Financial Statements of

# THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2016

**Financial Statements** 

Year ended March 31, 2016

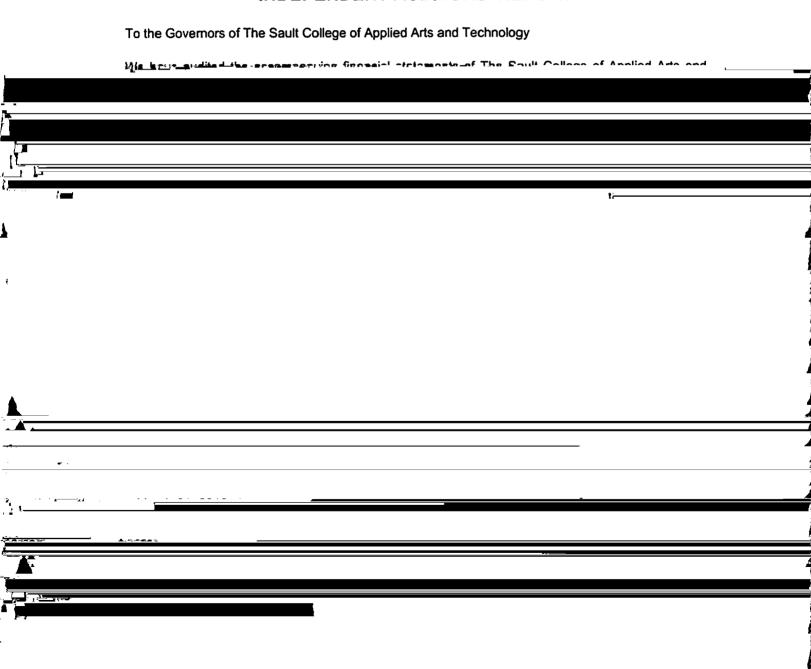
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KPMG LLP 111 Elgin Street, Suite 200 Sault Ste. Marie ON P6A 6L6 Canada Telephone (705) 949-5811 Fax (705) 949-0911

