

**North Island College Foundation
Financial Statements**

March 31, 2024

North Island College Foundation
Index to the Financial Statements

March 31, 2024

Independent Auditor's Report

Financial Statements

Statement of Financial Position	1
Statement of Operations and Changes in Fund Balances	2
Statement of Cash Flows	3
Notes to the Financial Statements	4-7

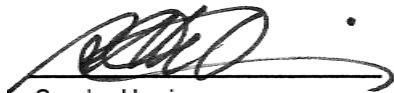
North Island College Foundation

Statement of Financial Position

As at March 31, 2024, with comparative information for 2023
(see accompanying notes to the financial statements)

	2024	2023
Assets		
Cash	\$ 823,173	\$ 1,139,461
Accrued receivables	10,049	9,725
Investments (Note 3)	7,548,221	6,139,610
Art collection (Note 4)	58,700	58,700
	\$ 8,440,143	\$ 7,347,496
Liabilities		
Accrued liabilities	\$ 8,500	\$ 5,000
Due to North Island College	250,225	91,580
Student awards payable	732,725	470,130
	991,450	566,710
Fund Balances		
Unrestricted general fund	145,429	125,072
Specific purpose fund	1,076,476	1,064,827
Endowment investment income fund	460,255	174,679
Endowment fund	5,766,533	5,416,208
	7,448,693	6,780,786
	\$ 8,440,143	\$ 7,347,496

Approved on behalf of the Board:



Sandra Harrison
Board of Director, Chair



Donna Cloutier
Board of Director, Treasurer

North Island College Foundation

Statement of Operations and Changes in Fund Balances

For the year ended March 31, 2024, with comparative information for 2023
(see accompanying notes to the financial statements)

	Unrestricted General Fund	Specific Purpose Fund	Endowment Investment Income Fund	Endowment Fund	2024	2023
Revenues						
Donation Revenues						
Donations	55,025	437,609	-	339,570	832,204	623,167
North Island College contributions (Note 7)	-	2,180	-	250	2,430	9,130
Gifts-in-kind (Note 8)	14,500	10,000	-	9,992	34,492	51,043
Contributions from external foundations (Note 5)	-	29,462	-	-	29,462	28,902
	69,525	479,251	-	349,812	898,588	712,242
Investment Revenues						
Interest income	64,945	-	78,271	-	143,216	95,473
Dividend and other investment income	-	-	210,830	-	210,830	99,097
Realized (loss) gain on investments	-	-	20,941	-	20,941	(71,851)
Unrealized loss on investments	-	-	422,961	-	422,961	(72,568)
	64,945	-	733,003	-	797,948	50,151
	134,470	479,251	733,003	349,812	1,696,536	762,393
Expenses						
Student awards	6,051	384,914	423,615	-	814,580	573,403
North Island College contributions (Note 7)	97,007	82,175	-	-	179,182	248,719
Miscellaneous	11,055	-	23,812	-	34,867	32,848
	114,113	467,089	447,427	-	1,028,629	854,970
Excess (deficiency) of revenues over expenses	20,357	12,162	285,576	349,812	667,907	(92,577)
Fund Balances, March 31, 2023	125,072	1,064,827	174,679	5,416,208	6,780,786	6,873,363
Interfund transfers	-	(513)	-	513	-	-
Fund Balances, March 31, 2024	\$ 145,429	\$ 1,076,476	\$ 460,255	\$ 5,766,533	\$ 7,448,693	\$ 6,780,786

North Island College Foundation

Statement of Cash Flows

For the year ended March 31, 2024, with comparative information for 2023
(see accompanying notes to the financial statements)

