

Financial Statements of

KWANTLEN UNIVERSITY COLLEGE

Year ended March 31, 2006



KPMG LLP
Chartered Accountants
Metrotower II
Suite 2400 - 4720 Kingsway
Burnaby BC V5H 4N2
Canada

Telephone (604) 527-3600
Fax (604) 527-3636
Internet www.kpmg.ca

AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the statement of financial position of Kwantlen University College (the "University College") as at March 31, 2006 and the statements of changes in net assets, operations and changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the University College as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Burnaby, Canada

May 5, 2006

KWANTLEN UNIVERSITY COLLEGE

Statement of Financial Position

March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Current assets:		
Cash and cash equivalents	\$ 15,071,518	\$ 14,467,224
Short-term investments	3,261,662	4,847,900
Accounts receivable	4,482,818	1,964,046
Inventory	1,161,852	1,367,552
Prepaid expenses	415,749	420,447
	24,393,599	23,067,169
Long-term investments (note 3)	18,545,076	12,000,000
Capital assets (note 4)	131,810,040	108,213,757
	\$ 174,748,715	\$ 143,280,926

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities	\$ 7,325,084	\$ 6,546,769
Salaries and wages payable	3,490,873	4,345,049
Accrued vacation payable	6,792,987	6,556,639
Deferred revenue	7,441,936	6,002,561
	25,050,880	23,451,018
Deferred capital contributions (note 5)	109,019,887	85,025,119
	134,070,767	108,476,137
Net assets:		
Invested in capital assets (note 6)	29,296,387	27,890,286
Internally restricted	16,042,355	9,645,955
Unrestricted	(4,660,794)	(2,731,452)
	40,677,948	34,804,789
	\$ 174,748,715	\$ 143,280,926

Commitments and contingencies (note 10)

Employee future benefits (note 11)

See accompanying notes to financial statements.

Approved on behalf of the Board:

Chair

Vice President, Administrative and
Student Services & CFO

KWANTLEN UNIVERSITY COLLEGE

Statement of Changes in Net Assets

Year ended March 31, 2006, with comparative figures for 2005

				2006	2005
	Invested in capital assets (note 6)	Internally restricted	Unrestricted	Total	Total
Balance, beginning of year	\$ 27,890,286	\$ 9,645,955	\$ (2,731,452)	\$ 34,804,789	\$ 28,432,124
Excess (deficiency) of revenue over expenses	(1,771,024)	-	7,644,183	5,873,159	6,372,665
Net change in invested in capital assets (note 6(c))	3,177,125	-	(3,177,125)	-	-
Increase in internally restricted net assets	-	4,396,400	(4,396,400)	-	-
Allocation to Capital Fund (note 7)	-	2,000,000	(2,000,000)	-	-
Balance, end of year	\$ 29,296,387	\$ 16,042,355	\$ (4,660,794)	\$ 40,677,948	\$ 34,804,789

See accompanying notes to financial statements.

KWANTLEN UNIVERSITY COLLEGE

Statement of Operations and Changes in Unrestricted Net Assets

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Grants - Province of British Columbia	\$ 58,802,263	\$ 55,991,764
Tuition fees	31,397,291	31,074,967
Access and other fees	2,267,842	2,213,976
Contract and other services	2,883,157	3,091,622
Interest, shop earnings and other income	3,428,368	2,155,825
Ancillary services	7,369,153	7,162,178
Amortization of deferred capital contributions	5,632,273	5,707,062
	111,780,347	107,397,394
Expenses:		
Salaries and benefits	78,510,534	75,260,589
Travel and professional development	2,317,248	1,814,850
Supplies	3,849,986	3,693,947
Fees and services	4,246,299	3,918,294
Facilities	4,519,710	4,383,206
Cost of sales	4,595,851	4,810,126
Leases, property taxes and insurance	1,694,786	1,091,344
Amortization of capital assets	5,617,774	5,527,373
Contributions to Kwantlen University College Foundation	555,000	525,000
	105,907,188	101,024,729
Excess of revenue over expenses (note 8)	5,873,159	6,372,665
Net increase in net assets invested in capital assets	(1,406,101)	(2,196,025)
Increase in internally restricted net assets	(4,396,400)	(3,819,400)
Net change in unrestricted net assets	\$ 70,658	\$ 357,240

See accompanying notes to financial statements.

