
Student Association premises - leaseholds	1,952,971	947,639	1,005,332
Yoga studio improvements	25,733	18,013	7,720
Bike lockers	64,518	16,905	47,613
Waterfillz stations	114,142	67,514	46,628
Grass Roots Café equipment	67,890	48,916	18,974
Furniture and equipment	362,318	197,561	164,757
Computer equipment	45,675	30,786	14,889
Artwork	3,700	_	3,700
	2,636,947	1,327,334	1,309,613
2014			
Student Association premises - leaseholds	1,756,683	888,380	868,303
Yoga studio improvements	25,733	15,440	10,293
Bike lockers	52,264	10,453	41,811
Waterfillz stations	114,142	44,685	69,457
Grass Roots Café equipment	64,910	42,771	22,139
Furniture and equipment	312,275	167,884	144,391
Computer equipment	37,586	23,056	14,530
Artwork	3,700		3,700
	2,367,293	1,192,669	1,174,624

#### 7. PREMISE IMPROVEMENTS IN PROGRESS

Premise improvements in progress as at December 31, 2015 are \$233,034 [2014 - \$Nil]. This amount includes a prepaid deposit of \$28,385 [2014 - \$Nil]. The total cost of the improvements is estimated to be \$417,683.

#### 8. ACCOUNTS PAYABLE AND ACCRUALS

	2015	2014
	\$	\$
Operations	103,420	95,914
Due to Polytechnic Ink Publishing Society	6,774	10,044
Government remittances - Payroll taxes	2,978	3,168
Wages and vacation	101,946	79,645
	215,118	188,771

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 9. DEFERRED FEE REVENUE

Deferred fee revenue consists of student fees received or receivable by December 31, 2015 which relate to the 2016 year.

#### 10. OTHER LIABILITIES

	2015	2014
a't a alit as se ' a se a se a se a se a se a se a	\$	\$
Public Interest Research Group	97,667	231,880
Radio Free Kwantlen	83,583	75,687
	181,250	307,567

During the year the Association collected fees on behalf of the Public Interest Research Group and Radio Free Kwantlen.

#### 11. COMMITMENTS

#### i) Lease Commitments

The Association leases space from the University. The annual lease cost to the Association is \$1 plus its share of common area maintenance expenses. The lease expires in May 2029.

The estimated common area maintenance expenses over the next five years are as follows:

						\$
2016	- } *	10 0	y '1	2 40	 h i	16,068
2017						16,550
2018						17,047
2019						17,558
2020						18,085
		i i				85,308

#### ii) Health and Dental Plan

The Association is committed to monthly broker fees and insurance premiums of approximately \$15.83 per student registered in the Health and Dental Plan until August 31, 2018. As at December 31, 2015, there were approximately 11,000 students registered in the Health and Dental Plan.

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 12. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at December 31, 2015.

#### Credit Risk

The Association is exposed to credit risk in the event of non-performance by counterparties in connection with its accounts receivable. The Association does not obtain collateral or other security to support its accounts receivable subject to credit risk but mitigates this risk by dealing mainly with Kwantlen Polytechnic University and, accordingly, does not anticipate significant loss for non-performance.

The Association is also exposed to credit risk with respect to its bank deposits and marketable securities. The Association reduces its credit risk by placing its bank deposits with a chartered Canadian bank and by having its marketable securities managed by professional investment managers.

#### Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

#### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of three types of risk: interest rate risk, currency risk and other price risk.

#### Interest Rate Risk

The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Association to a fair value risk while the floating rate instruments subject it to a cash flow risk. The Association is exposed to this type of risk as a result of investment in marketable securities [note 4].

#### Currency Risk

The Association has marketable securities that are denominated in a foreign currency and thus are exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates.

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 12. FINANCIAL INSTRUMENTS (CONT'D)

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is exposed to other price risk through its investment in equity based investments.

#### 13. NON-DISCRETIONARY ALLOCATIONS - OTHER FEES

During the year, the Association collected fees on behalf of the following autonomous organization:

			2015 \$	2014 \$
Polytechnic Ink Publishing Society (PIPS)		8	234,706	238,695

As these fees are collected in trust on behalf of this organization, they are not included in the Association's statement of operations.

#### 14. STUDENT ACTIVITY FEES

Student activity fees are comprised of the following:

	2015 \$	2014 \$
Lobbying Fund	91,396	93,786
Bursary Fund	34,471	35,252
START Volunteer Program Fund	116,705	119,763
Reboot Computer Service Fund	94,363	96,815
Intramurals Fund	78,741	80,797
Clubs and Events Fund	204,674	209,999
Advocacy Service Fund	31,410	32,215
Social Justice Fund	53,970	48,582
Peer Counselling Fund	47,332	48,582
Multi-pass Fund	1,251,690	1,281,990
	2,004,752	2,047,781
Operating Fund	1,212,333	1,238,748
Student Union Building Capital Fund	804,544	621,494
Health and Dental Fund	1,849,015	1,712,555
	5,870,644	5,620,578

Incorporated under the Society Act of B.C.

#### NOTES TO FINANCIAL STATEMENTS

December 31, 2015

#### 15. OTHER INFORMATION

The Association currently collects student publication fees on behalf of PIPS and remits these fees to PIPS on a monthly basis.

The transactions with PIPS are summarized below:

At December 31, 2015, \$6,774 [2014 - \$10,044] was included in accounts payable and accruals which is owing to PIPS [note 8];

For the year ending December 31, 2015, the Association charged PIPS \$Nil [2014 - \$170] for administrative fees; and

For the year ending December 31, 2015, the Association collected \$234,706 [2014 - \$238,695] of designated student publication fees on behalf of PIPS *[note 13]*.

#### 16. RELATED PARTY TRANSACTIONS

For the year ending December 31, 2015, the Association paid executive and representative stipends to executive board members and other elected personnel in the amount of \$186,480 [2014 - \$142,101].

#### 17. COMPARATIVE FIGURES

Certain 2014 comparative figures have been reclassified to conform to the presentation adopted in the current year.

Incorporated under the Society Act of B.C.

#### SCHEDULE OF REVENUE AND EXPENSES GRASS ROOTS CAFE

Year ended December 31

				2015 \$	2014 \$
			1.0	<u> </u>	
Sales				390,613	431,295
Cost of sales				166,117	210,124
Gross profit				224,496	221,171
Other expenses					
Bank and credit card charges				13,268	11,929
Repairs and maintenance				3,415	5,969
Wages and benefits				193,905	199,120
			Tr.	210,588	217,018
Income from operations		1	,	13,908	4,153

Incorporated under the Society Act of B.C.