	2024	2023
Cash provided by (used in) operating activities		
Excess (deficiency) of revenues over expenses	\$ 667,907	\$ (92,577)
Items not requiring an outlay of cash:		
Loss (gain) on disposal of long-term investments	(20,941)	71,851
Unrealized loss on long-term investments	(422,961)	72,568
	224,005	51,842
Change in non-cash operating accounts:		
Accrued receivables	(324)	(2,151)
Due to/from North Island College	158,645	(20,942)
Accrued liabilities	3,500	-
Student awards payable	262,595	(64,570)
	648,421	(35,821)
Cash provided by (used in) investing activities		
Purchase of investments	(2,558,301)	(2,163,932)
Proceeds on disposal of investments	1,593,592	2,024,739
	(964,709)	(139,193)
Decrease in cash	(316,288)	(175,014)
Cash, beginning of year	1,139,461	1,314,475
Cash, end of year	\$ 823,173	\$ 1,139,461

North Island College Foundation

Notes to the Financial Statements

Year ended March 31, 2024

1. Purpose of the organization

North Island College Foundation (the Foundation) was created to enlist the financial support of those communities served by North Island College. Through the Foundation, individuals and organizations are encouraged to provide financial gifts to enhance North Island College's programs and services by increasing scholarship and bursary funds, and improving quality of classrooms, labs, libraries and other facilities. North Island College Foundation is a not-for-profit organization and is a registered charity under the Income Tax Act. The Society was incorporated under the Society Act on January 2, 1991 and transitioned to the new Societies Act on November 22, 2017.

2. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organization ("ASNPO") in Part III of the CPA Canada Handbook.

These financial statements have been prepared using the significant accounting policies described below:

(a) Fund accounting:

The Foundation uses the restricted fund method of accounting for contributions. The financial statements include the following funds:

- i. The Unrestricted General Fund comprises the resources available for the Foundation's general operating activities. Reported in this fund are all unrestricted contributions.
- ii. The Specific Purpose Fund includes donations for which the donor has stipulated specific uses such as bursaries, scholarships, equipment acquisitions, capital campaigns held for the duration of the campaign. The fund also contains contributions that are restricted by the Board of Directors of the Foundation for certain specific uses, totaling \$613,768 (2023 - \$635,115). As of March 31, 2024 the Specific Purpose fund consists of 34 (2023 - 27) individual campaigns.
- iii. The Endowment Investment Income Fund, includes investment income, earned by investments, the awards granted from this income and the related portfolio management fees. Realized and unrealized capital gains (losses) are also recorded in the Endowment Investment Income Fund and are used for general purposes consistent with the framework governing endowment funds.
- iv. The Endowment Fund includes donations that are specifically intended for named endowments and are reported directly in the Endowment Fund as revenue when received. The donor has specified that the principal is to be held intact in perpetuity. The Endowment Fund consists of 168 (2023 - 167) separately named endowments.

(b) Financial Instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value and all changes in the fair value are recognized in net income in the period incurred. All other financial instruments are subsequently recorded at cost or amortized costs, unless management has elected to carry the instruments at fair value. The Foundation has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by the transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis, at the end of the fiscal year. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amounts that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

North Island College Foundation
Notes to the Financial Statements
Year ended March 31, 2024

2. Significant accounting policies (continued)

(c) Investments:

Investments are carried at fair value. Investment transactions are accounted for as of the trade date. Dividend and interest income are recorded on the accrual basis.

The fair value of fixed income securities and equities is determined by the closing bid price for these securities on the last trading date of the year.

Short-term notes, treasury bills and term deposits maturing within a year are stated at cost, which together with accrued interest income approximates their fair value.

(d) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund. Unrestricted donations are recognized in the Unrestricted General Fund when received or receivable and collection is reasonably assured. At the discretion of the Board of Directors, unrestricted contributions may be internally restricted and are recorded in the Specific Purpose Fund.

Endowment contributions are recognized as revenue in the Endowment Fund.

(e) Contributions in kind:

Gifts in kind designated for North Island College are recorded at their estimated fair market value when the fair market value can be reasonably determined. Contributed materials and services, including accounting and administrative services provided by North Island College, are not recorded in the financial statements.

(f) Use of estimates:

The preparation of financial statements 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 the reported amounts of revenues and expenses during the year. Actual results could differ from these estimates.

