okanagan college

2012





Financial Statements

March 31, 2012

www.okanagan.bc.ca

Independent auditors' report

Grant Thornton LLP
200 - 1633 Ellis Street
Kelowna BC V1Y 2A8

T (250) 712-6800
(800) 661-4244 (Toll Free)
F (250) 712-6850
www.GrantThornton.ca

To the Board of Governors of
Okanagan College and the Ministry of Advanced Education

We have audited the accompanying financial statements of Okanagan College, which comprise the statement of financial position as at March 31, 2012, and the statement of operations and changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility
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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the College's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the College's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements present fairly, in all material respects, the financial position of Okanagan College as at March 31, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Kelowna, BC
May 15, 2012

Chartered Accountants

OKANAGAN COLLEGE
STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2012
(with comparative figures as at March 31, 2011)

	OPERATING FUND	SPECIFIC PURPOSE FUND	CAPITAL FUND	2012 TOTAL	2011 TOTAL
ASSETS					
Current Assets					
Cash	$ 8,011,746	$ -	$ -	$ 8,011,746	$ 16,157,875
Marketable securities (note 3)	7,524,171	-	-	7,524,171	7,316,239
Accounts receivable and other	5,247,632	19,023	-	5,266,655	3,276,031
Inventory (note 4)	679,399	-	-	679,399	676,724
Interfund balances	(4,208,664)	4,208,664	-	-	-
	17,254,284	4,227,687	-	21,481,971	27,426,869
Marketable securities (note 3)	1,136,256	-	-	1,136,256	1,117,998
Property and equipment (note 5)	-	-	93,990,680	93,990,680	92,358,279
	$ 18,390,540	$ 4,227,687	$ 93,990,680	$ 116,608,907	$ 120,903,146
LIABILITIES AND NET ASSETS					
Current Liabilities					
Accounts payable and accrued liabilities	$ 3,993,451	$ 1,019,133	$ -	$ 5,012,584	$ 8,885,034
Current portion of long term debt (note 6)	-	-	1,129,288	1,129,288	219,026
Deferred revenues	5,666,390	8,250	-	5,674,640	7,697,196
Current portion of unfunded accrued payroll benefits (note 7)	3,977,065	-	-	3,977,065	4,297,400
	13,636,906	1,027,383	1,129,288	15,793,577	21,098,656
Long term debt (note 6)	-	-	4,478,247	4,478,247	5,667,645
Unfunded accrued payroll benefits (note 7)	8,769,354	-	-	8,769,354	7,812,399
Deferred contributions for property and equipment (note 8)	-	-	76,977,173	76,977,173	76,225,507
	22,406,260	1,027,383	82,584,708	106,018,351	110,804,207
Net Assets					
Investment in property and equipment	-	-	11,405,972	11,405,972	10,246,101
Unrestricted surplus	8,730,699	5,628	-	8,736,327	8,897,582
Restricted surplus	-	3,194,676	-	3,194,676	3,065,055
	8,730,699	3,200,304	11,405,972	23,336,975	22,208,738
Unfunded Accrued Payroll Benefits deficit	(12,746,419)	-	-	(12,746,419)	(12,109,799)
	(4,015,720)	3,200,304	11,405,972	10,590,556	10,098,939
	$ 18,390,540	$ 4,227,687	$ 93,990,680	$ 116,608,907	$ 120,903,146

Commitments and contingencies (note 9)

Approved on behalf of the Board:

Lance Kayfish
Chair, Board of Governors

Scott [signature]
Chair, Finance, Audit and Risk Review Committee

See accompanying notes to the financial statements

OKANAGAN COLLEGE
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2012
(with comparative figures for the year ended March 31, 2011)