# STATEMENT OF FINANCIAL POSITION - OTHER FUNDS

As at December 31

							2013						2014
		Women's		START	Reboot		=						
		Centre		Volunteer	Computer			Advocacy	Social	Peer			
	Lobbying	Capital	Bursary	Program	Service	Intramurals	Clubs and	Service	Justice	Counselling	Multi-Pass		
	Fund	Fund	Fund	Fund	Fund	Fund	<b>Events Fund</b>	Fund	Fund	Fund	Fund	Total	Total
	89	ss	s	69	69	89	\$	S	89	69	S	69	69
ASSETS													-18
Current assets													
Cash	1	I		ļ	1	1	I	I	I	١	1 748 398	1 748 308	1 640 027
Accounts receivable -											1,175,00	1,140,270	1,049,057
Kwantlen Polytechnic University	2,627	Ī	1,147	3,358	2,707	2,262	5,876	868	1,710	1.364	200.564	222.513	237 128
Prepaid expenses	I	I	I	I	J	1		I			123,000	123,000	071,172
Total current assets	2,627	Ī	1,147	3,358	2,707	2,262	5,876	868	1,710	1,364	2,071,962	2.093.911	1.886 165
LIABILITIES AND ETIND BALANCES	SH												
Current liabilities	2												
Deferred fee revenue [note 8]	34,566	1	12,216	44.115	35.730	29.792	77 444	11 901	73 777	17 800		100 100	07.700
Interfund payable (receivable)	(161,264)	(5,624)	(64,140)	(138,426)	(113,664)	(249,893)		(65,860)	(56.057)	(85 094)	435 414	(500 346)	286,162
Total current liabilities	(126,698)	(5,624)	(51,924)	(94,311)	(77,934)	(220,101)		(53,959)	(32,330)	(67.204)	435,414	(311 065)	(603,403)
Fund balances									(and a	(1026)	LTL'CCL	(507,115)	(204,660)
Internally restricted	129,325	5,624	53,071	699,76	80,641	222,363	23,170	54.857	34.040	895.89	1 636 548	2 405 876	735 073 C
Total fund balances	129,325	5,624	53,071	699,76	80,641	222,363	23,170	54,857	34,040	68,568	1.636,548	2,405,876	2,579,567
Total liabilities and fund balances	2,627	I	1,147	3,358	2,707	2,262	5,876	868	1.710	1.364	2,071,962	2.093.911	1 886 165

# **Kwantlen Student Association** Incorporated under the Society Act of B.C.

# STATEMENT OF OPERATIONS - OTHER FUNDS

Year ended December 31

						2015	5						2014
		Women's Centre		START Volunteer	Reboot Computer			Advocacy	Social	Peer			
	Lobbying Fund	Capital Fund	Bursary Fund	Program Fund	Service Fund	Intramurals Fund	Clubs and Events Fund	Service Fund	Justice Fund	Counselling Fund	Multi-Pass Fund	Total	Total
	S	69	89	S	89	<del>\$</del>	69	S	89	S	69	€9	S
REVENUES	٠												
Student activity fees [note 14]	91,396	1	34,471	116,705	94,363	78,741	204,674	31,410	53,970	47,332	1,251,690	2,004,752	2,047,781
Other	1	1	ı	I	561	1,868	1	Î	Ī	1	90,410	92,839	105,720
	91,396	1	34,471	116,705	94,924	80,609	204,674	31,410	53,970	47,332	1,342,100	2,097,591	2,153,501
EXPENSES										æ.			
Activities	Ī	1	Į	20,421	12,563	31,225	163,352	6,123	41,841	26,618	618,135	920,278	990,157
Bursaries and endowment	l	1	33,651	40,000	1	1	1	1	l	1	l	73,651	13,840
Campaigning and dues	81,011	1			1	1	1	1	1	I	1	81,011	39,067
Conferences and travel	13,254	1	1	1		1,166	I	I	Ī	·	Ī	14,420	36,947
Minor equipment, repairs and University infrastructure	I	1	Ī	1	I	I	I	I	I	I	204,991	204,991	4,881
Multi-cultural events (net of \$6,381 revenue)	I	I	ĺ	[	ĺ	1,	14,154	I	1	1	I	14,154	13,301
Shuttle bus	1	1	١	l	I	1	1	1	1	1	248,706	248,706	304,052
Wages, subcontractors and benefits	44,370	1	1	89,064	82,415	31,593	54,245	36,190	l	78,467	106,590	522,934	417,078
	138,635	1	33,651	149,485	94,978	63,984	231,751	42,313	41,841	105,085	1,178,422	2,080,145	1,819,323
Excess (deficiency) of revenue for the year	(47,239)	1	820	(32,780)	(54)	16,625	(27,077)	(10,903)	12,129	(57,753)	163,678	17,446	334,178
Fund balances, beginning of year	191,377	5,624	32,871	146,984	91,827	213,708	76,616	70,390	27,222	136,870	1,586,078	2,579,567	2,409,928
Interfund transfers													
Capital asset purchases	Ī	I	ĺ	1	I	I	1	I	1	I	(32,993)	(32,993)	(4,856)
Transfer to Bursary Fund	(2,832)	1	22,288	(3,616)	(2,924)	(2,440)		(973)	(1,695)	(1,467)	1	1	I
Allocation of overhead	(11,981)	I	(2,908)	(12,919)	(8,208)	(5,530)		(3,657)	(3,616)	(9,082)	(80,215)	(158,144)	(159,683)
Fund balances, end of year	129,325	5,624	53,071	699,76	80,641	222,363	23,170	54,857	34,040	895'89	1,636,548	2,405,876	2,579,567



**Board of Governors** Regular Meeting

Agenda Item: #5.2

Meeting Date: May 25, 2016
Presenter(s): Kathy Lylyk

Agenda Item: Draft Financial Statements for Year Ending March 31, 2016

Recommended Resolution:

THAT the Board of Governors approve the Draft Financial Statements for the Year Ending March 31, 2016 and that the Board Chair be authorized to sign the financial statements.

Board Committee Report:

The Board Audit Committee reviewed and approved the Draft Financial Statements for the Year Ending March 31, 2016 for recommendation to the Board at its meeting held on May 12, 2016.

Context & Background:

KPMG will provide a summary of their audit of the Draft Financial Statements for the Year Ending March 31, 2016.

**Key Messages:** [maximum of three]

- The Draft Financial Statements are prepared by KPU management in accordance with Public Sector Accounting Standards and audited by an external audit service. For fiscal 2016, KPMG provided external audit services.
- 2. Statement of Financial Position shows negligible change over PY and an accumulated surplus balance of approx. \$80M; Statement of Operations shows a surplus position of approx. \$1M.
- 3. For fiscal 2016, it is management's intention to include the financial statements in the KPU Accountability Report, with an explanatory Management Discussion & Analysis.

Resource

N/A

Requirements:

Implications /

Risks:

N/A

Attachments:

Draft Financial Statements for year ending March 31, 2016

Submitted by:

Kathy Lylyk

Date submitted:

May 13, 2016

Financial Statements of

# **KWANTLEN POLYTECHNIC UNIVERSITY**

Year ended March 31, 2016

#### MANAGEMENT'S STATEMENT OF RESPONSIBILITY

To the Board of Governors of Kwantlen Polytechnic University

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in compliance with the accounting requirements of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Governors and Audit Committee are composed primarily of those who are neither management nor employees of the University. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities and for approving the financial information included in the annual report. The Audit Committee has the responsibility of meeting with management and external auditors to discuss the financial reporting process, auditing matters, financial reporting issues, and recommends approval of the financial statements to the Board. The Committee is also responsible for recommending the appointment of the University's external auditor.

KPMG LLP, an independent firm of Chartered Professional Accountants, is appointed by the Board to audit the financial statements and report directly to them through the Audit Committee. The external auditor has full and free access to, and meets periodically and separately with, both the Committee and management to discuss their audit findings.

