

Partners

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STATEMENT 2

	OPERATING FUND	ANCILLARY SERVICES FUND	SPECIFIC PURPOSE FUND	CAPITAL FUND	2009 TOTAL	2008 TOTAL
REVENUE						
Grants from Province of British Columbia	\$ 50,198,606	\$ -	\$ -	\$ -	\$ 50,198,606	\$ 48,401,579
Tuition fees	17,780,936	-	-	-	17,780,936	16,886,130
Contract services	6,619,463	-	1,027,048	-	7,646,511	8,174,428
Ancillary service sales	-	-	-	-	-	-

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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

The College follows Canadian Generally Accepted Accounting Principles for not-for-profit organizations and applies such principles consistently. The resources and operations of the College are segregated into various funds for accounting and financial reporting purposes, each being treated as a separate entity with responsibility for the stewardship of the assets allocated to it.

The Operating Fund includes revenues and expenditures related to the general instructional, administrative and other operational activities of the College. The Operating Fund holds the cash on behalf of the other funds. The Interfund balance represents each

The Ancillary Services Fund includes revenues and expenditures relating to ancillary enterprises such as: the College bookstore, campus food services, student housing, student parking, and duplicating services.

The Specific Purpose Fund includes revenues and expenditures relating to special projects, which are undertaken by the College, and specially funded by agencies, donors, governments or appropriations from the Operating Fund. The Specific Purpose Fund balance represents the balance of externally restricted funds held pending disbursement.

The Capital Fund accounts for funds received and expended for the acquisition of capital assets.

(b) Revenue Recognition

The College follows the deferral method of accounting for contributions.

Operating contributions, including grants from the Ministry of Advanced Education, are recognized as revenue in the period when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions including capital grants from the Ministry of Advanced Education are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Restricted contributions for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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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.

Externally restricted non-capital contributions are deferred and are recognized as revenue in the period in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by external parties.

Donations that are not externally restricted are recognized as revenue when they are received.

Revenue from academic and vocational related tuition fees is recognized as revenue in the semester in which the course or program begins. Any portion of the tuition fee revenue relating to the period subsequent to March 31 is recorded as revenue in the current period when the fees are not refundable to the students. In the event that a student is eligible for a refund, revenue is prorated and the portion eligible for a refund is deferred to the next fiscal year.

Ancillary sales are recognized when the product or service is provided to the consumer. Investment income is recognized as it accrues.

(c) Inventory

Inventory is stated at the lower of cost and net realizable value. Costs are assigned using the first-in, first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less any applicable selling expenses.

(d) Capital Assets

Capital assets are recorded at cost. Capital assets are amortized on a straight-line basis as follows:

Capital Asset Class	Years
Site Improvements	10
	40
	20
Furniture and Equipment	5
Computer Equipment	5
Library Books	10
Leasehold Improvements	3

No amortization is taken on construction in progress.



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6.

Cost	Accumulated Amortization	2009 Net Book	2008 Net Book
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(b) The College has entered into various agreements and contracts with third parties for various services with periods ranging from one to four years. The combined annual costs over the next four years are estimated to be as follows:

Fiscal year 2009-10	\$ 1,620,912
Fiscal year 2010-11	976,392
Fiscal year 2011-12	567,745
Fiscal year 2012-13	463,283
	\$ 3,628,332

(c)

11.

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 about 11,000 active members from college senior administration and instructional staff and approximately 3,500 retired members. The Municipal Pension Plan has about 150,000 active members, with approximately 5,000 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, 2006 indicated an unfunded liability of \$54 million for basic pension benefits. The next valuation will be as at August 31, 2009 with results available in 2010. The most recent valuation for the Municipal Pension Plan as at December 31, 2006 indicated a surplus of \$438 million for basic pension benefits. The next valuation will be as at December 31, 2009 with results available in 2010. The actuary does not attribute portions of the unfunded liability to individual employers.

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12. Related Organization

community. Its purpose is to further the goals, objectives, and strategic interests of the College, stimulate and provide financial support for the development and expansion of educational programs, services, capital projects, and other initiatives as recommended by the College, and provide financial support to enable students to participate in learning at the College and other post-secondary institutions in Canada. The College has an economic interest in relation to the Foundation. The Foundation is a registered charity with the Canada Revenue Agency and

Foundation are available on request. Financial summaries of the Foundation as at March 31, 2009 and for the year then ended are as follows:

	2009	2008
Financial Position		
Total assets	\$ 6,695,664	\$ 7,472,121
Total liabilities	227,465	33,025
Total net assets	6,468,199	7,439,096
	6,695,664	7,472,121
Results of Operations		
Total revenues	241,074	554,485
Total expenditures	1,201,835	717,670
Deficiency of revenues over expenditures	(960,761)	(163,185)
Cash Flows		
From operating activities	406,765	362,736
From investing activities	(200,924)	58,517
Cash at beginning of the year	852,729	431,476
Cash at end of the year	\$ 1,058,570	\$ 852,729

determining their fair value, contributed services and supplies are not identified in these financial statements.

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13. Capital Management

The College's objectives when managing capital are:

- a. to safeguard the College's ability to operate as a going concern; and
- b. to maintain a flexible capital structure.

The College's capital requirements are reviewed annually to ensure sufficient funds are available to meet operational needs.

14. Interfund Transfers

Included in interfund transfers are re-distributions of costs incurred in the Ancillary Services Fund, internal re-distribution of Operating Funds to the Specific Purpose Fund, as well as transfers of net results from some Ancillary Services Fund to the Operating Fund and transfers from the Operating Fund to the Capital Fund for repayment of debt.

15. Subsequent Event