

Financial Statements of

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

Year ended March 31, 2016

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Financial Statements

Year ended March 31, 2016

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Independent Auditor's Report

Statement of Financial Position 1

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Statement of Operations	2
Statement of Changes in Net Assets	3
Statement of Cash Flows	4
Statement of Remeasurement Gains and Losses	5
Notes to Financial Statements	6 - 22
Schedule of Revenue	21

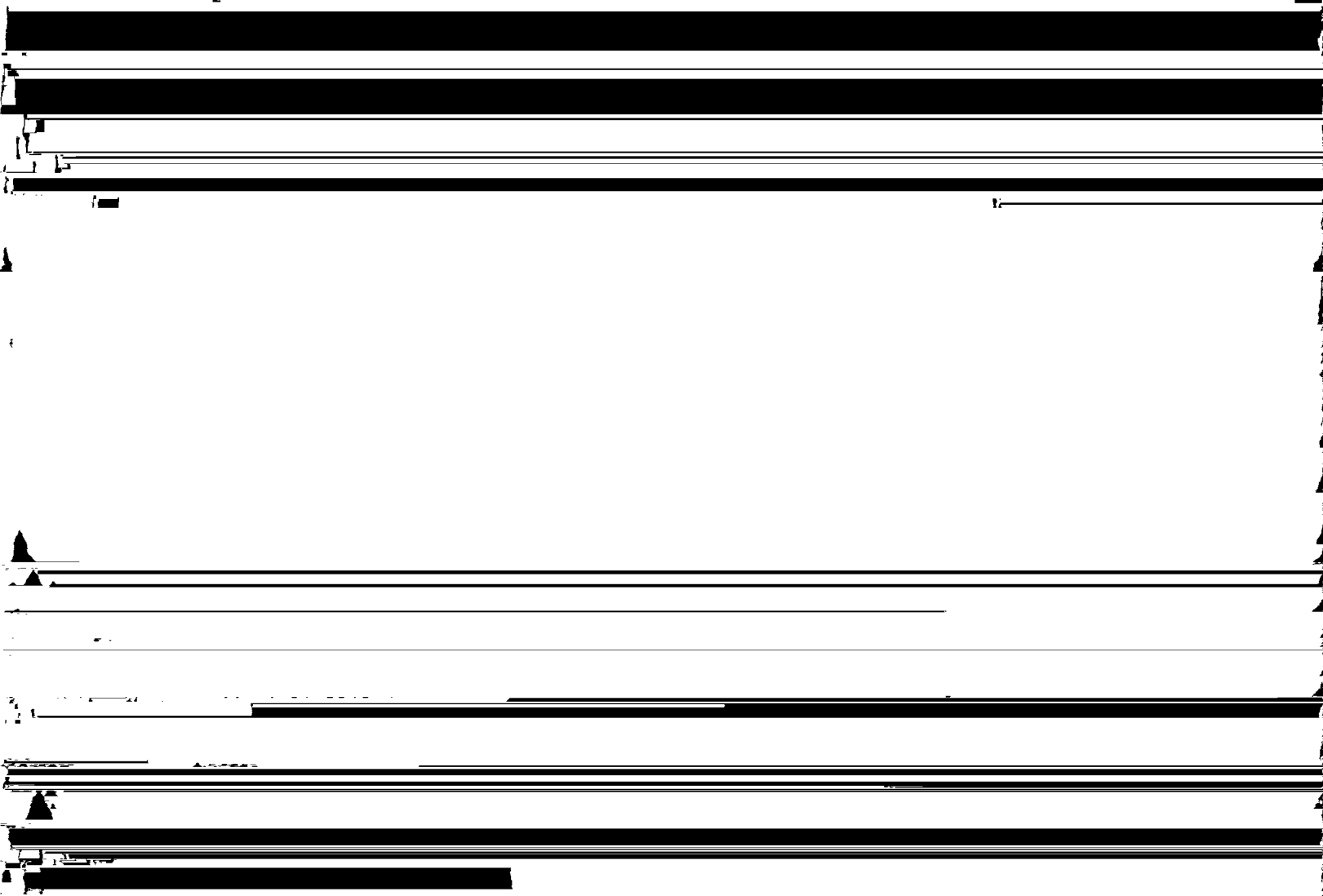


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## INDEPENDENT AUDITORS' REPORT

To the Governors of The Sault College of Applied Arts and Technology

We have audited the accompanying financial statements of The Sault College of Applied Arts and Technology for the year ended 2008, consisting of the Statement of Financial Position, the Statement of Operations, the Statement of Changes in Equity, and the Statement of Cash Flows, and the related notes to the financial statements.





