



# Financial Statements

March 31, 2007

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

# **OKANAGAN COLLEGE**

## **Financial Statements**

**For the Year ended March 31, 2007**

	<b>Page</b>
<b>Auditors' Report</b>	1
<b>Statements:</b>	
1. Statement of Financial Position	2
2. Statement of Operations and Changes in Fund Balances	3
3. Statement of Cash Flows	4
<b>Notes to Financial Statements</b>	5 - 13

Grant Thornton LLP  
Chartered Accountants  
Management Consultants

## Auditors' Report

To the Board of Governors of  
Okanagan College

We have audited the statement of financial position of Okanagan College as at March 31, 2007 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.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of Okanagan College as at March 31, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Kelowna, B.C.  
May 4, 2007

*Grant Thornton LLP*  
Chartered Accountants

200 - 1633 Ellis Street  
Kelowna, British Columbia  
V1Y 2A8  
Tel: (250) 712-6800  
Fax: (250) 712-6850

**OKANAGAN COLLEGE**  
**STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2007**  
(with comparative figures as at March 31, 2006)

	OPERATING FUND	ANCILLARY SERVICES FUND	SPECIFIC PURPOSE FUND	CAPITAL FUND	2007 TOTAL	2006 TOTAL
ASSETS	\$	\$	\$	\$	\$	\$
<b>Current Assets</b>						
Cash	9,276,092	-	-	-	9,276,092	8,152,973
Marketable Securities (Note 2)	8,297,169	-	-	-	8,297,169	-
Accounts Receivable	3,003,526	-	13,697	-	3,017,223	3,883,289
Due from Okanagan University College (Note 3)	-	-	-	-	-	7,112,589
Inventory	569,758	-	-	-	569,758	475,556
Interfund Balances	(993,129)	(1,076,211)	2,069,340	-	-	-
	20,153,416	(1,076,211)	2,083,037	-	21,160,242	19,624,407
Capital Assets (Note 4)	-	-	-	54,934,644	54,934,644	52,457,831
	20,153,416	(1,076,211)	2,083,037	54,934,644	76,094,886	72,082,238
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Current Liabilities</b>						
Accounts Payable and Accrued Liabilities	3,320,377	59,977	29,633	-	3,409,987	3,278,451
Bank Debt (Note 5)	-	-	-	1,300,937	1,300,937	66,341
Deferred Revenues	4,823,130	61,994	32,829	-	4,917,953	5,289,108
Current portion of Unfunded Accrued Payroll Benefits (Note 6)	2,730,248	-	-	-	2,730,248	2,347,479
	10,873,755	121,971	62,462	1,300,937	12,359,125	10,981,379
Bank Debt (Note 5)	-	-	-	340,447	340,447	1,640,889
Unfunded Accrued Payroll Benefits (Note 6)	8,477,829	-	-	-	8,477,829	10,657,701
Deferred Contributions for Capital Acquisitions (Note 7)	-	-	-	32,933,218	32,933,218	35,237,630
	19,351,584	121,971	62,462	34,574,602	54,110,619	58,517,599
Invested in Capital Assets	-	-	-	20,360,042	20,360,042	13,573,272
Unrestricted Fund Deficit	(7,119,985)	(1,632,564)	-	-	(8,752,549)	(7,654,424)
Restricted Fund Balance	7,921,817	434,382	2,020,575	-	10,376,774	7,645,791
	801,832	(1,198,182)	2,020,575	20,360,042	21,984,267	13,564,639
	20,153,416	(1,076,211)	2,083,037	54,934,644	76,094,886	72,082,238
Commitments and Contingencies (Note 8)						

  
Chairperson, Board of Governors

  
Vice President, Finance & Administration

**OKANAGAN COLLEGE**  
**STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED MARCH 31, 2007**  
(with comparative figures for 2006)

