

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA
FINANCIAL STATEMENTS
MARCH 31, 2023**

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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, 2023 and the results of its operations for the year ended March 31, 2023.

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, 2023.

Chair

Treasurer

June 8, 2023

INDEPENDENT AUDITORS' REPORT

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

Opinion

We have audited the accompanying financial statements of the U.S. Foundation for the University of Victoria (the Foundation), which comprise:

- the statement of financial position as at March 31, 2023,
- the statement of contributions and expenditures and changes in restricted fund balance for the year ended,
- the statement of cash flow for the year then ended,
- and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023, and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Victoria, British Columbia
Date: June 08, 2023


Chartered Professional Accountants

U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA
STATEMENT OF FINANCIAL POSITION
As at March 31, 2023
(in U.S. dollars)

| | <u>2023</u> | <u>2022</u> |
|--|-----------------|-----------------|
| ASSETS | | |
| Cash on deposit | \$ <u>9,205</u> | \$ <u>8,110</u> |
| LIABILITIES AND RESTRICTED FUND BALANCE | | |
| Restricted fund balance (Exhibit A) | <u>9,205</u> | <u>8,110</u> |
| | \$ <u>9,205</u> | \$ <u>8,110</u> |

On behalf of the Board of Directors:

Chair

Treasurer

See accompanying notes to the financial statements

**U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA
STATEMENT OF CONTRIBUTIONS AND EXPENDITURES AND
CHANGES IN RESTRICTED FUND BALANCE
For the year ended March 31, 2023
(in U.S. dollars)**

| | <u>2023</u> | <u>2022</u> |
|---|-----------------|-----------------|
| CONTRIBUTIONS | | |
| Donations | \$ 345,445 | \$ 569,748 |
| Other contributions (Note 3) | <u>3,000</u> | <u>3,000</u> |
| | <u>348,445</u> | <u>572,748</u> |
| EXPENDITURES | | |
| Transfer of donations to the University of Victoria and the University of Victoria Foundation (Note 3) | 345,445 | 571,223 |
| Administrative expenses (Note 3) | <u>1,905</u> | <u>869</u> |
| | <u>347,350</u> | <u>572,092</u> |
| Excess of contributions over expenditures | 1,095 | 656 |
| Restricted fund balance at beginning of year | <u>8,110</u> | <u>7,454</u> |
| Restricted fund balance at end of year | <u>\$ 9,205</u> | <u>\$ 8,110</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, 2023
(in U.S. dollars)

| | <u>2023</u> | <u>2022</u> |
|---|-----------------|-----------------|
| Cash provided by (used in) | | |
| Operating activities | | |
| Excess of contributions over expenditures | \$ <u>1,095</u> | \$ <u>656</u> |
| Increase in cash during the year | 1,095 | 656 |
| Cash, beginning of year | <u>8,110</u> | <u>7,454</u> |
| Cash, end of year | \$ <u>9,205</u> | \$ <u>8,110</u> |

See accompanying notes to the financial statements

U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA
NOTES TO FINANCIAL STATEMENTS
March 31, 2023
(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.

U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA
NOTES TO FINANCIAL STATEMENTS
March 31, 2023
(in U.S. dollars)

D. Pledge Revenue Recognition

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

E. Capital Assets

Donated capital assets are recorded at their fair market value on the date of donation.

During the year, the total value of art, equipment or collections donated to the Foundation was \$0 (2022 - \$478) and the total value of art, equipment or collections transferred to the University of Victoria was \$0 (2022 - \$478).

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.

U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA
NOTES TO FINANCIAL STATEMENTS
March 31, 2023
(in U.S. dollars)

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 regularly transfers endowments to the University of Victoria Foundation, upon ascertaining that the University of Victoria Foundation will use them in furtherance of purposes in line with the Foundation's purposes. The University of Victoria Foundation is obligated to maintain each fund as a separate endowment dedicated to the same purposes as stipulated by the donors and approved by the Foundation.

For similar reasons, the Foundation regularly transfers non-endowed funds to the University of Victoria for administration, again after ascertaining that the University of Victoria will use them in furtherance of the Foundation's purposes and any donor restrictions. The Foundation retains discretion as to whether to transfer any particular endowment or any current gift to the University of Victoria Foundation or to the University of Victoria.

In the fiscal year 2022/23, the University of Victoria transferred \$3,000 to the Foundation to cover current and future operating costs. The remaining balance as at March 31, 2023 of \$4,205 (2022 - \$3,110) is included in the restricted fund balance.

U.S. FOUNDATION FOR THE UNIVERSITY OF VICTORIA
CONTINUITY SCHEDULE OF RESTRICTED FUND BALANCE
For the year ended March 31, 2023
(in U.S. dollars)

Exhibit A

| | BALANCE MAR 31/2022 | DONATIONS AND CONTRIBUTIONS | EXPENDITURES AND TRANSFERS OF DONATIONS (Note 3) | BALANCE MAR 31/2023 |
|--|------------------------|-----------------------------------|---|------------------------|
| <u>NON-ENDOWED FUNDS</u> | | | | |
| Peter B. Gustavson School of Business Dean's Innovation Fund | - | 1,000 | 1,000 | - |
| Senior Research Chair in Transgender Studies | - | 250 | 250 | - |
| Chair in Transgender Studies: Scholarships and Fellowships Fund | - | 1,500 | 1,500 | - |
| Vikes Rowing Equipment Fund | - | 250 | 250 | - |
| Vikes Men's Rowing Equipment Fund | - | 695 | 695 | - |
| Steven P. Starkovich Opportunity Entrance Award | 2,050 | 1,847 | 2,050 | 1,847 |
| Steven P. Starkovich Promise Scholarship for Students in Physics & Astronomy | 2,950 | 3,153 | 2,950 | 3,153 |
| Cora Arenas and Carol Artemiw Award | - | 29,900 | 29,900 | - |
| Edson-Simpson Award in Nursing | - | 23,010 | 23,010 | - |
| Edson-Simpson Graduate Scholarship in Nursing | - | 171,990 | 171,990 | - |
| UVic Sailing Club Equipment | - | 18,750 | 18,750 | - |
| Food Systems Initiative | - | 50,000 | 50,000 | - |
| | <u>5,000</u> | <u>302,345</u> | <u>302,345</u> | <u>5,000</u> |
| <u>ENDOWED FUNDS</u> | | | | |
| Lothar Hermann Redlin Memorial Scholarship | - | 10,000 | 10,000 | - |
| General Undergraduate Bursary | - | 100 | 100 | - |
| Robert Hagedorn Graduate Scholarship | - | 4,000 | 4,000 | - |
| Eugene Dowling and Dennis Latham Scholarship Fund | - | 1,000 | 1,000 | - |
| Itotelnewtel Lte: Learning From One | - | 200 | 200 | - |
| Faculty of Science Undergraduate | - | 300 | 300 | - |
| Adaskin Endowment for Strings | - | 25,000 | 25,000 | - |
| Faculty of Engineering and Computer Science | - | 2,500 | 2,500 | - |
| | <u>-</u> | <u>43,100</u> | <u>43,100</u> | <u>-</u> |
| Total | 5,000 | 345,445 | 345,445 | 5,000 |
| <u>OTHER CONTRIBUTIONS</u> | | | | |
| University of Victoria Contribution (Note 3) | 3,110 | 3,000 | 1,905 | 4,205 |
| Grand Total | \$ 8,110 | \$ 348,445 | \$ 347,350 | \$ 9,205 |