

Financial Statements of

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

Year ended March 31, 2010

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Financial Statements

Year ended March 31, 2010

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Management's Report

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies that have been adopted.

The financial statements are prepared on a going concern basis. The financial statements for the year ended 2011 show a cash flow of \$1,000,000. These financial statements are prepared in accordance with the accounting policies that have been adopted.

Those standards require that we plan to perform an audit to obtain reasonable assurance

[Signature]

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

March 31, 2010, with comparative figures for 2009

Assets

Current

Cash (note 3)	\$ 12,707,016	\$ 4,864,938
Temporary investments (note 3)	17,162,420	18,797,114
Accounts receivable	1,136,144	583,089
Prepaid expenses	1,135,190	275,281

Inventory	16,270	21,937
Prepaid expenses	1,135,190	275,281

33,522,458 25,684,685

Sinking fund investment (note 2) 3,392,518 3,104,996

Capital assets (note 4) 29,884,500 26,100,406

\$ 66,799,485 \$ 54,890,087

Liabilities, Deferred Contributions and Net Assets

Current

Accounts payable and accrued liabilities \$ 9,308,805 \$ 5,616,634

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Operations

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Revenue:		
Grants and reimbursements	\$ 34,448,811	\$ 32,192,364
Tuition fees	7,212,423	5,795,773
Ancillary operations	1,117,514	1,039,350
Other	2,305,345	3,088,342
Restricted for student purposes	2,386,359	2,274,488
Amortization of deferred capital contributions	1,736,511	1,482,506
	<u>49,293,963</u>	<u>46,873,823</u>

Academic	24,420,785	21,904,803
Educational resources	1,895,943	1,653,428
Student services	2,170,748	2,091,307
Administrative	6,688,379	5,941,244
	<u>35,175,855</u>	<u>31,590,782</u>

Ancillary operations	1,302,726	1,324,836
Ontario training strategies	3,533,298	3,143,061
Special projects	501,004	410,823
Restricted for student purposes	1,929,304	1,666,524
Provision for (recovery of) employee benefit obligations	(51,680)	(127,443)

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Cash flows from operating activities:		
Excess of revenue over expenses	\$ 1,572,710	\$ 2,726,601
Items not involving cash:		
Amortization of capital assets	2,644,236	2,505,680
Amortization of deferred capital contributions	(1,736,511)	(1,482,506)

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives as follows:

Category	Years
Buildings	40
Site improvements	10
Equipment	5
Major Equipment	10
Vehicles	5
Computer equipment	5
Aircraft	10

(d) Work in process:

Work in process costs are capitalized as work is completed. Upon completion of the projects, capitalized work in process costs are transferred to the appropriate asset category.

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Notes to Financial Statements

Year ended March 31, 2010

2. Financial instruments:

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

each category is as follows:

(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

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

2. Financial instruments (continued):

(3) Available for Sale:

Available for sale assets are non-derivative financial assets that are designated as

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

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

3. Cash and Temporary investments:

Cash and temporary investments include the following amounts:

	2010	2009
Restricted for student purposes	\$ 1,216,666	\$ 972,385
Restricted for endowment purposes	3,193,043	2,919,533
Temporarily restricted	107,000	100,000

Capital assets	0,000,000	3,700,000
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Cash and temporary investments on hand	16,405,713	11,855,360
	\$ 29,869,436	\$ 23,662,052

The College has a line of credit of \$ 1.5 million at prime less 50 basis points available as of March 31, 2010.

4. Capital assets:

	Cost	Accumulated amortization	2010 Net book value
Land	\$ 671,255	\$ -	\$ 671,255
Buildings	43,674,004	21,788,567	21,885,437
Other	1,100,000	0,000,000	1,100,000

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

4. Capital assets (continued):

There are no assets held under capital leases at March 31, 2010. There were no assets held

under capital leases at March 31, 2009.

5. Employment related obligations:

	2010	2009
Non-pension post-employment benefits	\$ 600,000	\$ 707,000

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

6. Deferred contributions for expenses of future periods:

Deferred contributions consist of the following:

	2010	2009
Balance, beginning of year	\$ 1,196,033	\$ 728,712
Additional contributions received	4,691,964	2,098,943

	\$ 2,490,620	\$ 1,196,033
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7. Deferred contributions for capital assets:

Deferred contributions represent the unamortized balance of restricted contributions for the purchase of capital assets. The changes in the deferred contributions balance for the year are as follows:

	2010	2009
Balance, beginning of year	\$ 27,012,945	\$ 27,234,720
Contributions received	7,060,799	1,265,711

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

8. Invested in capital assets:

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

	2010	2009
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	\$ 1,736,511	\$ 1,482,507

Investment income	287,523	263,158
Gain (loss) on disposal of capital assets	10,013	10,350
	\$ (610,289)	\$ (839,665)

	2010	2009
Net investment in capital assets:		
Capital assets acquired	\$ 6,429,951	\$ 2,901,250
Repayment of long-term obligations	-	64,279
Amounts funded by deferred contributions	(5,000,044)	(2,400,730)

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

9. Capital mortgage:

	2010	2009
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	\$ 4,100,000

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

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

By resolution of the Board of Governors, accumulated appropriations from unrestricted net assets balance at March 31, 2010 have been made to the Joint Employment Stability Reserve Fund in the amount of \$ 187,089.

