Audited Financial Statements of

CAMOSUN COLLEGE

Year ended March 31, 2015

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.

The Office of the Auditor General of British Columbia conducts an independent examination, in accordance with Canadian auditing standards, and expresses an opinion on the financial statements. The accompanying Auditor's Report outlines their responsibilities, the scope of the examination and the opinion on the financial statements.

On behalf of Camosun College

Peter Lockie
Interim President

Deborah Huelscher
Interim Chief Financial Officer

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Camosun College, and
To the Minister of Advanced Education, Province of British Columbia

I have audited the accompanying financial statements of Camosun College ("the entity"), which comprise the statement of financial position as at March 31, 2015, and the statements of operations and changes in accumulated surplus, changes in net debt and cash flows for the year ended March 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia, 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

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 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.

In my view, the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements of Camosun College for the year ended March 31, 2015 are prepared, in all material respects, in accordance with the accounting requirements of section 23.1 of the *Budget Transparency and Accountability Act* of the Province of British Columbia.

Emphasis of Matter

Without modifying my opinion, I draw attention to Note 2a to the financial statements, which describes the basis of accounting used in the preparation of these financial statements. Note 3 to the financial statements discloses the impact of these differences between such basis of accounting and Canadian public sector accounting standards.

Victoria, British Columbia
June 19, 2015

Russ Jones, CPA, FCA
Deputy Auditor General

CAMOSUN COLLEGE

Statement of Financial Position

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
Financial Assets:		
Cash and cash equivalents (note 4)	$ 37,126,453	$ 34,899,267
Accounts receivable (note 5)		
Due from Government and other government organizations	1,870,118	2,650,847
Other	2,805,503	3,036,212
Inventories for resale (note 6)	1,245,063	834,405
	43,047,137	41,420,731
Liabilities:		
Accounts payable and accrued liabilities (note 7)		
Due to government and other government organizations	1,760,087	1,696,391
Other	18,762,577	15,986,779
Employee future benefits (note 8)	1,899,976	1,617,696
Deferred contributions (note 9)	7,274,853	7,691,231
Deferred revenue (note 10)	4,191,909	3,795,938
Deferred capital contributions (note 11)	73,353,210	62,972,028
Obligations under capital lease (note 12)	373,410	19,879
	107,616,022	93,779,942
Net financial assets (net debt)	(64,568,885)	(52,359,211)
Non-financial assets		
Tangible capital assets (note 13)	81,640,245	68,662,537
Prepaid expenses	509,679	453,712
	82,149,924	69,116,249
Accumulated surplus	$ 17,581,039	$ 16,757,039

Contractual obligations (note 14)
Contingent liabilities (note 15)

See accompanying notes to financial statements.

On behalf of the Board:

Marilyn Pattison

Chair

Deborah Huehn

Interim Chief Financial Officer

CAMOSUN COLLEGE

Statement of Operations and Changes in
Accumulated Surplus

Year ended March 31, 2015, with comparative figures for 2014

	Budget (note 19)	2015	2014
Revenue:			
Provincial grants			
Ministry of Advanced Education	$ 57,288,040	$ 57,140,069	$ 59,077,596
Other	5,100,000	5,412,174	5,068,814
Federal grants	950,000	1,141,371	1,551,212
Other grants	-	275,481	238,186
Tuition	33,863,865	35,038,669	30,273,434
Fees (other)	854,400	875,998	797,177
Other revenue	1,216,975	1,001,547	1,004,971
Rentals and leases	128,310	102,200	117,855
Investment income	275,000	439,680	351,558
Sales of goods and services			
To the Province of BC	1,200,000	800,809	1,681,106
To Crown Corporations or government organizations	1,500,000	1,914,309	1,910,987
To other entities	11,438,567	11,785,575	11,422,519
	113,815,157	115,927,882	113,495,415
Expenses (note 16):			
Instruction & Support	105,209,957	106,370,836	105,074,037
Ancillary Operations	7,138,200	7,025,319	6,975,450
Applied Research	1,467,000	1,707,727	1,478,241
	113,815,157	115,103,882	113,527,728
Annual surplus (deficit)	-	824,000	(32,313)
Accumulated surplus, beginning of year	16,757,039	16,757,039	16,789,352
Accumulated surplus, end of year	$ 16,757,039	$ 17,581,039	$ 16,757,039

See accompanying notes to financial statements.