	OPERATING FUND	SPECIFIC PURPOSE FUND	CAPITAL FUND	2012 TOTAL	2011 TOTAL
REVENUE					
Grants from Province of British Columbia	$ 56,455,461	$ 1,017,478	$ -	$ 57,472,939	$ 55,549,219
Tuition fees	21,726,142	-	-	21,726,142	20,902,757
Contract services	4,693,146	142,256	-	4,835,402	6,950,355
Ancillary service sales	5,762,649	-	-	5,762,649	5,541,824
Unrealized gain on marketable securities	334,822	-	-	334,822	380,093
Investment income	212,159	58	-	212,217	320,163
Other	1,216,333	-	-	1,216,333	1,216,947
Amortization of deferred contributions	-	-	3,152,777	3,152,777	2,807,631
Actuarial adjustment on long term debt	-	-	59,876	59,876	8,214
	90,400,712	1,159,792	3,212,653	94,773,157	93,677,203
EXPENSE					
Salaries and benefits	65,123,204	391,825	-	65,515,029	63,534,244
Supplies and services	22,987,603	631,120	-	23,618,723	23,992,924
Interest on long term debt	207,363	-	-	207,363	213,213
Amortization of property and equipment	-	-	4,940,425	4,940,425	4,626,320
	88,318,170	1,022,945	4,940,425	94,281,540	92,366,701
Excess (deficiency) of revenue over expense	2,082,542	136,847	(1,727,772)	491,617	1,310,502
Net assets at beginning of year	(3,403,400)	3,256,238	10,246,101	10,098,939	8,788,437
Capital transfers	(2,664,940)	(3,443)	2,668,383	-	-
Interfund transfers	(29,922)	(189,338)	219,260	-	-
Net assets at end of year	$ (4,015,720)	$ 3,200,304	$ 11,405,972	$ 10,590,556	$ 10,098,939

See accompanying notes to the financial statements

OKANAGAN COLLEGE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2012
(with comparative figures for the year ended March 31, 2011)

	2012	2011
OPERATING ACTIVITIES:		
Excess of revenue over expense	$ 491,617	$ 1,310,502
Adjust for non-cash items		
Unrealized gain on marketable securities	(334,822)	(380,093)
Loss on disposal of marketable securities	144,154	55,923
Actuarial adjustment on long term debt	(59,876)	(8,214)
Amortization of deferred contributions	(3,152,777)	(2,807,631)
Amortization of property and equipment	4,940,425	4,626,320
	2,028,721	2,796,807
Changes in non-cash working capital		
Accounts receivable and other	(1,990,624)	(916,810)
Inventory	(2,675)	(90,717)
Accounts payable and accrued liabilities	(3,872,450)	3,398,823
Deferred revenues	(2,022,556)	814,393
Unfunded accrued payroll benefits	636,620	388,709
Cash (used in) generated from operating activities	(5,222,964)	6,391,205
INVESTING ACTIVITIES:		
Purchase of marketable securities	(7,562,112)	(4,408,996)
Proceeds from disposal of marketable securities	7,526,590	4,233,946
Acquisition of property and equipment	(6,572,826)	(22,985,727)
Cash used in investing activities	(6,608,348)	(23,160,777)
FINANCING ACTIVITIES:		
Deferred contributions for capital acquisitions	3,904,443	14,286,632
Repayment of long term debt	(219,260)	(216,246)
Cash generated from financing activities	3,685,183	14,070,386
Decrease in cash	(8,146,129)	(2,699,186)
Cash at beginning of year	16,157,875	18,857,061
Cash at end of year	$ 8,011,746	$ 16,157,875

See accompanying notes to the financial statements

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

The College follows Canadian Generally Accepted Accounting Principles 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 assets allocated to it.

The Operating Fund accounts for instructional, administrative, ancillary and other operational costs financed by grants, tuition fees, service and other general income. It also records the related assets, liabilities and net assets.

The Specific Purpose Fund accounts for funds that are received for specific purposes and are not considered part of the ongoing operation of the College.

The Capital Fund accounts for funds received and expended for the acquisition of property and equipment and records the amortization of property and equipment and the amortization of deferred capital contribution.

(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.

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.

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 property and equipment are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment.

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.

(continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Revenue recognition (continued)

Ancillary sales are recognized when the product or service is provided to the consumer.

Investment income is recognized as it accrues.

