

Financial Statements of

**LABORERS' UNION OF CANADA**

**INTERNATIONAL UNION OF BROTHERHOODS OF AMERICANS**

Years ending December 31, 2012 and 2011

# CAMOSUN COLLEGE FOUNDATION

## Financial Statements

Years ending December 31, 2011 and 2012

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To the Members of Camosun College Foundation

### Report on the Financial Statements

We have audited the accompanying financial statements of Camosun College Foundation, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011; the statements of operations and changes in fund balances and cash flows for the years ended December 31, 2012 and December 31, 2011, and notes, comprising a summary of

### 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.

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

do not assume any responsibility for the financial statements or the audit procedures that

we have performed in order to design audit procedures that

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of

December 31, 2011, in accordance with Canadian accounting standards for not-for-profit

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**Report on Other Legal and Regulatory Requirements:**

As required by the Canada Corporations Act we also report that in our opinion the accounting principles and practices used have been applied in accordance with those that of the preceding year.

*KPMG LLP*

Chartered Accountants

April 18, 2013  
Victoria, Canada

Statements of Financial Position

December 31, 2012, December 31, 2011 and January 1, 2011

	December 31 2012	December 31 2011	January 1 2011
<b>Assets</b>			
Cash	\$ 158,424	\$ 173,045	\$ 303,188
Investments (2012 cost \$14,710,120) (note 2)	15,424,985	14,445,420	12,416,756
Accrued interest receivable	82,288	87,971	96,942
Accounts receivable	12,429	10,975	211,164
Cash surrender value of life insurance policies (note 3)	400,673	387,394	376,381
Prepaid expenses	-	-	2,700
	\$ 15,779,698	\$ 14,813,424	\$ 14,507,131

**Liabilities**

Accounts payable and accrued liabilities	\$ 21,614	\$ 17,490	\$ 32,891
Payable to Camosun College	133,447	162,147	206,214
Deferred revenue	-	39,409	-
Accounts held in trust (note 4)	1,782,586	1,442,588	1,120,007
	1,901,738	1,594,525	1,908,511

**Fund Balances**

Restricted funds:			
Specific Purpose Fund - externally restricted	920,000	902,000	592,052
Endowment Investment Income Fund:			
Internally restricted	184,283	140,405	73,504
Endowment Fund - externally restricted	10,137,495	9,885,133	9,357,559
BC Regional Innovation Chair			
	13,877,960	13,218,899	12,598,620

See accompanying notes to financial statements.

  
Director

  
Director

# CAMOSUN COLLEGE FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended December 31, 2012 and 2011

	2012		2011		(Schedule)
	Total	Operating Fund	Specific Purpose Fund	Investment Fund	
Revenues:					
Donations	\$ 893,011	\$ -	\$ 622,018	\$ -	\$ 1,059,300
Donations for the Pacific Institute for Sport Excellence ("PISE")	200,000	-	200,000	-	670
Donations from other foundations (note 5)	73,106	-	-	-	70
Gifts in kind	163,453	-	143,296	-	99
Camosun College administrative support	374,093	374,093	-	-	443
Investment income (note 2)	536,894	-	-	65,640	490
Realized gain on disposal of investments	43,878	-	-	-	66
Special events	-	-	-	-	28
Interest on cash reserves	13,779	-	-	-	11
Interest on bonds and related distributions (note 3)	2,298,214	374,093	965,314	65,640	2,570
Expenses:					
Salaries - employees	681,592	-	370,451	-	588
Salaries - part-time employees and equipment	115,470	-	111,985	-	112
Travel	86,783	-	59,727	-	90
Transfer to Camosun College Student Society (note 4)	49,598	-	-	-	33
Transfer to Camosun College re: PISE	200,000	-	200,000	-	300
Transfer to Camosun College re: BCRIC Endowment	63,734	-	-	63,734	59
Transfer of gifts to Camosun College	130,260	-	130,260	-	75
Special events	-	-	-	-	27
Realized loss on disposal of investments	1,506	-	-	1,906	403
Salaries and benefits	330,446	330,446	-	-	79
Professional fees	83,350	12,041	-	-	28
Office and administrative	31,606	31,606	-	-	28
Life insurance	1,530	-	-	1,530	1
Interest on investments	1,775,175	374,093	872,423	65,640	1,799
Excess of revenues over expenses before undesignated	522,139	-	92,891	-	770
Unrestricted gains on investments held	136,722	-	-	11,298	(150)
Excess of revenues over expenses	659,161	-	92,891	11,298	620
Interfund transfers (note 8)	659,161	-	33,182	-	620
Net change in fund balances	13,218,199	-	126,073	11,298	12,596
Fund balances beginning of year	-	-	693,966	1,761,020	12,596
Fund balances ending of year	\$ 13,877,160	\$ -	\$ 820,039	\$ 1,772,318	\$ 13,218