CAMOSUN COLLEGE

Statement of Changes in Net Financial Assets (Net Debt)

Year ended March 31, 2015, with comparative figures for 2014

	Budget (note 19)	2015	2014
Annual surplus (deficit)	$ -	$ 824,000	$ (32,313)
(Acquisition) disposal of tangible capital assets	(1,900,000)	(19,213,866)	(4,829,893)
Amortization of tangible capital assets	5,683,988	6,236,158	5,536,039
	3,783,988	(12,977,708)	706,146
Use of prepaid expense	-	(55,966)	(56,006)
		(55,966)	(56,006)
(Increase) decrease in net financial assets (net debt)	3,783,988	(12,209,674)	617,827
Net financial assets (net debt) beginning of year	(52,359,211)	(52,359,211)	(52,977,038)
Net financial assets (net debt), end of year	$(48,575,223)	$ (64,568,885)	$(52,359,211)

See accompanying notes to financial statements.

CAMOSUN COLLEGE

Statement of Cash Flows

Year ended March 31, 2015, with comparative figures for 2014

	2015	2014
Cash provided by (used in):		
Operating activities:		
Annual surplus (deficit)	$ 824,000	$ (32,313)
Items not involving cash:		
Amortization of tangible capital assets	6,236,158	5,536,039
Revenue recognized from deferred capital contributions	(5,742,169)	(4,059,315)
Change in employee future benefits	282,280	(140,963)
Change in non-cash operating working capital:		
Decrease in accounts receivable	1,011,438	336,160
Increase in prepaid expenses	(55,966)	(56,006)
Increase in inventories for resale	(410,658)	(65,655)
Increase (decrease) in accounts payable and accrued liabilities	2,839,494	(27,208)
Increase (decrease) in deferred revenue	(20,407)	1,323,126
Net change in cash from operating activities	4,964,170	2,813,865
Capital activities:		
Cash used to acquire tangible capital assets	(19,375,427)	(4,829,893)
Net change in cash from capital activities	(19,375,427)	(4,829,893)
Financing activities:		
Capital contributions received	17,053,509	9,076,739
Principal payments on capital lease obligations	(415,066)	(129,568)
Net change in cash from financing activities	16,638,443	8,947,171
Net change in cash	2,227,186	6,931,143
Cash, beginning of year	34,899,267	27,968,124
Cash, end of year	$ 37,126,453	$ 34,899,267

Cash is comprised of cash and cash equivalents.

See accompanying notes to financial statements.

1. Nature of operations:

Camosun College (the "College") is a post-secondary educational institution funded by the Province of British Columbia (the "Province") and incorporated under the College and Institute Act of British Columbia. The British Columbia Ministry of Advanced Education (the "Ministry") provides the principal source of funding. The College is governed by a Board of Governors, the majority of which are appointed by the provincial government of British Columbia. The College is a registered charity and is therefore exempt from income taxes under section 149 of the *Income Tax Act*.

2. Significant accounting policies:

(a) Basis of accounting:

These financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act (BTAA) of the Province of British Columbia. The BTAA requires that the financial statements be prepared in accordance with Canadian Public Sector Accounting Standards (PSAS) except as modified by the Restricted Contributions Regulation (BC Regulation 198/2011) as set out in Note 3.

(b) Inventories for resale:

Inventories held for resale, comprised of bookstore inventory, is recorded at the lower of average cost or net realizable value. Cost includes the original purchase cost, plus shipping and applicable duties. Net realizable value is the estimated selling price less any costs to sell.

(c) Tangible Capital assets:

Tangible capital assets are recorded at cost, which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset.

The cost, less residual value, of the tangible capital assets, excluding land, is amortized on a straight-line basis over their estimated useful lives as follows:

Category	Period
Buildings	20 to 40 years
Furniture, fixtures, equipment	5 years
Computers, software	3 years

2. Significant accounting policies (continued):

(c) Tangible capital assets (continued):

Assets under construction are not amortized until the asset is available for productive use.

Tangible capital assets are written down when conditions indicate that they no longer contribute to the College's ability to provide goods and services, or when the value of future economic benefits associated with the tangible capital assets are less than their net book value. The net write-downs are accounted for as expenses in the statement of operations.

Contributed capital assets are recorded at their fair market value on the date of donation, except in circumstances where fair value cannot be reasonably determined, in which case they are recognized at nominal value. Transfers of capital assets from related parties are recorded at carrying value.

On July 14, 1983 certain land was transferred to the College by order of the Lieutenant-Governor in Council. These assets have been recorded at a nominal value of $1. Title to the assets is transferred subject to their continued use for educational purposes.

