

Financial Statements of

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

Year ended March 31, 2009

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Financial Statements

Year ended March 31, 2009

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	Page
Auditors' Report	1
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6
Auditors' Report on Supplementary Information	20
Schedules:	
1. Revenue	21
2. Academic Expenses	22
3. Educational Resources Expenses	23
4. Student Services Expenses	24
5. Administrative Expenses	25
6. Plant Expenses	26
7. Ancillary Operations Expenses	27
8. Ontario Training Strategies Expenses	28
9. Special Projects Expenses	29



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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, 2009 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, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*BDO Dunwoody LLP*

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
May 1, 2009

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	2009	2008
<b>Assets</b>		
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
Grants and reimbursements receivable	1,142,326	1,899,612
Inventory	21,937	18,734
Prepaid expenses	275,281	86,898
	25,684,685	23,384,178
Sinking fund investment (note 2)	3,104,996	2,841,841
Capital assets (note 4)	26,100,406	25,794,835
	<b>\$ 54,890,087</b>	<b>\$ 52,020,854</b>
<b>Liabilities, Deferred Contributions and Net Assets</b>		
Current		
Accounts payable and accrued liabilities	\$ 5,616,634	\$ 5,575,806
Deferred tuition fees	593,383	513,968
Payable to the Ministry of Training, Colleges and Universities	200,180	211,731
Current portion of long-term obligations (note 9)	-	64,705
	6,410,197	6,366,210
Long-term obligations:		
Capital leases and mortgage (note 9)	4,100,000	4,100,000
Vested sick leave benefits	1,013,727	1,102,387
Employee future benefits (note 5)	727,000	767,000
	5,840,727	5,969,387
Deferred contributions:		
Expenses of future periods (note 6)	1,196,033	728,712
Capital assets (note 7)	27,012,945	27,234,720
	28,208,978	27,963,432
Net assets:		
Unrestricted (deficit):		
Operating	9,383,029	7,055,970
Employment related	(4,876,328)	(5,003,771)
	4,506,701	2,052,199
Invested in capital assets	5,812,647	6,116,555
Restricted for student purposes	3,916,254	3,356,512
Internally restricted	194,583	196,559
	14,430,185	11,721,825
	<b>\$ 54,890,087</b>	<b>\$ 52,020,854</b>

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, 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
Other	3,100,188	2,596,638
Restricted for student purposes	2,274,488	2,209,750
Amortization of deferred capital contributions	1,482,506	1,395,343
	<u>45,872,823</u>	<u>44,498,831</u>
Expenses:		
Academic	21,904,803	20,703,385
Educational resources	1,653,428	1,608,726
Student services	2,091,307	1,943,504
Administrative	5,941,244	5,911,444
Plant	2,552,309	2,350,908
Ancillary operations	1,324,836	1,254,079
Ontario training strategies	3,154,494	3,027,106
Special projects	399,390	286,294
Restricted for student purposes	1,666,524	1,678,184
Provision for (recovery of) employee benefit obligations	(127,443)	465,977
Amortization of capital assets	2,595,680	2,570,553
	<u>43,156,572</u>	<u>41,800,160</u>
Excess of revenue over expenses before the under noted	2,716,251	2,698,671
Gain on disposal of capital assets	10,350	98,497
Excess of revenue over expenses	<u>\$ 2,726,601</u>	<u>\$ 2,797,168</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, 2009, with comparative figures for 2008

	Unrestricted		Employment related	Invested in capital assets	Restricted for student purposes	Internally restricted	2009		2008	
	Operating	Total					Total	Total		
Net asset, beginning of year	\$7,055,970	\$(5,003,771)		\$6,116,555	\$3,356,512	\$196,559	\$11,721,825	\$8,920,556		
Excess (deficiency) of revenue over expenses	2,832,836	127,443		(839,666)	607,964	(1,976)	2,726,601	2,797,168		
Unrealized gain (loss) on investments	(2,221)			-	(16,020)	-	(18,241)	4,101		
Invested in capital assets	(503,556)			535,758	(32,202)	-	-	-		
<b>Net assets, end of year</b>	<b>\$9,383,029</b>	<b>\$(4,876,328)</b>		<b>\$5,812,647</b>	<b>\$3,916,254</b>	<b>\$194,583</b>	<b>\$14,430,185</b>	<b>\$11,721,825</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, 2009, with comparative figures for 2008