KWANTLEN UNIVERSITY COLLEGE

Statement of Cash Flows

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ 5,873,159	\$ 6,372,665
Items not involving cash:		
Amortization of capital assets	5,617,774	5,527,373
Amortization of deferred capital contributions	(5,632,273)	(5,707,062)
Changes in non-cash operating working capital:		
Accounts receivable	(2,518,772)	(343,909)
Inventory	205,700	46,561
Prepaid expenses	4,698	(32,852)
Accounts and other payables	160,487	2,041,963
Deferred revenue	1,439,375	642,790
	5,150,148	8,547,529
Investments:		
Net increase in capital assets	(29,214,057)	(8,127,241)
Increase (decrease) in short-term investments	1,586,238	(4,346,180)
Increase in long-term investments	(6,545,076)	(12,000,000)
	(34,172,895)	(24,473,421)
Financing:		
Contributions received - capital	29,627,041	7,196,726
	29,627,041	7,196,726
Increase (decrease) in cash and cash equivalents	604,294	(8,729,166)
Cash and cash equivalents, beginning of year	14,467,224	23,196,390
Cash and cash equivalents, end of year	\$ 15,071,518	\$ 14,467,224

See accompanying notes to financial statements.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

1. Authority and purpose:

Kwantlen University College (the "University College"), established in 1981, is a degree granting, post-secondary educational institution that operates under the Colleges and Institutes Act of British Columbia. It offers career, vocational, developmental and academic programs from its Richmond, Langley, and two Surrey campuses located in southwestern British Columbia.

The University College is governed by a Board of Governors, the majority of whom are appointed by the provincial government of British Columbia (the "Province"). The University College is exempt from the payment of income taxes under section 149 of the Income Tax Act.

2. Significant accounting policies:

(a) Basis of accounting and presentation:

These financial statements are prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations.

(b) Cash and cash equivalents:

Cash and cash equivalents are defined to include highly liquid securities with original terms to maturity of three months or less when purchased.

(c) Short-term investments:

Short-term investments, which are recorded at the lower of cost and market value, are defined to include short-term investments with original terms to maturity of greater than three months and less than one year when purchased.

(d) Inventory:

Inventory of merchandise held for resale is stated at the lower of cost and net realizable value.

(e) Long-term investments:

Long-term investments, which are recorded at the lower of cost and market value, are defined to include investments with original terms to maturity of greater than one year when purchased.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

2. Significant accounting policies (continued):

(f) Capital assets:

Capital assets purchased by the University College are recorded at cost. Donated capital assets are recorded at their fair market value on the date of donation. Capital assets are amortized on a straight-line basis over their estimated useful lives as shown in the schedule below. Land and works of art are not amortized as they are deemed to have permanent value.

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

(g) Revenue recognition:

The University College follows the deferral method of accounting for contributions. Unrestricted contributions are recorded as revenue when received if the amounts can be estimated and collection is reasonably assured. Government grants not restricted as to their use are recognized as revenue when receivable. Other unrestricted revenue, including tuition fees and sales of services and products, are reported as revenue at the time the services are provided or the products are delivered. Tuition fees received in advance of courses being delivered are deferred and recognized when the courses are delivered.

Externally restricted contributions are reported as revenue when the restrictions imposed by the contributors on the use of the monies are satisfied as follows:

- (i) Non-capital contributions for specific purposes are recognized as revenue in the year in which the related expense is incurred.
- (ii) Contributions of or for the purchase of capital assets having a limited life are recognized as revenue over the same accounting periods as those in which the amortization expense related to the capital asset purchased is recorded, and on the same basis as the amortization expense. Where the capital asset involved is land or works of art to be held for use by the University College, the contribution is reported as a direct increase in net assets invested in capital assets rather than as revenue.

