

NORTH ISLAND COLLEGE

STATEMENT OF FINANCIAL INFORMATION

FOR THE YEAR ENDED MARCH 31, 2019

Financial Information Regulation (FIR) Schedule 1

**NORTH ISLAND COLLEGE
APPROVAL OF FINANCIAL INFORMATION
FIR SCHEDULE 1, SECTION 9(1)
FOR THE YEAR ENDED MARCH 31, 2019**

The undersigned represents the Board of Governors of North Island College and approves all statements and schedules included in this Statement of Financial Information, produced under the Financial Information Act.

On behalf of North Island College:



Chair
Board of Governors



Date

**NORTH ISLAND COLLEGE
MANAGEMENT REPORT
FIR SCHEDULE 1, SECTION 9(3)
FOR THE YEAR ENDED MARCH 31, 2019**


The Financial Statements contained in this Statement of Financial Information under the *Financial Information Act* have been prepared by management in accordance with generally accepted accounting principles and the integrity and objectivity of these statements are management's responsibility. Management is also responsible for all the statements and schedules, and for ensuring that this information is consistent, where appropriate, with the information contained in the financial statements.

Management is also responsible for implementing and maintaining a system of internal controls to provide reasonable assurance that reliable financial information is produced.

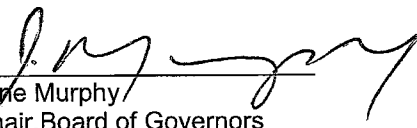
The Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises this responsibility. The Board meets with management and the external auditors once a year or as needed.

The external auditors, KPMG, conduct an independent examination, in accordance with generally accepted auditing standards, and express their opinion on the financial statements. Their examination does not relate to the other schedules and statements required by the Financial Information Act. Their examination includes a review and evaluation of North Island College's system of internal control and appropriate tests and procedures to provide reasonable assurance that the financial statements are presented fairly. The external auditors have full and free access to the Board of Governors.

On behalf of North Island College:



Colin Fowler
Vice President, Finance & Facilities



Jane Murphy
Chair, Board of Governors

Sept. 27/19
Date

Sept 27/19.
Date

**NORTH ISLAND COLLEGE
SCHEDULE OF DEBTS
FIR SCHEDULE 1, SECTION 4
FOR THE YEAR ENDED MARCH 31, 2019**

The outstanding amount of debt secured by debt instruments is NIL.

**NORTH ISLAND COLLEGE
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
FIR SCHEDULE 1, SECTION 5
FOR THE YEAR ENDED MARCH 31, 2019**

North Island College has given the following indemnities under the Guarantees and Indemnities Regulation:

	Issue Date	Indemnity Number	Indemnatee	Description
1.	09/13/2017	20187771	Al Davidson Ltd.	1636 Peninsula Road lease
2.	07/25/2007	080263	BC Health Authorities	Work Experience / Practicum Placements
3.	10/13/2010	110962	Canadian Red Cross Society	First Aid Courses
4.	03/27/2018	20188649	City of Port Alberni	2018-2021 Lease 4751 Tebo Avenue
5.	08/17/2011	120618	Follett Higher Education Group	Online Access to Text Rental Website
6.	05/17/2017	20187173	Frosst Financial Corp.	Lease of space at Thunderbird Mall for Port Hardy Campus.
7.	09/18/2013	20140898	Minister of Children and Family Development	Practicum Experience for students in Health and Human Services at NIC.
8.	11/01/2016	20176184	Minister of Indian Affairs and Northern Development	DIAND initiatives
9.	02/08/2017	20176579	Minister of Jobs, Tourism and Skills Training	Advanced Aquaculture training programs
10.	08/21/2018	20199423	Mitacs Inc.	Internships/Fellowships at Mt. Waddington
11.	03/31/2010	101444	Nebraska Book Company	WinPrism Software (Bookstore Retail)
12.	01/26/2010	101143	PeopleAdmin Inc.	Employment Application Software

**NORTH ISLAND COLLEGE
SCHEDULE OF GUARANTEE AND INDEMNITY AGREEMENTS
FIR SCHEDULE 1, SECTION 5
FOR THE YEAR ENDED MARCH 31, 2019**

13.	06/18/2009	100349	Performance Objects Inc.	Master subscription agreement for Software
14.	09/30/2014	20152749	Shell Energy North America	Sale and purchase of Natural Gas.
15.	01/08/2014	20141314	SirsiDynix	Library Catalogue software
16.	07/11/2018	20199114	VIHA	Mt. Waddington Community food Initiative

**NORTH ISLAND COLLEGE
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FIR SCHEDULE 1, SECTION 6
FOR YEAR ENDED MARCH 31, 2019**

A. Board of Governors

Name	Position	Remuneration	Expenses
Atherton, Jane	Board Member	2,000	-
Bell, Bruce	Board Member	500	-
Chaudhary, Nitesh	Board Member	1,000	300
Everson, Robert	Board Member	2,000	1,464
Grant, Roy	Board Member	2,000	1,744
Hunt, Ross	Board Member	1,500	808
Jain, Vikas	Board Member	1,355	761
Kortlever, Jennifer	Board Member	1,000	954
Lamb, Derek	Board Member	2,250	1,453
Minaker, Barry	Board Member	1,500	571
Mosley, Eric	Board Member	2,000	4,800
Murphy, Jane	Board Chair	2,250	3,935
Schofield, Nicolas	Board Member	1,000	1,785
		20,355	18,576

B. Other Employees > \$75,000

Name		Remuneration	Expenses
Ackland, Shirley	Fac, Appld Bus Tech	92,838	-
Almond, Janis	Fac, Accessible Learning	104,226	2,500
Anderson, James	Inst, Human/Social Sciences	93,288	6,110
Awai, Katriona	Manager, Financial Services	78,800	3,124
Baird, Niki	Fac, Accessible Learning	84,371	2,824
Balfry, Patrick	Inst, Automotive, Trades	76,837	563
Banton-Smith, Samantha	Inst, Counsellor, Coordinator	79,748	1,282
Batch, Cory	Inst, Electronics	96,814	2,626
Bateman, Terri	Dist. Learning Facilitator	78,220	4,619
Batho, Catherine	Inst, Early Childhood Education	92,838	1,361
Beggs, Janet	Counsellor, Student Services	84,914	2,389
Bellavia, Antonio	Ass. Vice President Access	122,578	8,575
Bellham, Darin	Ass. Registrar, Student Services	77,223	596
Bemister, Geri	Inst, Humanities & Social Sciences	92,838	5,064
Bendle, Norman	Inst, English Second Language	86,880	2,500
Bird, Laurie	Inst, Health Care Assistant	92,838	5,990
Black, Casey	Dir, Information Technology	102,359	39
Bowman, John	President	187,794	19,488

**NORTH ISLAND COLLEGE
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FIR SCHEDULE 1, SECTION 6
FOR YEAR ENDED MARCH 31, 2019**