	2009	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
Accounts payable and accrued liabilities	40,828	458,950
Payable to Ministry of Training Colleges and Universities	(11,551)	141,026
Deferred Tuition Fees	79,415	145,685
	4,912,902	4,125,790
Cash flows from financing and investing activities:		
Sinking fund investment	(263,155)	(240,852)
Unrealized gain on investments	(18,241)	4,101
Repayment of long-term obligations	(64,705)	(360,358)
Purchase of capital assets	(2,901,251)	(4,550,416)
Deferred capital contribution	1,265,711	4,906,327
Proceeds on disposal of capital assets	5,370	5,818
	(1,976,271)	(235,380)
Increase in cash	2,936,631	3,890,410
Cash and temporary investments, beginning of year	20,725,421	16,835,011
Cash and temporary investments, end of year	\$ 23,662,052	\$ 20,725,421

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, 2009

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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, 2009

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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 progress 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, 2009

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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 value to 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, 2009 is \$ 3,770,078 (2008 - \$3,498,645) being the quoted market value. The total interest income earned on coupons during the fiscal year is \$263,158 (2008 - \$240,856).

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

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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 \$445,739 (2008 - \$754,706).

### (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 (2008 - \$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, 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
Capital assets	7,720,191	8,879,175
Cash and temporary investments on hand	11,855,360	7,814,340
	<u>\$ 23,662,052</u>	<u>\$ 20,725,421</u>

The College has a line of credit of \$ 1.5 million at prime less 50 basis points available as of March 31, 2009.

### 4. 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	-	-	-
	<u>\$ 68,310,315</u>	<u>\$ 42,209,909</u>	<u>\$ 26,100,406</u>

### Capital assets:

	2008		
	Cost	Accumulated amortization	Net book value
Land	\$ 671,255	\$ -	\$ 671,255
Buildings	41,502,560	19,906,624	21,595,936
Site improvements	1,020,882	691,929	328,953
Equipment	7,146,982	6,506,315	640,667
Vehicles	230,245	174,005	56,240
Furniture and fixtures	377,202	289,055	88,147
Computer equipment	11,134,574	9,110,284	2,024,290
Aircraft	3,225,354	2,936,017	289,337
Work in process	100,010	-	100,010
	<u>\$ 65,409,064</u>	<u>\$ 39,614,229</u>	<u>\$ 25,794,835</u>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

#### 4. Capital assets (continued):

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 post-employment benefits	\$ 727,000	\$ 767,000

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, 2009 amounted to \$758,000 (2008 - \$ 871,000). Expenses recorded in the year were \$40,000 - recovery (2008 - \$2,000 - recovery). The benefits paid out in the year were \$105,000 (2008 -\$61,000). These amounts represent the actuarial valuation filed as of March 1, 2009.

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:

	2009	2008
Fair value of plan assets	\$ 78,000	\$ 77,000
Accrued benefit obligation	(805,000)	(844,000)
Plan deficit	\$ (727,000)	\$ (767,000)

The significant assumptions used are as follows:

	2009	2008
Discount rate	5.50%	5.50%
Health Care Trend Rate		
- Drugs	10.5%	10.5%
(grading down to 5.5% in 2018)		
- Hospital and other medical	5%	5%
- Dental cost (grading down to 4.5% in 2014)	7.5%	7.5%

Included in accounts payable is an accrual for vacation pay totaling \$3,135,601 (2008 - \$3,134,384).

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

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

Deferred contributions consist of the following:

	2009	2008
Balance, beginning of year	\$ 728,712	\$ 1,159,230
Additional contributions received	2,098,943	1,313,407
Amounts taken into revenue	(1,631,622)	(1,743,925)
	<u>\$ 1,196,033</u>	<u>\$ 728,712</u>

## 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:

	2009	2008
Balance, beginning of year	\$ 27,234,720	\$ 23,816,416
Contributions received	1,265,711	4,906,326
Amortization	(1,487,486)	(1,488,022)
Balance, end of year	<u>\$ 27,012,945</u>	<u>\$ 27,234,720</u>

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

	2009	2008
Unamortized capital contributions used to purchase assets	\$ 19,468,727	\$ 18,526,441
Unspent contributions	7,544,218	8,708,279
Balance, end of year	<u>\$ 27,012,945</u>	<u>\$ 27,234,720</u>

# 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	26,100,406	25,794,835
	<u>36,925,592</u>	<u>37,515,980</u>
Less:		
Deferred contributions related to capital assets	27,012,945	27,234,720
Long-term obligations	4,100,000	4,164,705
	<u>31,112,945</u>	<u>31,399,425</u>
Net assets invested in capital assets	<u>\$ 5,812,647</u>	<u>\$ 6,116,555</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
	-	63,792
Less amount representing interest	-	913
	-	64,705
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
	\$ 4,100,000	\$ 4,100,000



# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

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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, 2009 have been made to the Joint Employment Stability Reserve Fund in the amount of \$ 194,583.