Investment income is recognized as revenue when it is earned.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

2. Significant accounting policies (continued):

(h) Pledges and contributed services:

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

(i) Employee future benefits:

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

(j) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of useful lives of capital assets for amortization and the amortization of related deferred capital contributions and provisions for contingencies. Actual results may differ from these estimates.

3. Long-term investments:

The market value of the University College's long-term investments is \$18,461,439. The University College has not written down the investment as the impairment is deemed to be temporary in nature. Long-term investments are comprised of various federal, provincial and municipal government and corporate bonds, with varying coupon rates ranging from 2.75% to 6.75% with maturity dates to March 2011.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

4. Capital assets:

			2006	2005
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 20,327,345	\$ -	\$ 20,327,345	\$ 20,327,345
Buildings	101,136,482	29,173,640	71,962,842	74,491,257
Site improvements	664,922	582,719	82,203	108,221
Furniture and equipment	18,829,718	9,143,334	9,686,384	8,850,257
Library holdings	2,545,042	1,535,306	1,009,736	661,415
Construction in progress	28,741,530	-	28,741,530	3,775,262
	\$ 172,245,039	\$ 40,434,999	\$ 131,810,040	\$ 108,213,757

During the year, the University College continued the construction of the Cloverdale campus and began the expansion of several buildings at the 72nd Avenue campus in Surrey. The University College also wrote off \$548,892 of fully depreciated assets no longer in use.

5. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount used to purchase capital assets and unspent amount of donations and grants received for the purchase and improvements of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2006	2005
Balance, beginning of year	\$ 85,025,119	\$ 83,535,455
Contributions received	29,627,041	7,196,726
Amortization of deferred capital contributions - capital	(3,846,750)	(4,391,795)
Amortization of deferred capital contributions - renovations and facilities	(1,785,523)	(1,315,267)
Balance, end of year	\$ 109,019,887	\$ 85,025,119

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

	2006	2005
Unamortized capital contributions	\$ 102,513,653	\$ 80,323,471
Unspent contributions	6,506,234	4,701,648
Balance, end of year	\$ 109,019,887	\$ 85,025,119

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

6. Invested in capital assets:

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

	2006	2005
Capital assets	\$ 131,810,040	\$ 108,213,757
Amounts financed by:		
Unamortized capital contributions	(102,513,653)	(80,323,471)
	\$ 29,296,387	\$ 27,890,286

(b) Deficiency of revenue over expenses:

	2006	2005
Amortization of deferred capital contributions - capital	\$ 3,846,750	\$ 4,391,795
Less: amortization of capital assets	(5,617,774)	(5,527,373)
	\$ (1,771,024)	\$ (1,135,578)

(c) Net change in investment in capital assets:

	2006	2005
Net increase in capital assets	\$ 29,214,057	\$ 8,127,241
Deferred capital contributions received	(29,627,041)	(7,196,726)
Increase in unspent contributions	1,804,586	1,085,821
Amortization of deferred capital contributions - renovations and facilities	1,785,523	1,315,267
	\$ 3,177,125	\$ 3,331,603

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

7. Allocation from Operating Fund

During the year, an allocation of \$2 million was made from the Operating Fund Contingency Reserve to the Capital Fund to be used in future years for major capital projects.

8. Excess of revenue over expenses:

The University College follows fund accounting procedures whereby available resources and their related expenditures are segregated for accounting and financial reporting purposes. The funds used and their purposes are as follows:

- (i) Operating Fund: related to the general operations of the University College;
- (ii) Capital Fund: related to the investment in capital assets;
- (iii) Special Purpose Fund: related to activities funded from externally and internally restricted revenues;
- (iv) Ancillary Fund: related to the bookstore, parking and food services operations.

