



**BOARD OF GOVERNORS
REGULAR MEETING
September 29, 2015; 10:30 a.m.
Room S103B, Kelowna Campus**

**AGENDA
OPEN SESSION**

	Attachment	Approximate Time
1 APPROVAL OF AGENDA <u>Recommended Motion</u> <i>"BE IT RESOLVED THAT the September 29, 2015, OC Board open session meeting agenda is approved".</i>		10:30 a.m.
2 OATH OF NEW MEMBER		10:35 a.m.
3 DECLARATION OF CONFLICT		10:40 a.m.
4 CONSENT AGENDA <u>Recommended Motion</u> <i>"BE IT RESOLVED THAT the Consent Agenda be approved as presented".</i>		
4.1 MINUTES – June 30, 2015	A	
4.2 WRITTEN REPORTS		
4.2.1 President's Report (J. Hamilton)	B	
4.3 INFORMATION		
4.4 APPROVALS		
5 BUSINESS ARISING FROM THE MINUTES		
6 PRESENTATIONS/DELEGATIONS		
6.1 Foundation Annual Report (K. Butler)	C	10:45 a.m.
7 NEW BUSINESS/RESOLUTIONS		
8. VERBAL REPORTS		11:00 a.m.
8.1 Board Chair Report (T. Styffe)		
8.2 President's Report (J. Hamilton)		

OC Board of Governors
Open Session Meeting AGENDA
Room S103B, Kelowna Campus, September 29, 2015

9 INFORMATION

- | | | |
|-----|---------------------------|------------|
| 9.1 | Connections 2015 Video | 11:15 a.m. |
| 9.2 | Enrolment Update (A. Hay) | 11:25 a.m. |

10 TOPICS FOR NEXT MEETING

11 OTHER BUSINESS

12 FOR THE GOOD OF THE INSTITUTION

13 DATE OF NEXT MEETING November 24, 2015, Kelowna Campus

14 ADJOURNMENT 11:30 a.m.

***Consent Agenda Resolutions
Attachment A***

Item 4.1

Recommended Motion

“BE IT RESOLVED THAT the June 30, 2015, open session minutes be approved.”

**MINUTES OF REGULAR MEETING OF THE
OKANAGAN COLLEGE BOARD OF GOVERNORS
Open Session**

**Tuesday, June 30, 2015, 1:00 p.m.
Room S103B, Kelowna Campus**

Members Present:	T. Styffe (Chair) C. Denesiuk C. Derickson C. Gerbrandt J. Hamilton (President) J. Maciel D. Manning B. McGowan
Regrets:	S. Johal S. Lupul C. Mitchell L. Thurnheer
Board Secretary:	L. Le Gallee
Vice Presidents:	R. Daykin A. Hay C. Kushner
Directors:	A. Coyle
Observers:	R. Vilene, (BCGEU Support Staff), J. O'Brien, Administrative Association
Regrets:	T. Walters (OCFA) C. McRobb, BCGEU Vocational K. Tracz, Student Observer L. Stanley, Student Observer J. Poirier, Student Observer T. Leneveu, Student Observer, VSU
Guests:	A. Peacock (Daily Courier)

There being a quorum present, the Chair called the meeting to order at 1 p.m.

1. APPROVAL OF AGENDA

Motion: C. Gerbrandt/C. Denesiuk

"BE IT RESOLVED THAT the June 30, 2015, OC Board open session meeting agenda is approved".

MOTION CARRIED

2. DECLARATION OF CONFLICT

No conflicts were declared.

3. CONSENT AGENDA

Items Approved: D. Manning/C. Gerbrandt

Motions:

“BE IT RESOLVED THAT the May 19, 2015, Open Session minutes were approved.”

“BE IT RESOLVED THAT the Board of Governors rescind the appointment of Nancy Ankerstein as observer for the Administrative Association and approve the appointment of Jan O’Brien for the period June 30, 2015, to June 29, 2016”.

MOTIONS CARRIED

5. BUSINESS ARISING FROM THE MINUTES

6. PRESENTATION/DELEGATIONS

7. NEW BUSINESS/RESOLUTIONS

7.1 Education Council Submission (A. Hay)

7.1.1 Program Approvals

Motions: D. Manning/C. Denesiuk

“BE IT RESOLVED THAT the Board approve the revision to the Aircraft Maintenance Engineer Category ‘S’ (Structures), as recommended by Education Council and as presented”

The change is a correction to the program.

