

Financial Statements of

**NICOLA VALLEY INSTITUTE  
OF TECHNOLOGY**

Year ended March 31, 2006



**KPMG LLP**  
**Chartered Accountants**  
200-206 Seymour Street  
Kamloops BC V2C 6P5  
Canada

Telephone (250) 372-5581  
Fax (250) 828-2928  
Internet [www.kpmg.ca](http://www.kpmg.ca)

## AUDITORS' REPORT TO THE BOARD OF GOVERNORS

We have audited the statement of financial position of Nicola Valley Institute of Technology as at March 31, 2006 and the statements of financial activity and changes in net assets, and cash flows for the year then ended. These financial statements are the responsibility of the Institute's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Institute as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

**KPMG LLP**

Chartered Accountants

Kamloops, Canada  
May 10, 2006

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Statement of Financial Position

Year ended March 31, 2006, with comparative figures for 2005

|   | Operating    | Special Designation | Bookstore  | Capital      | 2006          | 2005          |
|---|--------------|---------------------|------------|--------------|---------------|---------------|
| <b>Assets</b>                                 |              |                     |            |              |               |               |
| Current assets:                               |              |                     |            |              |               |               |
| Cash  | \$ 523,575   | \$ 9,570            | -          | \$ -         | \$ 533,145    | \$ 735,187    |
| Investments (note 2)                          | 1,890,173    | -                   | -          | -            | 1,890,173     | 1,468,100     |
| Accounts receivable                           | 325,410      | 2,664               | -          | -            | 328,074       | 205,900       |
| Inventory                                     | -            | -                   | 41,068     | -            | 41,068        | 64,219        |
| Prepaid expenses                              | 76           | -                   | -          | -            | 76            | 1,100         |
| Due from other funds                          | (614,381)    | 393,380             | (44,129)   | 265,130      | -             | -             |
|   | 2,124,853    | 405,614             | (3,061)    | 265,130      | 2,792,536     | 2,474,506     |
| Investments (note 2)                          | -            | 185,066             | -          | -            | 185,066       | 182,629       |
| Capital assets (note 3)                       | -            | -                   | -          | 8,554,184    | 8,554,184     | 8,756,941     |
|   | \$ 2,124,853 | \$ 590,680          | \$ (3,061) | \$ 8,819,314 | \$ 11,531,786 | \$ 11,414,076 |
| <b>Liabilities and Net Assets</b>             |              |                     |            |              |               |               |
| Current liabilities                           |              |                     |            |              |               |               |
| Accounts payable (note 4)                     | \$ 436,766   | \$ -                | \$ -       | \$ -         | \$ 436,766    | \$ 394,555    |
| Deferred revenue                              | 666,724      | -                   | -          | 226,543      | 893,267       | 581,602       |
| Current portion of lease obligation (note 12) | -            | -                   | -          | 6,490        | 6,490         | -             |
|   | 1,103,490    | -                   | -          | 233,033      | 1,336,523     | 976,157       |
| Deferred capital contributions (note 5)       | -            | -                   | -          | 8,249,388    | 8,249,388     | 8,555,727     |
| Obligation under capital lease (note 12)      | -            | -                   | -          | 34,504       | 34,504        | -             |
| Net assets:                                   |              |                     |            |              |               |               |
| Unrestricted                                  | 1,021,363    | -                   | (3,061)    | -            | 1,018,302     | 1,198,738     |
| Restricted (note 6)                           | -            | 590,680             | -          | -            | 590,680       | 439,923       |
| Invested in capital assets                    | -            | -                   | -          | 302,389      | 302,389       | 263,531       |
|   | 1,021,363    | 590,680             | (3,061)    | 302,389      | 1,911,371     | 1,902,192     |
| Commitments (note 7)                          |              |                     |            |              |               |               |
| Contingent liabilities (note 8)               |              |                     |            |              |               |               |
|   | \$ 2,124,853 | \$ 590,680          | \$ (3,061) | \$ 8,819,314 | \$ 11,531,786 | \$ 11,414,076 |

See accompanying notes to financial statements.