Contributed goods and services received and used in operations of the College are recognized as revenues and expenditures only to the extent that their fair values can be reasonably determined or estimated.

(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) Property and equipment

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

Property and Equipment Asset Category	Years
Site Improvements	10
Buildings	40
Furniture and Equipment	5
Computer Equipment	5
Leasehold Improvements	3

No amortization is taken on construction in progress.

(e) Impairment of long-lived assets

Long-lived assets subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to its fair value. Fair value is determined using an appropriate valuation technique such as a quoted price in an active market or the present value of expected undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

(continued)

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(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. Specific areas of estimate are the rate of property and equipment and deferred capital contribution amortization, the amount of the allowance for doubtful accounts and the valuation of unfunded accrued payroll benefits. Actual results could differ from those estimates.

(g) Financial instruments

The College's financial instruments consist of cash, marketable securities, accounts receivable and other, accounts payable and accrued liabilities, long term 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 College has classified its financial instruments as follows:

- Cash as held for trading (measured at fair value through the statement of operations)
- Marketable securities as held for trading (measured at fair value through the statement of operations)
- Accounts receivable and other as loans and receivables (measured at amortized cost)
- Accounts payable and accrued liabilities as other financial liabilities (measured at amortized cost)
- Long term debt as other financial liabilities (measured at amortized cost)
- Unfunded accrued payroll benefits as other financial liabilities (measured at amortized cost)

2. FUTURE CHANGE IN ACCOUNTING FRAMEWORKS

Effective April 1, 2012, the College will transition to a new accounting framework which will include Public Sector Accounting Standards (PSA) supplemented by directives from the Government of British Columbia's Treasury Board. The College is reviewing the impact of these changes on the financial statements.

The transition to the new accounting framework will be applied on a retrospective basis.

3. MARKETABLE SECURITIES

The current marketable securities are invested through RBC Phillips Hager & North (prior year Genus Capital Management "Genus"). The investment portfolio is held for trading and valued at fair value.

The long term marketable securities are invested through Genus in A1 and A2 master asset vehicles ("MAV's") resulting from the restructure in 2009 of asset backed commercial paper ("ABCP"). These notes have a maturity date of December, 2016 and bear interest at the 3 month Bankers' Acceptance Rate less 0.5%.

(continued)

3. MARKETABLE SECURITIES (continued)

The market value of the MAV's as at March 31, 2012 has been estimated at 98.33 % (2011 – 90.11%) of the face value of the ABCP.

Genus has provided a guarantee to cover over time any losses by clients holding ABCP through funds invested by Genus. Given uncertainties related to this guarantee, no value has been applied to it or reflected in these financial statements as at March 31, 2012.

4. INVENTORY

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

	2012	2011
Bookstore	**$ 548,073**	$ 555,861
Other	**131,326**	120,863
	$ 679,399	$ 676,724

In 2012, a total of $3,532,861 (2011 - $3,258,991) of inventories were included in the Statement of Operations and Changes in Net Assets as an expense. This includes an amount of $9,623 (2011 -$32,557) resulting from write-down of inventories.

None of the inventories is pledged as security for liabilities.

5. PROPERTY AND EQUIPMENT

			2012	2011
	Cost	Accumulated Amortization	**Net Book Value**	Net Book Value
Land	$ 1,002,538	$ -	**$ 1,002,538**	$ 1,002,538
Site improvements	8,495,261	5,242,155	**3,253,106**	847,848
Buildings	115,394,064	31,870,686	**83,523,378**	60,714,474
Furniture and equipment	44,946,434	39,614,059	**5,332,375**	4,272,349
Computer equipment	10,919,180	10,109,685	**809,495**	624,896
Leasehold improvements	1,579,304	1,509,516	**69,788**	209,364
Construction in progress	-	-	**-**	24,686,810
	$ 182,336,781	$ 88,346,101	**$ 93,990,680**	$ 92,358,279

