



Financial Statements of

**UNIVERSITY COLLEGE of the
FRASER VALLEY**

Year ended March 31, 2007



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AUDITORS' REPORT

To the Board of
University College of the Fraser Valley

We have audited the statement of financial position of the University College of the Fraser Valley as at March 31, 2007, and the statements of operations and net assets, revenue, expenditure, 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, 2007 and the results of its operations, changes in its net assets and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads 'KPMG LLP'. The letters are stylized and cursive, with the 'K' and 'P' being particularly prominent.

Chartered Accountants

Abbotsford, British Columbia
May 4, 2007

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Financial Position

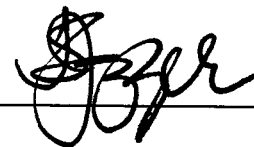
March 31, 2007, with comparative figures for 2006

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2007 Total	2006 Total
	\$	\$	\$	\$	\$	\$
Assets						
Current assets:						
Cash	27,009,429	-	-	1,042,080	28,051,509	26,187,538
Accounts receivable	1,791,976	65,579	-	8,568	1,866,123	4,471,932
Inventories	64,500	1,345,500	-	-	1,410,000	1,248,801
Prepaid expenses	58,971	-	6,526	-	65,497	56,097
	28,924,876	1,411,079	6,526	1,050,648	31,393,129	31,964,368
Interfund balance	-	-	3,685,996	-	3,685,996	5,349,653
Capital assets (Note 3)	-	-	115,621,643	-	115,621,643	67,108,950
	28,924,876	1,411,079	119,314,165	1,050,648	150,700,768	104,422,971
Liabilities, Deferred Contributions and Net Assets						
Current liabilities:						
Accounts payable and accrued liabilities	9,698,063	-	4,466,928	-	14,164,991	11,787,830
Unearned revenue	6,862,496	-	-	-	6,862,496	6,408,675
Current portion of long-term loans payable (Note 4)	-	-	675,073	-	675,073	93,034
	16,560,559	-	5,142,001	-	21,702,560	18,289,539
Long-term liabilities:						
Long-term loans payable (Note 4)	-	-	2,984,723	-	2,984,723	634,580
Interfund balance	3,059,809	129,280	-	496,907	3,685,996	5,349,653
Deferred contributions (Note 5)	-	-	79,857,169	553,741	80,410,910	58,865,416
Net assets:						
Investment in capital assets (Note 6)	-	-	28,986,657	-	28,986,657	8,730,910
Internally restricted (Note 7)	8,860,285	-	2,343,615	-	11,203,900	11,191,322
Unrestricted	444,223	1,281,799	-	-	1,726,022	1,361,551
	9,304,508	1,281,799	31,330,272	-	41,916,579	21,283,783
Commitments (Note 10)						
Contingencies (Note 11)						
Subsequent event (Note 15)						
	28,924,876	1,411,079	119,314,165	1,050,648	150,700,768	104,422,971

See accompanying notes to financial statements.

Approved by:

 Chairman of the Board



VP Administration

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Operations and Net Assets

Year ended March 31, 2007, with comparative figures for 2006

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2007 Total	2006 Total
	\$	\$	\$	\$	\$	\$
Revenue	75,023,118	5,342,995	3,505,055	684,916	84,556,084	81,873,805
Expenditures	68,498,545	4,542,621	4,548,644	684,916	78,274,726	78,126,484
Excess (deficiency) of revenue over expenditures	6,524,573	800,374	(1,043,589)	-	6,281,358	3,747,321
Net assets, beginning of year	7,048,949	955,245	13,279,589	-	21,283,783	17,536,462
Contributed capital assets (Note 3(c))	-	-	14,351,438	-	14,351,438	-
Interfund transfers	(4,269,014)	(473,820)	4,742,834	-	-	-
	2,779,935	481,425	32,373,861	-	35,635,221	17,536,462
Net assets, end of year	9,304,508	1,281,799	31,330,272	-	41,916,579	21,283,783

See accompanying notes to financial statements.