On behalf of Kwantlen Polytechnic University	
Dr. Alan Davis	Jon Harding
President and Vice-Chancellor	Vice-President, Finance and Administration

## **KWANTLEN POLYTECHNIC UNIVERSITY**

Statement of Financial Position (in '000s)

March 31, 2016, with comparative information for 2015

			2016		2015
Financial assets					
Cash and cash equivalents	(Note 3)	\$	19,224	\$	25,398
Accounts receivable	(Note 4)		5,670		4,574
Inventories for resale			1,282		1,398
Investments	(Note 6)		36,824		33,315
			63,000		64,685
Liabilities					
Accounts payable and accrued liabilities	(Note 7)		25,096		24,723
Deferred revenue			11,438		10,249
Deferred contributions	(Note 9)		3,198		3,720
Deferred capital contributions	(Note 10)		129,862		130,899
Obligations under capital lease	(Note 11)		1,036		1,228
			170,630		170,819
Net debt			(107,630)		(106,134)
Non-financial assets					
Tangible capital assets	(Note 12)		180,378		179,797
Endowment investments	(Note 6)		2,817		2,817
Prepaid expenses and deposits			5,761		4,168
			188,956		186,782
Accumulated surplus		\$	81,326	\$	80,648
Accumulated surplus is comprised of:					
Accumulated operating surplus		\$	80,705	\$	79,298
Accumulated remeasurement gains		•	621	*	1,350
		\$	81,326	\$	80,648

Contractual obligations (Note 14)
Commitments and contingent liabilities (Note 15)
See accompanying notes to financial statements.

Approved on behalf of the Board:

Chair

Vice-President, Finance and Administration

## **KWANTLEN POLYTECHNIC UNIVERSITY**

Statement of Operations (in '000s)

Year ended March 31, 2016, with comparative information for 2015

			Budget	2016	2015
		(1	Note 2(k))		
Revenue:					
Province of British Columbia grants	(Note 9)	\$	67,581	\$ 72,907	\$ 72,758
Other grants	(Note 9)		<del>-</del>	1,706	1,556
Tuition and student fees			66,012	64,868	61,239
Ancillary services			8,575	7,407	7,548
Other revenue			8,489	5,159	4,513
Amortization of deferred capital contributions	(Note 10)		5,288	5,216	5,021
			155,945	157,263	152,635
Expenses:	(Note 16)				
Instruction and instructional support			141,377	139,714	136,591
Ancillary operations			7,834	7,085	7,868
Externally sponsored activity			3,272	6,052	3,012
Research activity			3,338	3,005	3,282
			155,821	155,856	150,753
Annual surplus			124	1,407	1,882
Accumulated operating surplus, beginning of year			79,298	79,298	77,416
Accumulated operating surplus, end of year		\$	79,422	\$ 80,705	\$ 79,298

## **KWANTLEN POLYTECHNIC UNIVERSITY**

Statement of Changes in Net Debt (in '000s)

Year ended March 31, 2016, with comparative information for 2015

	Budget	2016	2015
	(Note 2(k))		
Annual surplus	\$ 1,407	\$ 1,407	\$ 1,882
Acquisition of tangible capital assets	-	(11,836)	(12,440)
Write-down of tangible capital assets	-	-	791
Amortization of tangible capital assets	11,500	11,255	10,895
	11,500	(581)	(754)
Acquisition net of use of prepaid expenses and deposits	-	(1,593)	(2,120)
Net remeasurement gains (losses)	-	(729)	1,117
Change in net debt	12,907	(1,496)	125
Net debt, beginning of year	(106,134)	(106,134)	(106,259)
Net debt, end of year	\$ (93,227)	\$ (107,630)	\$ (106,134)

Statement of Cash Flows (in '000s)

Year ended March 31, 2016, with comparative information for 2015

Cash provided by (used in):  Operating activities:  Annual surplus  Items not involving cash:  Amortization of tangible capital assets  Write-down of tangible capital assets  Amortization of deferred capital contributions  Change in non-cash operating working capital:	1,407 \$ 11,255 - (5,216)	1,882 10,895
Annual surplus \$ Items not involving cash: Amortization of tangible capital assets Write-down of tangible capital assets Amortization of deferred capital contributions	11,255	ŕ
Items not involving cash: Amortization of tangible capital assets Write-down of tangible capital assets Amortization of deferred capital contributions	11,255	ŕ
Amortization of tangible capital assets Write-down of tangible capital assets Amortization of deferred capital contributions	-	10,895
Write-down of tangible capital assets Amortization of deferred capital contributions	-	10,895
Amortization of deferred capital contributions	- (5,216)	
·	(5,216)	791
Change in non-cash operating working capital:		(5,021)
		()
Accounts receivable	(1,096)	(2,091)
Prepaid expenses and deposits	(1,593)	(2,120)
Inventories for resale	116	471
Accounts payable and accrued liabilities	373	30
Deferred contributions	1,189	255 (4.44)
Deferred contributions  Not change from energting activities	(522) 5,913	(141) 4,951
Net change from operating activities	5,915	4,931
Capital activities:		
Cash used to acquire tangible capital assets	(11,650)	(10,891)
Net change from capital activities	(11,650)	(10,891)
Financing activities:		
Contributions received for tangible capital assets	4,179	5,676
Principal payments on capital lease obligations	(378)	(348)
Net change from financing activities	3,801	5,328
Investing activities:		
Increase in investments	(3,509)	(534)
Net remeasurement gains (losses)	(729)	1,117
Net change from financing activities	(4,238)	583
	, ,	
Net change in cash and cash equivalents	(6,174)	(29)
Cash and cash equivalents, beginning of year	25,398	25,427
Cash and cash equivalents, end of year \$	19,224 \$	25,398
Non-cash transaction:		
Tangible capital assets acquired and financed by capital leases \$	186 \$	1,549

See accompanying notes to financial statements.

Statement of Remeasurement Gains and Losses (in '000s)

Year ended March 31, 2016, with comparative information for 2015

	2016		2015
Accumulated remeasurement gains, beginning of year	\$ 1,350	\$	233
Unrealized gains (losses) attributed to:		>	
Long term bonds	(670)		1,048
Securities	(25)		48
Foreign currency translation	35		(61)
Amounts reclassified to the Statement of Operations:			
Long term bonds	(34)		(5)
Securities	2		20
Foreign currency translation	(37)		67
Net remeasurement gains (losses) for the year	(729)		1,117
Accumulated remeasurement gains, end of year	\$ 621	\$	1,350

See accompanying notes to financial statements.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 1. Authority and purpose

Kwantlen Polytechnic University ("the University") operates under the authority of the University Act of British Columbia. The University is a not-for-profit entity governed by a Board of Governors, the majority of which are appointed by the provincial government of British Columbia. The University is exempt from income taxes under section 149 of the Income Tax Act.

The University offers career, vocational, developmental and academic programs from its Richmond, Langley and two Surrey campuses located in southwestern British Columbia. The academic governance of the University is vested in the Senate.

#### 2. Summary of significant accounting policies

#### (a) Basis of accounting:

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that are comprised of generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that are comprised of generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian Public Sector Accounting Standards without any PS4200 elections effective their first fiscal year commencing after January 1, 2012.

Regulation 198/2011 requires that restricted contributions received or receivable for acquiring or developing a depreciable tangible capital asset or contributions in the form of a depreciable tangible capital asset are to be deferred and recognized in revenue at the same rate that amortization of the related tangible capital asset is recorded.

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian Public Sector Accounting Standards which requires government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with Public Sector Accounting Standard PS3410. As a result, revenue recognized in the Statement of Operations and certain related deferred capital contributions would be recorded differently under Canadian Public Sector Accounting Standards.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 2. Summary of significant accounting policies (continued)

(b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

#### (c) Financial instruments

Financial instruments are classified into two categories: fair value or cost.

- (i) Fair value category: The University manages and reports performance for groups of financial assets on a fair value basis. Cash and cash equivalents and investments are reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statement of Operations and related balances reversed from the Statement of Remeasurement Gains and Losses. Unrealized gains and losses on endowment investment assets, where earnings are restricted as to use, are recorded as deferred contributions and recognized in revenue when disposed and when the related expenses are incurred.
- (ii) Cost category: Amounts receivable are measured at cost less any amount for valuation allowance. Valuation allowances are made when collection is in doubt.