On behalf of the Board:



Board Chair



Bursar

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Statement of Financial Activity and Changes in Net Assets

Year ended March 31, 2006, with comparative figures for 2005

|   | Operating<br>(Schedule 1) | Special<br>designation | Bookstore  | Capital    | 2006         | 2005         |
|---|---------------------------|------------------------|------------|------------|--------------|--------------|
| <b>Revenue</b>                                    |                           |                        |            |            |              |              |
| Grants from the Province of<br>British Columbia   | \$ 4,088,970              | \$ 11,210              | -          | \$ 64,143  | \$ 4,164,323 | \$ 4,144,736 |
| Amortization of deferred<br>capital contributions | -                         | -                      | -          | 355,416    | 355,416      | 393,763      |
| Federal Government Grants                         | 190,709                   | 4,480                  | -          | -          | 195,189      | 189,056      |
| Tuition fees                                      | 400,680                   | -                      | -          | -          | 400,680      | 431,141      |
| Contract services                                 | 781,020                   | 60,870                 | -          | -          | 841,890      | 896,058      |
| Donations   | -                         | 29,117                 | -          | -          | 29,117       | 17,168       |
| Sales   | -                         | -                      | 189,422    | -          | 189,422      | 247,618      |
| Other   | 73,868                    | 31,508                 | -          | -          | 105,376      | 120,661      |
|   | 5,535,247                 | 137,185                | 189,422    | 419,559    | 6,281,413    | 6,440,201    |
| <b>Expenditures</b>                               |                           |                        |            |            |              |              |
| Cost of sales                                     | -                         | -                      | 164,350    | -          | 164,350      | 192,708      |
| Wages and benefits                                | 3,756,062                 | 47,625                 | 41,789     | -          | 3,845,476    | 3,507,940    |
| Supplies  | 206,138                   | 17,813                 | 725        | -          | 224,676      | 232,413      |
| Memberships                                       | 27,683                    | -                      | -          | -          | 27,683       | 30,646       |
| Other   | -                         | -                      | -          | -          | -            | 2,414        |
| Amortization                                      | -                         | -                      | -          | 421,580    | 421,580      | 449,052      |
| Premises costs                                    | 155,837                   | -                      | -          | 61,872     | 217,709      | 219,895      |
| Travel  | 178,029                   | 1,281                  | 226        | -          | 179,536      | 180,687      |
| Contract instruction                              | 518,123                   | -                      | -          | -          | 518,123      | 495,448      |
| Interest and bank<br>charges                      | 3,770                     | -                      | -          | 457        | 4,227        | 4,384        |
| Telephone   | 36,574                    | -                      | -          | -          | 36,574       | 42,266       |
| Equipment maintenance                             | 17,837                    | -                      | -          | -          | 17,837       | 22,561       |
| <b>Carried forward</b>                            | \$ 4,900,053              | \$ 66,719              | \$ 207,090 | \$ 483,909 | \$ 5,657,771 | \$ 5,380,414 |

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Statement of Financial Activity and Changes in Net Assets (continued)