“BE IT RESOLVED THAT the Board approve the revision to the Computer Information Systems Diploma, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the revision to the Bachelor of Computer Information Systems, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the revision to the Network and Telecommunications Engineering Technology Diploma, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the revisions to the following programs: Civil Engineering Technology Diploma; Electronic Engineering Technology Diploma; Mechanical Engineering Technology Diploma; Water Engineering Technology Diploma as recommended by Education Council and as presented”

The graduation requirements will be made more visible in the calendar.

“BE IT RESOLVED THAT the Board approve the new program Gastroenterology Nursing Certificate, as recommended by Education Council and as presented”

Students take this program after they receive their LPN Diploma; it is offered in Kelowna.

“BE IT RESOLVED THAT the Board approve the revision to the Health Care Assistant Certificate, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the new program Post-Baccalaureate Diploma in Marketing, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the new program Accounting/Bookkeeping Certificate, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the revision to the Diploma in Media and Cultural Studies, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the revision to the Diploma in Environmental Studies, as recommended by Education Council and as presented”

This program is offered in Salmon Arm only.

MOTIONS CARRIED

7.1.2 Program Approvals

Some of the changes are minor, others refer to new intakes.

Motions: D. Manning/C. Gerbrandt

“BE IT RESOLVED THAT the Board approve the revisions to the following program schedules: Accounting Assistant Certificate; Administrative Assistant Certificate; Office Assistant Certificate; Administrative Assistant Fundamentals Certificate, as recommended by Education Council and as presented”

“BE IT RESOLVED THAT the Board approve the following program schedules: Accounting/Bookkeeping Certificate; Legal Administrative Assistant Certificate; Legal Administrative Assistant Certificate – Corporate/Conveyancing; Pharmacy Technician Certificate, as recommended by Education Council and as presented”

MOTIONS CARRIED

The new Chair of Education Council will attend the next Board meeting as his term begins July 1, 2015.

The Board Chair noted that a Board representative is required for Education Council as D. Manning will be out of town for the fall meetings.

7.2 Accountability Report and Plan (A. Coyle)

This document will be submitted to the government by July 17th. The Report will be posted publically once it has been submitted.

Members were directed to send proposed changes to the Director of Public Affairs. .

Motion: C. Gerbrandt/B. McGowan

“BE IT RESOLVED THAT the Board of Governors approve the draft Accountability Plan and Report 2014-15 to 2017-18 as presented”.

MOTION CARRIED

8. VERBAL REPORTS

8.1 Board Chair Report (T. Styffe)

C. Derickson and S. Johal have been reappointed until October 31, 2017; C. Denesiuk and J. Maciel have been reappointed until July 31, 2018.

The Board self-evaluation form will be sent out prior to the summer break. The Board Chair will then contact each member to discuss the evaluation.

The Board Chair and other Board member have attended a number of events including convocations, honorary fellows dinner, student awards reception and donor events. As well as Foundation meetings and ministerial meetings.

8.2 President's Report (J. Hamilton)

The President has attended a number of conferences and annual general meetings for the Boards he serves on. He has recently been re-elected to the BC Council of International Education. He is also taking a more active role in CICan.

The College has been awarded a LEED platinum designation for the Centre for Excellence.

8.3 CiCan Conference Report (T. Styffe, C. Gerbrandt, B. McGowan)

It was noted by the Board members who attended the conference that it is a valuable opportunity to connect with other colleagues and with First Nations. There was a lot of conversation at the Conference with regard to core competencies (Yukon College stands out in this regard). It was noted that the College should nominate some outstanding faculty members next year for the annual awards.

At the Conference there were groupings for leadership and governance, one worth noting was Tom Thompson's workshop on "Governance Stewardship" and "Magnificent Seven Skills of Governance".

9. INFORMATION

9.1 Financial Awards at Okanagan College (C. Kushner)

Students have been accessing the financial awards with the exception of those outside Kelowna (they have not been taking advantage of this as they could). The total funds available are more than \$1m for students.

The VP, Students committed to meeting with the student unions with regard to this.