B. Other Employees > \$75,000 (continued)

Name		Remuneration	Expenses
Brady, Aisling	Inst, Math & Sciences	85,107	3,653
Burton, Pamela	Inst, Nursing	93,288	1,838
Cameron, Debra	Inst, ABE & Math & Sciences	90,785	3,100
Caraballo Acosta, Pedro	Inst, Tourism	92,432	5,804
Carrel, Alix	Inst, Human/Social Sciences/Abor.	96,513	1,955
Catchpole, Michael	Inst, Human/Social Sciences	93,073	2,394
Charette, Nick	Inst, Plumbing/Heating	84,557	1,554
Chow, Yiling	Inst, Human/Social Sciences	93,288	4,226
Connell, Katrina	Inst, Early Child Care Ed	78,906	132
Crewe, Ken	Dir, Human Resources	125,382	4,537
Cruickshank, Neil	Dean, Arts/Sciences/Tech	95,172	27,255
Cumming, Caryl	Inst, English	93,177	1,326
Davis, Ronald	Inst, Bus Admin	93,073	85
Deagle, Heidi	Inst, Nursing	75,911	5,992
Diemer, Jason	Inst, Math/Sciences	93,471	-
Domae, Lisa	Exec.VP, Academic CO	144,595	25,710
Ducharme, Marie	Fac, Accessible Learn Serv	77,460	3,717
Elias, Harley	Inst, Bus Admin	97,205	1,785
Erickson, Murray	Inst, Tourism, Bus Admin	95,634	3,645
Faust, Sandra	Inst, Adult Basic Ed	93,288	2,312
Fleck, Susan	Director, Finance	92,858	4,278
Forsyth, Deborah	Fac, Tourism	94,903	6,931
Fowler, Colin	Vice-Pres Finance & Facilities	138,558	6,343
Fraser, Joanna	Inst, Nursing	93,288	11,769
Gaetz, Roslyn	Fac, Access Learn Serv	87,340	1,506
Gallant, Lynette	Librarian, Public Services	92,388	2,909
Gardiner-Hyndes, Richelle	Inst, Human/Social Sciences, ABT	84,952	767
George, Darren	Inst, Math/Sciences	94,342	2,500
Gereluk, Theresa	Inst, Early Child Care Ed	98,929	5,961
Gibson, Kimberley	Inst, Bus Admin	99,260	-
Gingras, Jeannette	Inst, Appld Bus Tech	93,928	-
Goodliffe, Rachel	Inst, Bus Admin	93,658	3,240
Graham, David	Dir, Facilities Management	103,238	10,231
Gray, Danean	Manager, Human Resources	88,909	6,042
Guenther, Mary Anne	Coord, Library Services	92,623	9,741
Gus, Wilma	Fac, Assessment ABE	83,114	4,154
Haggith, Kathleen	Dean, Health & Human Services	116,179	10,525

**NORTH ISLAND COLLEGE
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FIR SCHEDULE 1, SECTION 6
FOR YEAR ENDED MARCH 31, 2019**

B. Other Employees > \$75,000 (continued)

Name		Remuneration	Expenses
Hardin, Erik	Inst, Carpentry Apprentice	93,288	1,127
Harris, Wendy	Learning Specialist, CVC	101,283	3,709
Harrison, Donna	Inst, Math/Sciences	95,022	2,584
Harsell, Bradley	Inst, Math/Sciences (SH)	101,630	3,498
Hartman, RaeAnn	Assoc Dean, Health & Human	95,624	5,011
Hartnett, Caitlin	Fac, MW Campus & Comm Coord	92,639	8,515
Haugen, Robert	Mgr, Contract & Training Services	75,651	1,712
Hearnden, Margaret	Inst, HS & Global Learning Fac.	85,146	2,585
Hecht, Ben	Inst, English Language	79,359	-
Heidt, Randall	VP, Strategic Initiatives	136,327	23,834
Herringer, Mark	Exec Dir, Int'l Education	88,341	69,920
Hinman-Smith, Daniel	Inst, Human/Social Sciences	92,838	-
Holden, Ross	Inst, Welding	87,474	-
Hughes, Robert	Inst, Plumbing/Heating	93,288	3,128
Jay, Linda	Inst, Bus Admin	92,838	2,291
Johns, David	Inst, Electrical	79,301	-
Johnsen, Kelly	Inst, Human Services	76,236	2,040
Jones, Miriam	Mgr, Stud Servs & Projs	83,980	1,649
Kantor, Shelagh	Inst, Nursing	81,695	-
Khan, Alexandra	Dir, Marketing & Comm	102,114	3,310
Kuhnert, Kathleen	Assoc VP, Stu Serv/Registra	121,679	6,356
Laird, Robert	Inst, Carpentry Apprentice	92,463	1,174
Lawrence, Jeffrey	Inst, Human/Social Sciences	93,288	-
Lightfoot, Dennis	Inst, Math/Sciences	93,288	834
Lowey Mackenzie, Kerri	Inst, Human Services	93,288	1,229
Lu, Frank	Inst, Math/Sciences/Bus Admin	94,686	1,052
MacFadgen, Lynne	Regional Dir, CE & Training	106,512	8,446
Madarasz, Christian	Inst, Appld Bus Tech	93,288	3,981
Marriott, Judith	Inst, Bus Admin	85,727	-
Mason, Karen	Inst, Nursing (SH)	93,288	4,674
Mayboudi, Ali	Fac, Business Admin	91,053	2,477
McCaffrey, Noreen	Inst, Adult Basic Ed, Assessment	93,078	2,500
McIntosh, Stephen	Inst, Joinery/Cabinet	93,138	334
McPherson, Barbara	Inst, Practical Nursing	79,300	4,397
Meiers, Janice	Inst, Nursing	93,288	3,347
Michaud, Laurie	Fac, Teaching & Learning	95,634	4,303

**NORTH ISLAND COLLEGE
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FIR SCHEDULE 1, SECTION 6
FOR YEAR ENDED MARCH 31, 2019**