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Revenue

Year ended March 31, 2007, with comparative figures for 2006

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2007 Total	2006 Total
	\$	\$	\$	\$	\$	\$
Ministry of Advanced Education Grants:						
Continuing programs	40,182,017	-	-	-	40,182,017	36,553,892
Special projects	2,341,184	-	-	-	2,341,184	5,863,445
Leases and property taxes	-	-	202,749	-	202,749	174,456
Total Ministry of Advanced Education Grants	42,523,201	-	202,749	-	42,725,950	42,591,793
Tuition fees:						
Continuing programs	19,217,489	-	-	-	19,217,489	18,512,110
Other income:						
Amortization of deferred contributions (Note 5)	-	-	3,230,974	684,916	3,915,890	4,414,310
Contract services	5,476,853	-	-	-	5,476,853	5,139,307
Ancillary services	-	5,342,995	-	-	5,342,995	5,163,305
Investment income	1,053,982	-	-	-	1,053,982	626,051
Special projects	6,246,023	-	-	-	6,246,023	4,869,448
Other	505,570	-	71,332	-	576,902	557,481
Total other income	13,282,428	5,342,995	3,302,306	684,916	22,612,645	20,769,902
Total revenue	75,023,118	5,342,995	3,505,055	684,916	84,556,084	81,873,805

See accompanying notes to financial statements.

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Expenditures

Year ended March 31, 2007, with comparative figures for 2006

	Operating Fund	Ancillary Services Fund	Capital Fund	Trust Fund	2007 Total	2006 Total
	\$	\$	\$	\$	\$	\$
Salaries and wages	46,061,665	500,342	-	-	46,562,007	45,880,891
Employee benefits	10,506,419	95,065	-	-	10,601,484	10,373,121
Supplies and books	2,775,011	43,771	-	7,960	2,826,742	2,427,449
Travel and conferences	1,992,652	2,510	-	-	1,995,162	1,919,289
Printing and advertising	469,884	3,078	-	-	472,962	574,999
Utilities	1,285,543	19,255	-	-	1,304,798	1,089,883
Rentals and leases	201,631	68,093	197,170	-	466,894	425,829
Contracted services	2,948,532	157,568	-	-	3,106,100	3,493,405
Other expenditures	2,257,208	83,343	-	-	2,340,551	2,472,177
Cost of sales	-	3,544,864	-	-	3,544,864	3,461,182
Amortization of capital assets	-	-	3,456,895	-	3,456,895	4,110,162
Minor equipment and supplies	-	24,732	-	5,415	30,147	156,995
Minor renovations and repairs	-	-	894,579	-	894,579	1,364,680
Scholarships and bursaries	-	-	-	671,541	671,541	376,422
Total expenditures	68,498,545	4,542,621	4,548,644	684,916	78,274,726	78,126,484

See accompanying notes to financial statements.

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Changes in Net Assets

Year ended March 31, 2007, with comparative figures for 2006

	Investment in Capital Assets	Internally Restricted	Unrestricted	2007 Total	2006 Total
	\$	\$	\$	\$	\$
Balance, beginning of year	8,730,910	11,191,322	1,361,551	21,283,783	17,536,462
Excess (deficiency) of revenue over expenditures	(1,043,589)	2,217,642	5,107,305	6,281,358	3,747,321
Contributed capital assets (Note 3(c))	14,351,438	-	-	14,351,438	-
Interfund transfers	6,947,898	(2,205,064)	(4,742,834)	-	-
Balance, end of year	28,986,657	11,203,900	1,726,022	41,916,579	21,283,783

See accompanying notes to financial statements.