	OPERATING FUND	ANCILLARY SERVICES FUND	SPECIFIC PURPOSE FUND	CAPITAL FUND	2007 TOTAL	2006 TOTAL
	\$	\$	\$	\$	\$	\$
<b>Revenue:</b>						
Ministry of Advanced Education						
Regular Programs	42,762,210	-	-	-	42,762,210	32,564,320
ACA Grants	1,687,628	-	-	-	1,687,628	-
Leases and Property Taxes	504,982	-	-	-	504,982	138,827
	44,954,820	-	-	-	44,954,820	32,703,147
Tuition Fees	16,035,948	-	-	-	16,035,948	12,605,765
Contract Services	7,961,960	-	621,997	-	8,583,957	5,021,922
Ancillary Service Sales	-	4,739,073	-	-	4,739,073	3,916,240
Investment Income	793,312	-	4,047	-	797,359	200,123
Amortization of Deferred Contributions for Capital Acquisitions (Note 7)	-	-	-	2,329,897	2,329,897	2,030,585
Other	3,482,950	-	-	-	3,482,950	1,613,466
	73,228,990	4,739,073	626,044	2,329,897	80,924,004	58,091,248
<b>Expenses:</b>						
Salaries and Benefits	49,867,505	946,556	506,450	-	51,320,511	34,603,965
Supplies and Services	13,902,460	3,719,684	696,603	-	18,318,747	13,052,709
Interest on Debt	99,080	-	-	-	99,080	25,410
Amortization of Capital Assets (Note 4)	-	-	-	5,376,277	5,376,277	3,643,644
	63,869,045	4,666,240	1,203,053	5,376,277	75,114,615	51,325,728
Excess (Deficiency) of Revenue Over Expenses before other item	9,359,945	72,833	(577,009)	(3,046,380)	5,809,389	6,765,520
Other Item: Adjustment to Unfunded Accrued Payroll Benefits (Note 6)	2,511,245	-	-	-	2,511,245	-
Excess (Deficiency) of Revenue Over Expenses for the year	11,871,190	72,833	(577,009)	(3,046,380)	8,320,634	6,765,520
Fund balances (deficit) at beginning of year	(2,089,995)	374,425	1,706,937	13,573,272	13,564,639	-
Capital Transfers (Note 11)	(7,778,201)	(1,989,104)	-	9,767,305	-	-
Interfund Transfers (Note 12)	(1,380,893)	343,664	971,384	65,845	-	-
Transfers to other entities (Note 3)	-	-	(80,737)	-	(80,737)	-
Transfers from Okanagan University College (Note 3)	179,731	-	-	-	179,731	6,799,119
<b>FUND BALANCES AT END OF YEAR</b>	<b>801,832</b>	<b>(1,198,182)</b>	<b>2,020,575</b>	<b>20,360,042</b>	<b>21,984,267</b>	<b>13,564,639</b>

**OKANAGAN COLLEGE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2007**  
(with comparative figures for 2006)

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of Revenue over Expenses (Statement 2)	8,320,634	6,765,520
Adjust for non-cash items		
Gain on sale of Investments	(77,465)	-
Amortization of Deferred Contributions for Capital Assets	(2,329,897)	(2,030,585)
Amortization of Capital Assets	5,376,277	3,643,644
	<u>11,289,549</u>	<u>8,378,579</u>
Changes in non-cash working capital		
Decrease (Increase) in Accounts Receivable	866,066	(1,701,606)
Increase in Inventory	(94,202)	(127,927)
Increase in Accounts Payable and Accrued Liabilities	131,536	3,158,854
(Decrease) Increase in Unfunded Accrued Payroll Benefits	(1,797,103)	587,436
(Decrease) Increase in Deferred Revenues	(371,155)	4,773,433
<b>Cash Flows From Operating Activities</b>	<u>10,024,691</u>	<u>15,068,769</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Marketable Securities	(12,307,622)	-
Proceeds from Sale of Investments	4,087,918	-
Purchase of Capital Assets	(7,853,090)	(8,078,425)
<b>Cash Flows From Investing Activities</b>	<u>(16,072,794)</u>	<u>(8,078,425)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Deferred Contribution for Future Capital Acquisitions received (Note 7)	25,485	1,716,812
Decrease in Sinking Fund Debenture Debt	-	(2,017,878)
Repayment of Bank Debt	(65,846)	(62,967)
<b>Cash Flows From Financing Activities</b>	<u>(40,361)</u>	<u>(364,033)</u>
<b>(Decrease) Increase in Cash During the Year</b>	<u>(6,088,464)</u>	<u>6,626,311</u>
<b>Cash at Beginning of Year</b>	8,152,973	-
Transfers to other Entities (Note 3)	(80,737)	-
Transfers from Okanagan University College (Note 3)	7,292,320	1,526,662
<b>Cash at End of Year</b>	<u>9,276,092</u>	<u>8,152,973</u>

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

---

Okanagan College (the “College”) was designated by Order in Council on November 26, 2004, and began operations April 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

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 fund’s portion of cash in the Operating Fund. Restricted fund balances represent internally restricted allocations.

