

Financial Statements of

UNIVERSITY OF VICTORIA FOUNDATION

And Independent Auditors' Report thereon

Year ended March 31, 2022

STATEMENT OF ADMINISTRATIVE RESPONSIBILITY FOR FINANCIAL STATEMENTS

The University of Victoria (the "University") is responsible for the preparation of the financial statements of the University of Victoria Foundation (the "Foundation"). The statements have been prepared in accordance with Canadian Public Sector Accounting Standards for government not-for-profit organizations and present fairly the financial position of the Foundation as at March 31, 2022 and the results of its operations for the year then ended.

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 KPMG LLP



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INDEPENDENT AUDITORS' REPORT

To the Members of the Board of the University of Victoria Foundation

Opinion

We have audited the financial statements of University of Victoria Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2022
- the statement of revenue, expense and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- the statement of rereasurement gains and losses for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations, its changes in fund balances, its cash flows and its rereasurement gains and losses 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 auditors' report.

We are independent of the Entity 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 these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



UNIVERSITY OF VICTORIA FOUNDATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 2,709,543	\$ 21,077,276
Accrued interest and other receivables	1,074,519	1,412,670
Amount due from the University of Victoria (note 5)	4,009,089	971,076
Investments (note 3)	515,881,048	503,681,041
	\$ 523,674,199	\$ 527,142,063

Liabilities

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UNIVERSITY OF VICTORIA FOUNDATION

Statement of Revenue and Expenses and Changes in Fund Balances

Year ended March 31, 2022, with comparative information for 2021

	Endowment Principal		Expendable Funds	
	2022	2021	2022	2021
Revenue:				
Donations	\$ 12,057,355	\$ 14,327,867	\$ -	\$ -
Interest and dividend income	-	-	19,139,106	10,310,471
Realized gains, less losses	-	-	24,294,724	(13,549,008)
	12,057,355	14,327,867	43,433,830	(3,238,537)
Expenses:				
Scholarships, bursaries and other distributions	-	-	17,581,555	15,807,905
Administration fees (note 5)	-	-	1,312,581	1,249,432
Investment management fees	-	-	2,277,685	2,145,729
	-	-	21,171,821	19,203,066
Excess (deficiency) of revenue over expenses	12,057,355	14,327,867	22,262,009	(22,441,603)
Fund balances, beginning of year	402,940,374	385,894,797	32,664,744	57,824,057
Interfund transfers - encroachment on quasi-endowments (note 6)	(13,730)	(258)	13,730	258
Capitalizations to endowment principal (note 4)	13,754,477	2,717,968	(13,754,477)	(2,717,968)
Fund balances, before accumulated remeasurement gains	428,738,476	402,940,374	41,186,006	32,664,744
Accumulated remeasurement gains	-	-	53,292,189	89,746,214
Fund balances, at end of year	\$ 428,738,476	\$ 402,940,374	\$ 94,478,195	\$ 122,410,958

See accompanying notes to the financial statements.

UNIVERSITY OF VICTORIA FOUNDATION

Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess (Deficiency) of revenue over expense	\$ 34,319,364	\$ (8,113,736)
Items not involving cash:		
Realized Losses (gains) on investments	(24,294,724)	13,549,008
Changes in non-cash working capital balances (net):		
Net decrease in accrued interest and other receivables	338,151	5,280,198
Decrease (increase) in due from the University of Victoria	(3,038,013)	590,326
Net decrease in accounts payable	(1,333,203)	(3,205,656)
	5,991,575	8,100,140
Investing activities:		
Net Sale (acquisition) of investments	(24,359,308)	6,491,413
Increase (decrease) in cash during the year	(18,367,733)	14,591,553
Cash and cash equivalents, beginning of year	21,077,276	6,485,723
Cash and cash equivalents, end of year	\$ 2,709,543	\$ 21,077,276

See accompanying notes to the financial statements.

UNIVERSITY OF VICTORIA FOUNDATION

Notes to Financial Statements

Year ended March 31, 2022

2. Significant accounting policies (continued):

(c) Investments:

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Notes to Financial Statements

Year ended March 31, 2022

7. Financial risk management (continued):

(b) Price risk (continued):

Asset class		Estimated volatility (% change)
Foreign equities	+/-	18.0%