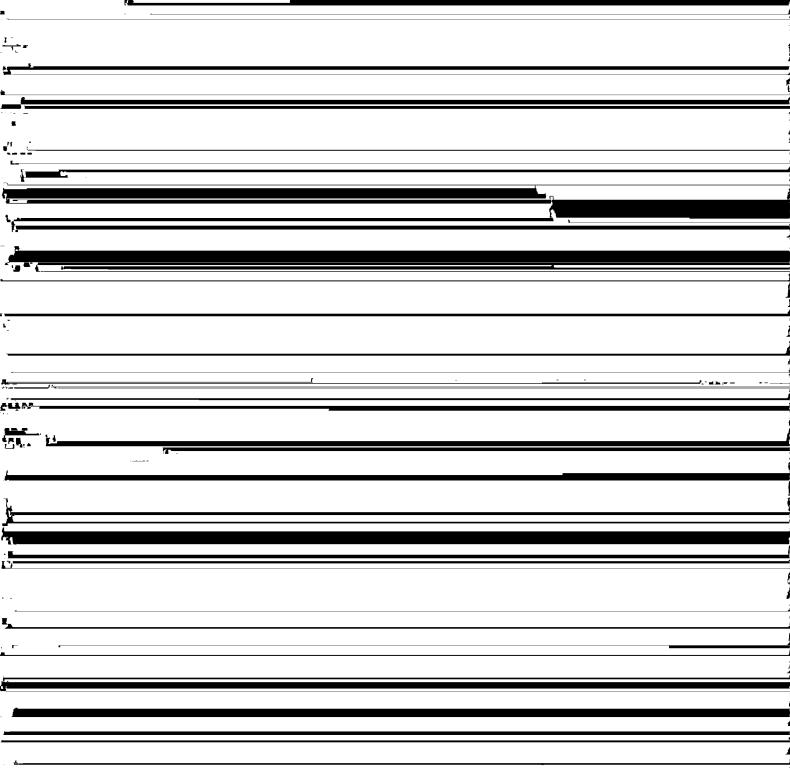
### **INDEPENDENT AUDITORS' REPORT**



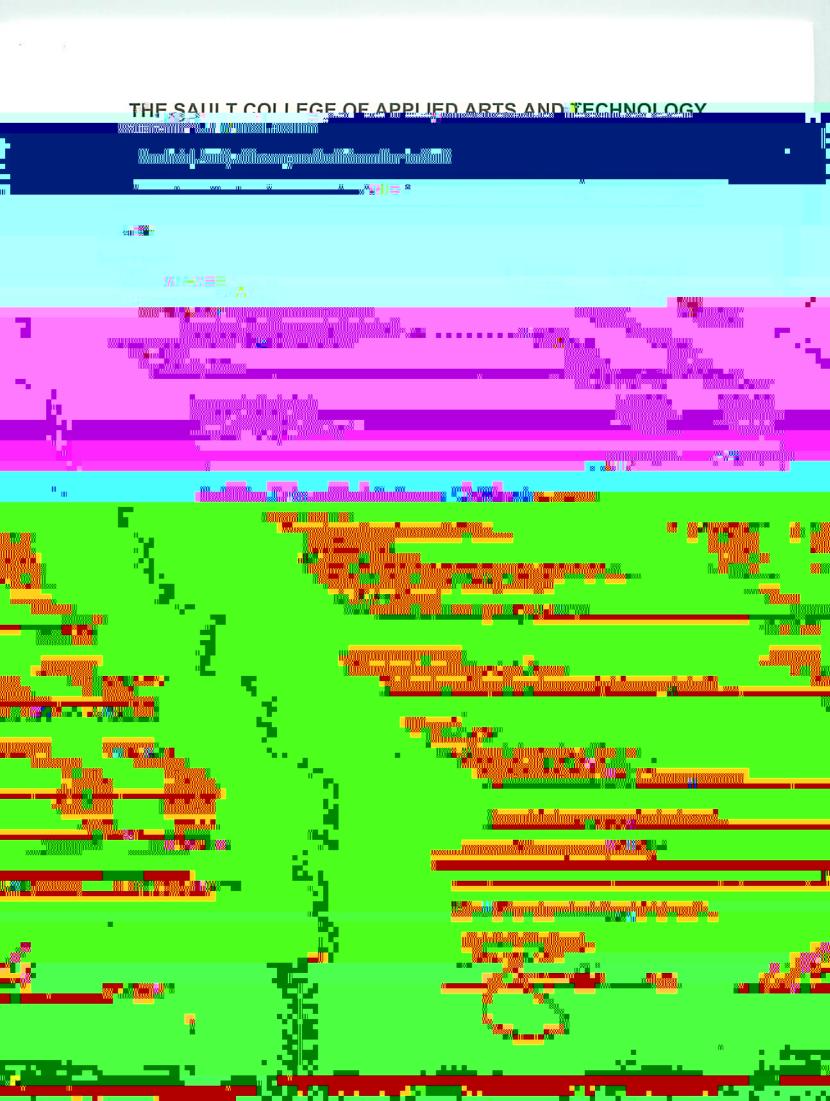


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In our opinion, the financial statements present fairly, in all material respects, the financial position of The Sault College of Applied Arts and Technology as at March 31, 2016, its results of operations,



KPMG LLP



Statement of Operations

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

	2016	2015	
Revenue: (Schedule) Grants and reimbursements	\$ 38,639,017	\$ 37,866,821	
Tuition fees Ancillary operations	9,634,891 1,353,528	9,462,579 1,341,238	
Other	3,486,154	3,496,301	
•			
Amortization of deferred capita		2,798,282	
	57,420,170	56,114,338	
Expenses:			
Salaries and benefits	39,123,183 1,774,372	39,115,901 1,824,247	
Instructional supplies Contracted services	1,774,372 4 161 975.	4 203 304	
<u> </u>	<b>i</b> ,		
		2,897,982	
Utilities, maintenance and taxe		164,907	
Interest and bank charges	248,597		
		622 000	
Interest and bank charges			

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 revnenses	/1 1Q1 <i>4</i> 71\	2 200	200 700	50 <u>4 450</u>	****	
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	Invested in capital assets (note	1,606,316	-	(164,829)	(1,441,487)	-	
	Balance end of year	¢ 0 000 070	¢ 160.0EC	6 4 400 000	A A A A A A A A A A A A A A A A A A A		
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	2015	Capital	Invested in internally	for student purposes and			
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Statement of Cash Flows

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

Grants and reimbursement receivable

- ,-			2016	2015	
	Cash provided by (used in):				
	Operating activities:				
	Deficiency of revenue over expenses Items not involving cash:	\$	(324,844)	\$ (1,810,378)	
	Amortization of capital assets	4	4,111,533	3,857,483	
	Amortization of deferred capital contribution	(2	2,920,062) (3,920)	(2,798,282)	
	Gain on sale of capital assets		(3,520) /182 <i>A</i> 72\	(1,848) 247 545	
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			150 161	(470.834)	
			_1E0 /E1	(470.224)	
			150 /61	(170.824)	

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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)

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

Notes to Financial Statements

	Year ended March 31, 2016	
	The Sault College of Applied Arts and Technology (the "College") is a provincial community college	
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	Notes to the Financial Statements
	Year ended March 31, 2016
	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 procress is recorded as a capital asset but not amortized until-construction is
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## THE SAULT COLLEGE OF APPLIED ARTS AND TECHNOLOGY Notes to the Financial Statements

