

The Loyalist College Foundation
Annual Report
2009-2010



Presented to the Annual Meeting

MAY 27, 2010



The Loyalist College Foundation
Board of Directors
2009–2010

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The Loyalist College Foundation 2009-2010

Message from the Chair of the Board of Directors

I am pleased to bring you this message at the end of a very productive year on a number of fronts for the Loyalist College Foundation. Despite the challenges of the markets, our investments have provided significant support to Loyalist College students through our endowment.

The Annual Appeal has been successful again this year, with donations totaling \$240,412. Of this total, \$215,149 was directed to financial assistance for students and was eligible for matching funds through The Ontario Trust for Student Support (OTSS). In addition to the \$215,149 in regular matching funds, the College was eligible for enhanced matching funds of \$200,926 from the Ministry of Training, Colleges and Universities, bringing a total of \$416,075 from the Ontario Government for the endowment fund. We are most appreciative for this welcome support from our donors, and from the provincial government. It is with great excitement that I announce to you that we have exceeded the \$6 million dollar mark in the Loyalist College Foundation - a grand total of \$6,103,521 at March 31, 2010!

During the past year, 15 Awards were presented at the June 2009 Convocation, 210 Awards were given at the November 19, 2009 Undergraduate Awards, 28 were presented throughout the year, and most recently 25 Awards were presented at the Spring Awards Ceremony March 18, 2010. The total value of these awards was \$149,487. A number of new endowed funds were also established, and more detail is found in the report from the Grants Committee included on page three.

The Foundation sought external advice regarding Investment Management Services during the year, and underwent a rigorous RFP process, in keeping with the fiduciary responsibilities we hold as Directors. This exercise was an excellent example of due diligence. I want to commend the Chairs of the Finance and Investment Committee and the participants in the sub-committee for their important work in this regard.

The Foundation Board looks forward to supporting the efforts of the College in the upcoming Capital Campaign to equip and furnish the Sustainable Skills Technology and Life Sciences Centre - a project which is important to our communities and all of South Eastern Ontario.

On behalf of the Directors, I wish to thank all donors and friends for their generous and continued sponsorship of Loyalist students. The ongoing support from our donors provides encouragement to students and fundamentally contributes to their success year after year.

Finally, as the "working year" comes to a close, I take this opportunity to thank my fellow Directors for their sustained dedication to their fiduciary roles as members of the Foundation Board.

Thank you to all!

Beverley Townsend, Chair
May 27, 2010

The Year in Review 2009-2010

At the Annual Meeting of The Loyalist College Foundation held May 28, 2009, Beverley Townsend was elected as Chair, and Bernie Ouellet was elected as Vice-Chair for the coming year. June Surgey served as Past Chair of the Foundation for 2009-10.

Executive Committee Directors for 2009-10 include: Chair Beverley Townsend, Vice-Chair Bernie Ouellet, College Board of Governors Chair Margaret Werkhoven, Director Mark Hanley, and Director Susan Scarborough. Ex-officio members of the executive include: College President Maureen Piercy, Treasurer Allan Ross, and Secretary Dianne Spencer.

We recognized, with great regret, the passing of Honorary Director, Bernice Parrott, on October 8, 2009.

Ex-officio Directors include College President, Maureen Piercy; Vice-President Corporate Services & Chief Financial Officer, Allan Ross; and Executive Director of College Advancement & External Relations, Dianne Spencer.

Two hundred and seventy-eight awards were presented through the Foundation endowment during the year, with a total value of \$149,487.

During the year, \$656,487 was added to the endowment fund, as donations to the College of \$240,412 were matched at the level of \$1.93 to \$1 through the OTSS program with funds from the provincial government. This included major gifts from the Quinte Veterans Association, the Children's Aid Society, Quinte Children's Foundation, and the Kiwanis Club of Belleville, as well as many individual donors as identified in the recognition list included in this report.

The following summary reports are provided as an overview of the work of the Foundation during the year. Detailed minutes of committee meetings are available in the Foundation Office.