UNIVERSITY COLLEGE of the FRASER VALLEY

Statement of Cash Flows

Year ended March 31, 2007, with comparative figures for 2006

	2007	2006
	\$	\$
Cash provided by (used for):		
Operating activities:		
Excess of revenue over expenditures	6,281,358	3,747,321
Items not involving cash:		
Amortization of deferred capital contributions	(3,230,974)	(3,884,553)
Amortization of capital assets	3,456,895	4,110,162
Increase (decrease) in deferred contributions for trust	36,911	(1,003,658)
Net change in non-cash working capital	5,266,192	1,545,255
	11,810,382	4,514,527
Financing activities:		
Repayment of long-term loan	(93,034)	(88,534)
Proceeds from interim loan	3,025,216	-
Contributed capital assets	14,351,438	-
Deferred capital contributions received	24,739,557	4,730,851
	42,023,177	4,642,317
Investing activities:		
Purchase of capital assets	(51,969,588)	(4,666,180)
Proceeds of disposition of assets	-	32,710
	(51,969,588)	(4,633,470)
Net increase in cash	1,863,971	4,523,374
Cash, beginning of year	26,187,538	21,664,164
Cash, end of year	28,051,509	26,187,538

See accompanying notes to financial statements.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

Year ended March 31, 2007

General:

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

1. Significant accounting policies:

(a) Basis of presentation:

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

(b) Fund accounting:

The University College follows fund accounting practices. Available resources and their related expenditures are recorded in separate funds in accordance with determinations made by the Board and limitations and restrictions imposed by sources outside the University College.

Funds consist of:

Operating - revenue and expenditures relating to general operations.

Capital - investment in capital assets as well as related financing activities.

Ancillary Services - revenue and expenditures relating to the bookstore, University Station property and to the parking services.

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

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

1. Significant accounting policies (continued):

(c) Revenue recognition:

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

Under the College and Institutes Act and regulations thereto, the University College is funded by the Province of British Columbia in accordance with budget arrangements established by the Ministry of Advanced Education. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of the grant relates to a future period, it is deferred as unearned revenue and recognized in the subsequent period that the related expenditures are incurred. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2007.

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

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

Contributions received and utilized for the purchase of capital assets are recorded as deferred capital contributions and such amounts are amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Restricted investment income, specifically investment income earned by endowment funds, is recognized as revenue in the year in which the related expenses, specifically scholarships, bursaries and related costs, are recognized. Unrestricted investment income is recognized as revenue when earned.

(d) Interfund balances:

Interfund balances are without interest or specific terms of repayment.

(e) Inventories:

Inventories are valued at the lower of cost and net realizable value.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

1. Significant accounting policies (continued):

(f) Capital assets:

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

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

Amortization begins in the second year of useful life and is taken in the year of disposal. Land is recorded at cost.

(g) Capital funding:

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

(h) Unearned revenue:

Unearned revenue represents tuition fees and contracted service fees received for specific courses or projects which were not completed at year end.

(i) Salaries and wages:

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

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

1. Significant accounting policies (continued):

(j) Use of estimates:

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

2. Financial statement presentation:

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

Financial information relating to the University College of the Fraser Valley Foundation (the "Foundation") is presented in Note 14. The Foundation is incorporated under the Society Act of B.C. and is a registered charity under the Income Tax Act. The Foundation is dependant on the University College for management and administration services. According to the Foundation's bylaws all resources of the Foundation must be provided for the benefit of the University College and its students, and the Foundation has certain Directors in common with the University College. The financial position, results of operations and cash flows of the Foundation are not consolidated with those of the University College.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

3. Capital assets:

	Total Cost 2006	Additions During Year	Disposals During Year	Total Cost 2007	Accumulated Amortization	Net Book Value 2007
Buildings	\$82,661,161	\$12,234,896	\$ -	\$94,896,057	\$30,168,365	\$64,727,692
Construction-in-progress	598,000	20,215,947	-	20,813,947	-	20,813,947
Furniture and equipment	27,725,922	1,404,337	352,604	28,777,655	25,281,680	3,495,975
Library books	7,517,840	263,042	-	7,780,882	5,770,867	2,010,015
Land and improvements	5,834,515	17,851,366	-	23,685,881	-	23,685,881
Site improvements	1,417,286	-	-	1,417,286	529,153	888,133
Leasehold improvements	318,390	-	-	318,390	318,390	-
	\$126,073,114	\$51,969,588	\$352,604	\$177,690,098	\$62,068,455	\$115,621,643

(a) Funding:

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

Add:	Transfer grant revenue from operating fund	\$700,000
	Capital projects grant	1,480,029
	Capital advances	14,636,360
	Start up grant and library grant	261,728
	Interim loan	3,025,216
	Contributed capital assets	21,527,173
	Transfers from other funds	4,524,674
	Other revenue	619,581
	Deferred contributions received in prior years	6,089,406
Less:	Funding spent on minor renovations, repairs, and interest expense	(894,579)
		\$51,969,588

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

3. Capital assets (continued):

(b) Construction-in-progress:

Construction-in-progress consists of costs incurred to date for the Student Residences, the Chilliwack Trades building, and the second gym projects.

