

Financial Statements of

**CAMOSUN COLLEGE
FOUNDATION**

Year ended December 31, 2016

CAMOSUN COLLEGE FOUNDATION

Financial Statements

Year ended December 31, 2016

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CAMOSUN COLLEGE FOUNDATION

STATEMENT OF MANAGEMENT RESPONSIBILITY

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not For Profit Organizations in Part III of the CPA Canada Handbook. The integrity and objectivity of these statements is management's responsibility. Management is also responsible for all of the notes to the financial statements and for ensuring that this information is consistent where appropriate with the information contained in the financial statements. The significant accounting policies are summarized in Note 1 to the financial statements. The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current reporting period cannot be finalized with certainty until future periods.

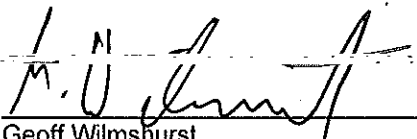
Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced. The internal controls are designed to ensure that financial information is available on a timely basis for preparation of the financial statements.

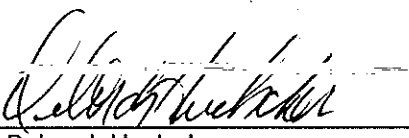
The Camosun College Foundation Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities.

Financial statements are prepared on a quarterly basis and are reviewed and approved by the Board of Directors annually. The external auditor has full access to the Finance and Audit Committee, with and without management present.

KPMG conducts an independent examination in accordance with Canadian auditing standards and

On behalf of the Camosun College Foundation


Geoff Wilmshurst
Executive Director


Deborah Huelscher
Chief Financial Officer



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INDEPENDENT AUDITORS' REPORT

To the Members of Camosun College Foundation

We have audited the financial statements of Camosun College Foundation which comprise the statement of financial position as at December 31, 2016, the statements of operations and changes in net assets and cash flows for the year then ended, and notes, comprising 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We

strategies 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.

in the financial statements. The procedures selected depend on our judgment, including the

in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the internal control 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 in our audit 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 Camosun College Foundation as at December 31, 2016, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit

Victoria, Canada

CAMOSUN COLLEGE FOUNDATION

Statement of Financial Position

December 31, 2016, with comparative information for 2015

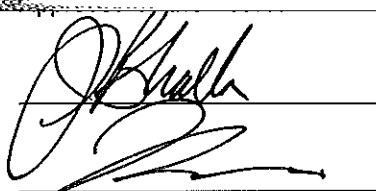

	2016	2015
Assets		
Cash	\$ 1,099,435	\$ 785,161
Investments (2016 cost - \$18,894,227) (note 2)	20,001,478	19,663,333
Cash surrender value of life insurance policies (note 3)	507,120	507,000
	\$ 21,589,848	\$ 20,904,423

Liabilities

Funds due to Camosun College Students Society (note 4)	3,041,131	2,936,968
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Fund Balances

Restricted funds	18,401,610	17,881,818
Commitments (note 8)		

 Director
 Director

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Statement of Operations and Changes in Fund Balances

For the period ended December 31, 2016 with comparative figures for 2015.

	2016	2015
Revenue:		
Donations	2,400,539	2,200,862
Distributions received (note 5)	94,076	88,027
Grants	176,509	20,000
Gifts in kind	164,711	81,479
Investment income	473,133	470,060
Realized gains (losses) on investments	215,649	81,094
Unrealized gains (losses) on investments	467,337	(670,616)
Insurance policies	(10,570)	6,012
	3,981,434	2,276,918
Expenses:		
Student awards and bursaries (note 8)	955,137	828,208
Program equipment and support	2,417,522	333,924
Professional fees	89,503	84,973
Excess (efficiency) of revenues over expenses	3,462,212	1,247,105
Interfund transfers	519,192	1,029,813
Fund balances, beginning of year	17,881,818	16,852,005
Fund balances, end of year	18,401,010	17,881,818