Year ended March 31, 2006, with comparative figures for 2005

|  | Operating<br>(Schedule 1) | Special<br>designation | Bookstore  | Capital    | 2006         | 2005         |
|--|---------------------------|------------------------|------------|------------|--------------|--------------|
| Brought forward                                  | \$ 4,900,053              | \$ 66,719              | \$ 207,090 | \$ 483,909 | \$ 5,657,771 | \$ 5,380,414 |
| Expenditures (continued):                        |                           |                        |            |            |              |              |
| Vehicle operation                                | 27,517                    | -                      | -          | -          | 27,517       | 26,054       |
| Professional fees                                | 208,251                   | 18,937                 | -          | -          | 227,188      | 285,423      |
| Meetings   | 33,161                    | -                      | -          | -          | 33,161       | 32,634       |
| Promotion and recruiting                         | 101,195                   | -                      | -          | -          | 101,195      | 103,290      |
| Bad debts  | 3,087                     | -                      | -          | -          | 3,087        | 14,635       |
| Staff development                                | 31,262                    | -                      | -          | -          | 31,262       | 33,740       |
| Library resources                                | 21,661                    | -                      | -          | -          | 21,661       | 20,181       |
| Program development                              | -                         | -                      | -          | -          | -            | 12,000       |
| Subsidies and awards                             | 12,696                    | 28,043                 | -          | -          | 40,739       | 139,805      |
| Honoraria  | 37,653                    | -                      | -          | -          | 37,653       | 40,414       |
| Contract arrangements                            | 91,000                    | -                      | -          | -          | 91,000       | 199,140      |
|  | 5,467,536                 | 113,699                | 207,090    | 483,909    | 6,272,234    | 6,287,730    |
| Excess (deficiency) of revenue over expenditures | 67,711                    | 23,486                 | (17,668)   | (64,350)   | 9,179        | 152,471      |
| Net assets, beginning of year                    | 1,184,131                 | 439,923                | 14,607     | 263,531    | 1,902,192    | 1,749,721    |
| Transfers (note 9)                               | (230,479)                 | 127,271                | -          | 103,208    | -            | -            |
| Net assets, end of year                          | \$ 1,021,363              | \$ 590,680             | \$ (3,061) | \$ 302,389 | \$ 1,911,371 | \$ 1,902,192 |

See accompanying notes to financial statements.

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

## Statement of Cash Flows

Year ended March 31, 2006, with comparative figures for 2005

|  | 2006              | 2005              |
|--|-------------------|-------------------|
| Cash provided by (used in):                                |                   |                   |
| Operations:  |                   |                   |
| Excess of revenue over expenditures                        | \$ 9,179          | \$ 152,471        |
| Amortization of deferred revenue related to capital assets | (355,416)         | (393,763)         |
| Amortization expense                                       | 421,580           | 449,052           |
|  | <u>75,343</u>     | <u>207,760</u>    |
| Changes in non-cash operating working capital:             |                   |                   |
| Increase in accounts receivable                            | (122,174)         | (25,884)          |
| Decrease (increase) in inventory                           | 23,151            | (23,898)          |
| Decrease in prepaid expenses                               | 1,024             | 8,778             |
| Increase (decrease) in accounts payable                    | 42,211            | (35,180)          |
| Increase in deferred revenue                               | 311,665           | 233,375           |
|  | <u>331,220</u>    | <u>364,951</u>    |
| Financing:   |                   |                   |
| Principal payments on obligations under capital lease      | (1,463)           | -                 |
| Investments:   |                   |                   |
| Purchase of capital assets                                 | (107,289)         | (69,380)          |
| Purchase of investments                                    | (424,510)         | (218,100)         |
|  | <u>(531,799)</u>  | <u>(287,480)</u>  |
| Increase (decrease) in cash position                       | (202,042)         | 77,471            |
| Cash, beginning of year                                    | 735,187           | 657,716           |
| Cash, end of year  | <u>\$ 533,145</u> | <u>\$ 735,187</u> |

See accompanying notes to financial statements.

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2006

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## Authority and purpose:

Nicola Valley Institute of Technology (N.V.I.T.) operates under the authority of the College and Institute Act of British Columbia. The Institute provides quality post secondary education relevant to the diverse and evolving needs of First Nations communities. The Institute is a not-for-profit entity, governed by a Board of Governors, the majority of which are appointed by an aboriginal band or entity, with approval sought from the Ministry of Advanced Education. The Institute is a registered charity and therefore exempt from income taxes under section 149 of the Income Tax Act.