B. Other Employees > \$75,000 (continued)

Name		Remuneration	Expenses
Milligan, Sandra	Inst, Math/Sciences	97,885	3,796
Morrison, William	Inst, Math/Sciences	93,288	454
Naugler, Diane	Dean, Bus & Applied Studies	116,179	16,054
Nelson, Peggy	Adm Mgr, EVP Academic	75,930	250
Newton, Sean	Inst, English	93,288	1,342
Nilson, David	Inst, Aircraft Structures	78,662	344
Oberik, Lynne	Inst, Nursing	93,288	2,441
O'Connell, Cheryl	Dean, Trades & Technical	116,179	14,188
O'Donnell, Kathleen	Inst, Acc Learning	90,892	3,230
Parkinson, William	Interim Dean,Enroll Plan & IE Intg	109,429	405
Pelletier, Norma	Inst, Bus Admin	97,205	85
Perron, Linda	Inst, Fine Arts	93,288	1,854
Peterson, Ivan	Inst, Welding	76,904	231
Petr, Trevor	Inst, Electrical	90,892	-
Pinel, David	Inst, Adventure Guiding/ Tourism	88,062	6,259
Pollack, Walter	Inst, Electrical Apprentice	93,073	2,890
Posner, Christopher	Inst, Automotive Mechanics	76,178	1,502
Ronquillo, Jesse	Inst, Aquaculture	77,013	2,880
Russell, Elizabeth	Inst, Fine Arts	90,376	5,978
Schiller, Suzanne	Inst, English Language	81,211	276
Schmidt, Danita	Inst, Adult Basic Ed	78,207	1,034
Scholtz, Antonie	Inst, Social Sciences, English,	93,403	-
Shantz, Susan	Inst, Human Services	83,551	8,887
Simpson, Nadine	Inst, Adult Basic Ed	93,288	951
Skulmoski, Wes	Mgr, Inst Research & Planning	78,516	3,233
Tabata, Naomi	Manager, CARTI	85,624	14,033
Taylor, Jason	Inst, Electrical	87,422	673
Trudel, Anthony	Inst, Adult Basic Ed & Assessment	79,363	842
Tulloch, Laurie	Inst, Early Child Care Ed	92,838	3,349
Udy, Christopher	Dir, Trades & Technical	102,338	1,876
Vipond, Sara	Inst, Fine Arts	85,297	6,312
Walters, Kevin	Dir, IT - Infr & Educ Tech	103,238	10,244
Wang, Sherrie	Inst, Math/Sciences	92,388	3,664
Waters, Terry	Inst, Welding	93,288	2,290

**NORTH ISLAND COLLEGE
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FIR SCHEDULE 1, SECTION 6
FOR YEAR ENDED MARCH 31, 2019**

B. Other Employees > \$75,000 (continued)

Name		Remuneration	Expenses
Watts, Lesley-Anne	Inst, Adult Basic Ed, English	93,288	2,594
Willers, Michael	Inst, Math/Sciences	93,288	611
Wilson, Megan	Inst, Media/Graphic Design, Fine Ar	84,690	3,052
Wolfe, Naomi	Inst, English Second Language	86,746	1,409
Wrye, Jennifer	Inst, Human/Social Sciences	105,200	4,780
Yaklin, Evoïn	Inst, Heavy Duty Mech	82,882	3,538
Yells, Bryan	Mgr, Capital Projects	79,753	-
Zhao, Chunxiao	Inst, Bus Admin	98,291	2,585
		12,415,391	577,995

C. Other Employees < \$75,000

Consolidated Remuneration / Expenses < \$75,000	14,923,244	436,452
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D. RECONCILIATION TO FINANCIAL STATEMENTS

Total Remuneration & Expenses (per above)	Remuneration	Expenses
A. Board of Governors	20,355	18,576
B. Employees > \$75,000	12,415,391	577,995
C. Employees < \$75,000	14,923,244	436,452
	27,358,990	1,033,023

**NORTH ISLAND COLLEGE
SCHEDULE OF EMPLOYEE REMUNERATION AND EXPENSES
FIR SCHEDULE 1, SECTION 6
FOR YEAR ENDED MARCH 31, 2019**

D. RECONCILIATION TO FINANCIAL STATEMENTS (continued)

Adjustments:

Board of Governors	(20,355)
MSP & Life included in remuneration	(418,644)
Taxable and non-taxable employee benefits	6,088,714
Other timing/accrual differences	102,498
Adjusted Remuneration	<u>33,111,202</u>

Per Financial Statements	<u>33,111,202</u>
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**NORTH ISLAND COLLEGE
STATEMENT OF SEVERANCE AGREEMENTS
FIR SCHEDULE 1, SECTION 6(7)
FOR THE YEAR ENDED MARCH 31, 2019**

There was one severance agreement made between North Island College and its non-unionized employees during fiscal year 2018-2019.

This agreement represents a total of 13 months of compensation*

***"Compensation" means that the severance agreement was determined based on salary plus benefits.**

**NORTH ISLAND COLLEGE
SCHEDULE OF PAYMENTS FOR GOODS OR SERVICES
FIR SCHEDULE 1, SECTION 7
FOR THE YEAR ENDED MARCH 31, 2019**

A. Payments >\$25,000

Name	Payment
ABC Printing	28,883
AFC Construction	36,540
Agnel Egidor Worth	55,041
Aines and Tyler Electric Co Ltd	47,793
Alberni Valley Refrigeration	36,418
Archie Johnstone Plumbing & Heating	27,625
Aresi Pillay Thylamay	27,212
Atwell Systems Inc	52,140
BC Electronic Library Network	79,091
BC Hydro	355,623
BCNET	429,660
Bee-Clean Building Maintenance	577,838
Black Press Group Ltd	85,161
Blackboard Inc	31,435
Camosun College	31,423
Canam Consultants Ltd	63,931
CDW Canada, Inc	241,143
Chernoff Thompson Architects	1,012,285
Circle Dairy Ltd	32,949
City of Campbell River	51,009
City of Courtenay	94,328
City of Port Alberni	124,956
Colleen McClure Designs	27,171
College Pension Plan	1,707,961
Comox Valley Regional District	92,677
Compugen Inc	33,120
Custom Gourmet	25,012
Dale's Plumbing And Mechanical Ltd	57,559
Dell Canada Inc	202,903
Dependable Lawn Care Ltd	97,701
Digitel	38,469
DKI Services Ltd	53,448
Element Restorations Ltd	51,521
ESC Automation	593,817

**NORTH ISLAND COLLEGE
SCHEDULE OF PAYMENTS FOR GOODS OR SERVICES
FIR SCHEDULE 1, SECTION 7
FOR THE YEAR ENDED MARCH 31, 2019**

A. Payments >\$25,000 (continued)

Name	Payment
F12.Net Inc	69,254
Festo Didactic Ltd	36,580
Footprints Security Patrol Inc	159,295
Fort Modular Inc	141,097
FortisBC-Natural Gas	85,749
Frosst Financial Corp	154,298
Fulcrum Management Solutions Ltd	26,880
Genus Management	80,540
Grant Illuminated Signs	44,978
Greg Lloyd's Painting Co.	31,185
Hitec Screen Printing	26,041
Homewood Health Inc	41,362
Houle Electric Limited	380,889
Idp Education Ltd	36,253
Industrial Plankton	73,290
Innov8 Digital Solutions	33,236
Island West Coast Development Ltd	12,118,392
KPMG LLP T4348	36,120
Login Canada	88,050
Manulife Financial	1,975,028
McConnan Bion O'Connor & Peterson Law Corp	70,009
McGraw-Hill Ryerson	69,630
McGregor Access Control	33,165
McQueen Construction Ltd	251,027
Medical Services Plan of BC	208,581
Minister of Finance	31,973
MNP LLP	47,670
Moneris/Chase	165,968
Monk Office Supply Ltd	51,234
Municipal Pension Plan	744,310
Nelson Education Ltd	153,909
Oxford University Press	45,106
Peak Landscaping	27,059
Pearson Education Canada	190,404