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. See Note 12 for a schedule of repayments and amount of interest on the leases.

(d) Employee future benefits:

1. 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.

2. Significant accounting policies (continued):

(d) Employee future benefits (continued):

2. Sick leave benefits are also available to certain College employees. The costs of these benefits is actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligations under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits. Actuarial gains and losses are amortized over the expected average remaining service life of the employees.

3. The cost and obligation of non-vesting sick leave benefits is actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, long-term inflation rates and discount rates.

4. Certain College employees are entitled to the continuation of health and dental benefits while on disability leave. The accrued benefit obligation for currently disabled employees was estimated by an actuarial valuation for accounting purposes at March 31, 2015.

5. The costs of insured benefits reflected in these statements are the employer's portion of the insurance premiums owed for coverage of employees during the period.

(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 is 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:

2. Significant accounting policies (continued):

(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.

(ii) Contributions restricted for specific purposes other than for those to be held in perpetuity or for the acquisition or development of a depreciable tangible capital asset are recorded as deferred contributions and recognized in revenue in the year in which the stipulation or restriction on the contribution have been met.

See note 3 for the impact of this regulation on these financial statements.

(g) Expenses:

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

(h) Financial instruments:

The College does not hold any derivatives or equity investments and has not elected to record any other financial instruments at fair value. Financial assets and financial liabilities are measured at cost or amortized cost, less any permanent impairment in value.

A statement of remeasurement gains and losses is not presented as the College did not have remeasurement transactions to report.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations.

(i) Cash and cash equivalents:

Cash and cash equivalents include cash on hand and short term highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of change in value. These short term investments generally have a maturity of three months or less at acquisition and are held for the purpose of meeting short term cash commitments rather than investing.

2. Significant accounting policies (continued):

(j) Measurement uncertainty:

The preparation of the financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Key areas where management has made estimates and assumptions include those related to the determination of the useful lives of capital assets, amortization of related deferred capital contributions, determination of employee future benefits, and provisions for accounts receivable and contingencies. Where actual results differ from these estimates and assumptions, the impact is recorded in future periods when the differences become known.

3. Impact of Accounting for Government Transfers in Accordance with Section 23.1 of the Budget Transparency and Accountability Act:

As noted in the significant accounting policies, Section 23.1 of the Budget Transparency and Accountability Act and its related regulations require the College to recognize all government transfers provided to purchase capital assets into revenue on the same basis as the related amortization expense. In addition, all government transfers related to restricted contributions for purposes other than purchasing capital assets are to be deferred by the College and included in revenue in the period when the transfer restriction has been met.

Canadian public sector accounting standards would require these grants to be fully recognized into revenue when received by the College unless they contain a stipulation that meets the definition of a liability. The impact of this difference on the financial statements of the College is as follows:

(a) Year-ended March 31, 2015 – increase in annual surplus by $10,754,580 (March 31, 2014 – increase by $6,753,877).

(b) March 31, 2015 – increase in accumulated surplus by $78,478,505 and decrease in deferred operating contributions by $5,125,295 and deferred capital contributions by $73,353,210 (March 31, 2014 – increase in accumulated surplus by $67,723,925 and decrease in deferred operating contributions by $5,725,501 and deferred capital contributions by $61,998,424).

4. Cash and cash equivalents:

	2015	2014
Cash and guaranteed investment certificates	$ 37,126,453	$ 34,899,267
	$ 37,126,453	$ 34,899,267

5. Accounts receivable:

a) Due from government and other government organizations:

	2015	2014
Federal government	$ 1,478,902	$ 1,778,652
Provincial government	357,149	362,693
Other government organizations	434,067	509,502
Allowance for doubtful accounts	(400,000)	-
	$ 1,870,118	$ 2,650,847

b) Due from other:

	2015	2014
Revenues receivable	$ 3,227,917	$ 3,398,773
Accrued interest	31,780	42,805
Less provision for doubtful accounts	(454,194)	(405,366)
	$ 2,805,503	$ 3,036,212

6. Inventories for resale:

	2015	2014
Inventories for resale	$ 1,245,063	$ 834,405
	$ 1,245,063	$ 834,405

Inventory is comprised of bookstore inventory for resale. During the year ended March 31, 2015 the College recognized $3,302,240 (2014 - $3,415,528) of expenses related to inventories in the statement of operations. This includes an amount of $19,278 (2014 - $18,072) resulting from the write-down of inventories.