Year ended March 31 2016

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	<ul><li>(e) Retirement and post-employment benefits and compensated absences (continued):</li></ul>	
10	(iii) The cost of vecting and non-vecting cial leave handle are actualistic determined	
	/iii) Th <u>e east of upsting and non-venting sink lague handlite are actualistic determined</u>	
	/iii) Th <u>e east of vecting and non-vecting cial lague handlite are actualished</u> determined	
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	/iii) . The cost of vesting and can vesting sink leave honefits are estimately. determined	
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	(#) . The seat of usating and any usating side legue benefits are advisability determined	
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	Included the second and second and lead benefits as estimated. The second and	

	Notes to the Financial Statements
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	1. Significant accounting policies (continued):
	(g) Use of estimates:
	The preparation of the financial statements 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 date of the financial statements and the reported
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Notes to the Financial Statements

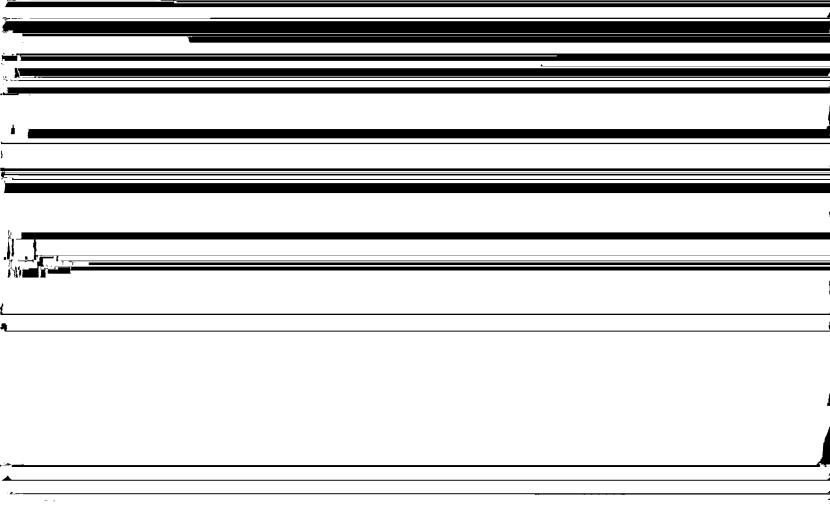
Year ended March 31, 2016

#### 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
	\$ 2,680,673	\$ 2,842,979

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



Year ended March 31, 2016

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

2015		Cost	Accumulated amortization	Net book value
Land	\$	1,020,817	s –	\$ 1,020,817
Buildings	•	83,656,994	29,583,859	54,073,135
Site improvements		5,239,513	2,316,536	2,922,977
Fguioment		13.036.917	10.542.510	2,494,407
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Furniture and fixtures 1,251,167 1,040,794 210,373

Computer equipment 13,330,954 12,635,140 695,814

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	Year ended March 31, 2016			
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	8. Long-term debt:			
			2016	2015
				2010
	3.338% term loan to Ontario Fi	nancing Authority,		
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<u>., </u>	3.338% term loan to Ontario Fi	nancing Authority,		
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Notes to the Financial Statements

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	The balance of unamortized and unspent capital contr	ributions related to capital assets consists of	
	Unamortized capital contributions used to purchase assets Unspent contributions Allowance for doubtful accounts capital pledges	\$ 51,118,862 \$ 52,197,796 152,404 406,697 (650,000) —	
		\$ 50,621,266 \$ 52,604,493	
	Deferred capital contributions represent the unamortize	ed amount and unspent amount of donations	
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Notes to the Financial Statements

Year ended March 31, 2016

10.	Employ	vee future	benefits (	(continued):	
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Information about the Colle	ae's benefit	plans is as	follows:
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	2016	2015
Account penelit oplication	\$ <i>2</i> 1 <u>80 000</u>	<u>\$ 2.287.000</u>
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)
Employee future benefit liability	\$ 2,020,000	\$ 2,117,000
Current service cost	\$ 92,000	\$ 119,000
nterest on accrued benefit obligation	29,000	48,000

Amortization of actuarial loss	(3.000)	(15.000)
Employee future benefit expense (recovery)	\$ (97,000)	\$ (96,000)

Notes to the Financial Statements

	Ye	ar en	ded March 31, 2016	
	10.	·	ployee future benefits (continued):	
		Con	nnessad Δhsences	
	<b>E</b>	(i)	Vesting Sick Leave:	
			The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council	
		(ii)	Non-Vesting Sick Leave:	
			The College allocates to certain employee groups a specified number of days each year for	
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	Year ended March 31, 2016			
	12. Investment in capital assets:			
	(a) Investment in conital access is coloulated as fallows.			
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		2016	2015	