#### (d) Inventories for resale

Inventories for resale, including new and used textbooks, course manuals, stationary, art supplies, clothing, crested and non-crested giftware are recorded at the lower of cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated proceeds on sale less any costs to sell.

#### (e) Contaminated sites

A liability for contaminated sites is recognized when a site is not in productive use and the following criteria are met:

- (i) An environmental standard exists;
- (ii) Contamination exceeds the environmental standard;
- (iii) The University is directly responsible or accepts responsibility;
- (iv) It is expected that future economic benefits will be given up; and
- (v) A reasonable estimate of the amount can be made.

The liability is recognized as management's estimate of the cost of post-remediation including operation, maintenance and monitoring that are an integral part of the remediation strategy for a contaminated site.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 2. Summary of significant accounting policies (continued)

#### (f) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives shown below. Land is not amortized as it is deemed to have a permanent value.

Asset	Term
Buildings Site improvements Major renovations Major equipment Library holdings Technology infrastructure Furniture and equipment	40 years 10 years 10 years 10 - 20 years 10 years 8 years 3 - 5 years
Leased capital assets	5 years

Work in progress is not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the University's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value.

#### (ii) Leased tangible capital assets

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as obligations under capital lease and are reflected as part of tangible capital assets in the financial statements. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 2. Summary of significant accounting policies (continued)

#### (g) Employee future benefits

The University and its employees make contributions to the College and Municipal pension plans which are multi-employer joint trustee pension plans. These plans are defined benefit plans, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as defined contribution plans and any contributions of the University to the plans are expensed as incurred.

The University's sick leave benefits do not vest or accumulate and related costs are expensed as incurred.

#### (h) Revenue recognition

Tuition and student fees and sales of goods and services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured.

Unrestricted donations and grants are recorded as revenue if the amounts can be estimated and collection is reasonably assured. Pledges from donors are recorded as revenue when payment is received by the University or the transfer of property is completed.

Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

- (i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services, are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- (ii) Contributions restricted for specific purposes other than for those to be held in perpetuity or the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met.
- (iii) Contributions restricted to be retained in perpetuity, allowing only the investment income earned thereon to be spent are recorded as endowment donations and as deferred contributions for any unspent restricted investment income earned thereon.

Investment income includes interest recorded on an accrual basis, dividends recorded as declared, and realized gains and losses on the sale of investments.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 2. Summary of significant accounting policies (continued)

#### (i) Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets, liabilities, and related disclosures. Key areas where management has made estimates and assumptions include those related to the determination of useful lives of tangible capital assets for amortization and the amortization of related deferred capital contributions, accrued liabilities, valuation of accounts receivable, and provisions for contingencies. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

#### (j) Foreign currency translation

The University's functional currency is the Canadian dollar. Transactions in foreign currencies are translated into Canadian dollars at the exchange rate in effect on the transaction date. Monetary assets and liabilities denominated in foreign currencies and non-monetary assets and liabilities which are designated in the fair value category under the financial instrument standard are reflected in the financial statements in equivalent Canadian dollars at the exchange rate in effect on the balance sheet date. Any gain or loss resulting from a change in rates between the transaction date and the settlement date or balance sheet date is recognized in the Statement of Remeasurement Gains and Losses. In the period of settlement, the related cumulative remeasurement gain/loss is reversed in the Statement of Remeasurement Gains and Losses and the exchange gain or loss in relation to the exchange rate at the date of the item's initial recognition is recognized in the Statement of Operations and Accumulated Surplus.

#### (k) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the 2015-2016 University Budget approved by the Board of Governors of Kwantlen Polytechnic University on April 1, 2015. The budget is reflected in the Statement of Operations and Accumulated Surplus and the Statement of Changes in Net Debt.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 3. Cash and cash equivalents

	2016	2015
Cash Cash equivalents	\$ 14,296 4,928	\$ 17,533 7,865
	\$ 19,224	\$ 25,398

#### 4. Accounts receivable

		2016	2015
Accounts receivable Allowance for doubtful accounts	\$	7,095 (1,425)	\$ 5,809 (1,235)
	\$	5,670	\$ 4,574

## 5. Due from/ to government and other government organizations

Included in accounts receivable	2016	2015
Provincial government Other government	\$ 1,628 467	\$ 641 183
	\$ 2,095	\$ 824
Included in accounts payable and accrued liabilities	2016	2015
Provincial government	\$ 62	\$ 166
	\$ 62	\$ 166

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 6. Financial instruments

Investments and endowment investments recorded at fair value are comprised of the following:

	2016	2015
	2010	2013
Long term bonds	\$ 38,105	\$ 34,451
Securities	1,536	1,681
	39,641	36,132
Endowment investments	2,817	2,817
Investments	\$ 36,824	\$ 33,315

All fixed income securities held at March 31, 2016 mature at various dates to June 2108 (2015 – June 2108) and bear interest at rates varying from 0.950% - 9.976% (2015 – 0% - 9.976%).

Generally accepted accounting principles define the fair value of a financial instrument as the amount at which the instrument could be exchanged in a current transaction between willing parties. The University uses the following methods and assumptions to estimate the fair value of each class of financial instruments for which the carrying amounts are included in the Statement of Financial Position under the following captions:

- Cash and cash equivalents, accounts receivable and accounts payables and accrued liabilities
   the carrying amounts approximate fair value because of the short maturity of these instruments.
- Investments the carrying amounts are shown at fair market value based on quoted prices (unadjusted) in active markets.

The financial instruments measured at fair value held within each investment are classified according to a hierarchy which includes three levels, reflecting the reliability of the inputs involved in the fair value determination. The different levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The University's instruments are all considered to be level 1 financial instruments for which the fair value is determined based on quoted prices in active markets. Changes in fair valuation methods or in the availability of market observable inputs may result in a transfer between levels. During the year there were no significant transfers of securities between the different levels.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 7. Accounts payable and accrued liabilities

	2016	2015
Accounts payable and accrued liabilities Salaries and wages payable Accrued vacation payable	\$ 10,505 5,202 9,389	\$ 10,318 5,214 9,191
	\$ 25,096	\$ 24,723

#### 8. Employee future benefits

#### (a) Pension benefits:

The University and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trusteed pension plans. The board 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 based on a formula. As at August 31, 2015, the College Pension Plan has about 14,000 active members from administration and instructional staff and approximately 6,500 retired members. As at December 31, 2014, the Municipal Pension Plan has about 185,000 active members, with approximately 5,800 from colleges and special purpose, teaching universities.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2012 indicated a \$105 million funding deficit for basic pension benefits. The next valuation will be August 31, 2015, with results available in 2016. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a \$1,370 million funding deficit for basic pension benefits. The next valuation will be December 31, 2015, with results available in 2016.

Employers participating in the Plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the Plans record accrued liabilities and accrued assets for the plans in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the Plans.

The University paid \$8,430 for employer contributions to the Plans in the current year (2015 - \$8,219).

#### (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 \$420 in the current year (2015 - \$616). As at March 31, 2016, the University has an obligation of \$294 (2015 - \$432), which has been included in salaries and wages payable.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 9. Deferred contributions and grants

Deferred contributions represent externally restricted contributions that will be used in future periods for academic programming and student awards, as specified by the contributor. Grants represent unrestricted funding from various sources.