*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sault College of Applied Arts and Technology as at March 31, 2016, its results of operations, ~~and its cash flows and non-recurring gains and losses for the year then ended in~~

KPMG LLP

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

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# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Statement of Changes in Net Assets

Year ended March 31, 2016, with comparative information for 2015

2016	Capital assets	Invested in internally restricted	Restricted for student purposes and endowments	Unrestricted	Total
Balance, beginning of year	\$ 7,684,233	\$ 156,667	\$ 4,322,746	\$ 4,239,885	\$ 16,403,531
Excess (deficiency) of revenue over expenses	(1,191,471)	3,389	328,766	534,472	(324,844)
Invested in capital assets (note 12)	1,606,316	-	(164,829)	(1,441,487)	-
<b>Balance end of year</b>	<b>\$ 8,099,078</b>	<b>\$ 160,056</b>	<b>\$ 4,486,683</b>	<b>\$ 4,232,870</b>	<b>\$ 17,078,687</b>

2015	Capital assets	Invested in internally restricted	Restricted for student purposes and endowments	Unrestricted	Total
Balance, beginning of year	\$ 9,752,595	\$ 158,249	\$ 4,249,987	\$ 4,053,078	\$ 18,213,909





# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Statement of Remeasurement Gains and Losses

Year ended March 31, 2016, with comparative information for 2015

	2016	2015
Accumulated remeasurement gains (losses), beginning of the year	\$ 174,218	\$ (73,327)

Unrealized gains (losses) attributable to:

Realized gains, reclassified to the statement of operations:		
Temporary investments	(174,218)	73,327
Designated fair value		
Net remeasurement gains (losses) for the year	(182,472)	247,545
Accumulated remeasurement gains (losses), end of the year	\$ (8,254)	\$ 174,218



# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

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## 1. Significant accounting policies (continued):

### (d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized.

Construction in progress is recorded as a capital asset but not amortized until construction is

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put into service.

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Construction in progress is recorded as a capital asset but not amortized until construction is

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useful lives, which has been estimated to be as follows:

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

## 1. Significant accounting policies (continued):

### (e) Retirement and post-employment benefits and compensated absences (continued):

(iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined

using management's best estimate of salary escalation, employees' use of entitlement



# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Notes to the Financial Statements

Year ended March 31, 2016

### 4. Loan receivable:

	2016	2015
Health and Wellness building – Sault College Student Union receivable	\$ 2,842,979	\$ 3,000,000
Current portion of long-term receivable	162,306	157,021
	<u>\$ 2,680,673</u>	<u>\$ 2,842,979</u>

Aggregate maturities of long-term receivables for each of the five years subsequent to March 31, 2016, are as follows: 2017 - \$162,306; 2018 - \$167,769; 2019 - \$173,416, 2020 - \$179,253 and 2021 - \$185,286

The Sault College Student Union committed to a contribution totalling \$3,927,000 towards the construction of the College's Health and Wellness building. The College has loaned the remaining \$3,000,000 relating to this commitment. The loan has been guaranteed through the collections of

rate of 3.338%.

5. Capital assets:

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

**5. Capital assets (continued):**

2015	Cost	Accumulated amortization	Net book value
Land	\$ 1,020,817	\$ —	\$ 1,020,817
Buildings	83,656,994	29,583,859	54,073,135
Site improvements	5,239,513	2,316,536	2,922,977
Equipment	13,036,917	10,542,510	2,494,407
Vehicles	432,369	352,811	79,558
Furniture and fixtures	1,251,167	1,040,794	210,373
Computer equipment	13,330,954	12,635,140	695,814
<del>Assets</del>	<del>2,650,422</del>	<del>2,365,474</del>	<del>284,948</del>
	<b>\$ 121,619,153</b>	<b>\$ 59,737,124</b>	<b>\$ 61,882,029</b>