A member noted that he would like to know how much of the Emergency Fund is being accessed

10. TOPICS FOR NEXT MEETING

11. OTHER BUSINESS

12. FOR THE GOOD OF THE INSTITUTION

13. DATE OF NEXT MEETING: September 29, 2015, Kelowna Campus

14. ADJOURNMENT

Motion to adjourn: C. Gerbrandt/B. McGowan

MOTION CARRIED

The meeting adjourned at 1:50 p.m.



President's Report To Board

September 2015

Learning and Teaching

- On July 15th more than 50 health care students from the College's Practical Nursing, Health Care Assistant and Pharmacy Technical programs and students from the Justice Institutes Paramedic program gathered to spend the day working on various patient care scenarios aimed at promoting teamwork and communication between health care professionals. This was the inaugural event but plans are already underway to offer the program annually.
- On September 25th & 26th the College will host a new conference titled "TiltShift". TILT is an acronym for technology in learning and teaching. The conference will explore technology tools and innovative ideas to help the education community acclimate to new teaching platforms.
- English Faculty member Alix Hawley has been longlisted along with 11 other authors for the Scotiabank Giller Prize. This prestigious prize recognizes excellence in Canadian fiction and annually awards \$25,000, the largest purse for literature in the country.

Engagement

- Christine Ulmer took time away from the College in July to work at the TO2015 Pan Am Games. Christine's primary responsibility was to ensure the smooth interaction between athletes and the international media at the field hockey venue at the University of Toronto.
- Human Kinetics instructor Dr. Scott Forbes recently qualified to compete for Canada in the Canoe Polo Championships to be held in Syracuse Italy next year. In canoe polo, teams compete with five players in their own one-person kayaks in open water.
- On August 18th & 19th we hosted Connections, our annual employee learning conference. Almost 400 employees gathered from all four regions to attend a plenary session and participate in a wide array of workshops.

Student Transition

- More than 1,200 young learners attended Camp OC this summer. Over 100 different programs were scheduled at the Kelowna, Penticton and Vernon Campuses.
- Orientation events kicked off the start of the academic year on September 8th at all of our campuses. I managed to visit and welcome students in Vernon and Penticton. These events provided students with the chance to meet new friends, discover their campus and learn about resources available to them.

Collaboration and Partnership

- For the 24th year Okanagan College partnered and hosted students from Toyota Technical College this summer. The 87 automotive students and senseis gained a global learning experience while improving their English language skills.

Aboriginal

- Our seventh annual Youth Exhibition PowWow was held at the Kelowna Campus on September 24th. This year was particularly significant as it included the signing of CIGan's Indigenous Education Protocol.

Sustainability

- Work continues on the development of the Master Capital Plan. To engage as many people as possible an online survey has been developed. The survey can be found at the following link: <http://survey.okanagan.bc.ca/index.php/359987/lang-en>
- On July 10th the Okanagan College Seed Library held an information booth at the Vernon Farmers' Market. The goal of the seed library is to bring a broader awareness of local plant diversity and the role seed saving has in preserving our agriculture history.



Submission of Information from Senior Staff to the Board of Governors

Report Title:	Okanagan College Foundation Annual Report 2014-15 and Audited Financial Statements to March 31, 2015
Date:	September 11, 2015
Background Information: Information could include: <ul style="list-style-type: none"> • Purpose • History • Other relevant information 	<p>The Okanagan College Foundation is the fundraising arm for Okanagan College. The Executive Director for the Foundation is Kathy Butler, who is also the Director of Advancement & Alumni for Okanagan College. The Foundation is a separate entity from Okanagan College, but falls under the Advancement & Alumni portfolio.</p> <p>The purpose and mission of the Foundation is to <i>“advance the power of education by engaging individuals and communities in contributing to Okanagan College.”</i> The Foundation supports Okanagan College by:</p> <ul style="list-style-type: none"> • Helping students with scholarships, bursaries, awards and other financial supports; • Building relationships with donors; • Supporting capital projects and programs; and • Managing financial resources responsibly and ethically. <p>At the end of each fiscal year (March 31), an independent audit of the Okanagan College Foundation is conducted. Grant Thornton LLP conducted the audit for 2014-15. A copy of the audited financial statements is attached with this submission.</p> <p>After the completion of the audit, the Okanagan College Foundation produces and distributes its annual report each summer. The report is distributed to all donors and to key stakeholders. Along with the annual reports, donors also receive personalized fund reports. These reports show the balance of each donor’s award and also serve as invoices for donors who may need to “top up” their funds in preparation for distribution to students at the annual awards receptions held each November.</p> <p>The 2014-15 Annual Report for the Foundation can be found electronically at: http://www.okanagan.bc.ca/Campus and Community/Okanagan College Foundation/About Us/Annual Reports.html</p>
Action Required:	For information.
Comments from the President:	Not required.
Report prepared and supported by:	Kathy Butler, Director Advancement & Alumni / Executive Director, Okanagan College Foundation