	2015	Amounts received	Amortized as revenue	2016
Provincial Grants Deferred contributions	\$ 2,774	\$ 66,954 5,562	\$ (66,954) (5,953)	\$ 2,383
Federal Deferred contributions	162	538	(467)	233
Other sources Grants Deferred contributions	- 784	53 984	(53) (1,186)	- 582
	\$ 3,720	\$ 74,091	\$ (74,613)	\$ 3,198

#### 10. Deferred capital contributions

	2015	mounts eceived	nortized revenue	2016
Provincial Federal Other sources	\$ 121,034 2,340 7,525	\$ 3,895 139 145	\$ (4,923) (132) (161)	\$ 120,006 2,347 7,509
	\$ 130,899	\$ 4,179	\$ (5,216)	\$ 129,862

#### 11. Obligations under capital lease

The University has entered into capital leases to finance computers and equipment at an estimated cost of borrowing of 2.78% per annum. The principal and interest payments are as follows:

	2016		2015
\$	_	\$	379
•	396	т	357
			292
			216
			54
	7		
	1 085		1,298
	(49)		(70)
\$	1.036	\$	1,228
	\$	396 332 256 94 7 1,085 (49)	\$ - \$ 396 332 256 94 7  1,085 (49)

Total interest on leases for the year was \$33 (2015 - \$20).

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 12. Tangible capital assets

		Land	Buildings	impr	Site ovements	renc	Major ovations	eq	Major uipment	ŀ	Library noldings	_	chnology structure	urniture & uipment	capi	Leased tal assets	in	Work progress	Total
2016 Cost																			
Opening balance Additions Transfers to/(from) W	\$ IP	20,040	\$ 197,670 590 31	\$	1,036 44 -	\$	16,157 532 -	\$	307 69 -	\$	7,275 380	\$	- 614 1	\$ 53,029 4,176	\$	1,549 186 -	\$	4,451 5,245 (32)	\$ 301,514 11,836
Closing balance		20,040	198,291		1,080		16,689		376		7,655		615	57,205		1,735		9,664	313,350
2016 Accumulated amor	tizat	ion																	
Opening balance Amortization		- -	(67,682) (4,949)		(862) (41)		(3,517) (1,643)		(8) (18)		(4,598) (562)		(39)	(44,839) (3,675)		(211) (328)		-	(121,717) (11,255)
Closing balance		-	(72,631)		(903)		(5,160)		(26)		(5,160)		(39)	(48,514)		(539)		-	(132,972)
2016 Net book value	\$	20,040	\$ 125,660	\$	177	\$	11,529	\$	350	\$	2,495	\$	576	\$ 8,691	\$	1,196	\$	9,664	\$180,378
2015 Net book value	\$	20,040	\$ 129,988	\$	174	\$	12,640	\$	299	\$	2,677	\$	-	\$ 8,190	\$	1,338	\$	4,451	\$179,797

## (a) Work in progress:

Work in progress with a value of \$9,664 (2015 - \$4,451) has not been amortized. Amortization of these assets will commence when the assets are put into service.

#### (b) Write-down of tangible capital assets:

There was a write-down of building costs within work in progress of \$ nil in the current year (2015 – \$791).

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 13. Financial risk management

The University has exposure to certain risks from its use of financial instruments.

The Board of Governors ensures that the University has identified its major risks and ensures that management monitors and controls them.

#### (a) Credit risk

Credit risk is the risk of financial loss to the University if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Such risks arise principally from certain financial assets held by the University consisting of cash and cash equivalents, investments and accounts receivable.

The University manages credit risk with established investment guidelines for its investment management companies to follow in managing its investment portfolios. The guidelines limit investments to those with BBB- or greater credit rating. The University does not invest in any derivatives.

#### (b) Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the University's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

It is management's opinion that the University is not exposed to significant market or interest rate risk arising from its financial instruments.

#### (c) Liquidity risk

Liquidity risk is the risk that the University will not be able to meet its financial obligations as they become due.

The University manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the University's reputation.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

#### 14. Contractual obligations

The nature of the University's activities can result in multiyear contracts and obligations whereby the University will be committed to make future payments. Significant contractual obligations related to operations that can be reasonably estimated are as follows:

	2017	2018	2019	2020	 2021
\$	5,163	\$ 3,718	\$ 1,962	\$ 1,140	\$ 362

#### 15. Commitments and contingent liabilities

- (a) The University may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of operations.
  - 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 building of the Chip and Shannon Wilson School of Design at the Richmond campus for the Faculty of Design. The University is to receive \$12,000 from Chip and Shannon Wilson and Iululemon athletica Canada Inc. and provincial funding of up to \$12,000 in support of the project. The University has Board approval for a budget of \$12,000 as the University's contribution toward the project. The project, which has a total budget of \$36,000, is expected to be completed by December 2017.
- (c) The University has entered into an agreement to purchase real estate to provide additional classroom space to meet future student demand with space being available in 2017. The University will be funding the project at a budget of \$19,555.
- (d) The University Board has approved a network infrastructure upgrade of up to \$4,780 across all four campuses with expected completion in fiscal 2017. As at March 31, 2016, \$4,565 has been spent on this project.
- (e) The University has the ability to draw on a line of credit of \$7,000 (2015 \$7,000). As at March 31, 2016, the University has not utilized the available line of credit.

Notes to Financial Statements (continued) (in '000s)

Year ended March 31, 2016

## 16. Expenses by object

The following is a summary of expenses by object:

1		uction and structional support		Ancillary operations	Externally sponsored activity	F	Research activity		2016
Salaries and benefits	\$	109,041	\$	1,688	\$ 1,329	\$	1,841	\$	113,899
Travel and professional development	Ψ	1,993	Ψ	1,000	1,529	Ψ	304	Ψ	2,461
Supplies		4,132		90	336		128		4,686
Student awards and bursaries		1,102		-	1,599		-		1,611
Fees and services		7,078		627	2,279		257		10,241
Facilities		6,119		382	297		121		6,919
Cost of sales		-		3,998			-		3,998
Leases, property taxes, insurance		523		21	56		186		786
Amortization of tangible capital assets		10,816		271	-		168		11,255
Contributions to Kwantlen Polytechnic		•							,
University Foundation		-		-	-		-		-
	\$	139,714	\$	7,085	\$ 6,052	\$	3,005	\$	155,856
	\								
I		uction and			Externally				
ı		structional		Ancillary	sponsored	F	Research		
l				Ancillary operations	•	F	Research activity		2015
	in	structional support	•	operations	sponsored activity		activity	¢	
Salaries and benefits		structional support 107,601	\$	operations 1,929	sponsored activity \$ 599	F \$	activity 2,138	\$	112,267
Salaries and benefits Travel and professional development	in	structional support 107,601 2,133	\$	operations 1,929 20	sponsored activity  \$ 599 141		2,138 415	\$	112,267 2,709
Salaries and benefits Travel and professional development Supplies	in	structional support 107,601	\$	operations 1,929	sponsored activity  \$ 599 141 160		activity 2,138	\$	112,267 2,709 3,360
Salaries and benefits Travel and professional development	in	107,601 2,133 3,007	\$	operations 1,929 20	\$ 599 141 160 148		2,138 415	\$	112,267 2,709 3,360 155
Salaries and benefits Travel and professional development Supplies Student awards and bursaries	in	107,601 2,133 3,007	\$	1,929 20 72	sponsored activity  \$ 599 141 160		2,138 415 121	\$	2015 112,267 2,709 3,360 155 9,138 5,755
Salaries and benefits Travel and professional development Supplies Student awards and bursaries Fees and services	in	107,601 2,133 3,007 7 6,503	\$	1,929 20 72 - 579	\$ 599 141 160 148 1,819		2,138 415 121 - 237	\$	112,267 2,709 3,360 155 9,138
Salaries and benefits Travel and professional development Supplies Student awards and bursaries Fees and services Facilities	in	107,601 2,133 3,007 7 6,503	\$	1,929 20 72 - 579 437	\$ 599 141 160 148 1,819		2,138 415 121 - 237	\$	112,267 2,709 3,360 155 9,138 5,755
Salaries and benefits Travel and professional development Supplies Student awards and bursaries Fees and services Facilities Cost of sales	\$	107,601 2,133 3,007 7 6,503 5,066	\$	1,929 20 72 - 579 437 4,496	\$ 599 141 160 148 1,819 109		2,138 415 121 - 237 143	\$	112,267 2,709 3,360 155 9,138 5,755 4,496
Salaries and benefits Travel and professional development Supplies Student awards and bursaries Fees and services Facilities Cost of sales Leases, property taxes, insurance	\$	107,601 2,133 3,007 7 6,503 5,066	\$	1,929 20 72 - 579 437 4,496 40	\$ 599 141 160 148 1,819 109		2,138 415 121 - 237 143 - 24	\$	112,267 2,709 3,360 155 9,138 5,755 4,496 938
Salaries and benefits Travel and professional development Supplies Student awards and bursaries Fees and services Facilities Cost of sales Leases, property taxes, insurance Amortization of tangible capital assets	\$	107,601 2,133 3,007 7 6,503 5,066	\$	1,929 20 72 - 579 437 4,496 40	\$ 599 141 160 148 1,819 109		2,138 415 121 - 237 143 - 24	\$	112,267 2,709 3,360 155 9,138 5,755 4,496 938