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.

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

---

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, which are not externally restricted, are recognized as revenue when they are received.

Revenue from academic and vocational related tuition fees are 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 as the fees are not refundable to the students.

**(c) Investments**

The College has invested in marketable securities for revenue generation. Investments are recorded at the lower of cost or market value. Gains and losses on investments are recognized as realized, or when there is a significant and permanent impairment in the value of the investment.

**(d) Inventory**

Bookstore inventory is recorded at the lower of cost, determined principally on a first-in, first-out basis, and net realizable value. Supplies inventory is recorded at cost.

**(e) Capital Assets**

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

<b>Capital Asset Class</b>	<b>Years</b>
Site Improvements	10
Buildings – Steel/Concrete	40
Buildings – Woodframe	20
Furniture and Equipment	5
Computer Equipment	5
Library Books	10
Leasehold Improvements	3

No amortization is taken on construction in progress.



# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

---

**(f) 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. Actual results could differ from those estimates.

**(g) Financial Instruments**

The College's financial instruments consist of cash, marketable securities, accounts receivable, accounts payable and accrued liabilities, bank debt and unfunded accrued payroll benefits. Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximate their carrying values, unless otherwise noted

**2. Marketable Securities**

The portfolio of marketable securities is invested through Genus Capital Management. The market value of the portfolio of marketable securities at March 31, 2007 is \$8,308,677.

**3. Transfers from Okanagan University College**

On March 17, 2004, the provincial government of British Columbia announced that Okanagan University College would be transformed into two separate institutions: University of British Columbia Okanagan (UBC-O) and Okanagan College (OC). The Okanagan University College employees became employees of either UBC-O or OC effective July 1, 2005 and Okanagan College became fully operational with students attending classes as of September 2005. The transformation included transfer of certain working capital, capital and other assets, debt, deferred capital contributions and fund balances to the respective institutions.

**(a) Fiscal 2007**

The College received from Okanagan University College \$179,731 of fund balances.

The fund balances as at July 1, 2005 transferred, in April 2006, from Okanagan University College, contained fund balances of \$80,737 belonging to entities other than the College. The College subsequently transferred those fund balances to the respective entities.

**(b) Fiscal 2006**

The College's share of Okanagan University College's assets, liabilities, debt and fund balances at July 1, 2005 are reflected in these statements' comparative balances and is summarized below.

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

---

<b>Assets</b>	\$
Cash	1,526,662
Accounts Receivable	2,181,682
Due from Okanagan University College	7,112,589
Inventory	347,629
Capital Assets – Net	48,023,051
<b>Total Assets</b>	<u>59,191,613</u>

  

<b>Liabilities and Fund Balances</b>	\$
<b>Liabilities</b>	
Accounts payable and accrued liabilities	
General	119,598
Unfunded Payroll Benefits	12,417,744
Deferred Revenues	515,675
Deferred Revenues for Capital Acquisitions	35,551,403
Sinking Fund Debenture Debt	2,017,878
Bank Debt	1,770,196
<b>Total Liabilities</b>	<u>52,392,494</u>
<b>Fund Balances</b>	
Invested in capital assets	8,683,573
Unrestricted fund balance	(3,524,386)
Restricted fund balance	1,639,932
	<u>6,799,119</u>
<b>Total Liabilities and Fund Balances</b>	<u>59,191,613</u>

Assets and liabilities have been recorded by the College at Okanagan University College's book values at the time of transfer.

Amortization of capital assets transferred from Okanagan University College has been recorded using the amortization rates in Note 1, giving consideration to the estimated useful lives of the assets transferred and the portion of that estimated useful life consumed during the period of use by Okanagan University College.

