OKANAGAN COLLEGE FOUNDATION

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FINANCIAL STATEMENTS

FISCAL YEAR ENDING MARCH 31, 2026

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OKANAGAN COLLEGE FOUNDATION

Okanagan College Foundation

Contents

Doane Grant Thornton

Independent Auditor's Report

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To the Directors of
Okanagan College Foundation

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Okanagan College Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2026, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2026, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation 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.

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 auditor's 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 these 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 Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's 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 auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these financial statements were prepared on a basis consistent with that applied in preparing the financial statements of the preceding year.

Doane Grant Thornton LLP

Kelowna, Canada
May 27, 2026

Chartered Professional Accountants

Okanagan College Foundation
Statement of Financial Position
As at March 31, 2026

		2026		2025
Assets				
Current assets				
Cash and cash equivalents	$	19,840,313	$	17,738,535
Investment portfolio (Note 3)		18,079,615		14,017,690
Receivables		18,020		19,407
Inventory		1,399		1,399
		37,939,347		31,777,031
Life insurance policies (Note 4)		167,864		160,185
	$	38,107,211	$	31,937,216
Liabilities				
Current liabilities				
Payables and accruals	$	2,454,328	$	63,598
Line of credit payable (Note 5)		45,841		-
		2,500,169		63,598
Net Assets				
Unrestricted		120,188		120,766
Restricted				
Campaign		10,141,146		10,838,358
Student awards and program support		6,517,745		4,208,668
Foundation operating		632,400		609,805
Endowment		18,195,563		16,096,021
		35,607,042		31,873,618
	$	38,107,211	$	31,937,216

Approved on behalf of the Board:

Director

Director

See accompanying notes to the financial statements.

Okanagan College Foundation
Statement of Operations
For the Year Ended March 31, 2026

	Unrestricted	Restricted					
			Student awards			2026	2025
			and program	Foundation			
	Operating	Campaign	support	operating	Endowment	Total	Total
Revenue							
Donations							
Capital campaign	$ -	$ 2,554,953	$ -	$ -	$ -	**$ 2,554,953**	$ 1,317,743
Student awards	2,627	5,000	1,064,652	-	-	**1,072,279**	838,410
Program Support	-	15,675	2,764,808	-	-	**2,780,483**	486,990
Endowment contributions	-	-	42,387	-	657,569	**699,956**	267,642
Investment income	-	-	1,091,024	-	947,241	**2,038,265**	1,957,032
Unrealized gain	-	-	21,357	-	303,527	**324,884**	318,361
Forgiveness of line of credit payable	-	460,000	-	-	-	**460,000**	460,180
Gaming event revenues	-	-	58,255	-	-	**58,255**	59,948
Increase in cash surrender value of life insurance policies	-	-	-	-	7,679	**7,679**	6,844
	2,627	3,035,628	5,042,483	-	1,916,016	**9,996,754**	5,713,150
Expenses							
Student awards	-	-	1,663,707	-	-	**1,663,707**	1,250,581
Okanagan College program support and other	-	3,739,146	255,779	-	-	**3,994,925**	1,099,345
Fundraising expenses	-	510,841	4,724	-	-	**515,565**	465,180
Gaming event expenses	-	-	29,128	-	-	**29,128**	29,745
Investment management fees	-	-	59,104	-	-	**59,104**	60,886
Other expenses	-	-	901	-	-	**901**	1,344
	-	4,249,987	2,013,343	-	-	**6,263,330**	2,907,081
Net revenue (deficit)	$ 2,627	$ (1,214,359)	$ 3,029,140	$ -	$ 1,916,016	**$ 3,733,424**	$ 2,806,069

Okanagan College Foundation
Statement of Changes in Net Assets
For the Year Ended March 31, 2026

	Unrestricted	Restricted					
			Student awards and program	Foundation		**2026**	2025
	Operating	Campaign	support	operating	Endowment	**Total**	Total
Balance, beginning of year	$ 120,766	$ 10,838,358	$ 4,208,668	$ 609,805	$ 16,096,021	**$ 31,873,618**	$ 29,067,549
Net revenue (deficit)	2,627	(1,214,359)	3,029,140	-	1,916,016	**3,733,424**	2,806,069
Interfund transfers	(3,205)	517,147	(720,063)	22,595	183,526	**-**	-
Balance, end of year	$ 120,188	$ 10,141,146	$ 6,517,745	$ 632,400	$ 18,195,563	**$ 35,607,042**	$ 31,873,618

Okanagan College Foundation
Statement of Cash Flows
For the Year Ended March 31, 2026