Attachments:

N/A

**Board of Governors** Regular Meeting

Agenda Item: #5.3

Meeting Date: May 25, 2016 Presenter(s): Hanne Madsen

**Appointment of the External Auditor** Agenda Item: Action Requested: □ Discussion □Information □ Education Recommended THAT the Board of Governors appoint KPMG as External Auditor for Kwantlen **Resolution:** Polytechnic University (KPU) for a term of three (3) years, with an option to renew for an additional two (2) one (1) year terms. **Board Committee** The Board Audit Committee approved the appointment of KPMG as External Report: Auditor for recommendation to the Board of Governors at its meeting held on May 12, 2016. Context & Section 33 of the University Act states that, "Unless the Auditor General is Background: appointed in accordance with the Auditor General Act, as the Auditor of the Board, the Board must appoint an Auditor to audit the accounts of the Board at least once each year." The Audit Committee Terms of Reference states that the Audit Committee recommends to the Board the appointment of the External Auditor (subject to KPU's procurement practices). **Key Messages:** 1. Proposals were received from four bidders. The Evaluation Committee [maximum of evaluated the proposals and identified KPMG as the successful bidder. three] 2. KPMG has quoted fees for the fiscal 2016/17 year are up to a maximum of \$42,000 plus \$1,500 for out of pocket expenses. Fees for the fiscal 2015/16 year were quoted as \$49,000 plus \$1,500. 3. The selection process followed RFP procurement and evaluation policy as outlined in the CB2750 - Request for Proposal Audit Services and CB2750 -Evaluation Sheet - RFP documents (attached). Resource Funding for the successful proponent. Estimated at approx. \$50k **Requirements:** Implications / Failure to approve an external auditor may potentially delay the required Risks: external audit of the financial statements.



**Board of Governors** Regular Meeting

Agenda Item: #5.3

Meeting Date: May 25, 2016
Presenter(s): Hanne Madsen

**Submitted by:** Jon Harding

**Date submitted:** May 13, 2016



**Board of Governors** Regular Meeting

Agenda Item: #7.2

Meeting Date: May 25, 2016 Presenter(s): Lisa Skakun

Agenda Item: 2016/17 Mandate Letter for KPU **Action Requested:** ☐ Motion to Approve □ Discussion ⊠Information □ Education Recommended N/A **Resolution: Board Committee** The Board Governance Committee reviewed the 2016/17 Mandate Letter for KPU Report: at its meeting on May 18, 2016. Context / All Board Members are asked to sign the Mandate Letter which provides the **Background** Government's strategic priorities and key performance expectations for the 2016/17 fiscal year for KPU. In 2014, Government established a common set of principles for BC public sector organizations. The intent of the Taxpayer Accountability Principles is to strengthen accountability, promote cost control and instill a common frame of reference to inform decisions and ensure actions taken and services provided meet public policy objectives established by Government on behalf of British Columbians. All public sector organizations are expected to understand the responsibility they have to British Columbians and how it is complementary to the fiduciary duty to their organizations. **Key Messages:** 1. All Board Members are required to individually and collectively acknowledge their statutory obligations to act in the best interests of KPU and affirm as [maximum of three] Governors to take into account the Taxpayer Accountability Principles in exercising their duty by signing the Mandate Letter. 2. Any Board Member not wanting to sign the Letter is asked to write to Ms. Sandra Carroll, Deputy Minister, Ministry of Advanced Education outlining their concerns. 3. The document with signatures will be submitted to the Ministry of Advanced Education and posted on the Board website, as required by the Provincial Government. **Attachments:** 2016/17 Mandate Letter for Public Post-secondary Institutions Submitted by: Lisa Skakun / Alan Davis Date submitted: May 19, 2016



April 7, 2016 Our Ref: 101807

Ms. Lisa Skakun Chair, Board of Governors Kwantlen Polytechnic University 12666 72nd Ave Surrey BC V3W 2M8

Dear Ms. Skakun:

On behalf of the province of British Columbia, I would like to thank you for your leadership and the contributions made by Kwantlen Polytechnic University over the past year. We recognize the efforts made in supporting the strategic actions identified in the 2015/16 Mandate Letter, which continue to be priorities this year.

In 2014, Government established a common set of principles for British Columbia public sector organizations. The intent of the Taxpayer Accountability Principles is to strengthen accountability and promote cost control. These principles instill a common frame of reference to inform decisions and ensure that the actions taken and services provided meet public policy objectives established by Government on behalf of British Columbians. All public sector organizations are expected to understand the responsibility they have to British Columbians and how it is complementary to the fiduciary duty to their organizations.

This Mandate Letter provides the Government's strategic priorities and key performance expectations for the 2016/17 fiscal year for your institution.

Respect for the taxpayer through affordable public policies is a core Government value. It is critical that public post-secondary institutions operate as efficiently as possible, to ensure British Columbians are provided with the highest-quality programs and services. This requires constant focus on maintaining a cost-conscious and principled culture through the efficient and effective delivery of programs and services that stand the test of public scrutiny and help develop a prosperous economy in an environmentally sustainable manner. The foundation of this work is the commitment by Government to control spending and balance the budget.

Government is responsible for providing funding, setting the legislative, regulatory and public policy frameworks in which public post-secondary institutions operate along with establishing the Institution's mandate. This includes the following statutory provisions:

Page 1 of 6

Section 47.1 of the *University Act* and the *Designation of Special Purpose, Teaching Universities Regulation*:

A special purpose, teaching university must do all of the following:

- provide adult basic education, career, technical, trade and academic programs leading to certificates, diplomas and baccalaureate and masters degrees, English as a second language and adult special education programs that meet the needs of its designated region; and
- so far as and to the extent that its resources from time to time permit, undertake and maintain applied research and scholarly activities to support the programs of the special purpose, teaching university.

