Financial Statements

March 31, 2008

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Financial Statements For the Year Ended March 31, 2008

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Auditors' Report

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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
ASSETS						
Cash Marketable securities (note 3)	\$ 13,799,058 \$ 6,234,468	- \$	- 5 - -	- \$	13,799,058 6,234,468	\$ 9,276,092 8,297,169
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Inventory	144,749 (1 931 233)	406,358 (695,982)	- 2 627 215		551,107	569,758 -
Inventory Interfund balances	144,749 (1,931,233) 19,891,665	406,358 (695,982) (268,878)	- 2,627,215 2,646,976		551,107 22,269,763	569,758
Interfund balances	(1,931,233) 19,891,665	(695,982)				<u>-</u>
	(1,931,233)	(695,982)		55,839,653	22,269,763	<u>-</u>
Interfund balances Marketable securities (note 3)	(1,931,233) 19,891,665	(695,982)		55,839,653 55,839,653	22,269,763	20,665,201 -
Interfund balances Marketable securities (note 3)	(1,931,233) 19,891,665 1,782,211	(695,982) (268,878)	2,646,976		22,269,763 1,782,211 55,839,653	20,665,201 54,934,644
Interfund balances Marketable securities (note 3) Capital assets (note 4)	(1,931,233) 19,891,665 1,782,211	(695,982) (268,878)	2,646,976		22,269,763 1,782,211 55,839,653	20,665,201 - 54,934,644 75,599,845
Interfund balances Marketable securities (note 3) Capital assets (note 4) I IABIL ITIES AND FUND BALANCES Current liabilities Accounts payable and accrued liabilities	(1,931,233) 19,891,665 1,782,211	(695,982) (268,878)	2,646,976	55,839,653	22,269,763 1,782,211 55,839,653 79,891,627 2,458,289	20,665,201 - 54,934,644 75,599,845 3,409,987
Interfund balances Marketable securities (note 3) Capital assets (note 4) I IABU ITIES AND FUND BAI ANCES Current liabilities Accounts payable and accrued liabilities Bank debt (note 5)	(1,931,233) 19,891,665 1,782,211 21,673,876	(695,982) (268,878) (268,878)	2,646,976 2,646,976 39,984		22,269,763 1,782,211 55,839,653 79,891,627 2,458,289 399,156	20,665,201 54,934,644 75,599,845 3,409,987 1,300,937
Interfund balances Marketable securities (note 3) Capital assets (note 4) I IABIL ITIES AND FUND BALANCES Current liabilities Accounts payable and accrued liabilities	(1,931,233) 19,891,665 1,782,211 21,673,876	(695,982) (268,878) (268,878)	2,646,976	55,839,653	22,269,763 1,782,211 55,839,653 79,891,627 2,458,289	20,665,201 - 54,934,644 75,599,845 3,409,987

OKANAGAN COLLEGE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED MARCH 31, 2008

(with comparative figures for 2007)

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	FUND	FUND	FUND	FUND	TOTAL	TOTAL
REVENUE						
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
XPENSE						
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
	68,582,546	5,021,390	1,172,627	5,595,782	80,372,345	75,114,615

OKANAGAN COLLEGE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2008

(with comparative figures for 2007)

2008 2007 **OPERATING ACTIVITIES:** 1,699,027 \$ 8,320,634 Excess of revenue over expense (Statement 2) Adjust for non-cash items (77,465)Gain on sale of investments 531,111 Unrealized loss (gain) on marketable securities _}____

5,595,782

5,953,985

5,376,277

11,289,549

Amortization of capital assets

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



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

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

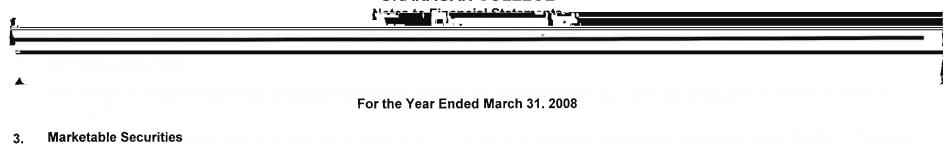
Deferred contributions related to capital assets represent the unamortized and unspent amount of externally restricted contributions received for the purchase of sential constant of control control control of control control of control of control contr

changes in fund balances.

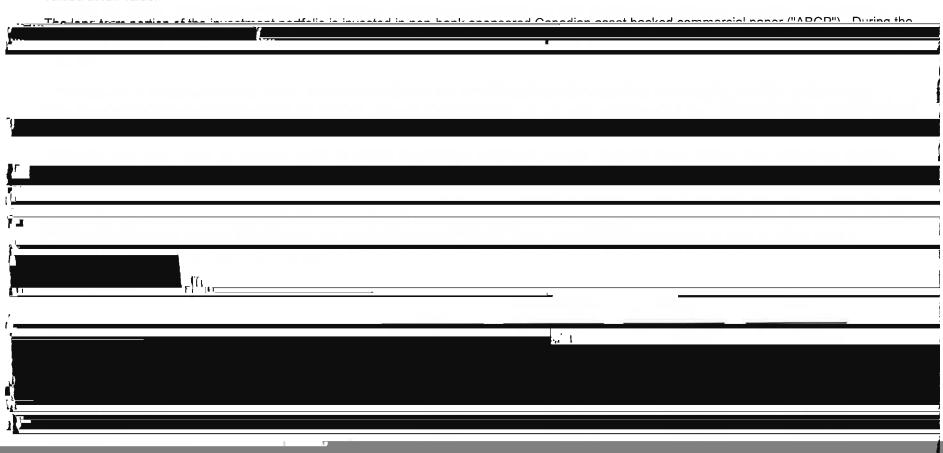
Notes to Financial Statements For the Year Ended March 31, 2008

