

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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## Auditors' Report

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

We have audited the statement of financial position of Sault College of Applied Arts and Technology as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the college's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the college as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
May 7, 2010

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Statement of Financial Position

March 31, 2010, with comparative figures for 2009

	2010	2009
<b>Assets</b>		
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
Grants and reimbursements receivable	1,365,418	1,142,326
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)	29,884,509	26,100,406
	\$ 66,799,485	\$ 54,890,087
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 9,308,805	\$ 5,616,634
Deferred tuition fees	685,600	593,383
Payable to the Ministry of Training, Colleges and Universities	243,580	200,180
	10,237,985	6,410,197
Long-term obligations:		
Capital mortgage (note 9)	4,100,000	4,100,000
Vested sick leave benefits	915,088	1,013,727
Employee future benefits (note 5)	699,000	727,000
	5,714,088	5,840,727
Deferred contributions:		
Expenses of future periods (note 6)	2,490,621	1,196,033
Capital assets (note 7)	32,332,253	27,012,945
	34,822,874	28,208,978
Net assets:		
Unrestricted (deficit):		
Operating	10,588,756	9,383,029
Employment related	(4,824,648)	(4,876,328)
Invested in capital assets (Note 8)	5,711,698	5,812,647
Internally restricted	187,089	194,583
Restricted for student purposes	4,361,643	3,916,254
	16,024,538	14,430,185
	\$ 66,799,485	\$ 54,890,087

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Approved by the Board: \_\_\_\_\_ Chairman of the Board \_\_\_\_\_ Treasurer

# 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>49,206,963</u>	<u>45,872,823</u>
Expenses:		
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
Plant	2,609,423	2,552,309
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)
Amortization of capital assets	2,644,336	2,595,680
	<u>47,644,266</u>	<u>43,156,572</u>
Excess of revenue over expenses before the under noted	1,562,697	2,716,251
Gain on disposal of capital assets	10,013	10,350
Excess of revenue over expenses	<u>\$ 1,572,710</u>	<u>\$ 2,726,601</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Statement of Changes in Net Assets

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

						2010	2009
	Operating	Unrestricted Employment related	Unrestricted Invested in capital assets	Internally restricted	Restricted for student purposes	Total	Total
Net asset, beginning of year	\$9,383,029	\$(4,876,328)	\$5,812,647	\$ 194,583	\$3,916,254	\$14,430,185	\$11,721,825
Excess (deficiency) of revenue over expenses	1,681,758	51,680	(610,289)	(7,494)	457,055	1,572,710	2,726,601
Unrealized gain (loss) on investments	(4,667)	-	-	-	26,310	21,643	(18,241)
Invested in capital assets	(471,364)	-	509,340	-	(37,976)	-	-
<b>Net assets, end of year</b>	<b>\$ 10,588,756</b>	<b>\$(4,824,648)</b>	<b>\$ 5,711,698</b>	<b>\$ 187,089</b>	<b>\$ 4,361,643</b>	<b>\$ 16,024,538</b>	<b>\$14,430,185</b>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# 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	2,644,336	2,595,680
Amortization of deferred capital contributions	(1,736,511)	(1,482,506)
(Gain) loss on disposal of capital assets	(10,013)	(10,350)
Future benefits and vested sick leave liability	(126,639)	(128,660)
Net increase (decrease) in deferred contributions related to expenses of future periods	1,294,588	467,321
	<u>3,638,471</u>	<u>4,168,086</u>
Changes in non-cash working capital balances:		
Accounts receivable	(553,055)	70,424
Grants and reimbursements receivable	(223,092)	757,286
Inventories	5,667	(3,203)
Prepaid expenses	(859,909)	(188,383)
Accounts payable and accrued liabilities	3,692,171	40,828
Payable to Ministry of Training Colleges and Universities	43,400	(11,551)
Deferred Tuition Fees	92,217	79,415
	<u>5,835,870</u>	<u>4,912,902</u>
Cash flows from financing and investing activities:		
Sinking fund investment	(287,522)	(263,155)
Unrealized gain on investments	21,643	(18,241)
Repayment of long-term obligations	-	(64,705)
Purchase of capital assets	(6,429,951)	(2,901,251)
Deferred capital contribution	7,060,799	1,265,711
Proceeds on disposal of capital assets	6,545	5,370
	<u>371,514</u>	<u>(1,976,271)</u>
Increase in cash	6,207,384	2,936,631
Cash and temporary investments, beginning of year	23,662,052	20,725,421
Cash and temporary investments, end of year	<u>\$ 29,869,436</u>	<u>\$ 23,662,052</u>

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

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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 Agency of the Ontario provincial government.