7. Accounts payable and accrued liabilities:

a) Due to government and other government organizations:

	2015	2014
Federal government	$ 990,448	$ 938,473
Provincial government	63,055	59,168
Other government organizations	706,584	698,750
	$ 1,760,087	$ 1,696,391

b) Due to other:

	2015	2014
Trade payables and accrued liabilities	$ 14,314,667	$ 11,542,988
Accrued vacation pay and earned time off	3,818,128	3,827,304
Professional development	629,782	616,487
	$ 18,762,577	$ 15,986,779

8. Employee future benefits:

a) Employee future benefits:

	2015	2014
Sick leave	$ 1,429,189	$ 1,207,000
LTD health & dental benefits	470,787	410,696
Accrued benefit liability, end of year	$ 1,899,976	$ 1,617,696

i. Certain employees of the College are entitled to sick leave benefits in accordance with the terms and conditions of their employment contracts. These include post-retirement benefits, benefits that are expected to be provided after employment but prior to retirement and which vest or accumulate during service; and compensated absence benefits, benefits paid during employment, including sick pay benefits that accumulate and are payable upon a future illness or injury-related absence. The benefit expense associated with the covered benefits attributed to the accounting period is included in the College's statement of operations and the accrued benefit liability for the benefits attributed to employee service to the accounting date are included in the College's statement of financial position. The accrued benefit obligation and the net periodic benefit costs were estimated by an actuarial valuation completed in March 2015.

8. Employee future benefits (continued):

	2015	2014
Accrued benefit obligation:		
Balance, beginning of the year	$ 1,207,000	$ 1,360,000
Current benefit cost	557,250	127,000
Benefits paid	(335,061)	(280,000)
Accrued benefit liability, end of year	$ 1,429,189	$ 1,207,000
Unamoritized actuarial (gains) losses	402,750	-
Accrued benefit obligation, end of year	$ 1,831,939	$ 1,207,000

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

	2015	2014
Projected service cost	$ 107,600	$ 65,000
Interest expense	46,900	62,000
Recognition of net actuarial losses	402,750	-
	$ 557,250	$ 127,000

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligations are as follows:

	2015	2014
Discount rates	3.90%	3.75%
Expected future inflation rates	2.00%	2.00%
Expected wage and salary increases	2.75%	1.25%

ii. Certain employees of the College are entitled to the continuation of extended health, dental and Medical Services Plan (MSP) benefits in accordance with the terms and conditions of their employment contracts. Coverage is extended to disabled employees, their spouses and dependent children while on disability. Faculty and Exempt employees receive these benefits from their date of disability to the earlier of recovery from disability and return to work or age 65. Support staff receive these benefits from their date of disability to the earlier of recovery from disability and return to work or two years. The accrued benefit obligation for currently disabled employees was estimated by an actuarial valuation for accounting purposes as at March 31, 2015.

8. Employee future benefits (continued):

The significant actuarial assumptions adopted in measuring the College's accrued benefit obligations are as follows:

	2015	2014
Discount rates	3.35%	3.35%
Medical trend	7.75%	8.00%
Dental trend	5.89%	6.00%
MSP trend	4.50%	4.50%

(b) Pension plans:

The college and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trusteed pension plans. The board of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are based on a formula. As at August 31, 2014, the College Pension Plan has about 14,000 active members from college senior administration and instructional staff and approximately 6,000 retired members. As at December 31, 2013, the Municipal Pension Plan has about 182,000 active members, with approximately 5,800 from colleges.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2012 indicated a $105 million funding deficit for basic pension benefits. The next valuation will be August 31, 2015, with results available in 2016. The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2012 indicated a $1,370 million funding deficit for basic pension benefits. The next valuation will be December 31, 2015, with results available in 2016.

Employers participating in the plans record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plans record accrued liabilities and accrued assets for the plans in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

The College paid $4,397,823 (2014 – $4,256,141) for employer contributions for the College Pension Plan and $1,597,353 (2014 - $1,516,465) for the Municipal Pension Plan in fiscal 2015.