For capital disclosure purposes, the College considers its capital to be its net assets, restricted and unrestricted. The externally restricted net assets consist of amounts restricted for student purposes (Note 13). The unrestricted net assets consist of: operating

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Notes to Financial Statements

Year ended March 31, 2010

12. Other information:

Ontario Student Opportunity Trust Fund:

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.

Schedule of donations received between April 1 and March 31:

[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]

	2010	2009
Cash donations matched between April 1 and March 31	\$ -	\$ -
Unmatched cash donations	-	-
Total cash donations	-	-

Schedule of Changes in Endowment Fund Balance for the period April 1 to March 31:

	2010	2009
Balance, beginning of year	\$ 664,172	\$ 664,172

Eligible cash donations received between April 1

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

Schedule of donations received for the year

	2010	2009
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, 2010

14. Ontario Trust for Student Support:

Schedule of donations received between April 1 and March 31:

	2010	2009
Cash donations matched between April 1 and March 31	\$ 92,715	\$ 182,363
Unmatched cash donations		

Total cash donations	\$ 92,715	\$ 182,363
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Schedule of Changes in Endowment Fund Balance for the period April 1 to March 31:

Balance beginning of year	\$ 1,599,936	\$ 1,404,700
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Eligible cash donations received between April 1 and March 31	92,715	182,363
Matching funds received/receivable from MTCU	92,715	263,840

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

15. Comparative amounts:

Certain 2009 comparative amounts have been reclassified to reflect the financial statement presentation adopted for 2010.

16. Commitments:

The College has entered into an agreement to construct a new academic building. The

construction start date was September 2009, and the expected completion date is March 2011. The expected cost to build is \$25 million, funded by the following: \$8 million from Federal government, \$9 million from Provincial government, \$4.5 million from the College.



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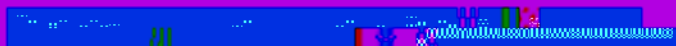
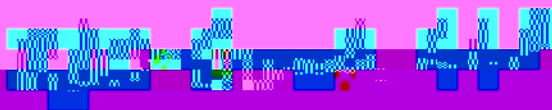
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THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Revenue

Year ended March 31, 2010, with comparative figures for 2009

Schedule 1

	2010	2009
Grants and reimbursements:		
Operating grants	\$ 24,615,545	\$ 26,184,642
Apprentice training	1,527,066	1,178,997
Ontario training strategies	2,144,065	1,940,143
Other	6,162,135	2,888,582
Tuition fees:		
Full-time post secondary	5,314,117	4,105,307
Other	1,898,306	1,690,466
	7,212,423	5,795,773
Ancillary operations	1,117,514	1,039,350
Miscellaneous:		
Contract educational services	273,482	293,230
Sale of course products and services	268,112	253,491
Other	1,763,751	2,541,621
	2,305,345	3,088,342
Restricted for student purposes	2,296,250	2,274,488
Amortization of deferred contributions related to capital assets	1,736,511	1,482,506
	\$ 49,206,963	\$ 45,872,823

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Academic Expenses

Year ended March 31, 2010, with comparative figures for 2009

Schedule 2

	2010	2009
Salaries:		
Administration	\$ 1,210,078	\$ 1,289,243
Academic	13,795,512	12,596,816
Support	2,412,729	2,125,563
Other salaries	3,914	3,867
Benefits	3,493,734	3,228,830
Building repairs and maintenance	13,982	11,103
Contracted security services	623	588
Contracted services	901,429	591,760
Equipment maintenance and repairs	472,790	385,461
Field work	119,130	59,943
Furniture and equipment purchases	124,630	102,325
Furniture and equipment rental	2,847	3,103
Grounds maintenance	13,216	14,688
Instructional supplies	852,692	846,597
Insurance	158,088	194,958
Interest and bank charges	1,361	1,401
Janitorial and maintenance supplies	655	990
Municipal tax levy	20,635	20,522
Office supplies	75,248	64,701
Premise rental	86,542	57,126
Professional development	21,694	17,758
Professional fees	107,477	76,440

Staff employment	9,438	5,205
Telecommunications	24,653	14,421
Travel and conference	139,432	107,861
Training, subsidies and allowances	240,574	-
Utilities	42,077	46,442
Vehicle expense	55,290	46,601

