

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA  
FINANCIAL STATEMENTS  
MARCH 31, 2016**

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## **U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA**

### **STATEMENT OF ADMINISTRATIVE RESPONSIBILITY FOR FINANCIAL STATEMENTS**

The University of Victoria is responsible for the preparation of the financial statements of the U.S. Foundation for the University of Victoria. The statements have been prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations and present fairly the financial position of the Foundation as at March 31, 2016 and the results of its operations for the year ended March 31, 2016.

In fulfilling its responsibility and recognizing the limits inherent in all systems, the University's Administration has developed and maintains a system of internal control designed to provide reasonable assurance that the Foundation's assets are safeguarded from loss and that the accounting records are a reliable basis for preparation of the financial statements.

The financial statements have been examined by Green, Horwood, & Co LLP, Chartered Professional Accountants, the independent auditors appointed by the Foundation's Board of Directors. The Independent Auditors' Report outlines the nature of their examination and expresses an opinion on the financial statements of the Foundation for the year ended March 31, 2016.

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President

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Treasurer

June 9, 2016

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INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of the U.S. Foundation for the University of Victoria;**

We have audited the accompanying financial statements of the U.S. Foundation for the University of Victoria, which comprise the Statement of Financial Position as at March 31, 2016, and the Statements of Revenue and Expenditures and Changes in Fund Balance, Cash Flow, and Continuity Schedule of Fund Balance for the year then ended, and 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 public sector accounting standards, 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.

***Auditor's Responsibility***

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies 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 is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, these financial statements present fairly, in all material respects, the financial position of the U.S. Foundation for the University of Victoria as at March 31, 2016 and the results of its operations and cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Victoria, British Columbia

Date: June 9, 2016

  
Chartered Professional Accountants

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA**  
**STATEMENT OF FINANCIAL POSITION**  
as at March 31, 2016  
(in U.S. dollars)

	<u>2016</u>	<u>2015</u>
<b>ASSETS</b>		
Cash on deposit	\$ <u>1,051</u>	\$ <u>10,000</u>
	<u>1,051</u>	<u>10,000</u>
 <b>LIABILITIES AND FUND BALANCE</b>		
Deferred contribution (Note 3)	959	-
Fund balance ( Exhibit A)	<u>92</u>	<u>10,000</u>
	\$ <u>1,051</u>	\$ <u>10,000</u>

On behalf of the Board of Directors:

\_\_\_\_\_  
President

\_\_\_\_\_  
Treasurer

See accompanying notes to the financial statements

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA**  
**STATEMENT OF REVENUE AND EXPENDITURES AND CHANGES IN FUND BALANCE**  
For the year ended March 31, 2016  
(in U.S. dollars)

	<u>2016</u>	<u>2015</u>
<b>REVENUE</b>		
Donations	\$ <u>335,633</u>	\$ <u>271,362</u>
 <b>EXPENDITURES</b>		
Transfer of donations to the University of Victoria and the University of Victoria Foundation (Note 3)	317,460	265,000
Transfer of gifts in kind to the University of Victoria	<u>28,081</u>	<u>1,747</u>
	<u>345,541</u>	<u>266,747</u>
 <b>(Deficiency) excess of revenue over expenditures</b>	 (9,908)	 4,615
 <b>Fund balance at beginning of year</b>	 <u>10,000</u>	 <u>5,385</u>
 <b>Fund balance at end of year</b>	 <u>\$ <u>92</u></u>	 <u>\$ <u>10,000</u></u>

See accompanying notes to the financial statements

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA**  
**STATEMENT OF CASH FLOW**  
**For the Year ended March 31, 2016**  
**(in U.S. dollars)**

	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenditures	\$ (9,908)	\$ 4,615
Items not involving cash		
Gifts in kind donations	(28,081)	(1,747)
Gifts in kind transferred to University of Victoria	28,081	1,747
Changes in non-cash working capital balances		
Increase in deferred contribution	959	-
Decrease in due from the University of Victoria	<u>-</u>	<u>1,500</u>
<b>(Decrease) Increase in cash during the year</b>	(8,949)	6,115
<b>Cash, beginning of year</b>	<u>10,000</u>	<u>3,885</u>
<b>Cash, end of year</b>	\$ <u><u>1,051</u></u>	\$ <u><u>10,000</u></u>

See accompanying notes to the financial statements

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2016**  
**(in U.S. dollars)**

**Note 1. Purpose and Status of U.S. Foundation for the University of Victoria**

The purpose of the Foundation is to promote, encourage and foster an appreciation by the American public of the work being conducted by the University of Victoria in the various educational disciplines deemed to be of interest to the American public; to finance, in whole or in part, particular programs, projects and facilities of the University of Victoria deemed by the Foundation to be necessary to the University for the accomplishment of its charitable and educational mission and to be of significance and interest to the American public; to assist the University of Victoria in establishing liaisons in the United States; to make its cultural and educational programs more readily available and accessible to the American public, including defraying the costs, as appropriate, of meetings in the United States which will make the University's programs and services better known there; to encourage the participation of American students in the educational programs of the University of Victoria by providing scholarships and bursaries for American students for undergraduate and graduate study at the University; and to accept, hold, invest, reinvest and administer any gifts, legacies, bequests, devises, trusts, remainder trusts, funds, and property of any sort or nature, and to use, expend, or donate the income or principal thereof for, and to devote the same to, the foregoing purposes of the Foundation. The Foundation is incorporated in the District of Columbia under the Columbia Non-profit Corporation Act. It is a charitable organization registered with the Internal Revenue Service and as such is exempt from income tax.