OKANAGAN COLLEGE FOUNDATION
FINANCIAL STATEMENTS
MARCH 31, 2015



Okanagan College Foundation

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Independent Auditors' Report

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Kelowna BC V1Y 2A8

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(800) 661-4244 (Toll Free)
F (250) 712-6850
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To the Directors of
Okanagan College Foundation

We have audited the accompanying financial statements of Okanagan College Foundation, which comprise the statement of financial position as at March 31, 2015, and the statement of changes in net assets, the statement of operations, and the 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 accounting standards for not-for-profit organizations, 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 Foundation'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 Foundation'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 Foundation as at March 31, 2015, and the results of its operations and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Kelowna, BC
May 28, 2015

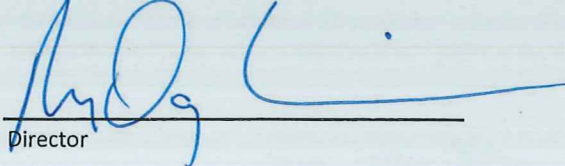


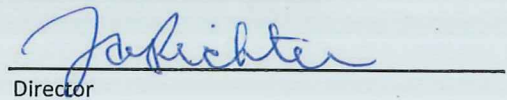
Chartered Accountants

Okanagan College Foundation
Statement of Financial Position
As at March 31

	Unrestricted		Restricted			2015	2014
	Operating	Capital campaign	Scholarship and program support	Endowment	Total	(Restated - Note 7)	Total
Assets							
Current assets							
Cash and cash equivalents	\$ 50,928	\$ 3,769,791	\$ 1,159,020	\$ 750,384	\$ 5,730,123	\$ 4,501,061	
Receivables	-	-	12,008	-	12,008	40,010	
Investment portfolio (Note 3)	-	-	-	7,473,914	7,473,914	6,543,229	
Life insurance policies (Note 4)	-	-	-	69,839	69,839	60,778	
	<u>50,928</u>	<u>3,769,791</u>	<u>1,171,028</u>	<u>8,294,137</u>	<u>13,285,884</u>	<u>11,145,078</u>	
Liabilities							
Current liabilities							
Payables and accruals	\$ -	\$ -	\$ 600	\$ -	\$ 600	\$ 17,542	
Loan payable (Note 5)	-	346,841	-	-	346,841	-	
	-	346,841	600	-	347,441	17,542	
Net Assets	<u>50,928</u>	<u>3,422,950</u>	<u>1,170,428</u>	<u>8,294,137</u>	<u>12,938,443</u>	<u>11,127,536</u>	
	<u>\$ 50,928</u>	<u>\$ 3,769,791</u>	<u>\$ 1,171,028</u>	<u>\$ 8,294,137</u>	<u>\$ 13,285,884</u>	<u>\$ 11,145,078</u>	

Approved on behalf of the Board:


 Director


 Director

Okanagan College Foundation
Statement of Changes in Net Assets
For the year ended March 31

	Unrestricted		Restricted		2015	2014
	Operating	Capital campaign	Scholarship and program support	Endowment	Total	Total
Balance, beginning of year, as previously stated	\$ 55,373	\$ 2,445,525	\$ 1,256,923	\$ 8,314,715	\$ 12,072,536	\$ 9,461,998
Prior period adjustment (Note 7)	-	-	-	(945,000)	(945,000)	(945,000)
Balance, beginning of year, restated	55,373	2,445,525	1,256,923	7,369,715	11,127,536	8,516,998
Net revenue (expense)	23,223	901,007	(39,099)	925,776	1,810,907	2,610,538
Interfund transfers	(27,668)	76,418	(47,396)	(1,354)	-	-
Balance, end of year	\$ 50,928	\$ 3,422,950	\$ 1,170,428	\$ 8,294,137	\$ 12,938,443	\$ 11,127,536