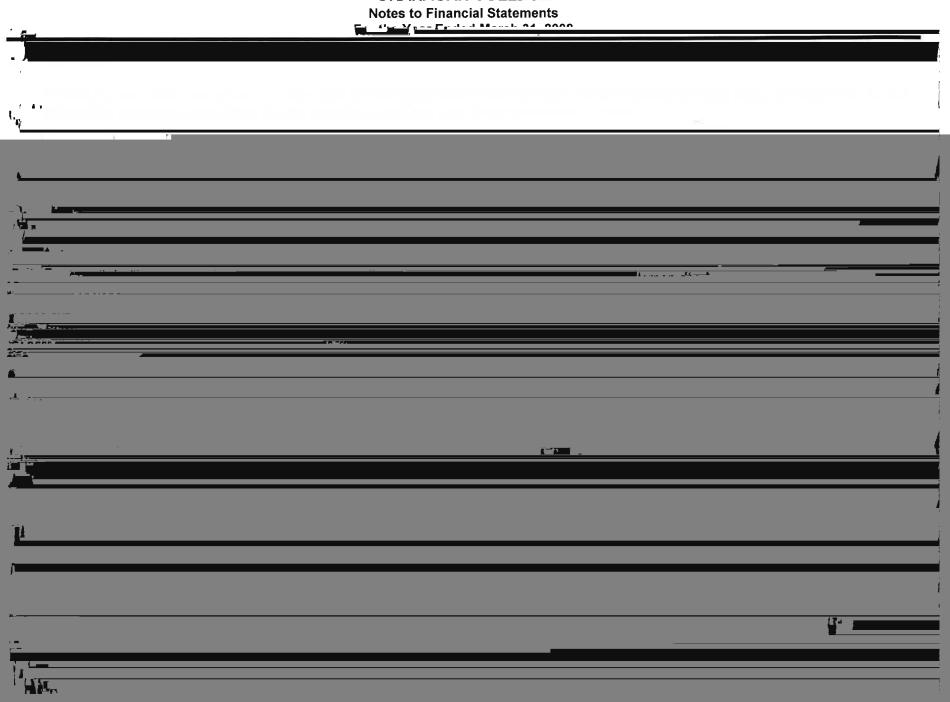
	The preparation of financial statements in conformity with Canadian Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the figure statements and the reported amounts of revenues and expenses during the reporting period. Specific areas requiring
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	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
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The portfolio of marketable securities is invested through Genus Capital Management ("Genus"). The investment portfolio is held for trading and valued at fair value.



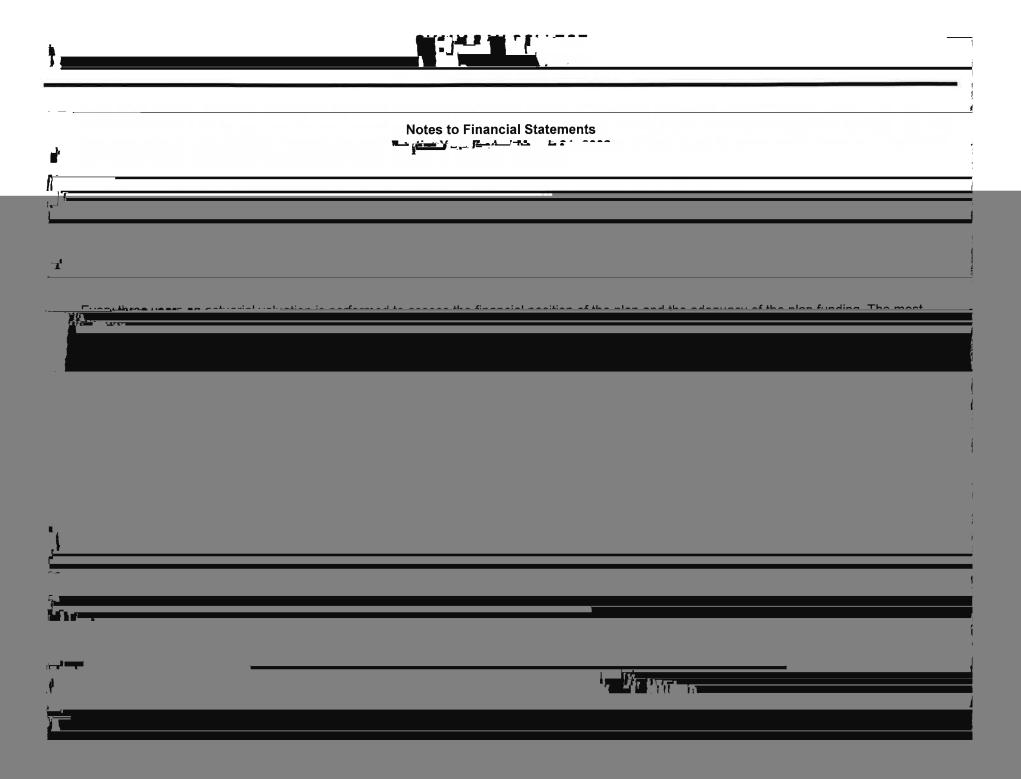


Notes to Financial Statements For the Year Ended March 31, 2008

7.	Deferred Contributions for Capital Acquisitions	2008	2007	
	Balance, beginning of year Deferred contributions from:	\$ 32,933,218	\$ 35,237,630	
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	Deferred contributions for capital	38,048,895	25 262 115	
	acquisitions Less: Amounts amortized to revenue	(1,871,935)	35,263,115 (2,329,897)	
	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

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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 Callege received from the Equadation greats in the amount of \$44,044 (2007 \$54,128) to fund specific projects	
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