**6. Deferred contributions for expenses of future periods:**

Deferred contributions consist of the following:

THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2016

8. Long-term debt:

	2016	2015
3.338% term loan to Ontario Financing Authority, unsecured, payable \$127,931 semi-annually including interest, due October 31, 2029	\$ 2,842,979	\$ 3,000,000
1.856% term loan to Ontario Financing Authority, unsecured, payable \$210,349 semi-annually including interest, due October 31, 2019	1,214,841	2,000,000

	4,457,620	5,000,000
Current portion of long-term debt	(554,850)	(542,380)
	\$ 3,902,770	\$ 4,457,620

The scheduled principal amounts payable within the next five years and thereafter are as follows:

2017	\$ 554,850
2018	554,850



# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

## Deferred capital contributions:

The balance of unamortized and unspent capital contributions related to capital assets consists of

Unamortized capital contributions used		
to purchase assets	\$ 51,118,862	\$ 52,197,796
Unspent contributions	152,404	406,697
Allowance for doubtful accounts capital pledges	(650,000)	-
	\$ 50,621,266	\$ 52,604,493

Deferred capital contributions represent the unamortized amount and unspent amount of donations  
and grants received for the purchase of capital assets. The amortization of capital contributions is

recorded as revenue in the statement of operations.

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

**10. Employee future benefits (continued):**

Information about the College's benefit plans is as follows:

	2016	2015
Accrued benefit obligation	\$ 2,180,000	\$ 2,287,000
Fair value of plan assets	(87,000)	(89,000)
Funded status – plan deficit	2,093,000	2,198,000
Unamortized actuarial gain (loss)	(73,000)	(81,000)
<b>Employee future benefit liability</b>	<b>\$ 2,020,000</b>	<b>\$ 2,117,000</b>

Current service cost	\$ 92,000	\$ 119,000
Interest on accrued benefit obligation	29,000	48,000
Amortization of actuarial gain (loss)	1,000	(2,000)

Amortization of actuarial loss	(3,000)	(15,000)
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<b>Employee future benefit expense (recovery)</b>	<b>\$ (97,000)</b>	<b>\$ (96,000)</b>
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The unamortized actuarial loss is amortized over the expected average remaining service life



# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

## 12. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

	2016	2015
Capital assets	\$ 60,832,580	\$ 61,882,029
Amounts financed by:		
Unamortized capital contributions used to purchase assets	(51,118,861)	(52,197,796)
Long term debt (net of student accounts)		

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

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## 14. Externally restricted net assets:

Investment principal is required to be maintained intact. The investment income generated from

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to the Financial Statements

Year ended March 31, 2016

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## (h) Liquidity risks

Liquidity risk is the risk that the College will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The College manages its liquidity risk by monitoring its operating

requirements. The College prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

There have been no significant changes to the "Liquidity risks" disclosure from 2015.

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# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2016

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**17. Endowment funds:**

The following information outlines the activity of the Ontario Student Opportunity Trust Fund 1

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Schedule of Revenue

Year ended March 31, 2016 with comparative information for 2015

	2016	2015
<b>Grants and reimbursements:</b>		
Operating grants	\$ 14,212,957	\$ 14,210,088
Special purpose grants	15,628,034	15,598,939
Apprentice training	1,355,052	1,213,818
Ontario training strategies	4,618,457	4,338,058
Other	2,824,517	2,505,918
	<u>38,639,017</u>	<u>37,866,821</u>
<b>Tuition fees:</b>		
Full-time post-secondary	7,064,587	7,254,860
Other	2,570,304	2,207,719
	<u>9,634,891</u>	<u>9,462,579</u>
<b>Ancillary operations</b>	1,353,528	1,341,238
<b>Miscellaneous:</b>		
Contract educational services	470,571	542,883
Sale of course products and services	399,922	441,500
Other	2,615,661	2,511,918
	<u>3,486,154</u>	<u>3,496,301</u>
<b>Restricted for student purposes</b>	1,386,518	1,149,117
<b>Amortization of deferred capital contributions</b>	2,920,062	2,798,282
	<u>\$ 57,420,170</u>	<u>\$ 56,114,338</u>