The excess of revenue over expenses results from operations of the following funds:

	2006	2005
Operating (schedule 2)	\$ 70,658	\$ 357,240
Capital (schedule 4)	4,454,060	4,052,057
Special purpose (schedule 6)	671,786	1,544,145
Ancillary (schedule 7)	676,655	419,223
	<u>\$ 5,873,159</u>	<u>\$ 6,372,665</u>

9. Related entity:

The University College has an economic interest in Kwantlen University College Foundation (the "Foundation"). The Foundation is a separate tax-exempt society formed to administer the University College's endowment funds, help raise funds for the benefit of the University College, and provide financial support to the University College and its students. The net assets and results of operations of the Foundation are not included in these financial statements.

At the Foundation's most recent year end of March 31, 2006, total assets were \$6,418,807 (2005 - \$6,096,127). Of the total assets, \$5,892,787 (2005 - \$5,351,922) are non-distributable endowment contributions and \$526,020 (2005 - \$744,205) is restricted for distribution in accordance with specific terms. During the year ended March 31, 2006, the Foundation paid awards to students of the University College in the amount of \$701,756 (2005 - \$579,338). Included in accounts receivable on the statement of financial position is \$626 due from the Foundation (2005 - \$182,962).

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

10. Commitments and contingencies:

- (a) The University College's campus on 77th and 78th Avenues in Surrey is occupied under long-term leases with varying terms to November 2007. Minimum annual payments including, under the terms of certain leases, the University College's share of property taxes, utilities and other costs of occupancy over the next two years are as follows:

2007	\$ 733,712
2008	135,925

- (b) There are several lawsuits pending in which the University College is involved. It is considered that the potential claims against the University College resulting from such litigation would not materially affect the financial statements of the University College.
- (c) The University College and the Province have committed to the development of a new campus in Cloverdale community of Surrey, BC for an estimated cost of \$42.3 million. Of the total cost, the University College will be funding \$3.2 million. As programs are relocated after the opening of Cloverdale campus, vacated space will be renovated at a cost estimated at between \$7.0 million to \$10.0 million.
- (d) The University College and the Province have committed to the renovation and expansion of the Surrey campus on 72nd Avenue for an estimated cost of \$36.0 million. Of the total cost, the University College will be funding \$10.0 million.
- (e) As at March 31, 2006, the University College had \$717,680 (2005 - \$847,900) in letters of credit outstanding, which are secured by term deposits as required by the financial institution.

11. Employee future benefits:

The University College and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan, including investment of the assets and administration of benefits. The pension plans are multi-employer contributory benefit pension plans. Basic pension benefits provided are defined. The College Pension Plan has approximately 11,000 active contributors from college senior administration and instructional staff, and approximately 2,900 retired members. The Municipal Pension Plan has approximately 130,000 active contributors, with approximately 4,900 from colleges.

KWANTLEN UNIVERSITY COLLEGE

Notes to Financial Statements

Year ended March 31, 2006, with comparative figures for 2005

11. Employee future benefits (continued):

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation for the College Pension Plan as at August 31, 2003 indicated an unfunded liability of \$50 million for basic pension benefits. The next valuation will be as at August 31, 2006 with results available in 2007. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. Each employer expenses contributions to the plans in the year in which payments are made. The University College has expensed its contributions of \$4,732,140 (2005 - \$4,047,262) to the plans in the current year.

In addition to the above, the University College provides supplemental employee benefits for faculty, staff, or administration on maternity or parental leave. As at March 31, 2006, these benefits amounted to \$171,220 (2005 - \$348,088).

12. Financial instruments:

The University College's financial instruments, including cash and cash equivalents, short-term investments, accounts receivable, accounts payable and accrued liabilities, salaries and wages payable and accrued vacation payable, approximate their fair value due to their immediate or short term to maturity. The fair market value of long-term investments is disclosed in note 3.