(c) Contributed capital assets:

During the year, 84 acres of land and buildings, collectively known as the Chilliwack Base Lands, with a fair market value of \$29,076,752, were purchased for \$7,549,579. The difference between the fair market value and the cost of the property has been recognized as a contribution in the financial statements as follows: \$7,175,735 was allocated to buildings and has been recorded as deferred contributions and will be amortized to revenue over the life of the buildings; and \$14,351,438 was allocated to land and has been recorded as an increase in investment in capital assets.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

4. Long-term loans payable:

	2007	2006
BC Immigrant Investment Fund Ltd. (BCIIF) interim financing for Student Residences to a maximum of \$14,000,000 at a rate set quarterly of Prime rate (as designated by RBC) minus 80 basis points. As of March 31, 2007, \$3,000,000 has been drawn from this facility with accrued interest of \$25,216 to be capitalized. Upon completion of the Residences, the interim loan will be converted to a BCIIF Term Loan at 5.15% with a term to maturity of 10 years and 25 year amortization	3,025,216	-
Royal Bank loan, payable in monthly installments of \$10,593 including interest at 4.97% per annum, due December 13, 2007	\$634,580	\$727,614
	\$3,659,796	727,614
Current portion of long-term loans payable	(675,073)	(93,034)
	\$2,984,723	\$634,580

Interest on long-term loans payable in the amount of \$33,855 is included in other expenditures.

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

2008	\$675,073
2009	63,356
2010	66,682
2011	70,183
2012	73,868

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

5. Deferred contributions - Trust Fund:

Deferred contributions related to expenditures of future periods represent unspent externally restricted funds received for which the related expenditures such as scholarships, bursaries and other items have not yet been incurred.

	2007	2006
Balance, beginning of year	\$516,830	\$1,520,488
Receipts and contributions:		
Donations	352,055	452,297
Tuition contribution - scholarships and bursaries	370,200	371,000
Interest & investment income	49,575	55,118
Legacy reserve contributions	499,997	500,004
Less:		
Amortized to revenue	(684,916)	(529,757)
Transfer to capital fund	(550,000)	(1,852,320)
Balance, end of year	\$553,741	\$516,830

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

5. Deferred contributions (continued) - Capital Fund:

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of grants and other amounts received for the purchase of capital assets.

	2007	2006
Balance, beginning of year	\$58,348,586	\$57,502,288
Contributions from Province (Capital Projects)	16,116,389	1,981,620
Contributions from Province (Start Up Grant)	261,728	366,413
Contributions from Legacy Fund and donations (Trust transfer)	550,000	1,852,320
Contributed capital assets (Note 3(c))	7,175,735	-
Other revenue	635,705	530,498
Less amount amortized to revenue	(3,230,974)	(3,884,553)
Balance, end of year	\$79,857,169	\$58,348,586

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

	2007	2006
Unamortized capital contributions used to purchase assets	\$79,592,026	\$51,994,037
Unspent contributions	265,143	6,354,549
Balance, end of year	\$79,857,169	\$58,348,586

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

6. Investment in capital assets:

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

	2007	2006
Capital assets, net of accumulated amortization	\$115,621,643	\$67,108,950
Unspent portion of deferred contributions	265,143	6,354,549
Amounts financed by:		
Deferred contributions	(79,857,169)	(58,348,586)
Student recreation centre loan	(634,580)	(727,614)
Student residences interim loan	(3,025,216)	-
Loan from operating	(1,039,549)	(1,107,710)
Total investment in capital assets	31,330,272	13,279,589
Less internally restricted portion	(2,343,615)	(4,548,679)
Net investment in capital assets	\$28,986,657	\$8,730,910