6. LONG TERM DEBT

	2012	2011
Royal Bank of Canada - Vernon expansion loan, 5.15%, unsecured, repayable at $10,063 per month including interest, due October 3, 2012.	**$ 978,067**	$ 1,046,106
Province of British Columbia - Centre for Learning $5,000,000 bond, 3.10%, unsecured, sinking fund contributions at $151,221 annually plus semi-annual interest of $77,500, due June 9, 2014. Debt is reported net of sinking fund balance of $370,532 (2011 - $159,435).	**4,629,468**	4,840,565
	5,607,535	5,886,671
Less current portion	**(1,129,288)**	(219,026)
Long term debt	**$ 4,478,247**	$ 5,667,645

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

Fiscal year 2012-13	$ 1,129,288
Fiscal year 2013-14	151,221
Fiscal year 2014-15	4,327,026
	$ 5,607,535

Operating line of credit

The College has an operating line of credit with TD Canada Trust for an authorized amount of $1,000,000, bearing interest at bank prime rate minus .5%. At March 31, 2012 the balance outstanding on the operating line of credit was $nil (2010 - $nil).

7. UNFUNDED ACCRUED PAYROLL BENEFITS

	2012	2011
Holiday pay	**$ 3,144,854**	$ 3,408,301
Severance on resignation	**75,889**	70,993
Existing retirement allowance benefits	**8,929,270**	8,630,505
New retirement allowance benefits (see note below)	**596,406**	-
Total unfunded accrued payroll benefits	**12,746,419**	12,109,799
Less: current portion	**(3,977,065)**	(4,297,400)
Long term portion	**$ 8,769,354**	$ 7,812,399

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.

(continued)

7. UNFUNDED ACCRUED PAYROLL BENEFITS (continued)

The existing liability for retirement allowance benefits is determined by an actuary. For 2012, the expense for these benefits is $967,133 (2011 - $1,015,504), made up of $707,665 (2011 - $628,881) projected service costs and $259,468 (2011 - $386,623) interest. For fiscal 2012, the projected payout for these benefits charged against this liability is $668,367 (2011 - $987,000). The College plans to do an actuarial review every three years with the next one being as at March 31, 2013.

During the year a retirement allowance plan was negotiated with the Okanagan College Faculty Association. Effective March 31, 2012, a retiring member of the Okanagan College Faculty Association will be eligible to receive a one-time retirement allowance payment after completing a minimum of 5 full time equivalent years of service and is at least 55 years of age. Under Canadian generally accepted accounting standards the retirement allowance meets the definition of a defined benefit plan, and is therefore recognized as an accrued benefit liability. The accrued benefit obligation for the plan is not funded as funding is provided when the benefits are paid. Accordingly, there are no plan assets. Although no plan assets are uniquely identified, the College has provided for the payment of these benefits.

The period of amortization is equal to the expected average remaining service lifetime (EARSL) of active employees.

	2012
Service Cost	**$3,428,520**
Interest cost	**72,685**
Accrued benefits obligation at March 31, 2012	**$3,501,205**
Amortized in the 2011-2012 fiscal year	**$596,406**
Expected average remaining service life	**5.87 years**
Discount rate	**2.12%**

8. DEFERRED CONTRIBUTIONS FOR PROPERTY AND EQUIPMENT

Deferred contributions related to property and equipment represent the unamortized amount of externally restricted contributions received for the purchase of property and equipment. The amortization of capital contributions is recorded as revenue in the statement of operations and changes in net assets.

	2012	2011
Balance, beginning of year	**$ 76,225,507**	$ 64,746,501
Deferred contributions from:		
Federal Government	**1,756,562**	9,285,938
Ministry of Advanced Education	**1,205,888**	4,330,311
Donations	**941,993**	610,195
Other	**-**	60,193
	80,129,950	79,033,138
Less: Amounts amortized to revenue	**(3,152,777)**	(2,807,631)
Balance, end of year	**$ 76,977,173**	$ 76,225,507

9. COMMITMENTS AND CONTINGENCIES

(a) The College leases, for the Penticton campus, 5.92 hectares under a long term lease, which expires June 30, 2049, the annual payment for which is $324,111.