3. Investments

Investments are recorded at fair value and are comprised of the following:

	2024	2023
Pooled equity funds	\$ 3,174,132	\$ 3,406,010
Pooled fixed income funds	4,374,089	2,733,600
	\$ 7,548,221	\$ 6,139,610

4. Art collection

An art collection was donated to the Foundation with an estimated fair market value at the time of donation of \$58,700 in 2012. The art collection consists of 19 paintings and prints by Peter Robinson known as the Royal Navy Series. The Foundation is displaying the art collection throughout the North Island College campus in Courtenay.

North Island College Foundation
Notes to the Financial Statements
Year ended March 31, 2024

5. External foundations

The Foundation has interests in endowment funds held and administered by external foundations. These include the Vancouver Foundation, Comox Valley Community Foundation and Alberni Valley Community Foundation. Under the terms of the agreements with these external foundations, these funds are held as permanently restricted funds by the external foundations.

Income from the investments is to be disbursed for scholarships and bursaries and for other such educational purposes as determined by the Board of the Foundation.

These investments are not recorded in these financial statements, as the Foundation does not have control over the investments and cannot access the capital. Any contributions to these funds or disbursements received are included as expenses or income, respectively, in the year.

External foundations hold endowment funds as follows:

	2024	2023
Vancouver Foundation	\$ 415,000	\$ 415,000
Comox Valley Community Foundation	5,000	5,000
Alberni Valley Community Foundation	5,000	5,000
	\$ 425,000	\$ 425,000

The fair market value of the Vancouver Foundation endowment fund is \$639,227 (2023 - \$604,243).

6. Financial risks and concentration of risk

Market risk:

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As all of the Foundation's marketable securities are carried at fair value with fair value changes recognized in the statement of operations and changes in fund balances, all changes in market conditions will directly result in an increase or decrease in net assets. Market risk is managed by the Foundation's Investment Policy which provides for the investment of diversified portfolios of instruments across various industries traded on various markets.

Credit risk:

Credit risk is the risk that a third party to a financial instrument might fail to meet its obligations under the terms of the financial instrument. For cash, investments, accounts receivable, the Foundation's credit risk is limited to the carrying value on the statement of financial position.

Interest rate risk:

The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Foundation to a fair value risk while the floating-rate instruments subject it to a cash flow risk. The Foundation manages its interest rate risk by investing in pooled investment funds to ensure a diversified portfolio with carrying fixed and variable interest rates and maturity dates.

Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The main obligation of the Foundation is funding student's awards. The Foundation identifies student awards based on previously earned revenues, as such; the Foundation is not exposed to significant liquidity risk.

Additionally, the Foundation is not exposed to significant liquidity risk as all investments are held in instruments that are highly liquid and can be disposed of to settle commitments.

North Island College Foundation
Notes to the Financial Statements
Year ended March 31, 2024

6. Financial risks and concentration of risk (continued):

Currency risk:

Investments that trade in foreign markets are exposed to currency risk as the price in local terms on the foreign stock exchange is converted to Canadian dollars to determine fair value. The Foundation is not exposed to significant currency risk.

The Foundation has not entered into any agreements or purchased any foreign currency hedging arrangements to hedge possible currency risks, as management believes that the foreign exchange risk derived from currency conversions is not significant. The foreign currency financial instruments are short-term in nature and do not give rise to significant foreign currency risk.

7. Related parties

During the year, the Foundation contributed to the College gifts-in-kind totaling \$14,500 (2023 - \$19,500) and contributions and other payments totaling \$164,682 (2023 - \$229,219). During the year, the Foundation received contributions from the College totaling \$2,430 (2023, - \$9,130).

North Island College provides administration, personnel, supplies and facilities to the Foundation at no charge. The value of the services is not reasonably estimated, and no amount has been recorded in these financial statements.

8. Gifts-in-kind

During the year, the Foundation received in-kind donations of \$34,492 (2023 - \$51,043). These donations consist of shares of publicly traded companies, supplies and equipment.