9. Deferred contributions:

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

	April 1, 2014	Receipts during year	Transferred to revenue	March 31, 2015
Provincial	$ 7,265,341	$ 8,630,011	$ (8,755,588)	$ 7,139,764
Federal	425,890	593,001	(883,802)	135,089
	$ 7,691,231	$ 9,223,012	$ (9,639,390)	$ 7,274,853

10. Deferred revenue:

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

	April 1, 2014	Receipts during year	Transferred to revenue	March 31, 2015
Tuition fees	$ 3,189,804	$ 35,294,336	$ (35,038,669)	$ 3,445,471
Contract fees	606,134	14,338,774	(14,198,470)	746,438
	$ 3,795,938	$ 49,633,110	$ (49,237,139)	$ 4,191,909

11. Deferred capital contributions:

Continuity of deferred capital contributions is as follows:

March 31, 2015	Deferred	Unamortized	Total
Opening balance	$ 10,517,587	$ 52,454,441	$ 62,972,028
Restricted contributions received	17,053,509	-	17,053,509
Contributions spent	(21,606,725)	21,606,725	-
Disposals / Write Downs		(930,158)	(930,158)
Amounts amortized to revenue	-	(5,742,169)	(5,742,169)
	$ 5,964,371	$ 67,388,839	$ 73,353,210

March 31, 2014	Deferred	Unamortized	Total
Opening balance	$ 4,780,333	$ 53,174,271	$ 57,954,604
Restricted contributions received	9,076,739	-	9,076,739
Contributions spent	(3,339,485)	3,339,485	-
Amounts amortized to revenue	-	(4,059,315)	(4,059,315)
	$ 10,517,587	$ 52,454,441	$ 62,972,028

12. 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	$ 235,859
2017	$ 155,290
Minimum lease payments	391,149
Less amount representing interest	(17,739)
Present value of net minimum capital lease payments	$373,410

Interest of $29,519 (2014 - $7,036) relating to the capital lease obligation has been expensed.

13. Tangible capital assets:

Cost	March 31, 2014	Additions	Adjustments/ Disposals	March 31, 2015
Land	$ 14,484,612	$ -	$ -	$ 14,484,612
Buildings	93,681,381	-	-	93,681,381
Assets under construction	5,912,100	15,918,365	(930,158)	20,900,307
Furniture, fixtures and equipment	12,597,495	2,569,469	(1,224,642)	13,942,322
Computers and software	2,949,143	887,593	(530,470)	3,306,266
Equipment under capital lease	757,448	768,597	(598,823)	927,222
	$ 130,382,179	$ 20,144,024	$ (3,284,093)	$ 147,242,110

Accumulated amortization	March 31, 2014	Disposals	Amortization Expense	March 31, 2015
Land	$ -	$ -	$ -	$ -
Buildings	51,763,324	-	2,891,178	54,654,502
Assets under construction	-	-	-	-
Furniture, fixtures and equipment	7,603,758	(1,224,642)	2,314,590	8,693,706
Computers and software	1,705,318	(530,470)	590,393	1,765,241
Equipment under capital lease	647,242	(598,823)	439,997	448,416
	$ 61,719,642	$ (2,353,935)	$ 6,236,158	$ 65,601,865

13. Tangible capital assets (continued):

	Net book value March 31, 2014	Net book value March 31, 2015
Land	$ 14,484,612	$ 14,484,612
Buildings	41,918,057	39,026,879
Assets under construction	5,912,100	20,900,307
Furniture, fixtures and equipment	4,993,737	5,248,616
Computers and software	1,243,825	1,541,025
Equipment under capital lease	110,206	438,806
	$ 68,662,537	$ 81,640,245

(a) Assets under construction:

The College is building a Centre for Trades Education and Innovation at its Interurban Campus. Assets under construction also include upgrade and expansion of existing Trades facilities and the Technology Access Centre (TAC), including acquisition and installation of equipment. The projects will be completed by September 2015. Amortization of these assets will commence when they are put into service.

(b) Contributed Tangible Capital Assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. The value of contributed assets received during the year is $0 (2014 - $95,975).

(c) Works of art and historical treasures:

The College manages and controls various works of art including paintings and sculptures located at various sites and public display areas. These assets are not recorded as tangible capital asses and are not amortized. Intangible assets not recorded in the financial statements have a book value of $91,917 (2014 - $91,917).

(d) Write-down of tangible capital assets:

The contributed ship engine asset received during the 2012-2013 fiscal year has been written down to a nil value. This engine will no longer be included in the Centre for Trades Education and Innovation resulting in no further service potential to the College.

14. Contractual Obligations:

Operating leases:

The College is committed to minimum annual lease payments under various operating leases. The future minimum annual payments over the next five years are as follows:

	Facilities
2016	$ 563,000
2017	563,000
2018	563,000
2019	563,000
2020	563,000
	$ 2,815,000

15. Contingent liabilities:

The College may, from time to lime, be involved in legal proceedings, claims, and litigation that arise in the normal course of business. At March 31, 2015, there are claims outstanding and management has determined the outcome to be undeterminable and thus no accrual has been recorded. It is considered that the potential claims would not materially affect the College's financial statements and any amounts ultimately settled will be recorded in the period in which the claim is resolved.