Approved by the Board of Trustees
 Date: _____
 Secretary

Approved by the Board of Trustees
 Date: _____
 Treasurer

CAMOSUN COLLEGE FOUNDATION

Statement of Cash Flows

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

	2016	2015
Cash flows from operating activities:		
Excess of revenues over expenses	549,490	1,000,010
Change in non-cash operating working capital:		
Accounts receivable	(42,954)	602,181
Accounts payable and accrued liabilities	62,070	(95,004)
Deferred grants	-	(71,054)
	(153,816)	1,612,111
Cash flows from investing activities:		
Proceeds from dispositions of investments	8,372,633	5,711,353
Increase in funds held in trust	104,163	402,456
	8,476,796	6,113,809
Increase (decrease) in cash	314,274	(18,526)
Cash, beginning of year	785,161	803,687
Cash, end of year	1,099,435	785,161

See accompanying notes to financial statements.

CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Year ended December 31, 2016

created to assist the students of Camosun College to obtain bursaries, grants and awards to assist with the funding of their post-secondary education. The Foundation raises and manages funds for life-changing education.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not For-Profit Organizations in Part III of the CPA Canada Handbook

(a) Fund accounting:

The Foundation receives support from various donors and allows for restrictions on the use of the donations. These are recorded in the following restricted funds:

(i) The Specific Purpose Fund includes donations for which the donor has stipulated specific uses such as bursaries, scholarships and equipment acquisitions and unrestricted donations which have been internally restricted.

(ii) The Endowment Investment Income Fund includes investment income, defined as interest and dividends, earned by the Endowment Fund, related portfolio management fees and

also recorded in the Endowment Investment Income Fund and are used for general

includes distributions received from endowments held at other foundations where the

Income Fund balance has been internally restricted by the Board of Directors (2016 - \$746,010, 2015 - \$692,911).

(iii) The Endowment Fund includes donations for which the Foundation and/or the donor have specified that the principal is to be held intact in perpetuity. Also included is the cash surrender value of life insurance policies owned by the Foundation.

(iv) The BC Regional Innovation Chair Endowment Fund ("BCRIC") was established with a capital contribution to Camosun College of \$1,250,000 by the Leading Edge Endowment Fund ("LEEF") in December 2007. Camosun College designated the Foundation as the trustee for BCRIC. The Foundation agreed to raise funds to match the \$1,250,000 and made an initial contribution of \$300,000 toward the needed \$1.25M and committed to raise the balance of \$950,000 at a rate of \$190,000 a year for five years, ending in November 2012. As fundraising efforts had not been successful by the date of the first annual meeting, the Foundation advanced \$100,000 to BCRIC with the intent that, as additional funds were raised, the Foundation's advance would be repaid. Fund raising conditions since 2008 have been such that the Foundation has not been able to raise the needed funds.

The principal has been invested and is to be held in perpetuity. The net investment income is used to support the BC Regional Innovation Chair in Sport Technology at Camosun College.

CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Year ended December 31, 2016

1. Significant accounting policies (continued):

(b) Investments:

Investments are recorded at fair value. Transaction costs are charged to the statement of operations as incurred.

The change in the difference between the fair value and book value of investments at the beginning and end of each year is recorded in the statement of operations.

The fair value of fixed income securities and equities is determined by the closing bid price for these securities on the last trading date of the year.

Short-term notes, treasury bills, and term deposits maturing within a year are stated at cost.

(c) Investment transactions and income recognition:

Investment transactions are accounted for as of the trade date. Dividend and interest income are recorded on the accrual basis, with dividends received as of the dividend date. Realized gains and losses from investment transactions and unrealized gains or losses of investments are calculated on a weighted-average cost basis.

(d) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions. Restricted

the discretion of the Board of Directors.

Contributions for endowments are recognized as revenue in the Endowment Fund.

(e) Contributions:

Gifts in kind designated for Camosun College are recorded at their estimated fair market value as determined by independent appraisers on date of receipt, except for contributions of art and collectibles which are recorded at nominal values of \$1 until realization of cash proceeds from the sale of such items. Contributed materials and services, including accounting and

statements.

CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Year ended December 31, 2016

2. Investments:

	2016	2015
Cost	Fair value	Fair value
Cash held at broker	20,390	20,120
Fixed income securities, with effective interest rates of 0.75% to 7.4% (2015 - 1.2% to 7.4%)		
maturing between 2017 and 2026	7,859,910	8,306,907
Common shares	8,746,570	9,669,626
Preferred shares	2,237,349	1,653,602
\$18,894,227	\$20,001,478	\$19,663,333

At December 31, 2016, the Foundation held shares denominated in foreign currencies with a fair value of \$2,267,813 (2015 - \$2,263,094).

3. Life insurance policies:

	Cash surrender value	Face value
Balance, December 31, 2015	\$ 364,368	\$ 747,330
Net decrease	(9,948)	(44,244)
Balance, December 31, 2016	\$ 354,420	\$ 703,086

4. Funds due to the Camosun College Student Society:

	2016	2015
Camosun College Student Society Funds	\$ 2,041,424	\$ 2,026,068

The Foundation manages funds for the Camosun College Student Society. During the year the Foundation collected \$122,147 (2015 - \$114,762) in investment income and \$17,984 (2015 - \$16,307) in portfolio management fee expenses to the funds held for the Society.

CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Year ended December 31, 2016

5. Other endowment funds:

The Foundation is entitled to distributions from endowment funds held at other foundations:

	2016	2015
Vancouver Foundation - Camosun College Foundation		
Endowment Fund	\$ 800,000	\$ 800,000
Victoria Foundation - Edward Joseph Harrison Fund for Camosun College	1,000,000	1,000,000
	\$ 1,800,000	\$ 1,800,000

Distributions received from endowment funds held at other foundations were as follows:

Vancouver Foundation - Camosun College Foundation		
Endowment Fund	\$ 43,321	\$ 41,161
Victoria Foundation - Edward Joseph Harrison Fund for Camosun College	50,755	46,866
	\$ 94,076	\$ 88,027

(a) Vancouver Foundation:

In 1984 the Camosun College Foundation Endowment Fund was established at the Vancouver Foundation. The Fund is held permanently by the Vancouver Foundation.

The income of the Fund is received by the Foundation quarterly. The Board of the Foundation has approved that this income be disbursed for scholarships, bursaries and other educational purposes.

(b) Victoria Foundation:

The Foundation is to receive all of the annual distributions from the Edward Joseph Harrison Fund for Camosun College to provide scholarships and other assistance to students in need.

The Foundation operates the Fund which was established with a \$1,000,000 donation from Mr. Edward Joseph Harrison.

CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Year ended December 31, 2016

6. Financial Instruments:

(a) Foreign exchange risk:

The Foundation holds investments in Canadian dollar denominated financial instruments which are subject to foreign exchange risk.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they come due. A key liquidity requirement is grant commitments. Liquidity risk in an active market and can be readily liquidated. The Foundation aims to retain sufficient cash and liquid, therefore the Foundation's liquidity risk is considered minimal.

(c) Credit risk:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations. The Foundation manages the risk associated with the concentration of credit risk through its policy of investing in instruments issued by high credit quality financial institutions, governments and corporations. The Foundation's credit risk is limited to the cash surrender value of life insurance policies, the Foundation's credit risk is limited to the carrying value on the statement of financial position.

The Foundation manages the risk associated with the concentration of credit risk through its policy of investing in instruments issued by high credit quality financial institutions, governments and corporations.

(d) Market risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices. Market prices are caused by factors specific to an individual market price, whether those changes are caused by investment, its issuer or all factors affecting all instruments traded in the market. As all of the Foundation's marketable securities are carried at fair value with fair value changes recognized

in the statement of operations and changes in fund

Foundation's Investment Policy which provides for

instruments traded on various markets across variou

CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Year ended December 31, 2016

7. Related party transactions:

Camosun College provided operating support to the Foundation:

	2016	2015
Office and administration support	\$ 385,833	\$ 327,015

In addition, donations to the Specific Purpose Fund and Endowment Fund of \$194,211 /2015.

TRADEMARK OF EXCELLENCE Campaign.

8. Commitments:

During the year, the Foundation's board approved a maximum disbursement of \$510,000 for student awards and bursaries for the period September 2016 to April 2017. Of this amount \$278,901 was disbursed in December 2016 and the remaining \$231,099 was disbursed after February 2017.