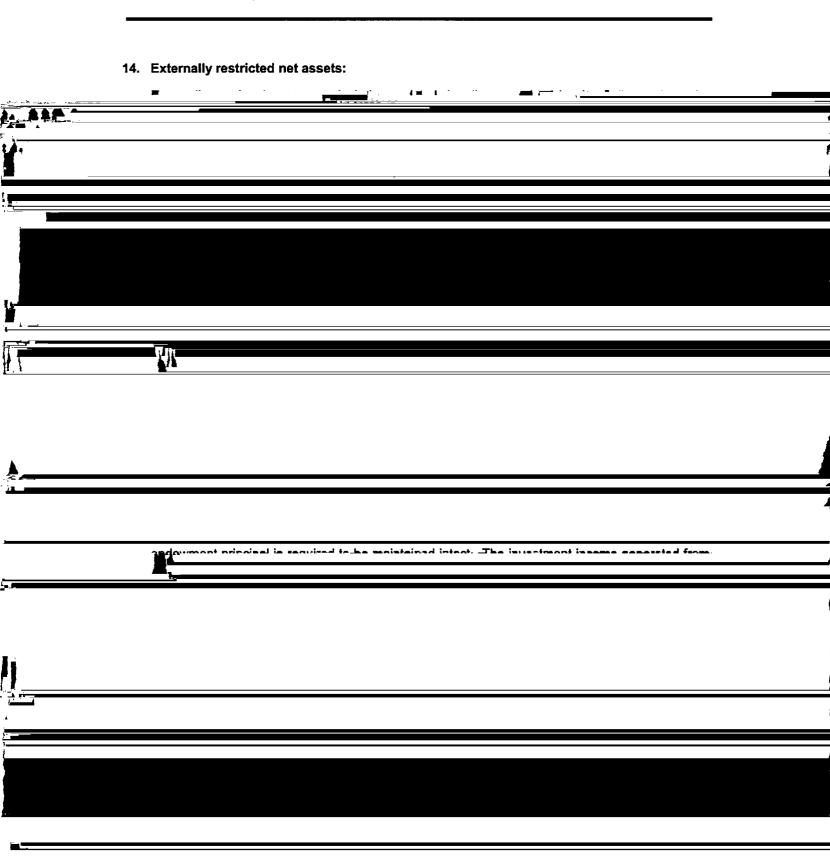
\$ 60,832,580

\$ 61,882,029

Capital assets

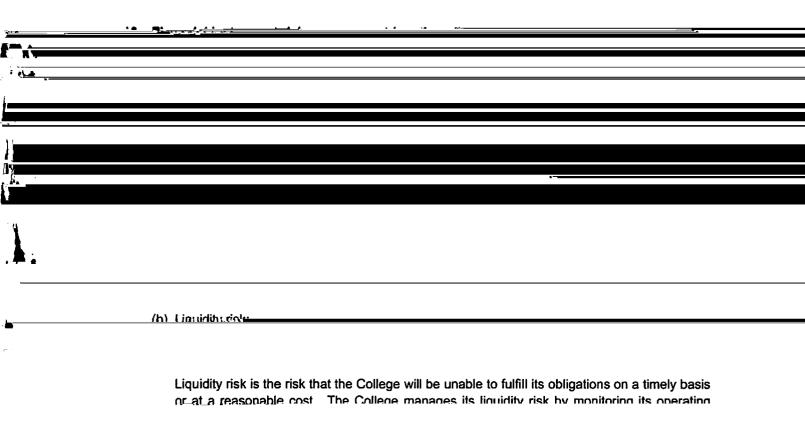
Notes to the Financial Statements

Year ended March 31, 2016



Notes to the Financial Statements

Year ended March 31, 2016



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 invaice

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<del>.</del>	Year ended March 31, 2016
	17. Endowment funds:  The following information outlines the activity of the Ontario Student Opportunity Trust Fund 1
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Schedule of Revenue

Year ended March 31 2016 with comparative information for 2015

	2016	2015
Grants and reimbursements:		
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
	38,639,017	37,866,821
Tuition fees:		
Full-time post-secondary	7,064,587	7,254,860
Other	2,570,304	2,207,719
	9,634,891	9,462,579
Ancillary operations	1,353,528	1,341,238
Miscellaneous:		
Contract educational services	470,571	542,883
Sale of course products and services	399,922	441,500
Other	2,615,661	2,511,918
	3,486,154	3,496,301
Restricted for student purposes	1,386,518	1,149,117
Amortization of deferred capital contributions	2,920,062	2,798,282
	\$ 57,420,170	\$ 56,114,338