





Grant Thornton LLP
200- 1633 EllisAt-7(II)6(isAt-7(r6

	Budget 2018	2018	2017
Revenue			
Government grants	\$ 58,285,429	\$ 59,607,090	\$ 57,365,737
Tuition and other fees	34,428,061	35,842,236	32,306,092
Ancillary service sales	5,521,801	5,846,157	5,509,594
Contract services	3,405,329	2,027,712	1,989,879
Post construction contributions for tangible capital assets	-	996,073	996,999
Investment income	379,050	704,303	410,738
Other administration fees and sundry	533,450	1,067,645	848,513
	5,211,914	5,287,100	5,368,555
	107,765,034	111,378,316	104,796,107
Expense (note 14)			
Instruction and academic support	58,042,639	57,858,981	55,225,997
Facility and institutional support	19,887,393	19,249,272	19,089,359
Enrolment management and student support	18,177,756	17,089,672	17,443,915
Ancillary operations	4,597,625	4,991,087	4,679,977
Amortization of tangible capital assets	6,920,194	7,094,105	7,053,607
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OKANAGAN COLLEGE
STATEMENT OF REMEASUREMENT GAINS AND LOSSES
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
Accumulated remeasurement gains, beginning of year	<u>\$ 1,322,167</u>	<u>\$ 791,564</u>
Unrealized gain on investments	114,338	572,584
Realized gain on investments, reclassified to statement of operations	<u>(178,521)</u>	<u>(41,981)</u>
Net remeasurement (losses) gains for the year	<u>(64,183)</u>	<u>530,603</u>
Accumulated remeasurement gains, end of year	<u>\$ 1,257,984</u>	<u>\$ 1,322,167</u>

OKANAGAN COLLEGE
STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED MARCH 31, 2018

	Budget 2018	2018	2017
Annual surplus	\$ -	\$ 4,955,772	\$ 1,163,825
Acquisition of tangible capital assets	(17,700,000)	(14,499,353)	(6,314,604)
Amortization of tangible capital assets	6,920,194	7,094,105	7,053,607
	<u>(10,779,806)</u>	<u>(2,449,476)</u>	<u>1,902,828</u>
Acquisition of prepaid expenses	-	(784,850)	(798,888)
Use of prepaid expenses	-	798,888	561,126
	<u>-</u>	<u>14,038</u>	<u>(237,762)</u>
Net remeasurement (losses) gains	<u>-</u>	<u>(64,183)</u>	<u>530,603</u>
(Increase) decrease in net debt	(10,779,806)	(2,499,621)	2,195,669
Net debt, beginning of year	<u>(110,351,316)</u>	<u>(110,351,316)</u>	<u>(112,546,985)</u>
Net debt, end of year	<u>\$ (121,131,122)</u>	<u>\$ (112,850,937)</u>	<u>\$ (110,351,316)</u>

2018

2017

(a) Basis of accounting

These financial statements are the responsibility of and have been prepared by, management in

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Revenue recognition(continued)

Restricted donations and grants are reported as revenue depending on the nature of the restrictions placed on the use of the funds by the contributors as follows:

- I. Contributions for the purpose of acquiring or developing a depreciable tangible capital asset or in the form of a depreciable tangible capital asset, in each case for use in providing services recorded and referred to as deferred contributions for tangible capital assets and recognized in revenue at the same rate that amortization of the tangible capital asset is recorded. The product of the deferred contributions for tangible capital assets and the recognition of the revenue are accounted for in the fiscal period during which the tangible capital asset is used to provide services.
- II. Contributions restricted for specific purposes other than those to be held in perpetuity or for acquisition or development of land or buildings.

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Asset retirement obligations

Liabilities are recognized for statutory, contractual and legal obligations associated with the retirement of tangible capital assets when those obligations result from the acquisition, construction, development or normal operation of the assets. The obligations are measured initially at fair value, determined using present value methodology, and the resulting costs are capitalized into the carrying amount of the related tangible capital asset. In subsequent periods, the liability is adjusted for accretion and any changes in the amount or timing of the underlying future cash flows. The capitalized asset retirement cost is amortized on the same basis as the related asset and accretion expense is included in the Statement of Operations.

(k) Budget

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

3. ACCOUNTS RECEIVABLE

The following table shows the categories of accounts receivable and the related provision for doubtful accounts

	<u>2018</u>	<u>2017</u>
Student receivables	\$ 125,202	\$ 1 419,241
Trade and other receivables	<u>1,811,642</u>	<u>2,650,939</u>
	2,066,844	3,070,180
Less: Allowance for doubtful accounts	<u>(186,063)</u>	<u>(190,528)</u>
	<u>\$ 11,880,781</u>	<u>\$ 2,879,652</u>

4. INVENTORY FOR RESALE

Inventories recognized in the statement of financial position can be analyzed as follows:

	<u>2018</u>	<u>2017</u>
Bookstore	\$ 1 770,854	\$ 671,108
Other	<u>11,367</u>	<u>20,632</u>
	<u>\$ 1 782,221</u>	<u>\$ 691,740</u>

In 2018 a total of \$3,038,847 (2017 - \$2,840,866) of inventories were included in the Statement of Operations

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

6. TANGIBLE CAPITAL ASSETS

The following tables show the cost, additions, transfers, disposals, accumulated amortization and net book value of the College's tangible capital assets:

As at March 31, 2018						
	Land and site improvements	Buildings	Furniture and equipment	Computer equipment	Assets under construction	2018 Total
Cost						
Opening balance	\$ 11,476,162	\$ 159,618,950	\$ 55,429,594	\$ 13,078,321	\$ 5,743,526	\$ 246,827,210
Additions/ transfers	1,588,566	4,801,327	1,421,166	944,771	5,743,526	14,499,350
Closing Balance	13,064,728	164,420,277	56,850,757	14,023,092	6,467,717	254,826,571
Accumulated Amortization						
Opening balance	7,327,061	48,037,041	50,136,310	11,705,810	-	117,206,222
Amortization	635,865	4,015,477	1,944,997	497,766	-	7,094,105
Closing balance	7,962,926	52,052,518	52,081,307	12,203,576	-	124,300,327

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

6. TANGIBLE CAPITAL ASSETS (continued)

Assets under construction

Assets under construction as at March 31, 2018 present work in progress of \$167,717 (2017-
\$724,191) on the construction of a new health building

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

8. EMPLOYEE FUTURE BENEFITS

(a) Pension benefits

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan (jointly, "pension plans"). The boards of trustees for these plans, representing plan members and employers, are responsible for administering the pension plans, including investments and administering benefits. The plans are multi-employer defined benefit pension plans. Basic pension benefits are based on a formula. As at August 31, 2017, the College Pension Plan has about 4,000 active members and approximately 7,500 retired members. As at December 31, 2017, the Municipal Pension Plan has about 93,000 active members, including approximately 5,300 from colleges.

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

8. EMPLOYEE FUTURE BENEFITS (continued)

The significant actuarial assumption adopted in preparing the College accrued benefit liability is as follows:

	<u>2018</u>	<u>2017</u>
Interest (discount) rate	2.75%	3.3%
Wages and salary escalation rate range	2.0–6.0%	2.0–6.0%

9. DEFERRED CONTRIBUTIONS AND AVAILABLE CAPITAL ASSETS

The amortization of

OKANAGAN COLLEGE
Notes to the Financial Statements
Year Ended March 31, 2018

15. FINANCIAL RISK MANAGEMENT

The College