**NORTH ISLAND COLLEGE
SCHEDULE OF PAYMENTS FOR GOODS OR SERVICES
FIR SCHEDULE 1, SECTION 7
FOR THE YEAR ENDED MARCH 31, 2019**

A. Payments >\$25,000 (continued)

Name	Payment
Pentair Aquatic Eco-Systems	42,211
Post Secondary Employers	31,500
Praxair Canada Inc	42,191
Prismrbs	30,296
Purolator Inc	31,931
Queens Printer	131,920
Receiver General of Canada	1,405,535
Ricoh Canada Inc	46,304
Rocky Point Engineering Ltd	34,178
Safety Net Security	30,197
Santa Monica Study Abroad Pvt Ltd	55,571
School District #72	226,010
Sehdev Travel & Education	29,864
Shell Energy North America (Canada) Inc	152,778
Soundbar Audio Visual	48,720
Staples Business Advantage	383,608
Sysco Victoria	83,615
TELUS Mobility	106,535
Tianxiang Liu (Victor)	53,096
Tim's Infotech Management And Maintenance	30,521
Tla-O-Qui-Aht First Nation	116,129
TLD Computers	164,343
Travel Healthcare Insurance Solutions Inc	43,865
Tyco Integrated Fire And Security	49,731
United Floors	45,932
University of Victoria	64,620
Vancouver Island Enterprises	31,484
Windsor Plywood	35,613
Workers Compensation	77,113
Total Payments > \$25,000	\$ 27,857,815

**NORTH ISLAND COLLEGE
SCHEDULE OF PAYMENTS FOR GOODS OR SERVICES
FIR SCHEDULE 1, SECTION 7
FOR THE YEAR ENDED MARCH 31, 2019**

B. Consolidated Payments <\$25,000	<u><u>\$ 3,550,075</u></u>
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C. Grants & Contributions

Consolidated Payments for Grants & Contributions > \$25,000	258,907
Consolidated Payments for Grants & Contributions < \$25,000	-
Total Grants & Contributions	<u><u>\$ 258,907</u></u>

D. RECONCILIATION TO FINANCIAL STATEMENTS

Total Payments (per above)

A. Payments > \$25,000	27,857,815
B. Payments < \$25,000	3,550,075
C. Grants & Contributions	258,907
	<u><u>\$ 31,666,797</u></u>

Adjustments:

Capital purchases	(12,140,398)
Employee expenses - reported in FIR Sched 1 (6)	(1,033,023)
Other timing/accrual differences	137,701

Adjusted Payments	<u><u>\$ 18,631,076.5</u></u>
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Per Financial Statements - Schedule of Expenses	48,838,138
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Less:

Salaries and wages	(27,484,753)
Amortization of capital assets	(2,722,308)
	<u><u>\$ 18,631,077.0</u></u>

Unreconciled Difference	-
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**NORTH ISLAND COLLEGE
FINANCIAL STATEMENTS
For the year ended March 31, 2019**

North Island College
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For the year ended March 31, 2019

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STATEMENT OF MANAGEMENT RESPONSIBILITY

INDEPENDENT AUDITORS' REPORT

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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.

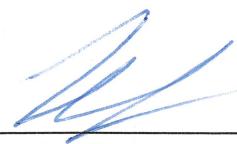
The North Island College Board of Governors is responsible for ensuring that management fulfills its responsibilities for financial reporting and internal control and exercises these responsibilities through the Audit and Finance committee. The Audit and Finance Committee reviews financial information on a quarterly basis and the external audited financial statements yearly. The external auditor has full access to the Audit and Finance 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 Auditors' Report outlines their responsibilities, the scope of the examination and their opinion on the financial statements.

On behalf of North Island College



John Bowman
President



Colin Fowler
Vice President, Finance & Facilities

June 14, 2019



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INDEPENDENT AUDITORS' REPORT

*To the Board of Governors of North Island College, and
To the Minister of Advanced Education, Skills and Training, Province of British Columbia*

Opinion

We have audited the financial statements of North Island College (the Entity), which comprise:

- the statement of financial position as at March 31, 2019
- the statement of operations and accumulated surplus for the year then ended
- the statement of changes in net debt for the year then ended
- the statement of remeasurement gains and losses for the year then ended
- the statement of cash flows 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 as at and for the year ended March 31, 2019 of the Entity are prepared, in all material respects, in accordance with the financial reporting provisions of Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia.

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.

Emphasis of Matter – Financial Reporting Framework

We draw attention to Note 2(a) to the financial statements which describes the applicable financial reporting framework and the significant differences between that financial reporting framework and Canadian public sector accounting standards.

Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of the financial statements in accordance with the financial reporting provisions 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.



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants


Victoria, Canada
June 13, 2019

North Island College
Statement of Financial Position
As at March 31, 2019 with comparative information for 2018


	Note	2019	2018
Financial assets			
Cash and cash equivalents		\$ 5,263,566	\$ 9,856,583
Accounts receivable		836,554	714,487
Due from government organizations	3	2,033,544	123,151
Inventories held for resale		347,341	298,275
Portfolio investments	4	<u>20,291,955</u>	<u>19,397,753</u>
		28,772,960	30,390,249
Liabilities			
Accounts payable and accrued liabilities	5	8,729,742	9,787,850
Due to government organizations	3	634,830	450,834
Employee future benefits	6	517,310	628,846
Leasehold inducements	16	439,786	500,000
Deferred revenue		2,341,353	2,257,485
Deferred contributions	7	12,586,175	11,228,310
Deferred capital contributions	8	<u>36,841,046</u>	<u>28,817,855</u>
		62,090,242	53,671,180
Net debt		(33,317,282)	(23,280,931)
Non-financial assets			
Tangible capital assets	9	42,341,290	32,648,362
Prepaid expenses		<u>133,768</u>	<u>97,120</u>
		42,475,058	32,745,482
Accumulated surplus		<u>\$ 9,157,776</u>	<u>\$ 9,464,551</u>
Accumulated surplus is comprised of:			
Accumulated surplus		\$ 7,951,224	\$ 7,895,458
Accumulated rereasurement gains		<u>1,206,552</u>	<u>1,569,093</u>
		<u>\$ 9,157,776</u>	<u>\$ 9,464,551</u>

Commitments and contingencies (notes 11 & 12)
Contractual rights (note 15)
See accompanying notes to the financial statements

Approved on behalf of the Board of Governors



Jane Murphy,
Chair of the Board of Governors



Colin Fowler,
Vice President, Finance and Facilities

North Island College
Statement of Operations and Accumulated Surplus
For the year ended March 31, 2019 with comparative information for 2018