Capital Campaign Steering Committee:

The Steering Committee, established to determine the next steps in planning a community campaign to support the Skills Centre initiative, was delighted with the May 25, 2009 announcement from the Federal and Provincial Governments, to provide a total of \$16.6 million to this project. With equal support from both levels of senior government, the design-build project could be built, but the challenge of funding for up-to-date equipment and furnishings remains. The Committee, chaired by Foundation Past Chair June Surgey, has provided strategic advice to the College with respect to timing and potential leadership. Other members include Foundation Chair Beverley Townsend, Vice-Chair Bernie Ouellet, Mark Hanley (until April 9, 2010), Board of Governors Chair Margaret Werkhoven, Kay Manderville, and Susan Scarborough. Ex-officio members include College President Maureen Piercy, VP Corporate Services Allan Ross, and Executive Director College Advancement & External Relations, Dianne Spencer.

Audit Committee:

Members: Rick Belanger (Chair), Kay Manderville, Allan Ross
Ex-Officio: Beverley Townsend, Maureen Piercy, Dianne Spencer
College Board Chair: Margaret Werkhoven
College Staff: Mike Seeger (Director, Financial Services)

The Audit Committee met to receive the Audit Plan provided by Wilkinson & Co. LLP, and recommend the Audit Plan to the Board for approval. Prior to the AGM, a meeting was held to review the audited financial statements, and recommend their approval to the Foundation Board. The Committee approved the Audit Findings Report, to be provided to the Board of Directors. Finally, the Audit Committee reviewed and made a recommendation regarding the re-appointment of the Foundation's auditors.

Grants Committee:

Members: Stuart Wright (Chair), Ross McDougall, Mark Rashotte, Mark Rollins
Ex-Officio: Beverley Townsend, Maureen Piercy, Allan Ross, Dianne Spencer
College Board Chair: Margaret Werkhoven
College Staff: Joanne Farrell (Awards Officer)

During the year, 278 awards with a total value of \$149,487 were presented at Convocation and at Awards Ceremonies in November and in March. An additional 124 students received expendable awards totaling \$64,830 through the Awards office.

Several new endowed funds were established during the year to provide awards for Loyalist students. They include the Peter F. Huff Memorial Fund; Quinte Veterans Association Fund; Hastings Children's Aid Society/Quinte Children's Foundation - Doc Turley Endowment Fund; Quinte Children's Foundation/Quinte Veterans Association Endowment Fund; and the John & Jean Naumann Memorial Endowment Fund. In addition, three new endowment funds have been established by members of College staff, with criteria and Deeds of Trust to be finalized. Each of these awards will have specific criteria developed in discussion with the donor, to ensure that specific wishes are accommodated. An emphasis on stewardship with individual donors continues, with annual reports provided for each fund, and opportunities to discuss awards on an individual basis. Special thanks to Awards Officer Joanne Farrell who works closely with a College-wide committee in the selection process, and in the distribution of the awards.

Planned Giving Committee:

Members: Susan Scarborough (Chair), Donna Gowthorpe, Ian Sullivan
Ex-Officio: Beverley Townsend, Maureen Piercy, Dianne Spencer
College Board Chair: Margaret Werkhoven

Planned Giving activities during the past year focused on awareness building through advertising and updated material for distribution to allied professionals in the Quinte region. Ads regarding Planned Giving opportunities were published in the Annual Leave a Legacy supplement to the Intelligencer in February 2010. In addition, an ad was printed in the County & Quinte Living Magazine spring edition, as a new outreach vehicle. The Planned Giving brochure was updated with the invaluable assistance of Committee member Ian Sullivan.

Finance and Investment Committee:

Members: Mark Hanley (Chair until April 2010), Bernie Ouellet and John Sherratt (Co-Chairs April-May 2010), Steve Stumpacher, June Surgey
Ex-Officio: Beverly Townsend, Maureen Piercy, Allan Ross, Dianne Spencer
College Board Chair: Margaret Werkhoven
College Staff: Mike Seeger (Director, Financial Services), Lorraine Courtland (Financial Reporting Officer)

Regular meetings were held with the Knudsen Brady Vaughan Team, CIBC Wood Gundy, in conjunction with regular meetings of the Finance & Investment Committee, to review the portfolio's performance. Details regarding the portfolio performance are found in the Treasurer's Report on page six.