The sinking fund debenture matured on August 23, 2005 and was settled for \$1,939,699.

The legal obligation for bank debt remained with Okanagan University College at March 31, 2006. Subsequent to year end this obligation was transferred to the College.

The \$7,112,589 due from Okanagan University College at March 31, 2006 was received in April 2006.

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

### 4. Capital Assets

	----- Cost -----			----- Accumulated Amortization -----			2007	2006
	Opening Balance	Current Year Changes (Net)	Closing Balance	Opening Balance	Current Year Amortization	Closing Balance	Net Book Value	Net Book Value
	\$	\$	\$	\$	\$	\$	\$	\$
Land	885,273	-	885,273	-	-	-	885,273	885,273
Site Improvements	4,909,260	378,507	5,287,767	4,123,594	185,550	4,309,144	978,623	785,666
Buildings – Steel/Concrete	57,733,170	3,121,834	60,855,004	19,399,238	1,482,352	20,881,590	39,973,414	38,333,932
Buildings – Woodframe	2,147,382	-	2,147,382	1,115,795	107,369	1,223,164	924,218	1,031,587
Furniture and Equipment	33,421,933	2,364,674	35,786,607	28,524,369	1,740,734	30,265,103	5,521,504	4,897,564
Computer Equipment	9,652,698	175,634	9,828,332	6,661,663	1,011,500	7,673,163	2,155,169	2,991,035
Library Books	11,706,670	554,473	12,261,143	8,545,172	599,857	9,145,029	3,116,114	3,161,498
Leasehold Improvements	445,531	602,428	1,047,959	74,255	248,915	323,170	724,789	371,276
Construction in Progress	-	655,540	655,540	-	-	-	655,540	-
	<u>120,901,917</u>	<u>7,853,090</u>	<u>128,755,007</u>	<u>68,444,086</u>	<u>5,376,277</u>	<u>73,820,363</u>	<u>54,934,644</u>	<u>52,457,831</u>

### 5. Bank Debt

Outstanding bank debt is comprised of unsecured credit facility agreements with the Royal Bank of Canada to finance expansions at the Vernon and Salmon Arm campuses. As at March 31, the remaining obligations under these loan agreements are:

	\$	Terms
Vernon expansion, 5.14% loan due October 3, 2007	1,287,273	The loan is repayable in consecutive monthly blended payments of principal and interest of \$10,016. The loan is amortized over 240 months.
Salmon Arm expansion, 5.08% loan due August 13, 2008	354,111	The loan is repayable in consecutive monthly blended payments of principal and interest of \$2,670. The loan is amortized over 240 months.
	<u>1,641,384</u>	
Less current portion	<u>(1,300,937)</u>	
	<u>340,447</u>	

The principal amounts to be repaid over the next 2 years are:

	\$
Fiscal 2007/2008	1,300,937
Fiscal 2008/2009	<u>340,447</u>
	<u>1,641,384</u>

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

### 6. Unfunded Accrued Payroll Benefits

	2007	2006
	\$	\$
Holiday Pay	2,257,799	2,099,437
Severance on Resignation	444,278	457,497
Retirement Allowance benefits	8,506,000	10,448,246
Total unfunded accrued payroll benefits	<u>11,208,077</u>	<u>13,005,180</u>
Less: current portion	2,730,248	2,347,479
Long term portion	<u>8,477,829</u>	<u>10,657,701</u>

The College accrues holiday pay and severance on resignation entitlements as they are earned by the employee; however, it is expected that these unfunded liabilities will be met on a continuous basis over the long term. Payments of these amounts will be funded from revenues of the period in which they are settled.

The liability for retirement allowance benefits is determined by an actuary. For 2007, the expense for these benefits is \$1,169,000, made up of \$592,000 projected service costs and \$577,000 interest. For 2006, the projected payout for these benefits charged against this liability is \$600,000. In addition, due to a change in estimate in the actuary's recalculation, the College recorded an adjustment of \$2,511,245 to the above liabilities in the current year. This adjustment is accounted for on a prospective basis. The College plans to do a review every 3 years.