## 1. Significant accounting policies:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not for profit organizations, which encompasses the following principles:

### (a) Fund accounting:

The Institute records accounting transactions using the fund method generally in use for not-for-profit organizations and follows the deferral method of accounting for contributions. As a result, the resources, operations and transactions of the Institute, for accounting and financial reporting and control purposes, are segregated into various funds, each being treated as a separate entity and each complying with the purposes for which it was established. The Institute maintains the following funds:

#### (i) Operating Fund:

Reflects the revenue and expenditures related to the base-funded teaching and administration operations of the Institute.

#### (ii) Capital Fund:

Reflects the Institute's receipts and disbursements for the acquisition of capital assets.

#### (iii) Special Designation Fund:

Reflects the contributions which are restricted for use only on behalf of specific purposes. Endowment equity and student financial aid funding are recorded in this fund.

#### (iv) Bookstore Fund:

Reflects the revenue and expenditures related to the operation of the bookstore.

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements (continued)

Year ended March 31, 2006

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## 1. Significant accounting policies (continued):

### (b) Revenue recognition:

The Institute receives monies from a number of different sources and classifies these monies into separate categories of revenue. These categories include provincial and federal government grants, tuition fees, contract revenue, donations, investment income, and monies received from the sale of goods or services. The Institute recognizes revenue using the deferral method.

Some of these revenues, such as grants and donations received for capital purposes, may be restricted in its use by the external contributor. These externally restricted revenues are deferred and recognized in the same period the related expenses are incurred. In cases where contributions are received for the purchase of capital assets having a limited life, the contributions are deferred and amortized to revenue in an amount equivalent to the related amortization expense. Note 5 provides a summary of changes in deferred capital contributions over the course of the year.

Revenues received without restrictions include the operating grants from the Province of British Columbia, tuition fees and sales of services and products. Monies received from these sources are reported as revenue at the time the product is delivered or the services are substantially provided.

Externally restricted contributions containing stipulations that the principal should be retained have been recorded as a direct increase in endowment equity. Income earned on endowment investments is deferred and recognized as revenue in accordance with the stipulations of the related endowments. Income from unrestricted investments is recognized as revenue when earned.

### (c) Inventory:

Inventory held for resale in the bookstore is valued at the lower of cost and net realizable value.



# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements (continued)

Year ended March 31, 2006

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## 1. Significant accounting policies (continued):

### (d) Capital assets:

Capital assets are recorded at cost, or in the case of donated assets, at their fair value at the date of the contribution. Amortization is provided for over the estimated useful lives of the capital assets on a straight line basis at the following annual rates:

| Asset                | Rate    |
|----------------------|---------|
| Building             | 2 1/2%  |
| Site improvements    | 10%     |
| Library acquisitions | 10%     |
| Classroom furniture  | 20%     |
| Office furniture     | 20%     |
| Office equipment     | 25%     |
| Automotive           | 25%     |
| Computers            | 33 1/3% |
| Software             | 50%     |

Capital assets are written down to net realizable value at the point they no longer contribute to the Institute's ability to provide services. Deferred capital contributions associated with the written down capital asset are recognized as revenue if all restrictions have been complied with.

### (e) Investments:

Portfolio investments held on a long term basis are recorded at cost. Investments are written down to net realizable value if there is a permanent impairment in value. Short term investments are recorded at the lower of cost or market value.

### (f) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during that period. Actual results could differ from those estimates.

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements (continued)

Year ended March 31, 2006

## 2. Investments:

The Institute has established a permanent endowment fund to provide income from which scholarships and bursaries can be awarded to students. The investments of \$185,066 in special designation fund and related income are restricted for use only as specified. The fair market value of the investments is equal to their cost.

|                                    | 2006                | 2005                |
|------------------------------------|---------------------|---------------------|
| Operating                          |                     |                     |
| Guaranteed investment certificates | \$ 1,890,173        | \$ 1,468,100        |
| Endowments                         |                     |                     |
| Guaranteed investment certificates | 185,066             | 182,629             |
|                                    | <b>\$ 2,075,239</b> | <b>\$ 1,650,729</b> |