A revised Investment Policy Statement was developed for approval by the Foundation Board, with assistance from an independent external advisor. An RFP process for Investment Management Services took place during the year, with the assistance of the College's Manager of Procurement, in preparing a recommendation to the Board for approval. In addition, the Committee endorsed the 2010-11 proposed budget and recommended its approval to the Foundation Board. It was noted that the budgeted amount for Scholarships and Bursaries is \$100,000, \$50,000 less than the previous year, reflecting lower returns during the year. It was also noted that this level will be reviewed in the fall of 2010, when market gains may be realized and taken advantage of in-year. This would be a departure from previous practice, but would be beneficial in leveling out the amount of funds available for disbursement.

Golf Tournament:

The Annual Golf Tournament was held on September 18, 2009, with net proceeds of \$22,513. With enhanced matched funding available through the OTSS, a total of \$68,333 was added to the endowment fund for student financial assistance. Thank you to all sponsors and to the organizing committee for helping achieve the highest level of support in the eleven years of the event. A complete list of sponsors is found on page seven.

Committee members include Ian Sullivan (Chair), Dan Holland, Grant Brummell, Phillip Howlett, Mike Meehan, Bernie Ouellet and Roli Tipper. Special thanks go to Fran Nobes for her outstanding event coordination. Plans are underway for the 2010 tournament on September 17, at Trillium Wood Golf Course, with a special "Celebrating Our Graduates" theme.

In Summary:

The past year has been another year of remarkable generosity on the part of the Loyalist College community, in supporting the endowment fund for student financial assistance. In total, \$240,421 was donated by individuals, groups and organizations. This level of support garnered an additional \$416,075 from the Ontario Government through the Ontario Trust for Student Support program, a program which has provided substantial support to the College endowment fund through the years. We are fortunate to have this expression of support from our donors, and we certainly appreciate the ongoing matching program through the provincial government.

Four organizations deserve special mention in this year's Annual Report, as their gifts have provided substantial support to the OTSS program this year. First, the Hastings Children's Aid Society, Quinte Children's Foundation and the Kiwanis Club of Belleville, who together provided a gift of \$37,873.62 to create the Hastings Children's Aid - Doc Turley Award, to benefit Crown Wards and former Crown Wards, in their studies at Loyalist College.

The Veteran's Association, in disbursing its funds at dissolution, named Loyalist College as a beneficiary of \$36,189.20 to establish an endowment for student financial assistance. This has resulted in an endowed fund, with the enhanced matching dollars through the OTSS, which totals \$109,933.84.

The Quinte Children's Foundation was also instrumental in donating funds which had been received from the Veteran's Association, totaling \$36,189.20, creating another endowed fund for Crown Wards or former Crown Wards of the Hastings Children's Aid Society, who attend Loyalist College.

A huge thank you to the leaders of these groups for their vision and generous spirits. The College and the Foundation will steward your funds and ensure that your priorities are met. Our shared commitment is to maximize the benefit to Loyalist students of today and tomorrow.

Respectfully submitted,



Dianne Spencer,
Secretary
May 27, 2010



TREASURER'S REPORT, 2009-10

To the Board of Directors of
The Loyalist College Foundation

I am pleased to review the financial results of The Loyalist College Foundation for the year ended March 31, 2010.

- The endowed Fund has a balance of \$6,103,521, an increase of \$1,101,416 or 22% on a market value basis from the prior year's balance of \$5,002,105.
- Net investment income for the year, measured on an accrual basis, was \$89,609, down by \$76,974 from last year's level. Commencing with fiscal year 07/08, accounting requirements included reporting of investment portfolios on a market value basis. On that basis, investment income for the year would be increased by a \$553,391 unrealized capital gain, resulting in a net \$643,000 in overall investment gain;
- Fixed income securities held at March 31, 2010 represent 73.7% of the total investment portfolio at cost, while the balance is invested in five equity portfolios;
- Excluding unrealized capital gains, the average return on the fixed income portfolio for the year was 3.7%, while the realized net return on equities was approximately -3.7%. Taking into account unrealized gains, the return on equities for the year dramatically increased due to the significant rebound in equity prices in markets throughout the world;
- Net income from fundraising activities after direct expenses, was \$22,513 compared to \$22,505 in 2009;
- Scholarships and bursaries provided to students this year amounted to \$149,487 compared to \$166,949 in 2009; the number of awards in 2010 was 278, up 1.01% from the prior year (275); the average amount per student was \$537 (\$607 in 2009).