	Note	Budget 2019 Note 2(j)	2019	2018
Revenue				
Province of British Columbia		\$ 29,901,991	\$ 29,569,367	\$ 28,918,262
Government of Canada grants		890,627	453,576	463,295
Tuition and student fees		12,040,695	12,589,054	10,214,478
Contract services		316,500	379,967	320,795
Sales of goods and services		1,412,500	1,478,378	1,560,694
Investment income		613,350	1,458,212	1,091,480
Other income		567,831	673,433	606,434
Revenue recognized from deferred capital contributions	8	<u>2,025,872</u>	<u>2,291,917</u>	<u>2,306,083</u>
		47,769,366	48,893,904	45,481,521
Expenses (Schedule 1)				
Instructional and non-sponsored research		44,791,539	46,172,799	42,639,503
Ancillary services		1,440,442	1,388,283	1,563,083
Sponsored research		680,985	436,174	440,008
Special purpose		<u>856,400</u>	<u>840,883</u>	<u>823,211</u>
		47,769,366	48,838,138	45,465,805
Surplus for the year		-	55,766	15,716
Accumulated surplus, beginning of year		<u>7,895,458</u>	<u>7,895,458</u>	<u>7,879,742</u>
Accumulated surplus, end of year		<u>\$ 7,895,458</u>	<u>\$ 7,951,224</u>	<u>\$ 7,895,458</u>

See accompanying notes to the financial statements

North Island College
Statement of Changes in Net Debt
For the year ended March 31, 2019 with comparative information for 2018

	Budget 2019 Note 2(j)	2019	2018
Surplus for the year	\$ -	\$ 55,766	\$ 15,716
Acquisition of tangible capital assets	-	(12,415,236)	(9,643,884)
Amortization of tangible capital assets	2,610,900	2,722,308	2,816,179
Gain on sale of tangible capital assets	-	(4,517)	(28,249)
Proceeds on sale of tangible capital assets	<u>-</u>	<u>4,517</u>	<u>28,249</u>
	2,610,900	(9,692,928)	(6,827,705)
Acquisition of prepaid expenses	-	(204,377)	(83,723)
Use of prepaid expenses	<u>-</u>	<u>167,729</u>	<u>77,419</u>
	-	(36,648)	(6,304)
Net remeasurement (losses) gains	<u>-</u>	<u>(362,541)</u>	<u>(123,558)</u>
Change in net debt	2,610,900	(10,036,352)	(6,941,851)
Net debt, beginning of year	<u>(23,280,931)</u>	<u>(23,280,931)</u>	<u>(16,339,080)</u>
Net debt, end of year	<u>\$ (20,670,031)</u>	<u>\$ (33,317,282)</u>	<u>\$ (23,280,931)</u>

See accompanying notes to the financial statements

North Island College
Statement of Remeasurement Gains and Losses
For the year ended March 31, 2019 with comparative information for 2018

	2019	2018
Accumulated remeasurement gains, beginning of year	\$ 1,569,093	\$ 1,692,651
Unrealized gains attributed to:		
Portfolio investments	391,116	367,419
Amounts reclassified to the statement of operations:		
Realized gains on pooled funds	<u>(753,657)</u>	<u>(490,977)</u>
Net remeasurement (losses) gains for the year	<u>(362,541)</u>	<u>(123,558)</u>
Accumulated remeasurement gains, end of year	<u>\$ 1,206,552</u>	<u>\$ 1,569,093</u>

See accompanying notes to the financial statements

North Island College
Statement of Cash Flows
For the year ended March 31, 2019 with comparative information for 2018

	2019	2018
Cash provided by (used in):		
Operations		
Surplus for the year	\$ 55,766	\$ 15,716
Items not involving cash:		
Amortization of tangible capital assets	2,722,308	2,816,179
Revenue recognized from deferred capital contributions	(2,291,917)	(2,306,083)
Change in employee future benefits	(111,536)	246,944
Change in lease inducements	(60,214)	-
Gain on sale of tangible capital assets	(4,517)	(28,249)
Change in non-cash operating working capital:		
Increase in accounts receivable	(122,067)	(46,787)
Decrease (increase) in due from government organizations	(1,910,393)	410,771
Increase in prepaid expenses	(36,648)	(6,304)
Increase in inventories held for resale	(49,066)	(100,739)
Increase (decrease) in accounts payable and accrued liabilities	(1,058,110)	2,668,265
(Decrease) increase in due to government organizations	183,996	(44,440)
Increase in deferred revenue	83,868	342,712
Increase in deferred contributions	<u>1,357,865</u>	<u>576,628</u>
Net change in cash from operating activities	(1,240,662)	4,544,613
Capital activities		
Cash used to acquire tangible capital assets	(12,140,398)	(9,643,884)
Increase in deferred capital contributions	10,040,272	7,835,957
Increase in lease inducements	-	500,000
Proceeds on disposal of tangible capital assets	<u>4,517</u>	<u>28,249</u>
Net change in cash from capital activities	(2,095,609)	(1,279,678)
Investing activities		
Increase in investments	<u>(1,256,743)</u>	<u>(930,942)</u>
Net change in cash from investing activities	(1,256,743)	(930,942)
Net change in cash and cash equivalents	(4,593,014)	2,333,993
Cash and cash equivalents, beginning of year	<u>9,856,583</u>	<u>7,522,590</u>
Cash and cash equivalents, end of year	<u>\$ 5,263,566</u>	<u>\$ 9,856,583</u>

See accompanying notes to the financial statements

North Island College

Notes to the Financial Statements

Year ended March 31, 2019

1 Authority and purpose

North Island College operates under the authority of the College and Institute Act of British Columbia. The College is a not-for-profit entity 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 exempt from income taxes under section 149 of the Income Tax Act.

2 Summary of significant accounting policies

The financial statements of the College are prepared by management in accordance with the basis of accounting described below. Significant accounting policies of the College are as follows:

(a) Basis of accounting:

The financial statements have been prepared in accordance with Section 23.1 of the Budget Transparency and Accountability Act of the Province of British Columbia supplemented by Regulations 257/2010 and 198/2011 issued by the Province of British Columbia Treasury Board.

The Budget Transparency and Accountability Act requires that the financial statements be prepared in accordance with the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada, or if the Treasury Board makes a regulation, the set of standards and guidelines that comprise generally accepted accounting principles for senior governments in Canada as modified by the alternate standard or guideline or part thereof adopted in the regulation.

Regulation 257/2010 requires all tax-payer supported organizations in the Schools, Universities, Colleges and Hospitals sectors to adopt Canadian public sector accounting standards without any PS4200 elections related to accounting standards for not for profit organizations.

Regulation 198/2011 requires that restricted contributions received or receivable are to be 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 contributions in the form of a depreciable tangible capital asset are recorded and referred to as deferred capital contributions and recognized in revenue at the same rate that amortization of the related 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 those 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 contributions have been met.