## 3. Capital assets:

|   | 2006                 |                             | 2005                |                     |
|---|----------------------|-----------------------------|---------------------|---------------------|
|   | Cost                 | Accumulated<br>amortization | Net book<br>value   | Net book<br>value   |
| Building                                | \$ 8,906,623         | \$ 885,509                  | \$ 8,021,114        | \$ 8,243,779        |
| Site improvements                       | 303,024              | 94,031                      | 208,993             | 163,311             |
| Library acquisitions                    | 40,213               | 6,796                       | 33,417              | 32,806              |
| Automotive                              | 19,473               | 9,736                       | 9,737               | 14,605              |
| Classroom furniture                     | 84,195               | 73,977                      | 10,218              | 15,041              |
| Office equipment                        | 485,033              | 402,034                     | 82,999              | 142,365             |
| Office furniture                        | 234,746              | 200,321                     | 34,425              | 60,946              |
| Computers                               | 547,029              | 455,670                     | 91,359              | 84,088              |
| Software                                | 51,247               | 31,784                      | 19,463              | -                   |
|   | 10,671,583           | 2,159,858                   | 8,511,725           | 8,756,941           |
| Capital asset under lease<br>obligation |                      |                             |                     |                     |
| Office equipment                        | 42,459               | -                           | 42,459              | -                   |
|   | <b>\$ 10,714,042</b> | <b>\$ 2,159,858</b>         | <b>\$ 8,554,184</b> | <b>\$ 8,756,941</b> |

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements (continued)

Year ended March 31, 2006

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#### 4. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities is accrued holiday pay of \$172,818 (2005 - \$155,455).

NVIT accrues holiday pay entitlements as they are earned by the employee; however, it is expected that these unfunded liabilities will be met on a continuous basis over the long term. Payments of these amounts will be funded from revenues of the period in which they occur.

#### 5. Deferred capital contributions:

Deferred capital contributions represent contributed capital assets and restricted contributions with which specified capital assets were purchased. The changes in the deferred contributions balance for the period are as follows:

|                                    | 2006                | 2005                |
|------------------------------------|---------------------|---------------------|
| Balance, beginning of year         | \$ 8,535,727        | \$ 8,929,490        |
| Add: Contributions received        | 69,077              | -                   |
| Less: Amounts amortized to revenue | (355,416)           | (393,763)           |
|                                    | <u>\$ 8,249,388</u> | <u>\$ 8,535,727</u> |

There are no unexpended deferred capital contributions at the end of the year.

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements (continued)

Year ended March 31, 2006

## 6. Special designation fund:

|   | Endowment<br>equity | Other      | 2006       | 2005       |
|---|---------------------|------------|------------|------------|
| Balance, beginning of year                      | \$ 210,205          | \$ 229,718 | \$ 439,923 | \$ 342,683 |
| Add:  |                     |            |            |            |
| Donations received during<br>the year           | 4,717               | 29,955     | 34,672     | 16,918     |
| Interest earned on funds                        | 4,928               | -          | 4,928      | 6,243      |
| Grants from the Province<br>of British Columbia | -                   | 15,690     | 15,690     | 19,261     |
| Other   | -                   | 81,894     | 81,894     | 36,556     |
| Transfers from other funds                      | -                   | 127,271    | 127,271    | 102,730    |
|   | 9,645               | 254,810    | 264,455    | 181,708    |
| Deduct:   |                     |            |            |            |
| Administration costs and<br>workshops           | -                   | (101,507)  | (101,507)  | (57,074)   |
| Scholarships and bursaries                      | (2,800)             | (9,391)    | (12,191)   | (27,394)   |
|   | (2,800)             | (110,898)  | (113,698)  | (84,468)   |
| Balance, end of year                            | \$ 217,050          | \$ 373,630 | \$ 590,680 | \$ 439,923 |

