



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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Financial Statements

Statement of Financial Position



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 | \$ 13,799,058 | \$ - | \$ - | \$ - | \$ 13,799,058 | \$ 9,276,092 |
| Marketable securities (note 3) | 6,234,468 | - | - | - | 6,234,468 | 8,297,169 |
| <hr/> | | | | | | |
| Inventory | 144,749 | 406,358 | - | - | 551,107 | 569,758 |
| Interfund balances | (1,931,233) | (695,982) | 2,627,215 | - | - | - |
| | 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 |
| | 21,673,876 | (268,878) | 2,646,976 | 55,839,653 | 79,891,627 | 75,599,845 |
| <hr/> | | | | | | |
| LIABILITIES AND FUND BALANCES | | | | | | |
| Current liabilities | | | | | | |
| Accounts payable and accrued liabilities | 2,394,854 | 23,451 | 39,984 | - | 2,458,289 | 3,409,987 |
| Bank debt (note 5) | - | - | - | 399,156 | 399,156 | 1,300,937 |
| Deferred revenues | 3,915,487 | 79,050 | 35,025 | - | 4,029,562 | 4,422,912 |
| Current portion of unfunded accrued payroll benefits (note 6) | 3,141,030 | - | - | - | 3,141,030 | 2,730,248 |
| | 9,451,371 | 102,501 | 75,009 | 399,156 | 10,028,037 | 11,864,084 |

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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

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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.

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(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

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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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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 | - |

| | | |
|---|----------------------|----------------------|
| 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

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