Okanagan College Foundation
Statement of Operations
For the year ended March 31

	Unrestricted		Restricted			2015	2014
	Operating	Capital campaign	Scholarship and program support	Endowment	Total		
Revenue							
Donations							
Capital campaign	\$ -	\$ 1,474,547	\$ -	\$ -	\$ 1,474,547	\$ 1,529,405	
Annual awards	-	-	322,993	-	322,993	266,951	
Program support	-	75,000	150,827	-	225,827	350,599	
SIDIT grant revenue	-	-	50,000	-	50,000	50,000	
Endowment contributions	-	-	90,172	152,766	242,938	161,942	
Investment income	-	-	295,723	266,189	561,912	466,873	
Unrealized gain	-	-	-	497,760	497,760	652,295	
Forgiveness of loan payable	-	-	-	-	-	166,159	
Gaming event revenues	-	-	34,708	-	34,708	38,557	
Other revenues	23,223	-	-	-	23,223	31,860	
Increase in cash surrender value of life insurance policies	-	-	-	9,061	9,061	5,364	
	<u>23,223</u>	<u>1,549,547</u>	<u>944,423</u>	<u>925,776</u>	<u>3,442,969</u>	<u>3,720,005</u>	
Expenses							
Scholarships and bursaries	-	-	739,299	-	739,299	630,357	
Okanagan College program support and other	-	301,699	151,867	-	453,566	252,250	
Fund raising expenses	-	346,841	26,601	-	373,442	158,130	
Gaming event expenses	-	-	16,123	-	16,123	17,406	
Investment management fees	-	-	43,088	-	43,088	34,349	
Other expenses	-	-	6,544	-	6,544	16,975	
	<u>-</u>	<u>648,540</u>	<u>983,522</u>	<u>-</u>	<u>1,632,062</u>	<u>1,109,467</u>	
Net revenue (expense)	<u>\$ 23,223</u>	<u>\$ 901,007</u>	<u>\$ (39,099)</u>	<u>\$ 925,776</u>	<u>\$ 1,810,907</u>	<u>\$ 2,610,538</u>	

See accompanying notes to the financial statements.

Okanagan College Foundation

Statement of Cash Flows

For the year ended March 31

2015

2014

Cash provided by (used in) operating activities

Net revenue	\$ 1,810,907	\$ 2,610,538
Items not affecting cash		
Increase in cash surrender value of life insurance policies	(9,061)	(5,364)
Gain on disposal of investments	(97,632)	(206,842)
Unrealized gain on investments	(497,760)	(652,295)
Forgiveness of loan payable	-	(8,029)
	<u>1,206,454</u>	<u>1,738,008</u>
Changes in non-cash working capital		
Decrease/(increase) in receivables	28,002	(3,260)
(Decrease)/increase in payables and accruals	(16,942)	6,492
	<u>1,217,514</u>	<u>1,741,240</u>

Cash provided by (used in) investing activities

Purchase of investments	(704,912)	(861,493)
Proceeds from disposal of investments	369,619	881,626
	<u>(335,293)</u>	<u>20,133</u>

Cash provided by financing activities

Advances of loan payable	346,841	-
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Increase in cash and cash equivalents during the year	1,229,062	1,761,373
Cash and cash equivalents, beginning of the year	4,501,061	2,739,688
Cash and cash equivalents, end of the year	<u>\$ 5,730,123</u>	<u>\$ 4,501,061</u>

Okanagan College Foundation

Notes to the Financial Statements

March 31, 2015

1. Nature of organization

The Okanagan College Foundation (the “Foundation”) raises funds from Okanagan College’s alumni and from the community. The Foundation’s purpose is to further the goals, objectives, and strategic interests of Okanagan College; stimulate and provide financial support for the development and expansion of educational programs, services, capital projects, and other initiatives as recommended by Okanagan College that support the mission and goals of Okanagan College; and provide financial support to enable students to participate in learning at Okanagan 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.