2009-10 was a rewarding year for the Foundation, with widespread rebounds in overall investment values and a very successful year of fundraising. Important financial assistance to students, which is the essence of the Foundation's activities, has been maintained throughout.

In closing, I confirm that the banking and investment activities of the Foundation were in compliance with legislative requirements in force during the year.

Respectfully submitted,

Allan Ross, Treasurer
May 19, 2010

Loyalist College Foundation Golf Tournament

The eleventh annual Loyalist College Foundation charity golf tournament held at Trillium Wood Golf Club on September 18, 2009 was a great success, with net proceeds of \$22,513. With enhanced matching funds from the provincial government, through the Ontario Trust for Student Support program, a total of \$68,333 was added to the endowment fund for bursaries.

Thanks to our Sponsors:

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Bronze

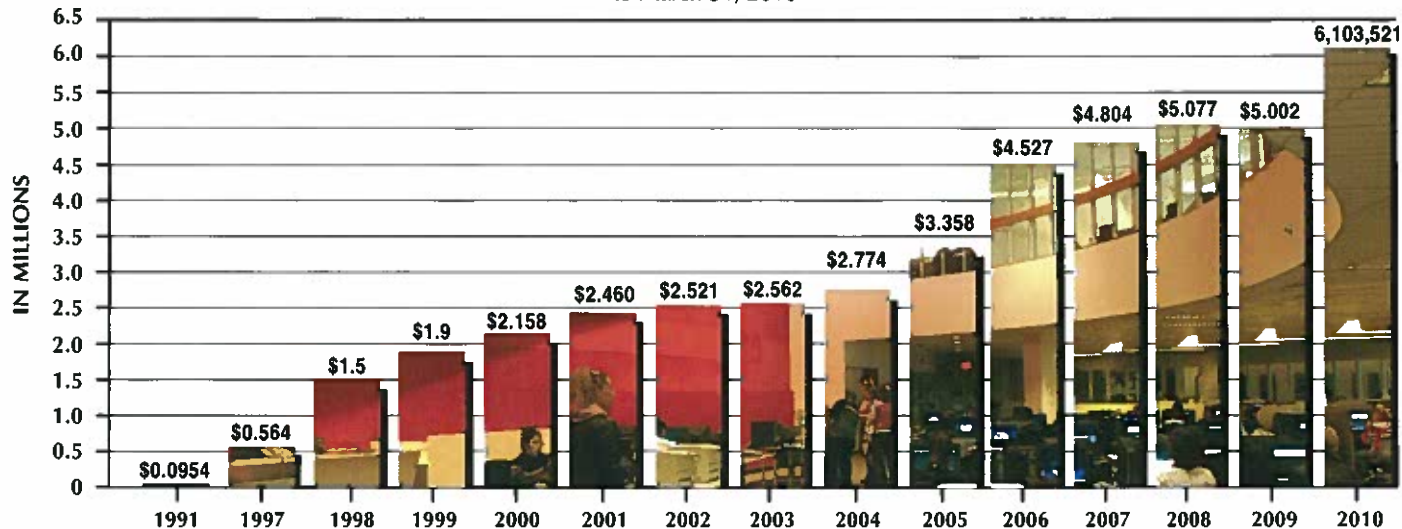
All Star Fire Protection Services Inc.
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Lunch