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 purposes (Note 13), amounts internally restricted, and amount invested in capital assets (Note 8). 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 are participants in the multi-employer contributory retirement pension plans administered by the Board of Trustees of the CAAT Pension Plan. These plans are defined benefit plans, which specify the amount of the retirement benefit to be receivable by the employees based on length of service and rates of pay. The College makes contributions to these plans equal to those of the employees. Employer contributions amounted to \$ 2,073,657 (2008 - \$1,795,154).

## 12. 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.

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

## 13. 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:

	2009	2008
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:

	2009	2008
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:

	2009	2008
Balance, beginning of year	\$ 71,410	\$ 71,174
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	41,404	37,255
Bursaries awarded (total number: 63)	(35,900)	(37,019)
<b>Balance, end of year</b>	<b>\$ 76,914</b>	<b>\$ 71,410</b>
<b>The endowment total based on book value at March 31, 2009</b>	<b>\$ 741,086</b>	<b>\$ 735,582</b>

The market value of the endowment and expendable funds at March 31, 2009 was \$994,036.

#### Report of Awards Issued for the Period April 1, 2008 to March 31, 2009:

	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-time	27	\$ 14,450	36	\$ 21,450	63	\$ 35,900

# 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	-	-
<b>Total cash donations</b>	<b>-</b>	<b>-</b>

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

	2009	2008
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:

	2009	2008
Balance, beginning of year	\$ 5,847	\$ 5,481
Realized investment income, net of direct investment- related expenses and preservation of capital contributions	12,454	15,266
Bursaries awarded (total number: 15)	(13,900)	(14,900)
<b>Balance, end of year</b>	<b>\$ 4,401</b>	<b>\$ 5,847</b>

**The endowment total based on book value at March 31, 2009 \$ 335,741 \$ 337,187**

The market value of the endowment at March 31, 2009 was \$ 404,830.

Report of Awards Issued for the Period April 1, 2008 to March 31, 2009:

	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-time	6	\$ 6,500	9	\$ 7,400	15	\$ 13,900

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

## 15. Ontario Trust for Student Support:

### Schedule of donations received between April 1 and March 31:

	2009	2008
Cash donations matched between April 1 and March 31	\$ 182,363	\$ 124,302
Unmatched cash donations	-	-
<b>Total cash donations</b>	<b>\$ 182,363</b>	<b>\$ 124,302</b>

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

Balance, beginning of year	\$ 1,134,723	\$ 803,471
Eligible cash donations received between April 1 and March 31	182,363	124,302
Matching funds received/receivable from MTCU	263,840	206,950
<b>Fund balance at end of year</b>	<b>\$ 1,580,926</b>	<b>\$ 1,134,723</b>

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

	2009	2008
Balance, beginning of year	\$ 14,985	\$ 494
Realized investment income, net of direct investment- related expense and preservation of capital contributions	60,144	41,291
Bursaries awarded (total number:74)	(46,400)	(26,800)
<b>Balance, end of year</b>	<b>\$ 28,729</b>	<b>\$ 14,985</b>

**The endowment total based on book value at March 31, 2009 \$ 1,609,655 \$ 1,149,708**

The market value of the endowment at March 31, 2009 was \$ 1,602,168.

### Report of Awards Issued for the Period April 1, 2008 to March 31, 2009:

	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-time	32	\$ 17,500	42	\$ 28,900	74	\$ 46,400

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Financial Statements

Year ended March 31, 2009

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## 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 have a potential implication for the College, are as follows:

### (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 assets and for the presentation of revenues and expenses. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The College is currently assessing the impact of the new standard.



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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, 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 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.

*BDO Dunwoody LLP*

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario  
May 1, 2009

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Revenue

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

Schedule 1

	2009	2008
<b>Grants and reimbursements:</b>		
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
	<u>32,192,364</u>	<u>31,901,019</u>
<b>Tuition fees:</b>		
Full-time post secondary	4,106,767	3,823,107
Other	1,689,006	1,625,803
	<u>5,795,773</u>	<u>5,448,910</u>
Ancillary operations	1,027,504	947,171
<b>Miscellaneous:</b>		
Contract educational services	293,230	316,971
Sale of course products and services	265,337	297,816
Other	2,541,621	1,981,851
	<u>3,100,188</u>	<u>2,596,638</u>
Restricted for student purposes	2,274,488	2,209,750
Amortization of deferred contributions related to capital assets	1,482,506	1,395,343
	<u>\$ 45,872,823</u>	<u>\$ 44,498,831</u>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Academic Expenses