These statements reflect the assets, liabilities, sources of financing and expenditures of the operating fund, capital fund, student and bursary fund.

## 1. Significant accounting policies:

### (a) Revenue recognition:

The College follows the deferral method of accounting.

Operating grants are recorded as revenue in the period to which they relate. Grant amounts relating to future periods are deferred and recognized in the subsequent period when the related activity occurs. Grants approved but not received at the end of an accounting period are accrued.

Tuition revenue is recognized on the basis of teaching days incurred during the fiscal year.

Unrestricted contributions are recognized as revenue when received or receivable if the amounts can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at rates corresponding to those of the related capital assets.

Contributions for student purposes and the interest thereon are recognized as direct increases in net assets restricted for student purposes.

Sales and services revenue is recognized at the point of sale.

### (b) Inventory:

Inventory related to ancillary operations is valued at the lower of cost and net realizable value.



# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

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## 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
Furniture and fixtures	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 various categories of capital assets and will be amortized on a basis consistent with similar assets.

### (e) Employment related obligations:

Employment related obligations, which include vacation pay, certain pension and post employment benefits and sick leave benefits are accrued. The College is liable to pay 50% of certain faculty members' accumulated sick leave credits on termination or retirement after ten years service.

### (f) Use of estimates:

The preparation of the 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from management's best estimates as additional information becomes available.

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

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## 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 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 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 instruments included in this category are cash and bank.

### (2) Held to Maturity:

Held to maturity investments include financial assets with fixed or determinable payments that the College has the intention and ability to hold to maturity. Investments classified as held to maturity are initially recognized at fair value. They are subsequently valued at amortized cost using the effective interest method less any provision for impairment. Transaction costs related to held to maturity investments are expensed as incurred. The sinking fund investment is classified as held to maturity.

The sinking fund investment consists of Ontario Hydro debenture coupons with a yield to maturity of 9.26%, which will mature in the year 2012 at \$4,100,000. This sinking fund investment is a restricted asset to be used to retire the student residence building mortgage at maturity.

The fair value of these coupons at March 31, 2010 is \$ 3,905,136 (2009 - \$3,770,078) being the quoted market value. The total interest income earned on coupons during the fiscal year is \$287,523 (2009 - \$263,158).

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

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## 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 are included in the amount initially recognized. Temporary investments have been classified as available for sale.

The total interest income earned on temporary investments during the year is \$134,236 (2009 - \$445,739).

### (4) Loans and Receivables:

Loans and receivable are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. These financial instruments are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are included in the amount initially recognized. Accounts receivable and grants and reimbursements receivable have been classified as loans and receivables.

### (5) Other Financial Liabilities:

Other financial liabilities includes all financial liabilities other than those classified as held-for-trading and comprises accounts payable and accrued liabilities, payable to the Ministry of Training, Colleges and Universities, and the mortgage on the student residence building. These instruments are initially recognized at fair value including direct and incremental transaction costs. They are subsequently measured at amortized cost using the effective interest rate method.

The total interest expense on related residence building mortgage is \$375,970 (2009 - \$375,970).

Unless otherwise noted, it is management's opinion that the College is not exposed to significant interest, currency, or credit risk arising from these financial instruments.

# 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
Internally restricted	187,090	194,583
Capital assets	8,866,924	7,720,191
Cash and temporary investments on hand	16,405,713	11,855,360
	<b>\$ 29,869,436</b>	<b>\$ 23,662,052</b>

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:

	2010		
	Cost	Accumulated amortization	Net book value
Land	\$ 671,255	\$ -	\$ 671,255
Buildings	43,674,004	21,788,567	21,885,437
Site improvements	1,183,038	810,519	372,519
Equipment	9,136,010	7,411,960	1,724,050
Vehicles	315,118	220,164	94,954
Furniture and fixtures	462,056	377,068	84,988
Computer equipment	11,648,284	11,054,314	593,970
Aircraft	3,225,354	3,106,121	119,233
Work in process	4,338,103	-	4,338,103
	<b>\$ 74,653,222</b>	<b>\$ 44,768,713</b>	<b>\$ 29,884,509</b>