	2026	2025
Cash provided by (used in) operating activities		
Net revenue	**$ 3,733,424**	$ 2,806,069
Items not affecting cash		
Increase in cash surrender value of life insurance policies	**(7,679)**	(6,844)
Gain on disposal of investments	**(685,504)**	(255,011)
Unrealized gain on investments	**(324,884)**	(318,361)
Forgiveness of line of credit payable	**(460,000)**	(460,180)
	2,255,357	1,765,673
Changes in non-cash working capital		
Decrease in receivables	**1,387**	235,866
Increase in inventory	-	(1,399)
Increase in payables and accruals	**2,390,730**	63,198
Advances of line of credit	**505,841**	460,180
	5,153,315	2,523,518
Cash provided by (used in) investing activities		
Purchase of investments	**(21,297,896)**	(6,202,154)
Proceeds from disposal of investments	**18,246,358**	17,322,000
	(3,051,537)	11,119,846
Increase in cash and cash equivalents during the year	**2,101,778**	13,643,364
Cash and cash equivalents, beginning of the year	**17,738,535**	4,095,171
Cash and cash equivalents, end of the year	**$ 19,840,313**	$ 17,738,535

See accompanying notes to the financial statements.

1. Nature of organization

The Okanagan College Foundation (the "Foundation") raises funds from Okanagan College's alumni and from the community. The Foundation's purpose is to further the goals, objectives, and strategic interests of Okanagan College; stimulate and provide financial support for the development and expansion of educational programs, services, capital projects, and other initiatives as recommended by Okanagan College that support the mission and goals of Okanagan College; and provide financial support to enable students to participate in learning at Okanagan College and other institutions providing post-secondary education in Canada. The Foundation is a registered charity with the Canada Revenue Agency and accordingly is not subject to income tax. In accordance with its constitution and bylaws, the Foundation's operations are exclusively for charitable purposes.

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2. Summary of significant accounting policies

Basis of presentation

The Foundation has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. Accordingly, the resources and operations of the Foundation are segregated into various funds for accounting and financial reporting purposes, each with responsibility for the stewardship of the assets allocated to it.

Campaign fund – The fund includes contributions restricted by the donor for the purpose of funding Okanagan College capital projects and other programs.

Student awards and program support fund – The fund includes contributions restricted by the donor for scholarships, bursaries, and student awards; earnings on the Endowment Fund allocated to fund annual awards; and program support donations.

Endowment fund – The fund includes those amounts relating to endowments, bequests and trust funds made available to the Foundation under trust agreements specified by donors and independent trustees for the purpose of providing scholarships, bursaries and assets for Okanagan College, the University of British Columbia, or any other educational institution in Canada.

Foundation operating fund – The fund includes earnings from cash held and, if needed, administration fee on capital and program donations internally restricted for the purpose of operating the Foundation.

Operating fund – The fund includes undesignated contributions and earnings that are available for use at the discretion of the Foundation.

(continued)

2. Summary of significant accounting policies (continued)

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. Unrestricted contributions are recognized as revenue in the Operating Fund when received or receivable, provided that the amounts to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue of the appropriate restricted fund. Where no appropriate restricted fund exists, restricted contributions are deferred and recognized as revenue from the Operating Fund in the period in which the related restrictions are met.

Estate gifts, including bequests, are recognized when the amount to be received can be reasonably estimated and collection is reasonably assured. Where these criteria are not met, such amounts are recognized upon receipt.

Investment income, including interest and dividends, is recognized on an accrual basis. Interest income is recognized on a time-apportionment basis. Realized and unrealized gains and losses arising from changes in the fair value of investments are recognized in the statement of operations in the period in which they occur.

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.

Life insurance policies

Life insurance policies owned by the Foundation, which are non-cancellable and whose premiums are fully funded, are included in assets to the extent of their cash surrender value.

Contributed services and supplies

Okanagan College provides administrative staff and necessary supplies for the Foundation's operations. Because of the difficulty in tracking and determining their fair value, contributed services and supplies are not recognized in these financial statements.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset or liability is recognized when the Foundation becomes party to the contractual provisions of the instrument.

Initial measurement - The Foundation's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs, if applicable. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

(continued)

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Foundation does not have any assets or financial liabilities in related party transactions which are initially measured at fair value. Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

Subsequent measurement - At each reporting date, the Foundation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which are measured at fair value. The Foundation has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Foundation's investments in equities quoted in an active market and in bonds are recorded in the statement of operations.