## 7. Commitments:

The Institute is committed under operating leases for vehicles and office equipment extending for various periods to the year 2008. Estimated future minimum annual payments required over the next two years are as follows:

|      | Total     |
|------|-----------|
| 2007 | \$ 11,157 |
| 2008 | 2,789     |
|      | \$ 13,946 |

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements (continued)

Year ended March 31, 2006

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## 8. Contingent liabilities:

### (a) Pension liability:

The college and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trustee pension plans. The boards of trustees for these plans represent plan members and employers and are responsible for the management of the pension plan including investment of the assets and administration of benefits. The pension plans are multi-employer contributory pension plans. Basic pension benefits provided are defined. The College Pension Plan has over 11,000 active contributors from college senior administration and instructional staff and approximately 2,900 retired members. The Municipal Pension Plan has about 130,000 active contributors, with approximately 4,900 from colleges.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of the plan funding. The most recent valuation for the College Pension Plan as at August 31, 2003 indicated an unfunded liability of \$50 million for basic pension benefits. The next valuation will be as at August 31, 2006 with results available in 2007. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers. Nicola Valley Institute of Technology paid \$216,696 for employer contributions to the plan in fiscal 2006.

- (b) Nicola Valley Institute of Technology has requested a ruling and received a response, although not a ruling, from Canada Revenue Agency relating to the tax exemption status of certain of its employees. The Board of Governors has determined that the existing practice of exempting certain employees will continue. The outcome of this matter and the impact on the financial statements, if any, cannot be determined at this time.

## 9. Interfund transfers:

During the year, \$105,479 was transferred from the Operating fund to the Capital Fund in order to fund the cash outlays for capital asset acquisitions. In addition, \$125,000 was transferred from the Operating Fund to the Special Designation Fund in order to fund specific programs. During the year \$2,271 was transferred from the Capital Fund to the Special Designation Fund in order to fund a facilities conference.

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Notes to Financial Statements (continued)

Year ended March 31, 2006

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## 10. Financial instruments:

The carrying value of cash, investments, accounts receivable, accounts payable and deferred revenue approximate their fair value due to the relatively short periods to maturity of these items or because they are receivable or payable on demand.

The carrying value of the obligation under capital lease approximates the fair value as the terms and conditions of the borrowing arrangement is comparable to current market terms and conditions for similar items.

## 11. Comparative figures:

Certain of the comparative figures have been reclassified to conform with the financial statement presentation adopted in 2006.

## 12. Obligations under capital lease:

During the year, the Institute entered into a capital lease with IOS Financial Services for a new photocopier.

The following is a schedule of the future minimum lease payments of the capital lease expiring on Jan 16, 2011, together with the balance of the obligation:

|   | 2006      | 2005 |
|---|-----------|------|
| Year ending:  |           |      |
| 2007  | \$ 11,519 | \$ - |
| 2008  | 11,519    | -    |
| 2009  | 11,519    | -    |
| 2010  | 11,519    | -    |
| 2011  | 9,600     | -    |
| Total minimum lease payments                        | 55,676    | -    |
| Less amount representing interest (at 13.2%)        | 14,682    | -    |
| Present value of net minimum capital lease payments | 40,994    | -    |
| Current portion of obligations under capital lease  | 6,490     | -    |
|   | \$ 34,504 | \$ - |