See accompanying notes to financial statements

# CAMOSUN COLLEGE FOUNDATION

## Statements of Cash Flows

Years ended December 31, 2012 and 2011

	2012	2011
<b>Cash flows from operating activities:</b>		
Excess of revenues over expenses	\$ 252,021	\$ 220,270
Unrealized losses (gains)	(136,722)	150,457
Realized gains	(43,878)	(66,901)
Cash surrender value of life insurance policies (note 2)	(12,270)	(11,012)
	465,182	692,822
<b>Change in non-current assets and liabilities:</b>		
Accrued interest receivable	5,692	9,071
Accounts receivable	6,447	291,289
Prepaid expenses	-	2,700
Accounts payable and accrued liabilities	4,124	(15,401)
Payable to Camosun College	(35,909)	(562,767)
Deferred revenue	-	(39,409)
	445,527	378,205
<b>Cash flows from investing activities:</b>		
Purchase of investments	(3,923,256)	(4,467,589)
Proceeds from dispositions of investments	3,124,110	3,649,650
Increase in funds held in trust	338,998	303,591
	(460,148)	(514,348)
<b>Decrease in cash</b>	<b>(14,621)</b>	<b>(130,143)</b>
Cash beginning of year	173,065	303,188
<b>Cash end of year</b>	<b>\$ 158,444</b>	<b>\$ 173,045</b>
<b>Non-cash operating and investing activities:</b>		
In-kind contributions of investments	\$ 33,192	\$ 23,916
In-kind contributions transferred to Camosun College	130,260	75,842

See accompanying notes to financial statements.

# CAMOSUN COLLEGE FOUNDATION

## Notes to Financial Statements

Years ended December 31, 2012 and 2011

The Camosun College Foundation (the "Foundation") is registered as a charity under the Income Tax Act and is incorporated under Part III of the Canada Corporations Act. The Foundation was created to assist Camosun College to expand its educational services in areas not funded by government. The Foundation's main purpose is to provide financial aid to the students of Camosun College.

The Foundation provides the opportunity for individuals, corporations and associations to become involved in post-secondary education through contributions that support college students programs and services.

On January 1, 2012, the Foundation adopted Canadian Accounting Standards for Not For Profit Organizations ("ASNPO") in Part III of the CICA Handbook. These are the first financial statements prepared in accordance with ASNPO.

In accordance with the transitional provisions in ASNPO, the Foundation has adopted the transition date is January 1, 2011 and all comparative information provided has been presented by applying ASNPO.

There were no transitional adjustments required to net assets or excess of revenue over expenses from the adoption of ASNPO.

### 1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian

#### (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 funds:

##### Operating Fund:

The Operating Fund includes operating revenues and expenses of the Foundation. This fund reports unrestricted revenues and restricted operating contributions.

##### Restricted Funds:

(i) The Specific Purpose Fund includes donations for which the donor has specified certain specific uses such as bursaries, scholarships and equipment acquisitions.

(ii) The Endowment Investment Income Fund includes investment income defined as interest and dividends earned on the endowment fund, fees and the awards granted from this income. Realized and unrealized capital gains (losses) are also recorded in the Endowment Investment Income Fund and are used for general purposes consistent with the framework governing endowment funds. In addition, the fund includes distributions to the



# CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Years ended December 31, 2012 and 2011

## 1. Significant accounting policies (continued):

### (a) Endowment (continued):

#### Endowment Fund

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 in the cash

#### BC Regional Innovation Chair Endowment Fund

The BC Regional Innovation Chair Endowment Fund ("BCRIC") was established with a goal of \$4,250,000. In December 2007, Camosun College designated the Foundation as the trustee for BCRIC. The Foundation agreed to raise funds to match the \$4,250,000 and made an initial contribution of \$200,000 toward the needed \$4.25M and committed to raise the balance of \$950,000 at a rate of \$100,000 a year for five years ending in November 2012.