For British Columbia tax-payer supported organizations, these contributions include government transfers and externally restricted contributions.

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

2 Summary of significant accounting policies (continued)

The accounting policy requirements under Regulation 198/2011 are significantly different from the requirements of Canadian public sector accounting standards which require that government transfers, which do not contain a stipulation that creates a liability, be recognized as revenue by the recipient when approved by the transferor and the eligibility criteria have been met in accordance with public sector accounting standard PS3410.

As a result, revenue recognized in the statement of operations and certain related deferred capital contributions would be recorded differently under Canadian public sector accounting standards.

(b) Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

(c) Financial instruments

Financial instruments are classified into two categories: fair value or cost.

(i) Fair value category: all portfolio investments are quoted in an active market and therefore reflected at fair value as at the reporting date. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of investments are recorded as an expense. Unrealized gains and losses on financial assets are recognized in the Statement of Remeasurement Gains and Losses until such time that the financial asset is derecognized due to disposal or impairment. At the time of derecognition, the related realized gains and losses are recognized in the Statements of Operations and Accumulated Surplus and related balances reversed from the Statement of Remeasurement Gains and Losses.

(ii) Cost category: financial assets and liabilities are recorded at cost or amortized cost. Gains and losses are recognized in the Statements of Operations and Accumulated Surplus when the financial asset is derecognized due to disposal or impairment. Sales and purchases of investments are recorded on the trade date. Transaction costs related to the acquisition of financial assets are included in the cost of the related instrument.

(d) Inventories held for resale

Inventories held for resale, including books and merchandise for sale in campus bookstores are recorded at the lower of 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.

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

2 Summary of significant accounting policies (continued)

(e) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

(i) 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. Interest is capitalized whenever external debt is issued to finance the construction of tangible capital assets. The cost, less residual value, of the tangible capital assets, excluding land and landfill sites, are amortized on a straight line basis over their estimated useful lives shown below. The College prorates amortization on a monthly basis in the year of acquisition. Land is not amortized as it is deemed to have a permanent value.

Buildings and site improvements	
Concrete and steel buildings	10-40 years
Wood-framed buildings	10-20 years
Site improvements	10 years
Furniture and equipment	
Library books	10 years
Furniture, equipment, and vehicles	5 years
Computer servers	3-5 years
Computer equipment	3-5 years
Leasehold improvements	Remaining term of the lease

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.

(ii) Works of art and historic assets

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

(iii) Leased tangible capital assets

Leases which transfer substantially all of the benefits 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.

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

2 Summary of significant accounting policies (continued)

(f) Employee future benefits

The College and its employees make contributions to the College Pension Plan and the Municipal Pension Plan which are multi-employer joint trustee plans. These plans are defined benefit plans, providing a pension on retirement based on the member's age at retirement, length of service and highest earnings averaged over five years. Inflation adjustments are contingent upon available funding. As the assets and liabilities of the plans are not segregated by institution, the plan is accounted for as a defined contribution plan and any contributions of the College to the plan are expensed as incurred.

Sick leave benefits are also available to the College's employees. The costs of these benefits are actuarially determined based on service and best estimates of retirement ages and expected future salary and wage increases. The obligation under these benefit plans are accrued based on projected benefits as the employees render services necessary to earn the future benefits.

(g) Revenue recognition

Tuition and student fees and sales of goods and services are reported as revenue at the time the services are provided or the products are delivered, and collection is reasonably assured.

Unrestricted 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 as set out in note 2(a).

The College leases certain land properties to third parties for a period of 99 years. Cash received from land leases is deferred and amortized to revenue on a straight-line basis over the term of the lease.

Investment income includes interest recorded on an accrual basis and dividends recorded as declared, realized gains and losses on the sale of investments, and writedowns on investments where the loss in value is determined to be other-than-temporary.

(h) Use of estimates

The preparation of 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 related disclosures. Key areas where management has made estimates and assumptions include those related to the fair value of financial instruments, useful life of tangible capital assets and the present value of employee future benefits and commitments. Where actual results differ from these estimates and assumptions, the impact will be recorded in future periods when the difference becomes known.

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

2 Summary of significant accounting policies (continued)

(i) Foreign currency translation

The College's functional currency is the Canadian dollar. There are no significant foreign currency transactions.

(j) Budget figures

Budget figures have been provided for comparative purposes and have been derived from the North Island College 2018-2019 Budget approved by the Board of Governors of North Island College on April 19, 2018.

Budget figures are presented only for information purposes.

3 Due from and to government organizations

Due from:	2019	2018
Federal government	\$ 1,490	\$ 641
Provincial government	2,018,031	114,649
Other government organizations	<u>14,023</u>	<u>7,861</u>
	<u>\$ 2,033,544</u>	<u>\$ 123,151</u>
Due to:	2019	2018
Federal government	\$ 416,564	\$ 358,792
Provincial government	33,641	25,361
Other government organizations	<u>184,625</u>	<u>66,681</u>
	<u>\$ 634,830</u>	<u>\$ 450,834</u>

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

4 Portfolio investments

Portfolio investments are recorded at fair value and are comprised of the following:

	2019	2018
Fixed income	\$ 2,016,077	\$ 1,397,531
Pooled bond funds	10,324,421	8,888,504
Pooled equity funds	<u>7,951,457</u>	<u>9,111,718</u>
	<u>\$ 20,291,955</u>	<u>\$ 19,397,753</u>

5 Accounts payable and accrued liabilities

	2019	2018
Trade payables	\$ 1,257,803	\$ 1,250,569
Salaries and benefits payable	991,562	906,265
Accrued leaves payable	3,161,804	3,037,302
Other payables and accrued liabilities	<u>3,318,573</u>	<u>4,593,714</u>
	<u>\$ 8,729,742</u>	<u>\$ 9,787,850</u>

6 Employee future benefits

(a) Pension benefits:

The College and its employees contribute to the College Pension Plan and the Municipal Pension Plan (jointly trustee pension plans). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investing assets and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2018, the College Pension Plan has about 14,000 active members, and approximately 8,000 retired members. As at December 31, 2017, the Municipal Pension Plan has about 197,000 active members, including approximately 6,000 from colleges.

Every three years, an actuarial valuation is performed to assess the financial position of the plans and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plans. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plans. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the College Pension Plan as at August 31, 2015, indicated a \$67 million surplus for basic pension benefits on a going concern basis.

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

6 Employee future benefits (continued)

The most recent valuation for the Municipal Pension Plan as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits on a going concern basis. As a result of the 2015 basic account actuarial valuation surplus and pursuant to the joint trustee agreement, \$1,927 million was transferred to the rate stabilization account and \$297 million of the surplus ensured the required contribution rates remained unchanged.

The College paid \$2,447,125 for employer contributions to the plans in fiscal 2019 (2018: \$2,234,775).