### 7. Deferred Contributions for Capital Acquisitions

	2007	2006
	\$	\$
<b>Balance, Beginning of Year</b>	<u>35,237,630</u>	-
<b>Deferred Contributions from:</b>		
Transfer from Okanagan University College (Note 2)	-	35,551,403
Annual Capital Allowance	-	1,694,681
Specific Purpose Funds	25,485	22,131
<b>Deferred Contributions for Capital Acquisitions</b>	<u>35,263,115</u>	<u>37,268,215</u>
Less: Amounts Amortized to Revenue	(2,329,897)	(2,030,585)
<b>Balance, End of Year</b>	<u>32,933,218</u>	<u>35,237,630</u>

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

---

### 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.
- (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 4 years are estimated as follows:

	\$
Fiscal 2007/2008	1,810,331
Fiscal 2008/2009	564,291
Fiscal 2009/2010	263,026
Fiscal 2010/2011	29,335
	<u>2,666,983</u>

- (c) The College is involved in several lawsuits. Some of these lawsuits are managed and covered by the University, College and Institute Protection Program. The outcome of these matters cannot be determined at this time. In the event that any claims are successful, it is management's opinion that the settlements of such claims would not have a material effect on the financial position of the College. The resulting loss to the College, if any, will be recorded in the period in which it is determinable.

### 9. Pension Plans

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 3,200 retired members. The Municipal Pension Plan has about 130,000 active members, with approximately 4,900 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, 2003 indicated an unfunded liability of \$50 million for basic pension benefits. The next valuation will be as at August 31, 2006 with results available in 2007. The most recent valuation for the Municipal Pension Plan as at December 31, 2003 indicated an unfunded liability of \$789 million for basic pension benefits. The next valuation will be as at December 31, 2006 with results available in 2007. The actuary does not attribute portions of the unfunded liability to individual employers.

The Okanagan College paid \$2,728,847 for employer contributions to the plan in fiscal 2007 (2006 - \$1,874,750).

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

### 10. Related Organization

The Okanagan College Foundation (the "Foundation") is a separate entity controlled by the College. The Foundation raises funds from the College's alumni and from the community. The Foundation's 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 that support the mission and goals of the College; and provide financial support to enable students to participate in learning at the College and other institutions providing post-secondary education in Canada. The Foundation is a registered charity with the Canada Revenue Agency and accordingly is not subject to income tax. In accordance with its constitution and bylaws, the Foundation's operations are exclusively for charitable purposes.

The Foundation's financial results have not been consolidated in the College's financial statements. Audited financial statements of the Foundation are available on request. Financial summaries of the Foundation as at March 31, 2007 and for the year then ended are as follows:

	2007	2006
	\$	\$
<b>Financial Position</b>		
Total assets	7,316,914	6,674,001
Total liabilities	150	207,301
Total net assets	7,316,764	6,466,700
	7,316,914	6,674,001
<b>Results of Operations</b>		
Total Revenues	1,107,967	814,530
Total Expenditures	542,080	434,270
Excess of Revenues Over Expenditures	565,887	380,260
<b>Cash Flows</b>		
From Operating Activities	258,946	187,023
From Investing Activities	(158,798)	(87,514)
Cash at Beginning of the Year	331,328	231,819
Cash at End of the Year	431,476	331,328

#### Related organization transactions

Included in the College expenses is \$180,925 towards Foundation support.

During the year the College received from the Foundation grants in the amount of \$54,136 to fund specific projects.

The College provides administrative staff and necessary supplies for the Foundation's operations. Because of the difficulty in tracking and determining their fair value, contributed services and supplies are not identified in these financial statements.

# OKANAGAN COLLEGE

## Notes to Financial Statements For the Year ended March 31, 2007

---

### 11. Capital Transfers

Included in the capital transfers in the current year, the following transaction occurred. On July 1, 2005 Okanagan College received from Okanagan University College an asset (Skaha Place) on the College's South Kelowna campus. The College also received a corresponding outstanding debenture debt of \$1,939,699. The debenture debt matured on August 31, 2005 and was settled for that amount. The College expected to re-finance that amount over a 10 year period and sought government approval to proceed with the re-financing. The approval was denied and the College decided to finance the amount from the Ancillary Services Fund.

### 12. Interfund Transfers

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

### 13. Comparative Figures

Certain comparative figures have been restated to conform with the current year's presentation.