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Educational Resources Expenses

	2010	2009
Salaries:		
Administration	\$ 141,470	\$ 135,708
Academic	223,585	175,674
Support	788,909	706,698
Other salaries	39,938	40,631
Benefits	261,983	236,352
Contracted services	87,927	65,163
Equipment maintenance and repairs	36,844	31,577
Furniture and equipment purchases	32,517	11,285
Furniture and equipment rental	75,377	72,746
Instructional supplies	176,021	146,166
Office supplies	14,134	12,277
Professional Development	366	936
Professional fees	6,628	6,428

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Student Services Expenses

Year ended March 31, 2010, with comparative figures for 2009

Schedule 4

	2010	2009
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Salaries:

Administrative	\$ 340,500	\$ 402,475
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Other salaries	19,843	14,250
Benefits	390,111	340,394
Building repairs and maintenance	1,779	1,830
Contracted services	11,576	14,012

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Administrative Expenses

Year ended March 31, 2010, with comparative figures for 2009

Schedule 5

	2010	2009
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Salaries:

Administration

\$ 2,164,251 \$ 1,801,458

Support	1,566,096	1,445,291
Other salaries	6,195	2,499
Benefits	927,162	789,833
Building repairs and maintenance	10,036	1,442
Contracted services	258,111	239,928
Equipment maintenance and repair	200,000	100,000

Furniture and equipment purchases	102,621	126,692
Furniture and equipment rental	42,718	40,723
Instructional supplies	44,300	32,022
Insurance	193,846	149,525
Interest and bank charges	82,739	72,469
Municipal tax levy	135,375	141,225
Office supplies	50,515	40,000

Premise rental	-	9,454
Professional development	31,520	49,128

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Plant Expenses

Year ended March 31, 2010, with comparative figures for 2009

Schedule 6

	2010	2009
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Salaries:

Support	1,041,781	974,618
Other salaries	2,528	4,919

Building repairs and maintenance	66,323	68,186
Contracted security services	88,265	79,347
Contracted services	13,785	10,642
Furniture and equipment purchases	8,170	6,543
Furniture and equipment rental	3,838	1,329
Grounds maintenance	9,516	11,151
Insurance	950	664
Janitorial and maintenance supplies	54,328	46,499
Office supplies	944	1,176
Professional fees	331	1,049
Promotional and Public Relations	1,626	859
Telecommunications	3,660	4,861
Travel and conference	1,500	2,627
Utilities	788,949	839,165
Vehicle expense	5,883	6,346
	\$ 2,609,423	\$ 2,552,309

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2010, with comparative figures for 2009

Schedule 7

	2010	2009
Salaries:		
Administration	\$ 131,571	\$ 139,511
Support	347,635	344,849
Other salaries	10,295	14,171
Benefits	135,590	147,191
Building repairs and maintenance	51,110	51,850

Contracted security services	30,915	27,380
Contracted services	47,168	53,790
Cost of goods sold	29,556	9,974
Equipment maintenance and repairs	1,992	1,656
Furniture and equipment purchases	9,499	9,648
Grounds maintenance	35,317	54,563
Instructional supplies	20,061	22,710
Interest on long-term debt	375,970	375,970
Janitorial and maintenance supplies	1,041	980
Office supplies	3,367	2,227
Professional development	-	624
Professional fees	474	503
Promotion and public relations	1,191	1,480
Telecommunications	1,706	1,229
Travel and conference	2,223	1,651
Utilities	66,006	63,379

THE SAULT COLLEGE OF

APPLIED

Year ended March 31, 2010, with comparative figures for 2009

	2010	2009
Salaries:		
Administration		
Academic	\$ 359,604	\$ 318,084
Support	288,595	283,149
Other salaries	1,188,171	1,070,631
Benefits	8,246	7,097
Contracted services	424,515	442,650
Equipment maintenance and repairs	427,874	394,558
Furniture and equipment purchases	168	82
Furniture and equipment rental	65,966	13,001
Instructional supplies	4,759	4,759
	79,222	

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Special Projects Expenses

Year ended March 31, 2010, with comparative figures for 2009

Schedule 9

	2010	2009
Salaries:		
Administration	\$ 138,448	\$ 142,396
Academic	47,567	15,941
Support	110,319	86,151
Other salaries	14,127	8,827
Benefits	37,892	28,084
Contracted services	14,130	44,898
Equipment maintenance and repairs	479	-
Furniture and equipment purchases	4,017	8,189
Instructional supplies	34,834	19,862
Office supplies	6,594	5,860
Premise Rental	18,077	5,775
Professional fees	-	6,038
Promotion and public relations	20,036	10,700
Telecommunications	4,226	3,211
Travel and conference	32,058	24,891
Training, subsidies, and allowances	18,200	-
	<u>\$ 501,004</u>	<u>\$ 410,823</u>