The next valuation for the College Pension Plan will be as at August 31, 2018 with results available in 2019. The next valuation for the Municipal Pension Plan will be December 31, 2018, with results available in 2019.

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 each plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plans.

(b) Other benefits:

	2019	2018
Severance	\$ 444,310	\$ 560,846
Accumulated sick leave benefit	<u>73,000</u>	<u>68,000</u>
	<u>\$ 517,310</u>	<u>\$ 628,846</u>

(i) The College provides severance benefits to eligible employees based on eligibility, years of service, and final salary.

(ii) Employees of the College are entitled to sick leave in accordance with the terms and conditions of their employment contracts. Sick leave credits accumulate for employees of the College, as they render services they earn the right to the sick leave benefit. The College recognizes a liability and an expense for sick leave in the period in which employees render services in return for the benefits. The accrued benefit obligation and the net periodic benefit cost were estimated by an actuarial valuation.

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

	2019	2018
Discount rates	2.00%	2.00%
Expected wage and salary increases	2.75%	2.75%

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

7 Deferred contributions

Deferred contributions are comprised of funds for restricted uses including special programs, facilities and research. Changes in the deferred contribution balances are as follows:

	2019		
	Land Sale	Other	Total
Balance, beginning of year	\$ 3,961,144	\$ 7,267,166	\$ 11,228,310
Contributions received	-	8,941,595	8,941,595
Revenue recognized	-	<u>(7,583,730)</u>	<u>(7,583,730)</u>
Balance, end of year	<u>\$ 3,961,144</u>	<u>\$ 8,625,031</u>	<u>\$ 12,586,175</u>

	2018		
	Land Sale	Other	Total
Balance, beginning of year	\$ 3,961,144	\$ 6,690,538	\$ 10,651,682
Contributions received	-	6,330,750	6,330,750
Revenue recognized	-	<u>(5,754,122)</u>	<u>(5,754,122)</u>
Balance, end of year	<u>\$ 3,961,144</u>	<u>\$ 7,267,166</u>	<u>\$ 11,228,310</u>

In 2012/13, the College sold 11.164 acres of land to the Vancouver Island Health Authority for \$4,030,114. Use of the sale proceeds is restricted under the College and Institute Act. The proceeds, net of land costs of \$68,970, have been recorded as deferred contributions until permission to use the funds for acquisition of specific capital assets is granted.

8 Deferred capital contributions

Funding contributions for tangible capital assets are referred to as deferred capital contributions. Amounts are recognized into revenue as the asset is amortized over the useful life of the asset. Treasury Board specifies this accounting treatment as disclosed in note 2(a). Changes in the deferred capital contributions balance are as follows:

	2019	2018
Balance, beginning of year	\$ 28,817,855	\$ 23,287,981
Contributions received during the year - cash	10,040,272	7,835,957
Contributions received during the year - in kind	274,836	-
Revenue recognized from deferred capital contributions	<u>(2,291,917)</u>	<u>(2,306,083)</u>
Balance, end of year	<u>\$ 36,841,046</u>	<u>\$ 28,817,855</u>

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

9 Tangible capital assets

Cost	Mar 31, 2018	Additions	Transfers	Disposals	Mar 31, 2019
Land	\$ 457,919	\$ -	\$ -	\$ -	\$ 457,919
Site improvements	2,404,933	-	-	-	2,404,933
Buildings	58,274,016	127,058	154,182	-	58,555,256
Furniture & equipment	4,163,787	419,514	60,856	(1,720,819)	2,923,338
Software & licences	48,200	-	-	(17,203)	30,997
Computer equipment	1,113,518	168,147	-	(160,124)	1,121,541
Leasehold improvements	1,631,007	-	-	-	1,631,007
Vehicles	554,500	104,667	-	(81,781)	577,386
Library books	471,566	42,392	-	(42,798)	471,160
Assets under construction	<u>7,086,374</u>	<u>11,553,458</u>	<u>(215,038)</u>	<u>-</u>	<u>18,424,794</u>
Total	\$ <u>76,205,820</u>	\$ <u>12,415,236</u>	\$ <u>-</u>	\$ <u>(2,022,725)</u>	\$ <u>86,598,331</u>

Accumulated amortization	Mar 31, 2018	Amortization	Disposals	Mar 31, 2019
Site improvements	\$ 2,129,268	\$ 77,377	\$ -	\$ 2,206,645
Buildings	37,540,010	1,645,747	-	39,185,757
Furniture & equipment	2,734,410	486,881	(1,720,819)	1,500,472
Software & licences	28,465	8,443	(17,203)	19,705
Computer equipment	564,910	191,350	(160,124)	596,136
Leasehold improvements	85,261	173,804	-	259,065
Vehicles	213,542	96,288	(81,781)	228,049
Library books	<u>261,592</u>	<u>42,418</u>	<u>(42,798)</u>	<u>261,212</u>
Total	\$ <u>43,557,458</u>	\$ <u>2,722,308</u>	\$ <u>(2,022,725)</u>	\$ <u>44,257,041</u>

	Net Book Value Mar 31, 2018	Net Book Value Mar 31, 2019
Land	\$ 457,919	\$ 457,919
Site improvements	275,665	198,288
Buildings	20,734,006	19,369,499
Furniture & equipment	1,429,377	1,422,866
Software & licences	19,735	11,293
Computer equipment	548,608	525,405
Leasehold improvements	1,545,746	1,371,942
Vehicles	340,958	349,337
Library books	209,974	209,947
Assets under construction	<u>7,086,374</u>	<u>18,424,794</u>
Total	\$ <u>32,648,362</u>	\$ <u>42,341,290</u>

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

9 Tangible capital assets (continued)

Cost	Mar 31, 2017		Additions		Transfers		Disposals		Mar 31, 2018	
Land	\$	457,919	\$	-	\$	-	\$	-	\$	457,919
Site improvements		2,404,933		-		-		-		2,404,933
Buildings		57,839,126		77,301		357,589		-		58,274,016
Furniture & equipment		4,252,472		339,400		-		(428,085)		4,163,787
Software & licences		54,942		16,830		-		(23,572)		48,200
Computer equipment		1,112,172		182,198		-		(180,852)		1,113,518
Leasehold improvements		77,169		220,655		1,333,183		-		1,631,007
Vehicles		363,955		190,545		-		-		554,500
Library books		495,217		31,483		-		(55,134)		471,566
Assets under construction		191,674		8,585,472		(1,690,772)		-		7,086,374
Total	\$	67,249,579	\$	9,643,884	\$	-	\$	(687,643)	\$	76,205,820

Accumulated amortization	Mar 31, 2017		Amortization		Disposals		Mar 31, 2018	
Site improvements	\$	2,021,991	\$	107,277	\$	-	\$	2,129,268
Buildings		35,899,681		1,640,329		-		37,540,010
Furniture & equipment		2,489,781		672,714		(428,085)		2,734,410
Software & licences		42,777		9,260		(23,572)		28,465
Computer equipment		552,444		193,318		(180,852)		564,910
Leasehold improvements		16,017		69,244		-		85,261
Vehicles		132,645		80,897		-		213,542
Library books		273,586		43,140		(55,134)		261,592
Total	\$	41,428,922	\$	2,816,179		(687,643)	\$	43,557,458