### Capital assets:

	2009		
	Cost	Accumulated amortization	Net book value
Land	\$ 671,255	\$ -	\$ 671,255
Buildings	43,151,865	20,841,069	22,310,796
Site improvements	1,087,613	746,453	341,160
Equipment	8,175,876	6,909,998	1,265,878
Vehicles	243,909	192,988	50,921
Furniture and fixtures	402,313	340,513	61,800
Computer equipment	11,352,130	10,157,819	1,194,311
Aircraft	3,225,354	3,021,069	204,285
Work in process	-	-	-
	<b>\$ 68,310,315</b>	<b>\$ 42,209,909</b>	<b>\$ 26,100,406</b>

# 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	\$ 699,000	\$ 727,000

The College indirectly subsidizes premiums for the group benefits available to early retirees and the continuation of benefits for individuals on long-term disability.

The present value of accrued post-employment benefits at March 31, 2010 amounted to \$726,000 (2009 - \$ 758,000). Expenses recorded in the year were \$28,000 – recovery (2009 - \$40,000 - recovery). The benefits paid out in the year were \$81,000 (2009 - \$105,000). These amounts represent the actuarial valuation filed as of March 1, 2008.

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the significant assumptions made:

	2010	2009
Fair value of plan assets	\$ 96,000	\$ 78,000
Accrued benefit obligation	(795,000)	(805,000)
Plan deficit	\$ (699,000)	\$ (727,000)

The significant assumptions used are as follows:

	2010	2009
Discount rate	4.75%	5.50%
Health Care Trend Rate		
- Drugs (grading down to 4.5% in 2020)	10.5%	10.5%
- Hospital and other medical	4.5%	5%
- Dental cost (grading down to 4.5% in 2023)	7.5%	7.5%

Included in accounts payable is an accrual for vacation pay totaling \$3,210,560 (2009 - \$3,135,601).

# 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
Amounts taken into revenue	(3,397,377)	(1,631,622)
	<b>\$ 2,490,620</b>	<b>\$ 1,196,033</b>

## 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
Amortization	(1,741,491)	(1,487,486)
Balance, end of year	<b>\$ 32,332,253</b>	<b>\$ 27,012,945</b>

The balance of unamortized capital contributions related to capital assets consists of the following:

	2010	2009
Unamortized capital contributions used to purchase assets	\$ 23,647,847	\$ 19,468,727
Unspent contributions	8,684,406	7,544,218
Balance, end of year	<b>\$ 32,332,253</b>	<b>\$ 27,012,945</b>

# 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
Amortization of capital assets	(2,644,336)	(2,595,680)
Investment income	287,523	263,158
Gain (loss) on disposal of capital assets	10,013	10,350
	<u>\$ (610,289)</u>	<u>\$ (839,665)</u>

	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	(5,920,611)	(2,429,772)
	<u>\$ 509,340</u>	<u>\$ 535,757</u>

Net assets invested in capital assets are represented by:

	2010	2009
Cash	\$ 8,866,791	\$ 7,720,058
Investments	133	133
Sinking fund investment	3,392,518	3,104,995
Capital assets, net book value	29,884,509	26,100,406
	<u>42,143,951</u>	<u>36,925,592</u>
Less:		
Deferred contributions related to capital assets	32,332,253	27,012,945
Long-term obligations	4,100,000	4,100,000
	<u>36,432,253</u>	<u>31,112,945</u>
Net assets invested in capital assets	<u>\$ 5,711,698</u>	<u>\$ 5,812,647</u>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

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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

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## 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, 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, employment related, invested in capital assets (Note 8), and internally restricted net assets. The College's objectives when managing these amounts are to safeguard its ability to continue as a going concern; to continue to provide services to the College community and to allow for future expansion. Annual budgets are developed and monitored to ensure these amounts are maintained at an appropriate level.

## 11. Pension plans:

Full time employees of the College are members of the Colleges of Applied Arts and Technology (CAAT) Pension Plan (the Plan), which is a multi-employer plan available to all eligible employees of the participating members of the CAAT. Under this arrangement, the College makes contributions to this plan equal to those of the employees. The Plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees, and members will receive benefits based on the length of service and rate of pay. The College follows defined contribution accounting for its portion of the multi-employer plan. The pension is administered by the CAAT Board of Trustees and the most recent audited financial statements of the Plan available at the time of the College's financial statement preparation were as of December 31, 2008. The results disclosed net assets available for benefits of \$4.233 million. The latest actuarial evaluation filed with the Financial Services Commission of Ontario on January 1, 2008 indicated a plan deficit of \$497 million on a going-concern basis and a Plan deficit of \$226 million on a solvency basis. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of member organizations and their employees. As a result, the College does not recognize any share of the Plan's surplus or deficit. The employer portion of pension contributions for the year was \$2,667,472 (2009 - \$2,073,657), and has been included in the statement of operations.