13. Comparative figures:

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

AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION TO THE BOARD OF GOVERNORS

We have audited and reported separately herein on the financial statements of Kwantlen University College as at and for the year ended March 31, 2006.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the University College taken as a whole. The current year's supplementary information included in Schedules 1 through 7 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Chartered Accountants

Burnaby, Canada

May 5, 2006

KWANTLEN UNIVERSITY COLLEGE

Statement of Operating and Capital Revenue and Allocations

Schedule 1
(Unaudited)

Year ended March 31, 2006, with comparative figures for 2005

	Budget March 31, 2006	Actual March 31, 2006	Actual March 31, 2005
Revenue:			
Province of British Columbia grant	\$ 57,857,400	\$ 58,669,118	\$ 55,831,420
Tuition fees	32,665,000	31,386,122	31,064,695
Access and other fees	2,045,000	2,267,842	2,213,976
Contract and other services	1,340,000	1,693,404	1,919,462
Interest, shop earnings, other income and transfers	2,136,000	2,777,069	1,930,372
	\$ 96,043,400	\$ 96,793,555	\$ 92,959,925
Allocation of revenue:			
Operations	\$ 91,143,400	\$ 91,893,555	\$ 88,147,925
Capital:			
Library materials	400,000	400,000	312,000
Furniture and equipment	2,000,000	2,000,000	2,000,000
Cloverdale project	2,000,000	2,000,000	2,000,000
Student aid:			
Contribution to Kwantlen University College Foundation	500,000	500,000	500,000
	\$ 96,043,400	\$ 96,793,555	\$ 92,959,925

KWANTLEN UNIVERSITY COLLEGE

Statement of Operating Fund Expenses

Schedule 2
(Unaudited)

Year ended March 31, 2006, with comparative figures for 2005

	Budget March 31, 2006	Actual March 31, 2006	Actual March 31, 2005
Allocation of revenue:			
Operations (schedule 1)	\$ 91,143,400	\$ 91,893,555	\$ 88,147,925
Expenses:			
Salaries and benefits	76,284,200	76,136,876	73,455,143
Travel and professional development	2,160,500	2,035,092	1,503,198
Supplies	3,104,200	3,154,138	3,084,311
Fees and services	3,285,800	3,634,237	3,507,723
Facilities	3,059,800	3,028,807	3,043,607
Leases, property taxes and insurance	848,900	1,552,264	1,081,048
Transfers to other funds	1,600,000	2,281,483	2,115,655
	90,343,400	91,822,897	87,790,685
Excess of revenue over expenses	\$ 800,000	70,658	357,240
Allocated Transfer to Capital Fund for Major Capital Projects		(2,000,000)	-
Unrestricted balance, beginning of year		(2,731,452)	(3,088,692)
Unrestricted balance, end of year		\$ (4,660,794)	\$ (2,731,452)
Unrestricted - operating		\$ 2,132,193	\$ 3,825,187
Unrestricted - accrued vacation payable		(6,792,987)	(6,556,639)
Unrestricted balance		\$ (4,660,794)	\$ (2,731,452)

KWANTLEN UNIVERSITY COLLEGE

Operating Expenses by Function

Schedule 3
(Unaudited)

Year ended March 31, 2006, with comparative figures for 2005

	Instruction	Contract and Other Services	Library and Media Services	Student Services	Business Functions	Facilities	2006 Total	2005 Total
Salaries and wages	\$ 54,944,109	\$ 1,194,899	\$ 4,785,280	\$ 7,247,881	\$ 6,137,639	\$ 1,827,068	\$ 76,136,876	\$ 73,455,143
Travel and professional development	1,157,771	122,077	250,269	136,655	345,205	23,115	2,035,092	1,503,198
Supplies	1,896,188	47,488	548,179	139,656	275,121	247,506	3,154,138	3,084,311
Fees and services	784,800	85,621	869,119	158,737	1,235,468	500,492	3,634,237	3,507,723
Facilities	477,041	34	53,557	742	190,188	2,307,245	3,028,807	3,043,607
Leases and rentals	21,349	74,450	20,858	16,091	23,350	1,396,166	1,552,264	1,081,048
Transfers to other funds	2,211,331	(29,875)	(7,432)	1,021	106,438	-	2,281,483	2,115,655
	\$ 61,492,589	\$ 1,494,694	\$ 6,519,830	\$ 7,700,783	\$ 8,313,409	\$ 6,301,592	\$ 91,822,897	\$ 87,790,685

KWANTLEN UNIVERSITY COLLEGE

Statement of Capital Operations

Schedule 4
(Unaudited)