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

Fiscal year 2012-13	$ 2,150,665
Fiscal year 2013-14	1,478,678
Fiscal year 2014-15	1,102,442
Fiscal year 2015-16	952,637
Fiscal year 2016-17	958,910
	$ 6,643,332

(c) The College is involved in certain legal actions. Some of these legal actions 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.

10. PENSION PLANS

The College and its employees contribute to the College Pension Plan and Municipal Pension Plan, jointly trusteed 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 13,000 active members from college senior administration and instructional staff and approximately 5,000 retired members. The Municipal Pension Plan has about 173,000 active members, with approximately 5,600 from colleges.

The most recent valuation for the College Pension Plan as at August 31, 2009 indicated an unfunded liability of $28 million for basic pension benefits. The next valuation will be as at August 31, 2012 with results available in 2013. The most recent valuation for the Municipal Pension Plan as at December 31, 2009 indicated an unfunded liability of $1,024 million for basic pension benefits. The next valuation will be as at December 31, 2012 with results available in 2013. Defined contribution plan accounting is applied to the plan as the plan exposes the participating entities to actuarial risks associated with the current and former employees of other entities, with the result that there is no consistent and reliable basis for allocating the obligation, plan assets and cost to individual entities participating in the plan.

The Okanagan College paid $4,535,673 (2011 - $4,149,288) for employer contributions to the plans in fiscal 2012.

11. RELATED ORGANIZATION

The Okanagan College Foundation (the "Foundation") is a separate entity that raises funds from the College's alumni and from the 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 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, 2012 and for the year then ended are as follows:

	2012	2011
Financial Position		
Total assets	**$ 8,274,542**	$ 7,983,356
Total liabilities	**$ 1,242**	$ 33,761
Total net assets	**8,273,300**	7,949,595
	$ 8,274,542	$ 7,983,356
Results of Operations		
Total revenue	**$ 1,709,364**	$ 2,710,482
Total disbursements and awards	**1,385,659**	1,865,026
Net revenue	**$ 323,705**	$ 845,456
Cash Flows		
From operating activities	**$ 413,965**	$ (1,216)
From investing activities	**(19,645)**	(191,027)
Cash at beginning of year	**1,069,214**	1,261,457
Cash at end of year	**$ 1,463,534**	$ 1,069,214

Related organization transactions

Included in the College expenses is $180,009 (2011 - $148,207) toward Foundation support and $49,388 (2011 - $458,669) toward the forgiveness of Foundation debt.

During the year the College received from the Foundation grants in the amount of $20,000 (2011 - $1,683) to fund specific projects and received donations in the amount of $571,793 (2011 - $620,720) raised to support the Centre of Excellence and Centre for Learning.

(continued)

11. RELATED ORGANIZATION (continued)

Included in accounts receivables and other are amounts due from the Foundation in the amount of $nil (2011 - $33,561) relating to the above transactions. Included in accounts payable and accrued liabilities are amounts due to the Foundation in the amount of $4,610 (2011 - $28,164) relating to the above transactions.

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.

Transactions with the Foundation are recorded at the exchange amount, the amount of consideration agreed to between the organizations.

12. CAPITAL MANAGEMENT

The primary objective of the College's capital management is to support the College mandate to deliver education and training.

The capital structure of the College consists of long term debt, investment in property and equipment, unrestricted surplus and restricted surplus.

The long term debt is funds raised to acquire property and equipment.

Investment in property and equipment represent the unamortized portion of the cost of property and equipment, net of related debt and deferred capital contributions, and is not available for other purposes.

Unrestricted surplus represents funds available for future operations and provide the College financial flexibility as opportunities arise in the future.

Restricted surplus represents funds externally restricted or reserved by the Board for specific purposes.

13. INTERFUND TRANSFERS

Included in interfund transfers are internal re-distributions of the capital funding from the Operating Fund to the Capital Fund and transfers from the Specific Purpose Fund to the Capital Fund for property and equipment acquisition.

14. COMPARATIVE FIGURES

Certain comparative figures from the prior year have been reclassified to conform to the presentation format adopted for the current year.