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

Schedule 2

	2009	2008
Salaries:		
Administration	\$ 1,289,243	\$ 1,160,973
Academic	12,596,816	12,065,419
Support	2,125,563	1,879,835
Other salaries	3,867	9,148
Early retirement incentive	-	8,000
Benefits	3,228,830	2,982,727
Building repairs and maintenance	11,103	15,906
Contracted security services	588	690
Contracted services	591,760	593,523
Equipment maintenance and repairs	385,461	412,925
Field work	59,943	60,868
Furniture and equipment purchases	102,325	109,199
Furniture and equipment rental	3,103	5,259
Grounds maintenance	14,688	13,269
Instructional supplies	846,597	797,513
Insurance	194,958	192,034
Interest and bank charges	1,401	13,469
Janitorial and maintenance supplies	990	635
Municipal tax levy	20,522	20,445
Office supplies	64,701	76,212
Premise rental	57,126	9,158
Professional development	17,758	19,429
Professional fees	51,118	57,685
Promotion and public relations	15,812	11,031
Staff employment	5,205	9,633
Telecommunications	14,421	14,459
Travel and conference	107,861	75,510
Training, subsidies and allowances	-	2,400
Utilities	46,442	47,799
Vehicle expense	46,601	38,232
	<b>\$ 21,904,803</b>	<b>\$ 20,703,385</b>



# 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
Furniture and equipment rental	72,746	55,949
Instructional supplies	146,166	162,903
Office supplies	12,277	24,666
Professional Development	936	573
Professional fees	6,428	4,109
Promotion and public relations	2,110	1,373
Telecommunications	2,666	2,754
Travel and conference	7,011	1,354
	\$ 1,653,428	\$ 1,608,726

# 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
Vehicle expense	19,032	14,246
	<b>\$ 2,091,307</b>	<b>\$ 1,943,504</b>

# 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
Insurance	149,525	144,465
Interest and bank charges	72,469	55,346
Municipal tax levy	141,225	138,150
Office supplies	46,838	62,028
Premise rental	9,454	13,441
Professional development	49,128	50,248
Professional fees	295,094	463,560
Promotion and public relations	372,390	263,320
Provision for doubtful accounts (recovery)	(61,154)	44,634
Staff employment	14,843	33,444
Telecommunications	80,808	72,416
Travel and conference	86,025	107,344
Vehicle expense	4,909	10,066
	<b>\$ 5,941,244</b>	<b>\$ 5,911,444</b>

# 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
Benefits	304,151	287,522
Building repairs and maintenance	68,186	93,396
Contracted security services	79,347	77,251
Contracted services	10,642	12,720
Furniture and equipment purchases	6,543	3,110
Furniture and equipment rental	1,329	3,884
Grounds maintenance	11,151	9,828
Insurance	664	123
Janitorial and maintenance supplies	46,499	48,642
Office supplies	1,176	1,322
Professional fees	1,049	725
Promotional and Public Relations	859	5,172
Telecommunications	4,861	3,819
Travel and conference	2,627	1,339
Utilities	839,165	763,855
Vehicle expense	6,346	4,728
	<b>\$ 2,552,309</b>	<b>\$ 2,350,908</b>

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Ancillary Operations Expenses

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
Furniture and equipment purchases	9,648	7,848
Grounds maintenance	54,563	55,955
Instructional supplies	22,710	23,016
Interest on long-term debt	375,970	375,970
Janitorial and maintenance supplies	980	939
Office supplies	2,227	3,446
Professional development	624	-
Professional fees	503	450
Promotion and public relations	1,480	1,631
Telecommunications	1,229	1,088
Travel and conference	1,651	510
Utilities	63,379	60,717
	<b>\$ 1,324,836</b>	<b>\$ 1,254,079</b>

# 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
Building repairs and maintenance	-	2,392
Contracted services	394,558	421,022
Equipment maintenance and repairs	82	-
Furniture and equipment purchases	13,001	56,732
Furniture and equipment rental	4,759	4,738
Instructional supplies	52,655	64,030
Office supplies	20,866	32,904
Premise rental	118,561	120,981
Professional development	8,130	733
Professional fees	4,681	7,005
Promotion and public relations	34,183	33,835
Telecommunications	36,625	31,282
Travel and conference	56,426	58,315
Training, subsidies and allowances	272,032	250,128
Utilities	4,891	4,914
	<b>\$ 3,154,494</b>	<b>\$ 3,027,106</b>

# 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
	<b>\$ 399,390</b>	<b>\$ 286,294</b>