

Financial Statements of

THE SAULT COLLEGE OF APPLIED

ARTS AND TECHNOLOGY

Year ended March 31, 2009

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2009

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THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current		
Cash (note 3)	\$ 4,864,938	\$ 4,796,837
Temporary investments (note 3)	18,797,114	15,928,584
Accounts receivable	583,089	653,513

APPLIED ARTS AND TECHNOLOGY

Statement of Operations

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Revenue:		
Grants and reimbursements	\$ 32,192,364	\$ 31,901,019
Tuition fees	5,795,773	5,448,910
Ancillary operations	1,027,504	947,171

Amortization of deferred capital contributions	1,482,506	1,395,343
	45,872,823	44,498,831

Expenses:		
Academic	21,904,803	20,703,385

2008

Total

320,556

797,168

4,101

-

21,825

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

Cash flows from operating activities:		
Excess of revenue over expenses	\$ 2,726,601	\$ 2,797,168
Items not involving cash:		
Amortization of capital assets	2,595,680	2,570,553
Amortization of deferred capital contributions	(1,482,506)	(1,395,343)
(Gain) loss on disposal of capital assets	(10,350)	(98,497)
Future benefits and vested sick leave liability	(128,660)	9,457
Net increase (decrease) in deferred contributions related to expenses of future periods	467,321	(430,518)
	4,168,086	3,452,820
Changes in non-cash working capital balances:		
Accounts receivable	70,424	(150,593)
Grants and reimbursements receivable	757,286	63,005
Inventories	(3,203)	(2,662)
Prepaid expenses	(188,383)	17,559

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2000

The Sault College of Applied Arts and Technology ("Sault College") is a provincial community college offering educational programs and upgrading to the accessing communities. Sault College is considered a Non-profit Schedule III Association under the Income Tax Act.

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THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

1. Significant accounting policies (continued):

(c) Capital assets:

Depreciated capital assets are recorded at cost. Cost includes the purchase price and all other costs necessary to bring the asset to the condition and location for its intended use.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

2. Financial instruments:

The College classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The College's accounting policy for

(1) Held for Trading:

Financial instruments are classified under this category if they are:

- (i) acquired principally for the purpose of selling or repurchasing in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- (iii) a derivative, except for a derivative that is a financial guarantee contract or designated effective hedging instrument; or
- (iv) designated at fair value using the fair value option category after inception. For designation at fair value using the fair value option, reliable fair values must be readily available.

These instruments are carried in the balance sheet at fair value with changes in fair value recognized in the Statement of Operations. Transaction costs related to instruments classified as held for trading are expenses as incurred. Financial

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

2. Financial instruments (continued):

(3) Available for Sale:

Available for sale assets are non-derivative financial assets that are designated as available for sale or are not categorized into any categories above. When the securities have a quoted market price in the active market, they are carried at fair value with the changes in fair value recognized in the appropriate fund balance. If there is not a quoted market price in an active market, they are carried at cost. Where a decline in fair value exists, and is determined to be other than temporary, the amount of the loss is removed from the fund balance and recognized in the Statement of Operations. Transaction costs related to available for sale investments

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

3. Cash and Temporary investments:

Cash and temporary investments include the following amounts:

	2009	2008
Restricted for student purposes	\$ 972,385	\$ 1,315,020
Restricted for endowment purposes	2,919,533	2,520,327
Internally restricted	194,583	196,559

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

There are no assets held under capital leases at March 31, 2009. At March 31, 2008 assets totaling \$1,333,838 with related accumulated amortization in the amount of \$1,202,997 were included in capital assets.