Within the terms of the legislation, Kwantlen Polytechnic University will, in fulfilling its mandate, consider strategic priorities of Government when allocating institutional resources.

Specific strategic priority actions of Government for 2016/17 are:

- Develop and implement an updated Skills Gap Plan, in alignment with priorities of the BC Skills for Jobs Blueprint;
- Continue to deepen BC's talent pool, in support of the #BCTECH strategy, ensuring opportunities for students in the technology sector;
- Work in partnership with the Government and Aboriginal communities, organizations and institutes to implement the Aboriginal Post-Secondary Education and Training Policy Framework and Action Plan to increase the participation and success of Aboriginal learners:
- Continue to deliver on the goals of the International Education Strategy including pursuing opportunities to advance the two-way flow of students;
- Collaborate with the Ministry on the development of a common application system for all public post-secondary institutions in the province;
- Meet or exceed the financial targets identified in the Ministry's three-year Service Plan as tabled under Budget 2016, including maintaining balanced or surplus financial results; and
- Continue to maximize the efficient use of public post-secondary administrative resources through the Administrative Service Delivery Transformation initiative.

To achieve this, several actions as detailed in the 2014 Taxpayer Accountability Principles transition letter, are to continue to be implemented and refined, such as, on-going orientation, the joint strategic engagement plan, and the evaluation plan. For information on the Principles, please see <a href="http://gov.bc.ca/crownaccountabilities.">http://gov.bc.ca/crownaccountabilities.</a>

Government is committed to continuing to strengthen the relationship between Government and public post-secondary institutions. This strong focus on increased two-way communication supports and ensures a common understanding of Government's expectations and institutional priorities. As such it is important that each of us advise the other in a timely manner of any issues that may affect Kwantlen Polytechnic University and/or the interests of Government. This

is critical to building trust and the effective delivery of public services, including information on any risks to achieving financial forecasts and performance targets.

As public post-secondary institutions that receive funding from the Government, institutions are expected to conduct their affairs in a manner consistent with the legislative, regulatory and policy framework established by Government and share in upholding the Taxpayer Accountability Principles. This includes:

- 1. Adhering to the policy, guidelines and directions of the Public Sector Employers' Council regarding executive compensation and the management freeze that remains in place for the present time, recognizing the fiscal reality facing the provincial public sector.
- 2. Negotiating settlements with unionized employee groups consistent with the Economic Stability Mandate for all collective agreements that expire on or after December 31, 2013.
- 3. Ensuring that institutional operational and financial activities, including procurement and travel, are conducted consistent with Government standards for cost-consciousness and the most cost-effective use of taxpayer resources.
- 4. Conducting board matters in accordance with the best practice guideline.

The Core Policy and Procedures Manual of Government can be found for reference at <a href="http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm">http://www.fin.gov.bc.ca/ocg/fmb/manuals/CPM/CPMtoc.htm</a> and other supporting documents found on the Public Sector Employers' Council Secretariat website at <a href="http://www.fin.gov.bc.ca/psec/">http://www.fin.gov.bc.ca/psec/</a>.

The Government has also provided the Institution with *Reporting Requirements* which sets out statistical, financial and performance reporting requirements and which can be found on the Ministry's website. The Institution agrees to meet these *Reporting Requirements*, and provide the Government with reports and high quality data required by Government to carry out its responsibilities.

As our economy grows, there will be thousands of job openings in various occupations. More than 78 percent of these openings will require post-secondary education. These jobs range from professions to skilled trades to management. To ensure that British Columbians have the training and skills needed to take advantage of these opportunities, our Government launched the BC Skills for Jobs Blueprint in April 2014. Thousands of students who are taking courses this fall – from critical trades to health care to business administration – are doing so as a result of targeted funding for high-priority occupations.

Government is committed to providing support to help students succeed, while at the same time making sure that funding is focused on front-line education. British Columbia has taken great strides in making post-secondary education affordable and accessible for students of all backgrounds. Our Government works with employers, institutions and students to provide research, education and training to position our diverse workforce for continued success on a competitive global stage.

Together we need to continue to look for more opportunities to position our public post-secondary system for ongoing success.

Each board member acknowledges this Mandate Letter by signing the attachment to this letter. The Mandate Letter is to be posted publicly on your institution's website and a copy signed by all board members provided to the Ministry and made available upon request.

I look forward to our regular meetings focusing on strategic priorities, performance against the Taxpayer Accountability Principles, key results and working together to protect the public interest at all times.

Sincerely,

Andrew Wilkinson

Minister

Attachments: Taxpayer Accountability Principles

Signature Page Template

pc: Honourable Christy Clark

Premier

Ms. Kim Henderson Deputy Minister to the Premier and Cabinet Secretary

Ms. Athana Mentzelopoulos Deputy Minister and Secretary to Treasury Board Ministry of Finance

Ms. Sandra Carroll Deputy Minister Ministry of Advanced Education

Ms. Cheryl Wenezenki-Yolland Associate Deputy Minister Ministry of Finance As members of the Kwantlen Polytechnic University Board of Governors, we individually and collectively acknowledge our statutory obligations to act in the best interests of Kwantlen Polytechnic University and affirm as Governors to take into account the Taxpayer Accountability Principles in exercising our duty.

Steven Button Elected Student Member	Jessica Lar-Son Elected Student Member	Kim Rose Elected Non-Faculty Member
Marc Kampschuur Elected Faculty Member	Suzanne Pierce Elected Faculty Member	
Douglas R. Beaton Government Appointed Member	Sandra Lynn Case Government Appointed Member	Tanya Marie Corbet Government Appointed Member
Jamie Lynn Kokoska Government Appointed Member (Alumni)	Praveen K. Vohora Government Appointed Member	Vacant Government Appointed Member (Alumni)
George Melville Chancellor	Alan Davis President and Vice-Chancellor	
Hanne Madsen Vice-Chair Board of Governors Government Appointed Member	Lisa Skakun Chair, Board of Governors Government Appointed Member	
Date Signed		

	BC Taxpayer Accountability Principles								
Fu	rther information available at:	http://gov.bc.ca/crownaccountabilities							
1	Cost Consciousness (Efficiency)	Strengthen cost management capabilities and foster a culture of cost-consciousness at all levels of public sector organizations. Provide public services and programs as efficiently and effectively as possible to "bend the cost curve" and support sustainable public policies and programs as a lasting legacy for generations to come.							
2	Accountability	Transparently manage responsibilities according to a set of common public sector principles in the best interest of the citizens of the province. By enhancing organizational efficiency and effectiveness in the planning, reporting and decision making, public sector organizations will ensure actions are aligned with government's strategic mandate.							
3	Appropriate Compensation	Comply with a rigorous, standardized approach to performance management and employee compensation, which reflects appropriate compensation for work across the public sector that is consistent with government's taxpayer accountability principles and respectful of the taxpayer.							
4	Service	Maintain a clear focus on positive outcomes for citizens of British Columbia by delivering cost-efficient, effective, value-for-money public services and programs.							
5	Respect	Engage in equitable, compassionate, respectful and effective communications that ensure all parties are properly informed or consulted on actions, decisions and public communications in a timely manner. Proactively collaborate in a spirit of partnership that respects the use of taxpayers' monies.							
6	Integrity	Make decisions and take actions that are transparent, ethical and free from conflict of interest. Require the establishment of a strong ethical code of conduct for all employees and executives. Serve the citizens of British Columbia by respecting the shared public trust and acting in accordance with the taxpayer accountability principles.							