The Foundation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost (which approximates fair value for cash and cash equivalents) are cash and cash equivalents, receivables, payables and accruals, and line of credit payable. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

Impairment – Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Foundation initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Foundation has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the statement of operations in the year the reversal occurs to the extent that the reversal of the impairment loss does not exceed the carrying value of the asset.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically, and adjustments are made to the Statement of Operations as appropriate in the year they become known.

3. Investment portfolio

Current marketable securities are managed by RBC Phillips Hager & North. Investments comprise the following:

	RBC/PH&N	CIBC	2026	2025
Fixed Income	$ 2,018,064	$ -	**$ 2,018,064**	$ 3,202,443
Equities	8,520,844	-	**8,520,844**	6,710,869
Other	2,430,304	-	**2,430,304**	1,039,924
Term Deposits	5,000,000	-	**5,000,000**	3,000,000
Student Investment Fund	-	110,403	**110,403**	64,454
Total Investments	**$17,969,212**	**$ 110,403**	**$18,079,615**	$14,017,690

4. Life insurance policies

The Foundation has been given life insurance policies under which it is the owner and beneficiary. The policies are treated as an investment and shown as an asset to the extent of the cash surrender values of $167,864 (2025 - $160,185). The total coverage provided under the policies owned by the Foundation is approximately $290,000 (2025 - $290,000).

5. Line of credit payable

Under the Line of Credit Agreement between the Foundation and Okanagan College, the College may provide funds to the Foundation, up to a maximum of $1,250,000, by way of a line of credit so as to cover the costs to be incurred by the Foundation in operating and running the fundraising Campaign(s).

The line of credit payable shall be made free of interest provided that the Foundation shall comply strictly with the terms of the agreement.

The Foundation shall repay amounts owed on the line of credit payable pursuant to the terms of this Agreement on the following basis:

- On March 31 in each year, repayment of a minimum of 20% of the pledge payments that are received, to a maximum amount of all outstanding credit; and
- At any time forthwith upon demand from the College.

The balance outstanding of the line of credit payable under the Line of Credit Agreement as at March 31, 2026 was $45,841 (2025 - $nil).

Okanagan College forgave the equivalent of approximately 18% (2025 – 35%) of the pledges received in the amount of $460,000 for the fiscal year ending March 31, 2026 (2025 – $460,180).

6. Endowment funds

The Foundation has invested with various community foundations funds donated for student award purposes. These investments are held in perpetuity by the respective community foundations and interest will be paid to the Foundation to fund the respective student awards.

The following table lists the foundations holding endowment funds for the benefit of the Foundation, the fund balances as at March 31 and the investment income amounts received by the Foundation during the fiscal year.

	2026		2025	
	Fund balance	**Investment income**	Fund balance	Investment income
The Vancouver Foundation	**$ 500,000**	**$ 48,673**	$ 500,000	$ 48,528
The Community Foundation of the South Okanagan	**160,000**	**10,280**	160,000	9,760
The Central Okanagan Foundation	**112,542**	**-**	107,742	4,412
The Community Foundation of the North Okanagan	**100,000**	**7,888**	100,000	7,300
The Shuswap Community Foundation	**100,000**	**7,984**	100,000	7,556
The Revelstoke Community Foundation	**5,000**	**274**	5,000	-
	$ 977,542	**$ 75,099**	$ 972,742	$ 77,556

As the investments in community foundations are not controlled by the Foundation, these investments have not been recognized in the financial statements.

7. Related party transactions

Included in donations revenue is $189,107 (2025 - $156,886) received from Okanagan College to be used towards annual awards and other program support.

During the year, Okanagan College approved $460,000 (2025 - $460,180) for forgiveness of the line of credit.

During the year, the Foundation awarded to Okanagan College grants in the amount of $342,115 (2025 – $496,447) to fund specific programs and transferred $3,739,146 (2025 - $661,294) raised in campaigns to support the construction of the Kelowna Recreation and Wellness Center and other program support.

Transactions with related parties are recorded at the exchange amount, the amount of consideration agreed to between the related parties.

8. Financial instruments risks

The Foundation's main financial instrument risk exposure is market risk. Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

Currency risk – Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to this risk on its investments in U.S. and international equities quoted in an active market. There was no significant change in exposure from the prior year.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk with respect to investment in fixed income instruments. Interest rate risk in the 2026 fiscal year was influenced by short-term market volatility arising from geopolitical events and fluctuations in oil prices.

Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest rate risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk on its investment in equities quoted in an active market. There was no significant change in exposure from the prior year.

9. British Columbia Societies Act

The British Columbia Societies Act includes a requirement to disclose the remuneration paid to all directors, the ten highest paid employees, and all contractors who are paid at least $75,000 annually. There are no items to disclose in the current year.