2. Summary of significant accounting policies

Basis of presentation

The Foundation has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. Accordingly, the resources and operations of the Foundation are segregated into various funds for accounting and financial reporting purposes, each with responsibility for the stewardship of the assets allocated to it.

Capital campaign fund – The Capital Campaign Fund includes contributions restricted by the donor for the purpose of funding Okanagan College capital projects and other programs.

Scholarship and program support fund – The Scholarship and Program Support Fund includes contributions restricted by the donor for scholarships, bursaries, and student awards; earnings on the Endowment Fund allocated to fund annual awards; and program support donations.

Endowment fund – The Endowment Fund includes those amounts relating to endowments, bequests and trust funds made available to the Foundation under trust agreements specified by donors and independent trustees for the purpose of providing scholarships, bursaries and assets for Okanagan College, the University of British Columbia, or any other educational institution in Canada.

Operating fund – The Operating Fund includes undesignated contributions and earnings that are available for use at the discretion of the Foundation.

Donations and donated property

Donations are recorded as received. Donated property is recorded at fair value, which is determined by appraisal. Donations pledged but not received and volunteered time has not been recorded.

(continued)

Okanagan College Foundation

Notes to the Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents include highly liquid investments with a term to maturity of three months or less at the date of purchase.

Investments

The Foundation has invested in marketable securities for revenue generation. Investments are recorded at fair value with unrealized and realized gains recognized in the statement of operations. Interest and dividend income is recognized when earned.

Life insurance policies

Life insurance policies owned by the Foundation, which are non-cancellable and whose premiums are fully funded, are included in assets to the extent of their cash surrender value.

Contributed services and supplies

Okanagan 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 recognized in these financial statements.

Financial instruments

The Foundation considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset or liability is recognized when the Foundation becomes party to the contractual provisions of the instrument.

Initial measurement - The Foundation's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs, if applicable. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement - At each reporting date, the Foundation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which are measured at fair value. The Foundation has also irrevocably elected to measure its investments in bonds at fair value. All changes in fair value of the Foundation's investments in equities quoted in an active market and in bonds are recorded in the statement of operations. The Foundation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations. The financial instruments measured at amortized cost (which approximates fair value for cash and cash equivalents) are cash and cash equivalents, receivables, payables and accruals, and loan payable. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant credit, liquidity or market risks arising from these financial instruments.

(continued)

Okanagan College Foundation

Notes to the Financial Statements

March 31, 2015

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in the statement of operations in the year the reversal occurs to the extent that the reversal of the impairment loss does not exceed the carrying value of the asset.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Certain items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to management estimate include the allowance for doubtful accounts.

3. Investment portfolio

Current marketable securities are invested through RBC Phillips Hager & North.

	<u>2015</u>	<u>2014</u>
Fixed income	\$ 2,240,715	\$ 2,120,035
Equities	<u>5,233,199</u>	<u>4,423,194</u>
	<u>\$ 7,473,914</u>	<u>\$ 6,543,229</u>

4. Life insurance policies

The Foundation has been given life insurance policies under which it is the owner and beneficiary. The policies are treated as an investment and shown as an asset to the extent of the cash surrender values. The total coverage provided under the policies owned by the Foundation is approximately \$290,000 (2014 - \$290,000).

Okanagan College Foundation

Notes to the Financial Statements

March 31, 2015

5. Loan payable

Under the Capital Campaign Loan Agreement between the Foundation and Okanagan College, the College may provide funds to the Foundation, up to a maximum of \$750,000, by way of one or more loans so as to cover the costs to be incurred by the Foundation in operating and running the Capital Campaign.

The term of the loan is four years – April 1, 2013 to March 31, 2017.

The loan(s) shall be made free of interest provided that the Foundation shall comply strictly with the terms of the agreement.

The Foundation shall repay all loans made to the Foundation pursuant to the terms of this Agreement on the following basis:

- On March 31 in each year of the term, repayment of a minimum of 20% of the pledge payments that are received, to a maximum amount of all outstanding loans; and
- Full repayment of all loans at the end of the term.

The balance outstanding of the loan payable under the Capital Campaign Loan Agreement as at March 31, 2015 was \$346,841 (2014 - \$nil).

Okanagan College has agreed to waive the minimum loan repayment required under the loan agreement for the fiscal year ending March 31, 2015.