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

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:

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

#### 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 and March 31	-	-
Matching funds received/receivable from MTCU	-	-
<b>Fund balance at end of year</b>	<b>\$ 664,172</b>	<b>\$ 664,172</b>

#### Schedule of Changes in Expendable Funds Available for Awards for the Period April 1 to March 31:

	2010	2009
Balance, beginning of year	\$ 76,914	\$ 71,410
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	50,209	41,404
Bursaries awarded (total number: 67)	(39,211 )	(35,900)
<b>Balance, end of year</b>	<b>\$ 87,912</b>	<b>\$ 76,914</b>
<b>The endowment total based on book value at March 31, 2010</b>	<b>\$ 752,084</b>	<b>\$ 741,086</b>

The market value of the endowment and expendable fund at March 31, 2010 was \$1,045,555.

#### Report of Awards Issued for the Period April 1, 2009 to March 31, 2010:

	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-time	25	\$ 12,780	42	\$ 26,431	67	\$ 39,211

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

## 13. Ontario Student Opportunity Trust Fund II:

Schedule of donations received for the year:

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

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

	2010	2009
Balance, beginning of year	\$ 331,340	\$ 331,340
Eligible cash donations received between April 1 and March 31	-	-
Matching funds received/receivable from MTCU	-	-
<b>Fund balance at end of year</b>	<b>\$ 331,340</b>	<b>\$ 331,340</b>

Schedule of Changes in Expendable Funds Available  
for Awards for the Period April 1 to March 31:

	2010	2009
Balance, beginning of year	\$ 4,401	\$ 5,847
Realized investment income, net of direct investment- related expenses and preservation of capital contributions	9,558	12,454
Bursaries awarded (total number: 23)	(13,400)	(13,900)
<b>Balance, end of year</b>	<b>\$ 559</b>	<b>\$ 4,401</b>

The endowment total based on book value at March 31, 2010 \$ 331,899 \$ 335,741

The market value of the endowment at March 31, 2010 was \$ 412,499.

Report of Awards Issued for the Period April 1, 2009 to March 31, 2010:

	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-time	15	\$ 8,700	8	\$ 4,700	23	\$ 13,400

# 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	-	-
<b>Total cash donations</b>	<b>\$ 92,715</b>	<b>\$ 182,363</b>

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

Balance, beginning of year	\$ 1,580,926	\$ 1,134,723
Eligible cash donations received between April 1 and March 31	92,715	182,363
Matching funds received/receivable from MTCU	92,715	263,840
<b>Fund balance at end of year</b>	<b>\$ 1,766,356</b>	<b>\$ 1,580,926</b>

### Schedule of Changes in Expendable Funds Available for Awards for the Period April 1 to March 31:

	2010	2009
Balance, beginning of year	\$ 28,729	\$ 14,985
Realized investment income, net of direct investment- related expense and preservation of capital contributions	60,154	60,144
Bursaries awarded (total number:46)	(32,750)	(46,400)
<b>Balance, end of year</b>	<b>\$ 56,133</b>	<b>\$ 28,729</b>

The endowment total based on book value at March 31, 2010 \$ 1,822,489 \$ 1,609,655

The market value of the endowment at March 31, 2010 was \$ 1,945,655.

### Report of Awards Issued for the Period April 1, 2009 to March 31, 2010:

	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-time	23	\$ 16,650	23	\$ 16,100	46	\$32,750

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2010

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## 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, \$8 million from Provincial government, \$4.5 million by the College, \$1 million from NOHFC, and \$3.5 million from other sources including financing. Project costs of \$4,135,221 incurred to March 31, 2010 have been capitalized as Work in Process.

The College has also entered into an agreement to construct a new aircraft hangar. The construction start date was March 2010, and the expected completion date is July 2010. The expected cost to build is \$1.39 million, funded by the following: \$1.23 million by Fednor, and \$160,000 by the College. Project costs of \$202,882 incurred to March 31, 2010 have been capitalized as Work in Process.