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Schedule 1

Year ended March 31, 2006, with comparative figures for 2005

|  | Operating Fund |                     |                    |              |              | 2005         |
|--|----------------|---------------------|--------------------|--------------|--------------|--------------|
|  | General        | Community Education | Continuing Studies | ISSP Project | 2006         |              |
| <b>Revenue</b>                               |                |                     |                    |              |              |              |
| Grants from the Province of British Columbia | \$ 3,917,688   | \$ 171,282          | \$ -               | \$ -         | \$ 4,088,970 | \$ 4,035,941 |
| Federal Government Grants                    | -              | 37,376              | -                  | 153,333      | 190,709      | 185,000      |
| Tuition fees                                 | 341,583        | 29,760              | 29,337             | -            | 400,680      | 431,141      |
| Contract services                            | 298,696        | 482,324             | -                  | -            | 781,020      | 863,558      |
| Donations                                    | -              | -                   | -                  | -            | -            | 250          |
| Other  | 65,555         | 8,313               | -                  | -            | 73,868       | 114,084      |
|  | 4,623,522      | 729,055             | 29,337             | 153,333      | 5,535,247    | 5,629,974    |
| <b>Expenditures</b>                          |                |                     |                    |              |              |              |
| Wages and benefits                           | 3,469,579      | 260,267             | -                  | 26,216       | 3,756,062    | 3,433,041    |
| Supplies                                     | 91,523         | 77,560              | 32                 | 37,023       | 206,138      | 230,115      |
| Memberships                                  | 27,683         | -                   | -                  | -            | 27,683       | 30,646       |
| Premises costs                               | 126,251        | -                   | -                  | 29,586       | 155,837      | 130,361      |
| Other  | -              | -                   | -                  | -            | -            | 2,414        |
| Travel                                       | 132,822        | 41,525              | -                  | 3,682        | 178,029      | 180,482      |
| Contract instruction                         | 100,083        | 337,480             | 23,734             | 56,826       | 518,123      | 495,448      |
| Interest and bank charges                    | 3,770          | -                   | -                  | -            | 3,770        | 4,384        |
| Telephone                                    | 36,574         | -                   | -                  | -            | 36,574       | 42,266       |
| Equipment maintenance                        | 17,837         | -                   | -                  | -            | 17,837       | 22,561       |
| Carried forward                              | \$ 4,006,122   | \$ 716,832          | \$ 23,766          | \$ 153,333   | \$ 4,900,053 | \$ 4,571,718 |

# NICOLA VALLEY INSTITUTE OF TECHNOLOGY

Schedule 1 (continued)

Year ended March 31, 2006, with comparative figures for 2005

|                                     | Operating Fund |                        |                       |                 |              |
|-------------------------------------|----------------|------------------------|-----------------------|-----------------|--------------|
|                                     | General        | Community<br>Education | Continuing<br>Studies | ISSP<br>Project |              |
|                                     | 2006           | 2006                   | 2006                  | 2006            | 2005         |
| Brought forward                     | \$ 4,006,122   | \$ 716,832             | \$ 23,766             | \$ 153,333      | \$ 4,900,053 |
| Expenditures (continued):           |                |                        |                       |                 |              |
| Vehicle operation                   | 27,517         | -                      | -                     | -               | 26,054       |
| Professional fees                   | 208,251        | -                      | -                     | -               | 267,007      |
| Meetings                            | 21,575         | 11,586                 | -                     | -               | 32,634       |
| Promotion and recruiting            | 95,511         | -                      | 5,684                 | -               | 103,290      |
| Bad debts                           | 3,087          | -                      | -                     | -               | 14,635       |
| Staff development                   | 31,262         | -                      | -                     | -               | 33,740       |
| Library resources                   | 21,661         | -                      | -                     | -               | 20,181       |
| Program development                 | -              | -                      | -                     | -               | 12,000       |
| Subsidies and awards                | 11,496         | 1,200                  | -                     | -               | 112,411      |
| Honoraria                           | 32,193         | 5,460                  | -                     | -               | 37,653       |
| Contract arrangements               | 91,000         | -                      | -                     | -               | 91,000       |
|                                     | 4,549,675      | 735,078                | 29,450                | 153,333         | 5,467,536    |
| Excess of revenue over expenditures | 73,847         | (6,023)                | (113)                 | -               | 67,711       |
| Net assets, beginning of year       | 1,093,985      | 85,687                 | 4,459                 | -               | 1,184,131    |
| Transfers (note 9)                  | (168,236)      | (62,243)               | -                     | -               | (230,479)    |
| Net assets, end of year             | \$ 999,596     | \$ 17,421              | \$ 4,346              | \$ -            | \$ 1,021,363 |

See accompanying notes to financial statements.