6. Endowment funds

The Foundation has invested with various community foundations funds donated for scholarship and bursary purposes. These investments are held in perpetuity by the respective community foundations and interest will be paid annually to the Foundation to fund the respective scholarships and bursaries.

The Vancouver Foundation is holding an endowment fund for the benefit of the Foundation. The fund balance at March 31, 2015 was \$500,000 (2014 - \$500,000). Investment income received by the Foundation from the fund for the year was \$22,153 (2014 - \$26,804).

The Community Foundation of the South Okanagan is holding an endowment fund for the benefit of the Foundation. The fund balance at March 31, 2015 was \$160,000 (2014 - \$140,000). Investment income received by the Foundation from the fund for the year was \$7,574 (2014 - \$5,846).

(continued)

Okanagan College Foundation

Notes to the Financial Statements

March 31, 2015

6. Endowment funds (continued)

The Central Okanagan Foundation holds endowment funds for the benefit of the Foundation. The fund balance at March 31, 2015 was \$103,000 (2014 - \$100,000). Investment income received by the Foundation from the fund for the year was \$10,500 (2014 - \$5,727).

The Community Foundation of the North Okanagan holds endowment funds for the benefit of the Foundation. The fund balance at March 31, 2015 was \$100,000 (2014 - \$100,000). Investment income received by the Foundation from the fund for the year was \$4,880 (2014 - \$4,443).

The Shuswap Community Foundation is holding an endowment fund for the benefit of the Foundation. The fund balance at March 31, 2015 was \$100,000 (2014 - \$100,000). Investment income received by the Foundation from the fund for the year was \$5,900 (2014 - \$4,000).

The Revelstoke Community Foundation is holding an endowment fund for the benefit of the Foundation. The fund balance at March 31, 2015 was \$5,000 (2014 - \$5,000). Investment income received by the Foundation from the fund for the year was \$250 (2014 - \$250).

As the investments in community foundations, totaling \$968,000 (2014 - \$945,000) are not controlled by the Foundation, these investments have not been recognized in the financial statements.

7. Prior period adjustment

The amounts invested in the various Community Foundations had previously been recorded as an asset. However as these investments are held in perpetuity by these Community Foundations and the amounts are not controlled by the Foundation, the investments in community foundations have been removed from the financial statements retrospectively. The prior period has been adjusted to reduce the assets and the net assets held in the Endowment fund as noted below. This prior period adjustment had no effect on the statements of operations and cashflows.

	March 31, 2014, as previously stated	Restatement	March 31, 2014, restated
	<u> </u>	<u> </u>	<u> </u>
Assets			
Investments in community foundation	\$ 945,000	\$ (945,000)	\$ -
Net assets			
Endowment	\$8,314,715	\$ (945,000)	\$7,369,715

Okanagan College Foundation

Notes to the Financial Statements

March 31, 2015

8. Related party transactions

Included in donations revenue is \$214,199 (2014 - \$215,393) received from Okanagan College to be used towards annual awards and other program support.

During the year, Okanagan College approved \$nil (2014 - \$166,159) for forgiveness of loan payable.

During the year, the Foundation awarded to Okanagan College grants in the amount of \$151,867 (2014 - \$43,521) to fund specific programs and transferred \$301,699 (2014 - \$208,729) raised in the capital campaign and other to support the trades renewal and expansion project, the Centre of Excellence building, and other program support.

Included in payables and accruals are amounts due to Okanagan College in the amount of \$nil (2014 - \$12,724) relating to the above transactions. Included in receivables are amounts due from Okanagan College in the amount of \$865 (2014 - \$2,935) relating to the above transactions.

Transactions with related parties are recorded at the exchange amount, the amount of consideration agreed to between the related parties.

9. Financial instruments risks

The Foundation's main financial instrument risk exposure is market risk. Market risk is the risk that the fair value or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Foundation is mainly exposed to currency risk, interest rate risk and other price risk.

Currency risk – Currency risk is the risk that the fair value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to this risk on its investments in U.S. and international equities quoted in an active market.

Interest rate risk - Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk with respect to investment in fixed income instruments.

Other price risk – Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices (other than those arising from interest rate risk), whether these changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk on its investment in equities quoted in an active market.