**Note 2. Significant Accounting Policies**

**A. Basis of Presentation**

The Foundation's financial statements are prepared in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations using the restricted fund method of accounting.

**B. Method of Accounting**

The Foundation follows the restricted fund method of accounting for donations to recognize restrictions placed on the use of funds by donors, the University, or the Board of Directors of the Foundation.

**C. Accounting Basis**

The accrual basis of accounting is followed.

**D. Pledge Revenue Recognition**

Pledges from donors are recorded as revenue when payment is received as there is no enforceable right to monies pledged.

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2016**  
**(in U.S. dollars)**

**E. Capital Assets**

Donated capital assets are recorded at their fair market value on the date of donation. Capital assets subject to depreciation in their value are depreciated on a straight-line basis over their estimated useful lives. Works of art and the Library's Special Collections are not depreciated as they are deemed to have permanent value. The cost and accumulated depreciation of equipment, furnishings and library holdings are removed from the accounts in the year following their becoming fully depreciated or disposition.

During the year, the total value of art, equipment or collections donated to the Foundation was \$28,081 (2015- \$1,747) and the total value of art, equipment or collections transferred to the University of Victoria was \$28,081 (2015 - \$1,747).

**F. Use of Estimates**

The preparation of the financial statements in conformity with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and reported revenues and expenditures during the reporting period. Actual results could differ from these estimates. Significant items subject to such estimates and assumptions include the valuation and carrying amounts of donated capital assets and financial instruments.

**G. Financial Instruments**

The Foundation's financial instruments consist of cash, accounts receivable, and accounts payable. The fair value of cash, accounts receivable and accounts payable approximate the carrying amounts due to the short term maturity of these instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, or credit risk arising from these instruments.

**H. Foreign currency**

The Foundation's functional currency is the United States (US) dollar. Transactions in foreign currencies are translated into US dollars at the exchange rate in effect on the transaction date.

**Note 3 Related Party Transaction**

The Foundation receives accounting and administration services at no charge from the University of Victoria.

The University of Victoria Foundation administers the majority of the University of Victoria's endowments. Therefore, in order to reduce overhead costs and to simplify overhead and accounting, the Foundation transfers all its endowments to the University of Victoria Foundation. The University of Victoria Foundation is obligated to maintain each fund as separate endowments dedicated to the same purposes as stipulated by the donors.

For similar reasons, the Foundation transfers non-endowed funds to the University of Victoria for administration.

During the year, the University of Victoria transferred \$1,000 to the Foundation to cover current and future operating costs. The remaining balance as at March 31, 2016 of \$959 is reported as a deferred contribution on the Statement of Financial Position.



**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA**  
**CONTINUITY SCHEDULE OF FUND BALANCE**  
**For the Year ended March 31, 2016**  
**(in U.S. dollars)**

Exhibit A

	BALANCE MAR 31/15	DONATIONS	TRANSFERS OF DONATIONS (Note 3)	BALANCE MAR 31/16
<b><u>NON-ENDOWED FUNDS</u></b>				
Transgender Archives	\$ -	\$ 180	\$ 180	\$ -
Saint John's Bible	-	92	-	92
Senior Research Chair in Transgender Studies	-	277,800	277,800	-
Chair in Transgender Studies	10,000	125	10,125	-
Digital Initiatives Fund -Library	-	150	150	-
Eastern Boeotia Archaeological Project Fund	-	255	255	-
	<u>10,000</u>	<u>278,602</u>	<u>288,510</u>	<u>92</u>
<b><u>ENDOWED FUNDS</u></b>				
General Undergraduate Bursary	-	2,250	2,250	-
Gregory Blue Scholarship in Global	-	200	200	-
Robert Hagedorn Graduate Scholarship	-	1,000	1,000	-
Economics Alumni Scholarships	-	500	500	-
Frances Oldham Kelsey Award	-	25,000	25,000	-
	<u>-</u>	<u>28,950</u>	<u>28,950</u>	<u>-</u>
<b><u>GIFTS IN KIND</u></b>				
Mearns Centre for learning - Special collections	-	28,081	28,081	-
	<u>-</u>	<u>28,081</u>	<u>28,081</u>	<u>-</u>
<b>Grand Total</b>	<b>\$ 10,000</b>	<b>\$ 335,633</b>	<b>\$ 345,541</b>	<b>\$ 92</b>