

Financial Statement 1.1(em)-D(t)-1B8(t) of C

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CAMOSUN COLLEGE

Statement of Management Responsibility

The financial statements have been prepared by management in accordance with Section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia. 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 2 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 accounting 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 provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements.

The Camosun College Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Audit and Finance committees. The Audit Committee reviews the external audited financial statements yearly and the Finance Committee reviews internal financial reports on a quarterly basis. The external auditor has full access to the Audit Committee, with and without management present.

KPMG conducts an independent examination,

INDEPENDENT AUDITORS' REPORT

CAMOSUN COLLEGE

Notes to Financial Statements

Year ended March 31, 2016

	2016	2015
Financial assets		
Cash and cash equivalents (note 3)	\$ 28,558,283	\$ 37,126,453
Accounts receivable (note 4)		

CAMOSUN COLLEGE

Statement of Operations and Accumulated Surplus

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

	Budget	2016	2015
	(note 18)		
Revenue:			
Provincial grants:			
Ministry of Advanced Education	\$ 49,306,928		

CAMOSUN COLLEGE

Statement of Changes in Net Debt

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

	Budget (note 18)	2016	2015
Annual surplus	\$ -	\$ 1,568,266	\$ 824,000
Acquisition of tangible capital assets	(13,000,000)	(16,186,798)	(19,213,866)
Amortization of tangible capital assets	6,534,753	6,873,833	6,236,158
	(6,465,247)	(9,312,965)	(12,977,708)
Use of prepaid expenses	-	(164,836)	(55,966)
Increase in net debt	(6,465,247)	(7,909,535)	(12,209,674)
Net debt, beginning of year	(64,568,885)	(64,568,885)	(52,359,211)
Net debt, end of year	\$ (71,034,132)	\$ (72,478,420)	\$ (64,568,885)

See accompanying notes to financial statements.

CAMOSUN COLLEGE

Statement of Cash Flows

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

	2016	2015
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 1,568,266	\$ 824,000
Items not involving cash:		
Amortization of tangible capital assets	6,873,833	6,236,158
Revenue recognized from deferred capital contributions	(5,062,797)	(4,551,422)
Change in employee future benefits	(148,261)	282,280
Change in non-cash operating working capital:		
(Increase) decrease in accounts receivable	(309,061)	1,011,438
Increase in prepaid expenses	(164,836)	(55,966)
Decrease (increase) in inventories for resale	54,500	(410,658)
Increase (decrease) in accounts payable and accrued liabilities	(1,740,095)	2,839,494
Decrease in deferred revenue	(1,771,346)	(20,407)
Net change in cash from operating activities	(699,797)	6,154,917
Capital activities:		
Cash used to acquire tangible capital assets	(16,186,798)	(19,375,427)
Net change in cash from capital activities	(16,186,798)	(19,375,427)
Financing activities:		
Capital contributions received	8,540,108	15,862,762
Principal payments on capital lease obligations	(221,683)	(415,066)
Net change in cash from financing activities	8,318,425	15,447,696
Net change in cash	(8,568,170)	2,227,186
Cash and cash equivalents, beginning of year	37,126,453	34,899,267
Cash and cash equivalents, end of year	\$ 28,558,283	\$ 37,126,453

See accompanying notes to financial statements.

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Notes to Financial Statements

Year ended March 31, 2016

2. Significant accounting policies:

(a) Basis of accounting (continued):

- externally restricted contributions be recognized as revenue in the period in which the resources are used for the purpose or purposes specified in accordance with public sector accounting standard PS3100 Restricted Assets and Revenues; and
- deferred contributions met the liability criteria in accordance with PS3200 Liabilities.

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.

(b) Inventories for resale:

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Notes to Financial Statements

Year ended March 31, 2016

2. Significant accounting policies (continued):

(c)

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Notes to Financial Statements

Year ended March 31, 2016

2. Significant accounting policies (continued):

(e) Prepaid expenses:

Prepaid expenses include lease and contract payments that will be charged to expense over the periods the College is expected to benefit from them.

(f) Revenue recognition:

Tuition and student fees and sales of inventory are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured. Revenue related to fees or services received in advance of the fee being earned or the service performed is deferred and recognized when the fee is earned or service performed.

Fee for services revenues and expenditures are recognized as activities are pe

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Notes to Financial Statements

Year ended March 31, 2016

6. Accounts payable and accrued liabilities (continued):

(b) Due to other:

	2016	2015
Trade payables and accrued liabilities	\$ 12,842,779	\$ 14,314,667
Accrued vacation pay and earned time off	3,901,818	3,818,128

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Notes to Financial Statements

Year ended March 31, 2016

7. Employee future benefits (continued):

The components of the net benefit expense for this item are as follows:

	2016	2015
Projected service cost	\$ 110,100	\$ 107,600
Interest expense	58,200	46,900
Recognition of net actuarial losses	161,100	402,750
	<u>\$ 329,400</u>	<u>\$ 557,250</u>

The significant actuarial assumptions adopted in measuring

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Notes to Financial Statements

Year ended March 31, 2016

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Notes to Financial Statements

Year ended March 31, 2016

11. Obligations under capital lease:

The College has entered into capital leases expiring March 31, 2017 for computer equipment requiring future minimum lease payments as follows, calculated using a discount rate of 3.70%:

	2016	2015
2016	\$ -	\$ 235,859
2017	155,290	155,290
Minimum lease payments	155,290	391,149
Less amount representing interest	(3,563)	(17,739)
Present value of net minimum capital lease payments	\$ 151,727	\$ 373,410

Interest of \$14,176 (2015 - \$29,519) relating to the capital lease obligation has been expensed.

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Notes to Financial Statements

Year ended March 31, 2016

12. Tangible capital assets (continued):

	Net book value March 31, 2015	Net book value March 31, 2016
Land	\$ 14,484,612	\$ 14,484,612
Buildings	39,026,879	66,652,573
Assets under construction	20,900,307	596,940
Furniture, fixtures and equipment	5,248,616	7,594,924
Computers and software	1,541,025	1,533,355
Equipment under capital lease	438,806	90,806
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	\$ 81,640,245	\$ 90,953,210

(a) Assets under construction:

During the year the College completed the Centre for Trades Education and Innovation building project at the Interurban Campus. Project costs during the year of \$9,873,009 were included in the total amount of \$30,773,316 transferred to completed projects. The remaining balance of assets under construction include upgrade and expansion of the Jack

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Year ended March 31, 2016

16. Related party transactions (continued):

(b) Camosun College Foundation:

The College has an economic interest in the Camosun College Foundation (the "Foundation"). The net assets and results of operations of the Foundation have not been included in these financial statements. The Foundation is a separate society formed to provide scholarships and bursaries for students of the College and to raise funds for furthering the interest of the College. The College provides some financial support to the Foundation. During the year financial support of \$454,299 (2015 - \$753,158) was provided to the Foundation.

For the year ended March 31, 2016, gift in kind donations from the Foundation to the College were \$80,984 of which \$77,735 was recorded as capital assets (2015 - \$11,216 of which \$nil was recorded as capital assets). Included in the above are gifts of \$10,000 (2015 - \$10,000) for the purchase of equipment.