**Board of Governors** Regular Meeting

Agenda Item: #7.3

Meeting Date: May 25, 2016 Presenter(s): Lisa Skakun

Agenda Item:	<b>Board Meeting</b>	Schedule for	2016/2017
Agenua nem.	Dual a Micelling	Schedule ioi	2010/201/

Action Requested:	
	Discussion
	☐ Information
	☐ Education

Recommended THAT the Board of Governors approve the Board Meeting Schedule for 2017 as recommended by the Board Governance Committee.

**Board Committee** 

Report:

three]

The Board Governance Committee reviewed and approved the proposed Board

Meeting Schedule for recommendation to the Board of Governors.

**Key Messages:** [maximum of

The following are confirmed Board meeting dates for the remainder of 2016,

Wednesdays from 4-7 pm\*:

September 21 Richmond November 23 Cloverdale

The following are proposed Board Meeting dates for 2017, Wednesdays from 4-7

pm:

February 1 Surrey
March 29 Langley
May 17 Surrey
June 28 Richmond
September 2 Surrey
November 22 Langley

\*Note: As requested the meeting start time has been changed to 4:00 pm.

The tentative date for the 2017 Board Planning Seminar is February 17, 2017

**Submitted by:** Keri van Gerven

Date submitted: May 19, 2016

# 2016/17 Board Meeting/Event Calendar

Updated: DRAFT

2016/17 B	oard Meetings	Gove	rnance	Human Resources		Audit	Financ e	Convocation	Conferences	Retreat
4:00 –	7:00 p.m.	4:00 – 6	i:00 p.m.	4:00 – 6	:00 p.m.	5:00 -6:00 pm	6:00 – 8:00 p.m.			All Day
		KPU :	Surrey	KPU S	Surrey	KPU Su	rrey	KPU Surrey		
Wed, Sept 21	Wed, March 29	September 7	March 15	Septemb er 1	March 2	September 6	March 7	October 6-7		February 18
Wed, Nov 23	May 17	November 9	April 12	Novembe r 3	April 20	November 8	May 9	May 30 – June 2		
Wed, Feb 1	June 28	January 18	June 14	January 12		January 10	June 13			

	September 2016									
S	М	Tu	W	Th	F	S				
				1	2	3				
4	5	6	7	8	9	10				
11	12	13	14	15	16	17				
18	19	20	21	22	23	24				
25	26	27	28	29	30					

December 2016									
S	M Tu W Th F S								
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4	5	6	7	8	9	10			
11	12	13	14	15	16	17			
18	19	20	21	22	23	24			
25	26	27	28	29	30	31			

March 2017									
S	Μ	Tu	W	Th	F	S			
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5	6	7	8	9	10	11			
12	13	14	15	16	17	18			
19	20	21	22	23	24	25			
26	27	28	29	30	31				

June 2017										
S	M Tu W Th F									
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4	5	6	7	8	9	10				
11	12	13	14	15	16	17				
18	19	20	21	22	23	24				
25	26	27	28	29	30					

October 2016									
S	M Tu W Th F								
						1			
2	3	4	5	6	7	8			
9	10	11	12	13	14	15			
16	17	18	19	20	21	22			
23	24	25	26	27	28	29			
30	31								

January 2017						
S	М	Tu	W	Th	F	S
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8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

April 2017					
М	Tu	W	Th	F	S
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July 2017						
S	M	Tu	W	Th	F	S
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November 2016						
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13	14	15	16	17	18	19
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27	28	29	30			

February 2017						
S	Μ	Tu	W	Th	F	S
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12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28				

May 2017						
S	М	Tu	W	Th	F	S
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14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

	August 2017					
S	Μ	Tu	W	Th	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		



**Regular Meeting Board of Governors** 

Agenda Item: #12

May 25, 2016

**Meeting Date:** Presenter(s): **Alan Davis** 

Agenda Item:	Senate Report: April 25, 2016
Action Requested:	Motion to Approve
	Discussion
	☐ Information
	Education
·	I
Recommended	N/A
Resolution:	
<b>Board Committee</b>	N/A
Report:	
<b>Key Messages:</b> [maximum of three]	1. Notes from the Senate Meetings held April 25, 2016.
Attachments	Notes from the Senate Meeting held April 25, 2016.
Submitted by:	Alan Davis
Date submitted:	May 17, 2016

### Notes from the Senate Meeting of April 25, 2016

#### The following items were approved at the April 25, 2016 Senate meeting:

- Revisions to the Guide for Program Development and Program Revision
- Revisions to Course Outline Template and Course Outline Manual
- Program revisions:
  - Access Program for People with Disabilities
  - Bachelor of Science, Major in Biology
  - o Bachelor of Science, Major in Physics for Modern Technology
  - Diploma in Public Relations
  - o Bachelor of Business Administration in Marketing Management
  - Psychology Honours Programs
    - Bachelor of Arts, Major in Psychology Honours
    - Bachelor of Applied Arts, Major in Psychology Honours
    - Bachelor of Science in Applied Psychology Honours
  - Bachelor of Arts, Major and Minor in Creative Writing
  - o Bachelor of Journalism
  - Bachelor of Arts, Major and Minor in English
  - Bachelor of Arts, Major in Anthropology
  - o Bachelor of Arts, Minor in Language and Culture
  - o Diploma in Music, General Studies Concentration
  - Bachelor of Interior Design
- Program admission revision to the Bachelor of Design in Fashion and Technology
- Framework for Minors
- New course outlines:
  - o BIOL 3330, 4199, 4299, 4245, 4320, 4900
  - o AGRI 1250, 2320, 3150
  - o CRWR 1200, 2900, 3240, 4140, 4150, 4250
  - o HIST 1100, 2302, 2351, 2365
  - o ASIA 2351
  - ENGL 3305, ANTH 3211, JRNL 3180, COMM 3230, PHYS 4900, PRLN 2150
  - o LANC 1200, 1870, 3110, 3154, 3310, 3320, 3350, 3390, 4320
- Revised course outlines:
  - o APPD 0021, 0031, 0041
  - o CRWR 2300, 3100, 3110, 3120, 3130, 3140, 3200, 3210, 3220, 3230, 3301, 3302, 3303, 4100, 4110, 4120, 4130
  - o PRLN 2455, 2477, 2478
  - o MRKT 3211, 3311, 4177, 4331, 4332
  - o BIOL 2421, ANTH 3100
  - o HORT 1102, 1110, 1155, 1217, 1232, 2427
  - o FMRK 1205, 1215, 1250, 2105, 2120
  - o DEPD 2330, 2331, 2430, 3530
  - o FASN 3100, 3120, 3130, 3150, 3200, 3250
  - o JAPN 3350, 4320
- Revised course outlines To use the Math Alternatives Table

- o MATH 1102, 1112, 1115, 1116, 1117, 1120, 1130, 1135, 1140, 1190, 1216, 2341
- o APSC 1151; PHYS 1100, 1400, 1401
- o CHEQ 1094; CHEM 1105, 1110, 1154, 1210
- o ENVI 1106, 1206
- o HORT 1104, 2334
- o PHYQ 1098; MATQ 1099, 1094, 1089
- o INFO 1112, 1113, 1211, 1212, 1214
- Revisions to the Faculty of Health faculty qualifications
- Appointments to the Senate Standing Committee on Program Review
  - o Romy Kozak, faculty member, Faculty of Arts
  - o Brian Haugen, Dean, Faculty of Trades and Technology
- Revision to HR15 Diversity and Inclusiveness Policy for recommendation to the Board of Governors
- Graduates to April 25, 2016
- Jennifer Au acclaimed as Vice Chair of Senate for the term of office from September 1, 2016 to August 31, 2017