5. Employment-related obligations:

	2009	2008
Non-pension cost employment benefits	\$ 727,000	\$ 767,000

The College indirectly subsidizes premiums for the group benefits available to early retirees

**THE SAULT COLLEGE OF
APPLIED ARTS AND TECHNOLOGY**

Year ended March 31, 2009

6. Deferred contributions for expenses of future periods:

Deferred contributions consist of the following:

<u>2009</u>	<u>2008</u>
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700,710	1,150,000
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THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

8. Invested in capital assets:

The change in net assets invested in capital assets is calculated as follows:

	2009	2008
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 1,482,507	\$ 1,395,343
Amortization of capital assets	(2,595,680)	(2,570,553)
Investment income	263,158	240,856
Gain (loss) on disposal of capital assets	10,350	98,497
	<u>\$ (839,665)</u>	<u>\$ (835,857)</u>

	2009	2008
Net investment in capital assets:		
Capital assets acquired	\$ 2,901,250	\$ 4,550,416
Repayment of long-term obligations	64,279	360,358
Amounts funded by deferred contributions	(2,429,772)	(2,622,654)
	<u>\$ 535,757</u>	<u>\$ 2,288,120</u>

Net assets invested in capital assets are represented by:

	2009	2008
Cash	\$ 7,720,058	\$ 8,879,175
Investments	133	129
Sinking fund investment	3,104,995	2,841,841
Capital assets, net book value	<u>20,949,186</u>	<u>25,701,025</u>

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

9. Capital leases and mortgage:

	2009	2008
5.918% Lease, payable \$5,049 monthly, maturing April 2008, secured by certain aircraft	-	5,049
5.211% Lease, payable \$19,581 monthly, maturing June 2008, secured by flight simulators	-	58,743

Less amount representing interest

- 913

9.17% Mortgage, interest payable semi-annually, principal due in 2012, secured by a first mortgage on the student residence building

4,100,000 4,100,000
4,100,000 4,164,705

Less current portion

- 64,705

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

10. Net assets:

Sault College appropriates amounts from unrestricted net assets to cover anticipated future operating expenditures. The actual costs are recorded as operating expenditures in the year in which they are incurred.

By resolution of the Board of Governors, accumulated appropriations from unrestricted net assets balance at March 31, 2009 have been made to the Joint Employment Stability Reserve

For capital disclosure purposes, the College considers its capital to be its net assets, restricted and unrestricted. The restricted net assets consist of amounts restricted for student

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

13. Other information:

The following information outlines the activity of the Ontario Student Opportunity Trust Fund. These amounts are reflected in the net assets restricted for student purposes.

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

14. Ontario Student Opportunity Trust Fund II:

Schedule of donations received for the year:

	2009	2008
Cash donations matched between April 1 and March 31	\$ -	\$ -
Unmatched cash donations	-	-
Total cash donations	-	-

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

16. Comparative amounts:

Certain 2008 comparative amounts have been reclassified to reflect the financial statement presentation adopted for 2009.

17. New Accounting Pronouncements:

Recent accounting pronouncements that have been issued but are not yet effective, and

(a) Financial Statement Concepts:

CICA Handbook Section 1000, Financial Statement Concepts has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasizes the matching principle.

The revised requirements are effective for annual and interim financial statements relating to fiscal years beginning on or after October 1, 2008. The College is currently evaluating the impact of the adoption of this change on the disclosure within its financial statements.

(b) Financial Statement Presentation by Not for Profit Organizations:

Section 4400 has been amended for the treatment of net assets invested in capital



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Auditors' Comments on Supplementary Financial Information

To the Board of Governors of

The audited financial statements of the Sault College of Applied Arts and Technology as at March 31, 2009 and our report thereon dated May 1, 2009 are presented in the preceding section of this annual report. The financial information presented hereinafter was derived from the accounting

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Revenue

Year ended March 31, 2009, with comparative figures for 2008

Schedule 1

	2009	2008
Grants and reimbursements:		
Operating grants	\$ 26,194,250	\$ 26,171,821
Apprentice training	1,178,997	1,283,692
Ontario training strategies	1,940,143	2,092,759
Other	2,878,974	2,352,747
	32,192,364	31,901,019
Tuition fees:		
Full-time post secondary	4,106,767	3,823,107
Other	1,689,006	1,625,803
	5,795,773	5,448,910

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Academic Expenses

Year ended March 31, 2009

Schedule 2

2009

2008

Salaries:

Administration
Academic

\$ 1,289,243

\$ 1,160,973

12,596,816

12,065,419

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Educational Resources Expenses

Year ended March 31, 2009, with comparative figures for 2008

Schedule 3

	2009	2008
Salaries:		
Administration	\$ 135,708	\$ 129,068
Academic	175,674	192,261
Support	706,698	632,718
Other salaries	40,631	42,496
Benefits	236,352	224,203
Contracted services	65,163	61,632
Equipment maintenance and repairs	31,577	29,008
Furniture and equipment purchases	11,285	43,659

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Student Services Expenses

Year ended March 31, 2009, with comparative figures for 2008

Schedule 4

	2009	2008
Salaries:		
Administration	\$ 193,475	\$ 203,464
Support	1,241,926	1,135,835
Other salaries	14,250	10,916
Benefits	340,394	305,793
Building repairs and maintenance	1,830	-
Contracted services	14,943	10,752
Equipment maintenance and repairs	2,224	702
Furniture and equipment purchases	10,451	8,160
Furniture and equipment rental	9,975	6,761
Instructional supplies	44,226	62,214
Insurance	-	394
Janitorial and maintenance supplies	722	1,727
Office supplies	24,399	36,428
Premise rental	310	1,018
Professional fees	21,221	14,526
Promotion and public relations	83,616	76,091
Telecommunications	9,704	8,642
Travel and conference	58,609	45,835
<u>Total</u>	<u>\$ 2,091,307</u>	<u>\$ 1,943,504</u>

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Administrative Expenses

Year ended March 31, 2009, with comparative figures for 2008

Schedule 5

	2009	2008
Salaries:		
Administration	\$ 1,801,458	\$ 1,667,274
Academic	10,496	9,207
Support	1,445,291	1,339,829
Other salaries	2,499	8,040
Benefits	789,833	675,540
Building repairs and maintenance	1,442	982
Contracted services	239,928	295,643
Equipment maintenance and repairs	189,306	211,693
Furniture and equipment purchases	126,692	173,019
Furniture and equipment rental	40,723	34,332
Instructional supplies	32,022	37,423

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Plant Expenses

Year ended March 31, 2009, with comparative figures for 2008

Schedule 6

	2009	2008
Salaries:		
Administration	\$ 188,177	\$ 149,393
Support	974,618	877,114
Other salaries	4,919	6,965

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Year ended March 31, 2009, with comparative figures for 2008

Schedule 7

	2009	2008
Salaries:		
Administration	\$ 139,511	\$ 138,341
Academic	-	387
Support	344,849	310,752
Other salaries	14,171	25,181
Benefits	147,191	125,571
Building repairs and maintenance	51,350	32,212
Contracted security services	27,380	23,364
Contracted services	53,790	55,795
Cost of goods sold	9,974	9,017
Equipment maintenance and repairs	1,656	1,889
Facilities and equipment	2,010	7,210

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Ontario Training Strategies Expenses

Year ended March 31, 2009, with comparative figures for 2008

Schedule 8

	2009	2008
Salaries:		
Administration	\$ 318,084	\$ 332,014
Academic	294,582	240,576
Support	1,070,631	966,145
Other salaries	7,097	8,145
Benefits	442,650	391,215

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Special Projects Expenses

Year ended March 31, 2009, with comparative figures for 2008

Schedule 9

	2009	2008
Salaries:		
Administration	\$ 142,397	\$ 60,657
Academic	4,507	-
Support	86,151	52,203
Other salaries	8,827	1,864
Benefits	28,084	11,436
Building repairs and maintenance	-	1,383
Contracted services	44,898	76,709
Equipment maintenance and repairs	-	7,230
Furniture and equipment purchases	8,189	29,630
Instructional supplies	19,862	14,778
Office supplies	5,860	5,662
Premise Rental	5,775	2,892
Professional fees	6,038	1,640
Promotion and public relations	10,700	-
Telecommunications	3,211	5,475
Travel and conference	24,891	14,735
	\$ 399,390	\$ 286,294