16. Expenses by object:

The following is a summary of expenses by object:

	2015	2014
Salaries and benefits	$ 87,141,675	$ 88,463,624
Supplies and services	14,877,363	12,671,609
Costs of goods sold	3,465,202	3,589,290
Interest	31,162	7,036
Amortization	6,236,158	5,536,039
Minor repairs and maintenance	3,352,322	3,260,130
	$115,103,882	$113,527,728

17. Related party transactions:

(a) Other agency operations:

The College is related through common ownership to all Province of British Columbia ministries, agencies, Crown corporations, school districts, health authorities, hospital societies, universities and colleges that are included in the provincial government reporting entity. Transactions with these entities, unless disclosed otherwise, are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

Included in accounts receivable at year end is $357,149 (2014 - $362,693) from the provincial government. During the year the College received grants in the amount of $73,603,426 (2014 - $70,242,800) from the provincial government and included $62,552,242 (2014 - $62,332,793) in revenue. $16,370,636 (2014 - $7,364,490) of the $17,053,509 (2014 - $9,015,506) of restricted capital contributions received during the year was from the provincial government.

(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 $753,158 (2014 - $578,813) was provided to the Foundation.

For the year ended March 31, 2015, gift in kind donations from the Foundation to the College were $11,216 of which $0 was recorded as capital assets (2014 - $113,350 of which $95,975 was recorded as capital assets). Included in the College’s accounts receivable at March 31, 2015 is $59,324 (2014 - $30,268) due from the Foundation.

(c) Pacific Institute for Sport Excellence Society:

The College has an economic interest in the Pacific Institute for Sport Excellence Society (“PISE”). The net assets and results of operations of PISE have not been included in these financial statements. PISE is a separate society formed to bring sport education and athlete development under one roof, incorporating health and wellness programs, high performance sport services, applied sport research and innovation and community programs. PISE has three founding members – Camosun College, Canadian Sport Institute and PacificSport Victoria – and is a not for profit organization under the Income Tax Act.

17. Related party transactions (continued):

PISE's facilities, located at the Interurban campus, were completed in September 2008 at which time the College signed a long term lease and license agreement with PISE under which PISE will operate the facility for a 25 year term with a 29 year extension option at an annual rent of $1 per year. At the same time, PISE has signed a long term sub lease with the College under similar terms under which the College will operate its sport education programs, recreation and athletics programs and teams and applied research activities at an annual cost of $563,000.

At the date of occupancy, the related $28 million cost of the capital assets under construction and associated deferred capital grants were removed from the College's financial statements. The College provides custodial, grounds, maintenance and other specialist facility services to PISE on a cost recovery basis under a service agreement. Fees and expenses for these services amounted to $303,210 (2014 - $342,180) during the year. Included in the College's accounts receivable at March 31, 2015 is $7,364 (2014 - $7,517) due from PISE.

18. Financial risk management:

It is management's opinion that the College is not exposed to significant interest, currency, or credit risks arising from its financial instruments. The carrying value of cash and cash equivalents, accounts receivable and accounts payables and accrued liabilities approximate fair value because of the short maturity of these instruments.

The insurance on College property is the responsibility of the Province, which paid $103,413 (2014 - $101,160) for premiums and fees on behalf of the College for the coverage. The premiums paid are not recorded in the financial transactions of the College or in these financial statements. All claims for loss are submitted to the Province for consideration for replacement. The College has no direct insurance coverage against loss of any of its capital assets.

19. Budget data:

Budget figures have been provided for comparative purposes and have been derived from the Multi Year Budget approved by the Board of Governors of the College on May 5, 2014. The budget is reflected in the statement of operations and the statement of changes in net financial assets (net debt). The chart below reconciles the approved budget to the budget figures reported in these financial statements. Budget figures have not been audited, and are presented only for information purposes.

19. Budget data (continued):

Revenues:	
Operating budget	$ 108,165,014
Capital budget	5,650,143
Total revenues	113,815,157
Expenses:	
Operating budget	$ 106,611,169
Capital budget	7,203,988
Total expenses:	113,815,157
Annual surplus	$ -

20. Comparative figures:

Certain comparative figures have been restated to conform to current year's presentation.