As fundraising efforts had not been successful by the date of the first annual commitment, the Foundation advanced \$190,000 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 amount 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.

### (b) Investments:

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

the change in the difference between the fair value

for these securities on the last trading date of the year.

which, together with accrued interest, is measured at fair value.

years ended December 31, 2012 and 2011

Significant accounting policies (continued)

(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. Realized gains or 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 contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Restricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(e) Contributions:

Gifts in kind designated for Camosun College are recorded at their estimated fair market value 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 administrative services provided by Camosun College, are not recorded in the financial statements.

(f) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the period. Actual results could differ from these estimates.

Notes to Financial Statements

Years ended December 31, 2012 and 2011

2. Investments:

	2012	2011
	Fair value	Fair value
Cash held at broker	\$ 15,620	\$ 39,112
Fixed income securities		
Funds income reflective with effective interest		
maturing between 2013 and 2016	8,677,183	8,677,150
Preferred shares	1,182,028	877,440

Investment income is comprised of the following:

Interest	\$ 332,412	\$ 346,625
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Balance, December 31, 2011	\$ 387,394	\$ 869,622
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Total premiums paid	\$ 1,530	\$ 1,826
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In addition, during the year premiums were charged directly to the cash surrender value of the policy totaling \$2,283 (2011 - \$2,039).

**CAMOSUN COLLEGE FOUNDATION**

Notes to Financial Statements

Years ended December 31, 2012 and 2011

**4. Accounts held in trust:**

Camosun College Student Society Building Trust Fund	\$ 1,782,586	\$ 1,443,588
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The Foundation manages funds in trust for the Camosun College Student Society. During the year the Foundation allocated \$59,025 (2011 - \$40,819) in investment income and \$9,027 (2011 - \$7,297) in management fee expenses to the funds held in trust.

**5. Other endowment funds:**

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

Endowment Fund	\$ 800,000
Victoria Foundation - Edward Joseph Harrison Fund for Camosun College	1,000,000
	<u>\$ 1,800,000</u>

State the approximate value of endowment funds held at other foundations were as follows:

	2012	2011
Vancouver Foundation - Camosun College Foundation Endowment Fund	\$ 36,721	\$ 36,181
Victoria Foundation - Edward Joseph Harrison Fund for Camosun College	36,385	34,630
	<u>\$ 73,106</u>	<u>\$ 70,811</u>

**(a) Vancouver Foundation:**

In 1984 the Camosun College Foundation Endowment Fund was established at the Vancouver Foundation and, in accordance with the provisions of the Vancouver Foundation Act, the Fund is held permanently by the Vancouver Foundation.

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

# CAMOSIA COLLEGE FOUNDATION

Notes to Financial Statements

Years ended December 31, 2012 and 2011

**3. Other employment funds (continued):**

(b) **Victoria Foundation:**

The Foundation is to receive all of the annual distributions from the Edward Juscott Pension

The income of the Fund is received by the Foundation semi-annually. The Victoria

**4. Other information:**

**5. Gaming revenue:**

Gaming revenue is included in specific purpose revenue in accordance with the BC Ministry of Government Services Public Gaming Branch's directive gaming proceeds and disbursements

	2012	2011
Opening balance	\$ 1,005	\$ -
Net gaming revenue	1,003	1,100
Charitable expenses	(1,000)	(95)

Ending balance per financial report \$ 1,008 \$ 1,005

**6. Financial instruments:**

(a) **Interest rate risk:**

(c) **Credit risk:**

limited to the carrying value on the balance sheet.

# CAMOSUN COLLEGE FOUNDATION

Notes to Financial Statements

Years ended December 31, 2012 and 2011

	Purpose Fund	Endowment Income Fund	Endowment Fund	BC Regional Endowment Fund
Redesignation of gifts	\$ 33,182	\$ (4,417)	\$ (28,765)	\$ -

**9. Commitments:**

During the year the Foundation's board approved a maximum disbursement of \$420,000 of \$425,000 for student awards and bursaries for the period September 2012 to April 2013. Of this amount \$280,075 was disbursed in November 2012 and the remaining \$144,925 was disbursed subsequent to December 31, 2012.

**10. Comparative figures:**

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