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Amortization of deferred capital contributions	\$ 5,632,273	\$ 5,707,062
Internally restricted contributions	6,586,875	5,188,159
	12,219,148	10,895,221
Expenses:		
Amortization of capital assets	5,617,774	5,527,373
Renovations, facilities and other	2,147,314	1,315,791
	7,765,088	6,843,164
Excess of revenue over expenses	4,454,060	4,052,057
Allocation from Operating Fund	2,000,000	-
Net change in investment in capital assets	(1,406,101)	(2,196,025)
Balance, beginning of year	4,863,136	3,007,104
Balance, end of year	\$ 9,911,095	\$ 4,863,136

KWANTLEN UNIVERSITY COLLEGE

Statement of Capital Fund Receipts and Disbursements

Schedule 5
(Unaudited)

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Receipts:		
Externally restricted:		
Ministry - Renovations and facilities renewal	\$ 2,490,971	\$ 2,656,622
- Cloverdale Project	19,668,792	3,919,200
- Surrey Project	7,467,278	620,904
	29,627,041	7,196,726
Internally restricted:		
Revenue allocation - Library materials	400,000	312,000
- Furniture and equipment	2,000,000	2,000,000
- Major capital	2,000,000	2,000,000
Transfers from other funds for asset purchases	1,699,628	652,481
Printing recoveries, interest and disposals	487,247	223,678
	6,586,875	5,188,159
	36,213,916	12,384,885
Disbursements:		
Buildings	24,966,267	3,775,262
Furniture, equipment and library books	4,278,663	4,403,250
Renovations and facilities renewal	1,785,523	1,315,791
	31,030,453	9,494,303
Excess of receipts over disbursements	5,183,463	2,890,582
Allocation from Operating Fund	2,000,000	-
Funds available, beginning of year	9,250,372	6,359,790
Funds available, end of year	\$ 16,433,835	\$ 9,250,372
Externally restricted	\$ 6,506,234	\$ 4,701,648
Internally restricted - Furniture and equipment	1,927,601	548,724
Internally restricted - Major capital	8,000,000	4,000,000
Funds available	\$16,433,835	\$ 9,250,372

KWANTLEN UNIVERSITY COLLEGE

Statement of Special Purpose Fund Operations

Schedule 6
(Unaudited)

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenues:		
Contracts and grants	\$ 1,189,758	\$ 1,342,776
Interest, shop earnings and other	1,208,361	553,945
Transfers from other funds	824,578	1,761,910
	<u>3,222,697</u>	<u>3,658,631</u>
Expenses:		
Salaries and benefits	661,407	779,448
Other	1,616,781	1,248,106
Transfer to other funds	242,723	86,932
Contribution to Kwantlen University College Foundation	30,000	-
	<u>2,550,911</u>	<u>2,114,486</u>
Excess of revenue over expenses	671,786	1,544,145
Balance, beginning of year	2,546,708	1,002,563
Balance, end of year	<u>\$ 3,218,494</u>	<u>\$ 2,546,708</u>

KWANTLEN UNIVERSITY COLLEGE

Statement of Ancillary Operations

Schedule 7
(Unaudited)

Year ended March 31, 2006, with comparative figures for 2005

	Actual March 31, 2006	Actual March 31, 2005
Bookstore sales	\$ 6,202,191	\$ 6,152,414
Cost of sales	4,595,851	4,810,126
Gross margin	1,606,340	1,342,288
Salaries and benefits	1,037,888	1,025,999
Other expenses	78,481	117,826
	1,116,369	1,143,825
Bookstore (net)	489,971	198,463
Food services (net)	179,972	207,826
Parking (net)	931,712	849,738
	1,601,655	1,256,027
Use of funds:		
Contribution to Kwantlen University College Foundation	25,000	25,000
Transfer to other funds	-	211,804
Transfer to operating and capital revenue	900,000	600,000
	925,000	836,804
Excess of revenue over expenses	676,655	419,223
Balance, beginning of year	2,236,111	1,816,888
Balance, end of year	\$ 2,912,766	\$ 2,236,111