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

	2007	2006
Excess of expenditures over revenues:		
Amortization of deferred capital contributions	3,230,974	3,884,553
Other revenue	274,081	214,503
Amortization expense of capital assets	(3,456,895)	(4,110,162)
Other items expensed	(1,091,749)	(1,569,138)
	(\$1,043,589)	(\$1,580,244)
Interfund transfers and other changes:		
Transfer of grant revenue from operating fund	700,000	523,680
Contributed capital assets	14,351,438	-
Interfund transfers	4,042,834	4,457,130
Transfer from internally restricted	4,548,679	1,073,846
Transfer to internally restricted	(2,343,615)	(4,548,679)
	\$21,299,336	\$1,505,977

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

7. Internally restricted net assets:

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

8. Scholarship and bursaries trust fund:

In October, 1984, an endowment fund in the name of the University College was established with the Vancouver Foundation. Capital of this endowment fund (\$160,000 cost as at March 31, 2007) is held by the Vancouver Foundation and its use is restricted. Income earned by the fund is paid semi-annually to the University College.

The fund balance is made up of various endowments as well as funds yet to be awarded for bursaries and scholarships. The disbursement of these funds is restricted to the criteria set out in each of the endowment, bursary or scholarship awards.

9. Pension plans:

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 pension plans. Basic pension benefits provided are defined. The College Pension Plan has about 11,000 active members from college senior administration and instructional staff and approximately 3,200 retired members. The Municipal Pension Plan has about 130,000 active members, with approximately 4,900 from colleges.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation for the College Pension Plan as at August 31, 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. The University College of the Fraser Valley paid \$926,442 for employer contributions to the Municipal plan and \$2,445,923 to the College plan in fiscal 2007.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements

Year ended March 31, 2007

10. Commitments:

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

2008	387,808
2009	306,218
2010	121,669
2011	51,129
2012	51,129

(b) The University College has three capital construction projects in progress, being the Student Residences, the Chilliwack Trades building, and the second gym, with a total budgeted cost of \$43,325,000. At March 31, 2007, UCFV was committed to \$14,729,311 under these projects.

11. Contingencies:

(a) The University College has issued a letter of guarantee to the City of Abbotsford in the amount of \$222,335 pertaining to future building development.

(b) The University College has guaranteed a loan of a maximum of \$90,000 to the University College radio station CIVL Radio. The current draw-down on the loan is \$50,000.

12. Bank credit facility:

The University College has a credit facility with the Royal Bank of Canada for the maximum amount of \$2,000,000. Any amounts borrowed through this facility incur interest costs at the Bank Prime Lending Rate. As at March 31, 2007, there was no amount drawn down on this line of credit.

13. Fair value of financial assets and financial liabilities:

The carrying values of cash, accounts receivable and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

The carrying value of the long-term loans payable approximates their fair value, because the interest rate on the debt approximates rates currently available.

UNIVERSITY COLLEGE of the FRASER VALLEY

Notes to Financial Statements (continued)

Year ended March 31, 2007

14. University College of the Fraser Valley Foundation:

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

	2007	2006
Assets	\$ 3,663,950	\$ 3,355,784
Net assets	\$ 3,663,950	\$ 3,355,784

	2007	2006
Revenue	\$ 430,952	\$ 952,211
Expenditures	122,785	364,961
Excess of revenue over expenditures	\$308,167	\$587,250

Cash flows provided by:		
Operating activities	\$ 189,921	\$ 495,687
Financing and investments	\$ (598,512)	\$ (600,000)

During the year the University College provided management and administration services to the Foundation for nil consideration and received net donations of \$103,580 (2006 - \$262,602) from the Foundation.

15. Subsequent event:

On February 21, 2007 the University College signed a memorandum of understanding with the City of Abbotsford that would see the University College exchange retail property, known as University Station, for a parcel of land adjacent to the University College of approximately the same size. The City of Abbotsford will compensate the University College for the difference in land values and replacement building costs.

A definitive agreement was reached in April 2007, the terms of which are to be fulfilled by June, 2007.