## 17. Contingencies:

The College is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of the administration, a liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the College. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

## 18. Economic Dependence:

The College received approximately 69% (2009 – 69%) of its revenues from the Ministry of Training, Colleges, and Universities.



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## Auditors' Comments on Supplementary Financial Information

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

The audited financial statements of the Sault College of Applied Arts and Technology as at March 31, 2010 and our report thereon dated May 7, 2010 are presented in the preceding section of this annual report. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

We do not express a separate audit opinion on the individual schedules of supplemental financial information.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
May 7, 2010

# 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
	<u>34,448,811</u>	<u>32,192,364</u>
Tuition fees:		
Full-time post secondary	5,314,117	4,105,307
Other	1,898,306	1,690,466
	<u>7,212,423</u>	<u>5,795,773</u>
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
	<u>2,305,345</u>	<u>3,088,342</u>
Restricted for student purposes	2,386,359	2,274,488
Amortization of deferred contributions related to capital assets	1,736,511	1,482,506
	<u>\$ 49,206,963</u>	<u>\$ 45,872,823</u>

# 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	107,155	51,118
Promotion and public relations	20,637	15,812
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
	<b>\$ 24,420,785</b>	<b>\$ 21,904,803</b>



# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Educational Resources Expenses

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

Schedule 3

	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
Promotion and public relations	2,956	2,110
Telecommunications	1,805	2,666
Travel and conference	5,483	7,011
	<b>\$ 1,895,943</b>	<b>\$ 1,653,428</b>

# 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
Salaries:		
Administration	\$ 218,582	\$ 193,475
Support	1,259,473	1,241,926
Other salaries	19,843	14,250
Benefits	390,111	340,394
Building repairs and maintenance	1,779	1,830
Contracted services	14,576	14,943
Equipment maintenance and repairs	1,965	2,224
Furniture and equipment purchases	1,823	10,451
Furniture and equipment rental	10,647	9,975
Instructional supplies	65,149	44,226
Janitorial and maintenance supplies	1,834	722
Office supplies	16,148	24,399
Premise rental	2,323	310
Professional fees	22,537	21,221
Promotion and public relations	62,083	83,616
Telecommunications	10,515	9,704
Travel and conference	53,037	58,609
Vehicle expense	18,323	19,032
	<b>\$ 2,170,748</b>	<b>\$ 2,091,307</b>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Administrative Expenses

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

Schedule 5

	2010	2009
Salaries:		
Administration	\$ 2,164,251	\$ 1,801,458
Academic	10,772	10,496
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 repairs	203,346	189,306
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	52,515	46,838
Premise rental	-	9,454
Professional development	31,520	49,128
Professional fees	227,759	295,094
Promotion and public relations	360,963	372,390
Provision for doubtful accounts (recovery)	52,567	(61,154)
Staff employment	82,128	14,843
Telecommunications	83,955	80,808
Travel and conference	47,213	86,025
Vehicle expense	2,191	4,909
	<b>\$ 6,688,379</b>	<b>\$ 5,941,244</b>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Plant Expenses

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

Schedule 6

	2010	2009
Salaries:		
Administration	\$ 194,012	\$ 188,177
Support	1,041,781	974,618
Other salaries	2,528	4,919
Benefits	323,034	304,151
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
	<b>\$ 2,609,423</b>	<b>\$ 2,552,309</b>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Ancillary Operations Expenses

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	51,149	51,350
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
	<b>\$ 1,302,726</b>	<b>\$ 1,324,836</b>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Ontario Training Strategies Expenses

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

Schedule 8

	2010	2009
Salaries:		
Administration	\$ 359,604	\$ 318,084
Academic	288,595	283,149
Support	1,188,171	1,070,631
Other salaries	8,246	7,097
Benefits	424,515	442,650
Contracted services	427,874	394,558
Equipment maintenance and repairs	168	82
Furniture and equipment purchases	65,966	13,001
Furniture and equipment rental	4,759	4,759
Instructional supplies	78,960	52,655
Office supplies	31,545	20,866
Premise rental	113,440	118,561
Professional development	7,618	8,130
Professional fees	10,709	4,681
Promotion and public relations	74,145	34,183
Telecommunications	39,597	36,625
Travel and conference	72,618	56,426
Training, subsidies and allowances	331,819	272,032
Utilities	4,949	4,891
	<b>\$ 3,533,298</b>	<b>\$ 3,143,061</b>

# 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	-
	<b>\$ 501,004</b>	<b>\$ 410,823</b>