



# Financial Statements

March 31, 2008

[www.okanagan.bc.ca](http://www.okanagan.bc.ca)

**Financial Statements  
For the Year Ended March 31, 2008**

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**Auditors' Report**

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Statements

Statement of Financial Position



Auditors' report

Grant Thornton

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To the Board of Governors of  
Okanagan College

We have audited the statement of financial position of Okanagan College as at March 31, 2008 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the College's management. Our responsibility is to express an opinion on these financial statements based on our audit.

**OKANAGAN COLLEGE**  
**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2008**  
(with comparative figures as at March 31, 2007)

	OPERATING FUND	ANCILLARY SERVICES FUND	SPECIFIC PURPOSE FUND	CAPITAL FUND	2008 TOTAL	2007 TOTAL
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash	\$ 13,799,058	\$ -	\$ -	\$ -	13,799,058	\$ 9,276,092
Marketable securities (note 3)	6,234,468	-	-	-	6,234,468	8,297,169
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<b>Non-current Assets</b>						
Inventory	144,749	406,358	-	-	551,107	569,758
Interfund balances	(1,931,233)	(695,982)	2,627,215	-	22,269,763	20,665,201
	19,891,665	(268,878)	2,646,976	-	22,269,763	20,665,201
Marketable securities (note 3)	1,782,211	-	-	-	1,782,211	-
Capital assets (note 4)	-	-	-	55,839,653	55,839,653	54,934,644
	<u>21,873,876</u>	<u>(268,878)</u>	<u>2,646,976</u>	<u>55,839,653</u>	<u>79,891,627</u>	<u>75,599,845</u>

**LIABILITIES AND FUND BALANCES**

**OKANAGAN COLLEGE**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31, 2008**  
(with comparative figures for 2007)

	2008	2007				
	FUND	FUND	FUND	FUND	TOTAL	TOTAL
<b>REVENUE</b>						
Grants from Province of British Columbia	\$ 48,401,579	\$			\$ 48,401,579	\$ 44,954,820
Tuition fees	16,886,130				16,886,130	16,035,948
Contract services	7,304,971		869,457		8,174,428	8,583,957
Ancillary service sales		5,111,160			5,111,160	4,739,073
Investment income	707,723		3,976		711,699	797,359
Unrealized loss on investments	(531,111)				(531,111)	
Amortization of deferred contributions for capital acquisitions (note 7)				1,871,935	1,871,935	2,329,897
Other	1,445,552				1,445,552	3,482,950
	74,214,844	5,111,160	873,433	1,871,935	82,071,372	80,924,004
<b>EXPENSE</b>						
Salaries and benefits	52,798,304	992,654	344,140		54,135,098	51,320,511
Supplies and services	15,701,787	4,028,736	828,487		20,559,010	18,318,747
Interest on debt	82,455				82,455	99,080
Amortization of capital assets				5,595,782	5,595,782	5,376,277



**OKANAGAN COLLEGE**  
**Notes to Financial Statements**  
**For the Year Ended March 31, 2008**

Okanagan College (the "College") was designated by Order in Council on November 26, 2004, and began operations July 1, 2005. The College

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

**1. Significant Accounting Policies**

**(a) Fund Accounting**

**OKANAGAN COLLEGE**  
**Notes to Financial Statements**  
**For the Year Ended March 31, 2008**

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Deferred contributions related to capital assets represent the unamortized and unspent amount of externally restricted contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations and

changes in fund balances.



**OKANAGAN COLLEGE**  
**Notes to Financial Statements**  
**For the Year Ended March 31, 2008**

**(e) 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Specific areas requiring

management estimates include the expected useful life of capital assets and the related amortization of the capital assets and deferred capital contributions, as well as the valuation of accounts receivable, certain marketable securities, and accrued payroll benefits. Actual results could differ from those estimates.

**(f) Financial Instruments**

OKANAGAN COLLEGE

Notes to Financial Statements

For the Year Ended March 31, 2008

3. Marketable Securities

The portfolio of marketable securities is invested through Genus Capital Management ("Genus"). The investment portfolio is held for trading and valued at fair value.

The long term portion of the investment portfolio is invested in non bank sponsored Canadian asset backed commercial paper ("ABCP"). During the

OKANAGAN COLLEGE

Notes to Financial Statements

For the Year Ended March 31, 2000

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**OKANAGAN COLLEGE**  
**Notes to Financial Statements**  
**For the Year Ended March 31, 2008**

**7. Deferred Contributions for Capital Acquisitions**

	2008	2007
Balance, beginning of year	\$ 32,933,218	\$ 35,237,630
Deferred contributions from:		
Ministry of Advanced Education	5,115,077	-
	<u>                    </u>	<u>                    </u>

Deferred contributions for capital acquisitions	38,048,895	35,263,115
Less: Amounts amortized to revenue	<u>(1,871,935)</u>	<u>(2,329,897)</u>
Balance, end of year	\$ 36,176,960	\$ 32,933,218

**8. Commitments and Contingencies**

- (a) The College leases, for the Penticton campus, 5.92 hectares under a long-term lease, which expires June 30, 2036, the annual payment for which is \$88,105.

Notes to Financial Statements

For the Year Ended 2011

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

OKANAGAN COLLEGE  
Notes to Financial Statements

**Related organization transactions**

Included in the College expenses is \$166,019 (2007 - \$180,925) towards Foundation support, this includes \$21,288 of lease payments for the Salmon Arm Trades building.

During the year the College received from the Foundation grants in the amount of \$41,014 (2007 - \$54,126) to fund specific projects.