Bernie Ouellet

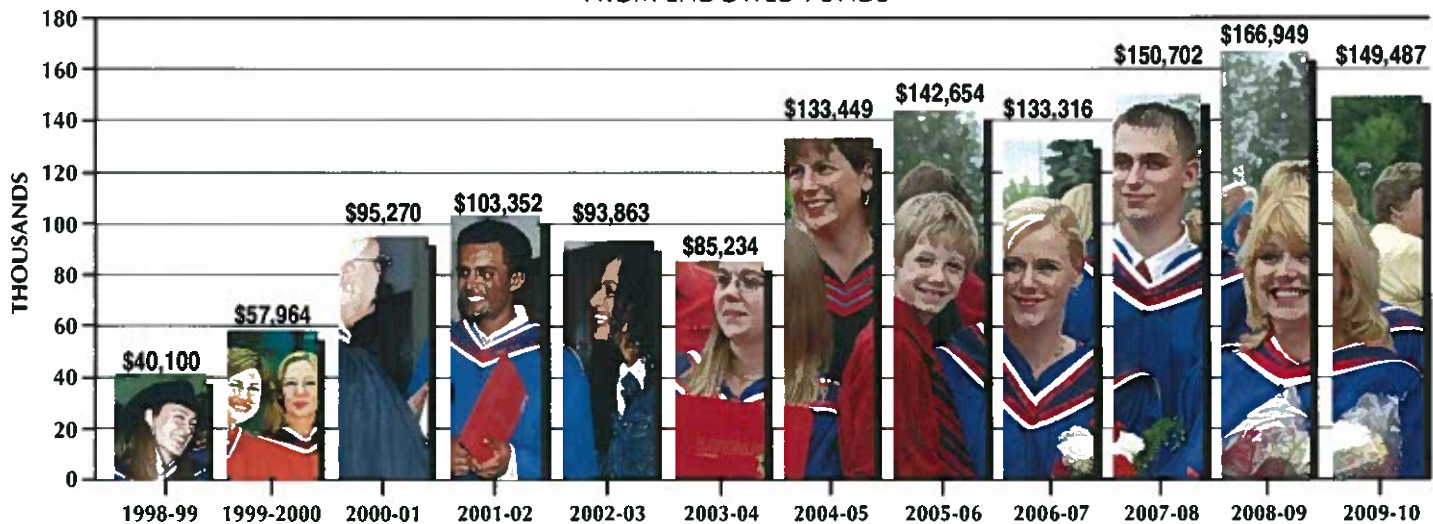
Total Endowment Growth

to March 31, 2010



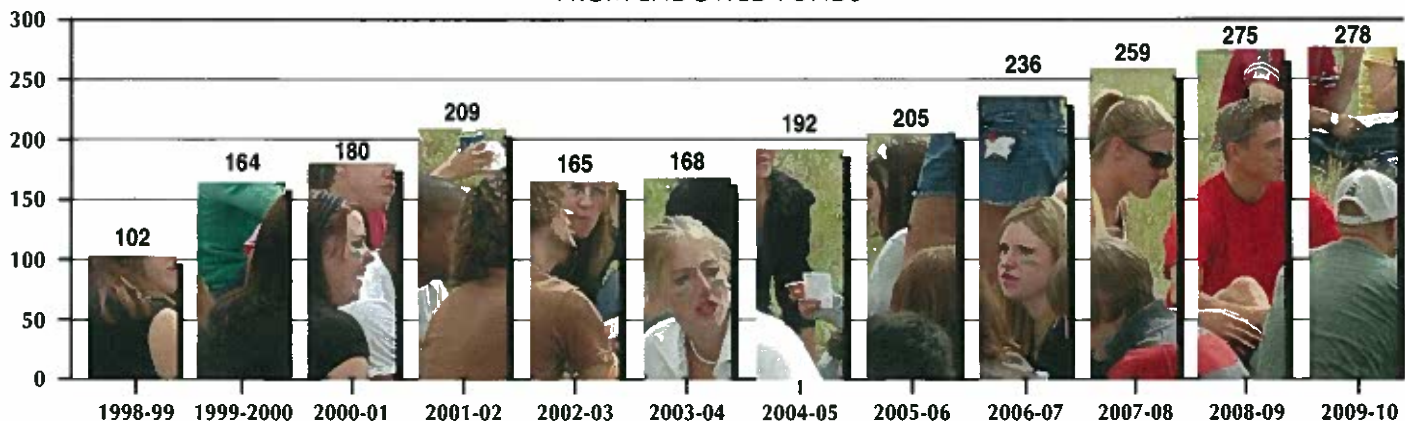
Value of Awards

FROM ENDOWED FUNDS



Number of Awards

FROM ENDOWED FUNDS



Thank you to all who have supported Loyalist College students and programs with donations from April 1, 2009 – March 31, 2010.

3M Canada Company
Lorre Allison
Loyalist College Alumni Association
Brian L. Alyea
Brian D. Askett
Association of Architectural Technologists of Ontario
Association of Ontario Land Surveyors
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Sandra Hill
Tammy A. Hill

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Chrissy Holmes
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