Financial Statements of

CAMOSUN COLLEGE

Year ended March 31, 2018

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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, in accordance with Canadian auditing standards, and expresses an opinion on the financial statements. The accompanying Independent AuditorsIatng6.1(c)3.3(ud0)1.5(s)

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CAMOSUN COLLEGE

Statement of Operations and Accumulated Surplus

Year ended March 31, 2018, with comparative figures for 2017

	Budget (note 16)	2018	2017
Revenue:			
Provincial grants:			
Ministry of Advanced Education	$ 54,700,374	$ 55,419,176	$ 44,265,501
Other	5,901,730	5,684,357	6,017,074
Federal grants	649,306	647,320	713,072
Other grants	1,000	16,100	3,876
Tuition	47,322,163	45,203,052	44,549,750
Fees (other)	1,264,400	950,060	960,063
Other revenue	893,579	1,478,469	8,741,439
Amortization of deferred capital contributions	5,811,000	5,711,674	5,535,678
Rentals and leases	122,600	182,404	120,012
Investment income	344,000	473,827	283,327
Sales of goods and services:			
To the Province of BC	734,180	1,191,408	1,040,020
To Crown Corporations or government organizations	1,622,363	2,416,396	2,758,381
To other entities	10,664,473	12,670,178	11,716,359
	130,031,168	132,044,421	126,704,552
Expenses (note 13):			
Instruction and support	122,080,371	121,097,080	118,138,642
Ancillary operations	7,132,572	7,195,266	7,293,786
Applied research	818,225	1,163,199	1,061,517
	130,031,168	129,455,545	126,493,945
Annual surplus	-	2,588,876	210,607
Accumulated surplus, beginning of year	19,359,912	19,359,912	19,149,305
Accumulated surplus, end of year	$ 19,359,912	$ 21,948,788	$ 19,359,912

See accompanying notes to financial statements.

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2. Significant accounting policies (continued):

(c) Tangible capital assets (continued):

Works of art and historic assets are not recognized in these financial statements.

Leases which transfer substantially all of the benefit and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

Capital lease obligations are recorded at the present value of the minimum lease payments excluding executory costs. The discount rate used to determine the present value of the lease payments is the lower of the College's rate for incremental borrowing or the interest rate implicit in the lease. The maximum recorded value of the leased assets cannot exceed the leased property's fair value when determining the discount rate to be used.

(d) Employee future benefits:

(i) The College and its employees contribute to the College Pension Plan and the Municipal Pension Plan, which are multi-employer joint trustee plans. The plans are defined benefit plans providing a pension on retirement based on the member's age at retirement, length of service and earnings. As the assets and liabilities of the plans are not segregated by institution, the plans are accounted for as defined contribution plans and any contributions of the College to the plans are expensed as incurred.

(ii) Sick leave benefits are also available to certain College employees. The costs of these benefits is actuarially determined based on se63

2. Significant accounting policies (continued):

(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 performed, using the percentage of completion method. Provision for all anticipated losses is made in the period in which they become evident.

Unrestricted contributions, donations and grants are recorded as revenue when receivable if the amounts can be estimated and collection is reasonably assured.

Restricted donations and grants are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors. Under Restricted Contributions Regulation 198/2011, government transfers are reported as revenue depending on the nature of the restrictions on the use of the funds by the contributors as follows:

(i) Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The reduction of the deferred capital contributions and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.

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Notes to Financial Statements

Year ended March 31, 2018

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8. Deferred contributions:

Deferred contributions are comprised of funds restricted by the following sources:

	April 1, 2017	Receipts during year	Transferred to revenue	March 31, 2018
Provincial	$ 4,630,956	$ 13,517,894	$ (12,279,670)	$ 5,869,180
Federal	203,230	761,089	(721,374)	242,945
Other	140,368	53,350	(18,155)	175,563
	$ 4,974,554	$ 14,332,333	$ (13,019,199)	$ 6,287,688

9. Deferred revenue:

Deferred revenue includes tuition and contract fees received in advance of the related activity performed:

	2018	2017
Tuition fees	$ 5,733,999	$ 4,788,806
Contract fees	312,340	336,965
	$ 6,046,339	$ 5,125,771

10. Deferred capital contributions: el

12. Conti ngent liabili tie s:

The College may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the no

14. Related party transactions (continued):

(b) Camosun College Foundation (continued):

For the year ended March 31, 2018, gift in kind donations from the Foundation to the College were $20,535 of which $nil was recorded as capital assets (2017 - $172,909 of which $135,500 was recorded as capital assets). Included in the College's accounts receivable at March 31, 2018 is $84,399 (2017 - $822,855) due from the Foundation. Included in the College's accounts payable at March 31, 2018 is $81,891 (2017 - $4,232) due to the Foundation.

(c) Pacific Institute for Sport Exc nce cit

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