	Net Book Value		Net Book Value	
	Mar 31, 2017		Mar 31, 2018	
Land	\$	457,919	\$	457,919
Site improvements		382,942		275,665
Buildings		21,939,445		20,734,006
Furniture & equipment		1,762,691		1,429,377
Software & licences		12,165		19,735
Computer equipment		559,728		548,608
Leasehold improvements		61,152		1,545,746
Vehicles		231,310		340,958
Library books		221,631		209,974
Assets under construction		191,674		7,086,374
Total	\$	25,820,657	\$	32,648,362

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

9 Tangible capital assets (continued)

(a) Assets under construction

Assets under construction having a value of \$18,424,794 (2018: \$7,086,374) have not been amortized. Amortization of these assets will commence when the asset is available for productive use.

(b) Contributed tangible capital assets

Contributed capital assets are recognized at fair market value at the date of contribution. The value of contributed capital assets received during the year is \$274,836 (2018 -\$nil)

10 Financial risk management

The College is potentially exposed to credit risk, liquidity risk, foreign exchange risk and interest rate risk from the entity's financial instruments. Qualitative and quantitative analysis of the significant risks from the College's financial instruments is provided below by type of risk.

(a) Credit risk

Credit risk primarily arises from the College's cash and cash equivalents, accounts receivable and portfolio investments. The risk exposure is limited to their varying amounts at the date of the statement of financial position.

Accounts receivable primarily consist of amounts receivable from government organizations, students, clients and sponsors. To reduce the risk, the College regularly reviews the collectability of its accounts receivable and establishes an allowance based on its best estimate of potentially uncollectible amounts. As at March 31, 2019 the amount of allowance for doubtful debts was \$154,370 (2018: \$135,601), as these accounts receivable are deemed by management not to be collectible. The College historically has not had difficulty collecting receivables, nor have counterparties defaulted on any payments.

(b) Market and interest rate risk

Market risk is the risk that changes in market prices and inputs, such as interest rates, will affect the College's income. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

The College manages market risk by holding cash balances with a top rated Canadian Schedule I financial institution. The portfolio investments are professionally managed following the investment program which is approved by the College's Board of Governors and consistent with the requirements of the College and Institute Act. The College periodically reviews its investments and is satisfied that the portfolio investments are being managed in accordance with the investment program.

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

10 Financial risk management (continued)

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market interest rates.

It is management's opinion that the College is not exposed to significant market or interest rate risk arising from its financial instruments.

(c) Liquidity risk

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they become due.

The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations, anticipated investing, and financial activities to ensure that its financial obligations are met.

(d) Foreign exchange risk

The College 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.

11 Contractual obligations

The nature of the College's activities can result in multiyear contracts and obligations whereby the College will be committed to make future payments. Significant contractual obligations related to operations that can be reasonably estimated are as follows:

	Port Alberni Campus	Port Hardy Campus	Total
2020	\$ 120,294	\$ 148,452	\$ 268,746
2021	120,294	148,452	268,746
2022	-	148,452	148,452
2023	-	61,855	61,855
Total contractual obligations	<u>\$ 240,588</u>	<u>\$ 507,211</u>	<u>\$ 747,799</u>

12 Contingent liabilities

The College may, from time to time, be involved in legal proceedings, claims, and litigation that arise in the normal course of business. In the event that any such claims or litigation are resolved against the College, such outcomes or resolutions could have a material effect on the business, financial condition, or results of operations of the College. At March 31, 2019 there are no outstanding claims.

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

13 Related parties

North Island 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.

North Island College Foundation is a not-for-profit organization and a registered charity under the Income Tax Act. The Foundation was created to enhance the delivery of North Island College's programs and services by raising funds to provide scholarships and bursaries, and to support various College projects. Although there is no common control of the organizations through the Board appointment or other forms of control, the Foundation is related to the College by virtue of holding resources which are to be used to provide support to students attending the College. Transactions with the Foundation were recorded at the exchange amount.

At March 31, 2019 accounts payable of the College included \$23,465 (2018: \$35,007) due to the Foundation.

	2019	2018
Bursaries	\$ 397,792	\$ 347,980
Donations and other	1,122,952	49,794
Gifts-in-kind	<u>325,179</u>	<u>65,048</u>
Foundation contributions to the College	<u>\$ 1,845,923</u>	<u>\$ 462,822</u>
College contributions to the Foundation	<u>\$ 84,250</u>	<u>\$ 74,900</u>

14 Comparative Information

Certain comparative information has been reclassified to conform with the current year's financial statement presentation.

15 Contractual rights

The College has entered into multi-year contracts with the Province of British Columbia that entitles the College to receive the following amounts:

	Port Alberni Campus	Port Hardy Campus	Total
2020	\$ 120,294	\$ 148,452	\$ 268,746
2021	120,294	148,452	268,746
2022	-	148,452	148,452
2023	<u>-</u>	<u>61,855</u>	<u>61,855</u>
Total contractual rights	<u>\$ 240,588</u>	<u>\$ 507,211</u>	<u>\$ 747,799</u>

North Island College
Notes to the Financial Statements
Year ended March 31, 2019

16 Lease inducement

In September 2017, the College entered into a 5 year renewable lease for premises located in Port Hardy. In conjunction with the lease, the landlord financed \$500,000 of the improvements to be repaid by the College over 10 years. The amount is funded by the Province over the term of the lease.

North Island College
Schedule 1 - Schedule of Expenses by Object
For the year ended March 31, 2019 with comparative information for 2018

Expenses	Budget 2019	2019	2018
Salaries and benefits	\$ 33,370,395	\$ 33,111,202	\$ 30,480,251
Other personnel costs	806,363	846,828	954,806
Advertising and promotion	784,295	585,223	730,072
Books and periodicals	249,269	252,709	267,359
Cost of goods sold	1,006,350	981,249	998,217
Equipment costs	1,332,491	1,935,999	1,610,023
Facility costs	2,456,348	3,591,203	3,125,750
Financial service charges	187,645	265,573	228,088
General fees and services	2,206,516	1,738,499	1,763,049
Student awards	644,180	645,415	593,952
Supplies and general expenses	968,085	1,164,290	864,266
Travel	944,029	738,733	745,744
Grant transfers	202,500	183,307	213,149
Donations to NIC Foundation	-	75,600	74,900
Amortization of tangible capital assets	<u>2,610,900</u>	<u>2,722,308</u>	<u>2,816,179</u>
	<u>\$ 47,769,366</u>	<u>\$ 48,838,138</u>	<u>\$ 45,465,805</u>