
CUMBERLAND REGIONAL COLLEGE

Financial Statements

Year Ended June 30, 2013

CUMBERLAND REGIONAL COLLEGE

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Year Ended June 30, 2013

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Management's Responsibility for Financial Reporting

The financial statements of Cumberland Regional College have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Cumberland Regional College's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the College's auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board approves the financial statements. The Board also reviews the engagement or authorizes the re-appointment of the external auditors.

The financial statements have been audited on behalf of the College by NeuPath Group Chartered Accountants in accordance with Canadian generally accepted auditing standards.

Valerie Mushinski, President and CEO

Armand Thibodeau, Chair

Nipawin, Saskatchewan
September 24, 2013

CUMBERLAND REGIONAL COLLEGE
Statement of Financial Position (Statement 1)

June 30, 2013

| | 2013 | <i>(Restated - note 18)</i> 2012 | <i>(Restated - note 18)</i> 2011 |
|--|----------------------|---|---|
| Financial Assets | | | |
| Cash and cash equivalents <i>(Note 3)</i> | \$ 3,329,647 | \$ 3,502,403 | \$ 4,583,137 |
| Accounts receivable <i>(Note 4)</i> | 711,911 | 236,175 | 355,589 |
| | 4,041,558 | 3,738,578 | 4,938,726 |
| Liabilities | | | |
| Accounts payable and accrued liabilities <i>(Note 6)</i> | 146,003 | 146,337 | 290,723 |
| Accrued salaries and benefits <i>(Note 7)</i> | 169,125 | 168,846 | 166,524 |
| Deferred revenue <i>(Note 8)</i> | - | 74,353 | 42,873 |
| Liability for employee future benefits <i>(Note 9)</i> | 117,200 | 112,800 | 109,100 |
| | 432,328 | 502,336 | 609,220 |
| Net Financial Assets | 3,609,230 | 3,236,242 | 4,329,506 |
| Non-Financial Assets | | | |
| Tangible capital assets <i>(Schedule 5)</i> | 6,613,605 | 7,005,661 | 6,633,004 |
| Prepaid expenses | 37,186 | 64,650 | 68,619 |
| | 6,650,791 | 7,070,311 | 6,701,623 |
| Accumulated Surplus <i>(Note 14)</i> | \$ 10,260,021 | \$ 10,306,553 | \$ 11,031,129 |
| Contingent liability <i>(Note 16)</i> | | | |

ON BEHALF OF THE BOARD

Director

Director

CUMBERLAND REGIONAL COLLEGE
Statement of Operations and Accumulated Surplus (Statement 2)

Year Ended June 30, 2013

| | <i>(Budget - note 12)</i> 2013 | 2013 | <i>(Restated - note 18)</i> 2012 |
|---|---------------------------------------|---------------|---|
| REVENUES (Schedule 2) | | | |
| Provincial government | | | |
| Grants | \$ 4,885,231 | \$ 4,936,712 | \$ 4,418,127 |
| Other | 508,575 | 448,752 | 446,797 |
| Federal government | | | |
| Other | 93,056 | 89,881 | 92,870 |
| Other revenue | | | |
| Administrative recoveries | - | 8,194 | - |
| Contracts | 132,074 | 660,741 | 1,561,302 |
| Interest | 40,000 | 53,701 | 54,403 |
| Rents | - | 225 | 950 |
| Resale items | 66,800 | 94,677 | 85,738 |
| Tuition | 346,320 | 407,081 | 618,272 |
| Donations | - | 28,913 | 29,930 |
| Other | 11,500 | 19,997 | 39,922 |
| | 6,083,556 | 6,748,874 | 7,348,311 |
| EXPENSES (Schedule 3) | | | |
| General | 2,895,052 | 2,919,531 | 3,022,701 |
| Skills training | 1,353,051 | 1,126,873 | 2,277,324 |
| Basic education | 1,789,201 | 1,713,707 | 1,815,048 |
| Services | 844,580 | 736,379 | 673,880 |
| University | 222,804 | 246,091 | 223,074 |
| Scholarships | 162,500 | 52,825 | 60,860 |
| | 7,267,188 | 6,795,406 | 8,072,887 |
| Annual Surplus (Deficit) | (1,183,632) | (46,532) | (724,576) |
| Accumulated Surplus (Deficit), Beginning of Year | 10,257,553 | 10,306,553 | 11,031,129 |
| Accumulated Surplus (Deficit), End of Year | \$ 9,073,921 | \$ 10,260,021 | \$ 10,306,553 |

CUMBERLAND REGIONAL COLLEGE

Statement of Changes in Net Financial Assets (Statement 3)

Year Ended June 30, 2013

| | 2013 | <i>(Restated - note 18)</i> 2012 |
|--|---------------------|--|
| Annual Surplus (Deficit) | \$ (46,532) | \$ (724,576) |
| Acquisition of tangible capital assets | (53,476) | (849,554) |
| Amortization of tangible capital assets | 445,532 | 476,897 |
| Use (purchase) of prepaid expenses | 27,464 | 3,969 |
| Change in net financial assets | 372,988 | (1,093,264) |
| Net financial assets at beginning of year | 3,236,242 | 4,329,506 |
| Net financial assets at end of year | \$ 3,609,230 | \$ 3,236,242 |

CUMBERLAND REGIONAL COLLEGE
Statement of Cash Flows (Statement 4)
Year Ended June 30, 2013

| | 2013 | 2012 <i>(Restated - note 18)</i> |
|--|---------------------|-------------------------------------|
| OPERATING ACTIVITIES | | |
| Annual Surplus (Deficit) | \$ (46,532) | \$ (724,576) |
| Item not affecting cash: | | |
| Amortization of tangible capital assets | 445,532 | 476,897 |
| | 399,000 | (247,679) |
| Changes in non-cash working capital: | | |
| Accounts receivable | (475,736) | 119,414 |
| Accounts payable and accrued liabilities | (335) | (144,386) |
| Accrued salaries and benefits | 280 | 2,322 |
| Deferred revenue | (74,353) | 31,480 |
| Liability for employee future benefits | 4,400 | 3,700 |
| Prepaid expenses | 27,464 | 3,969 |
| | (518,280) | 16,499 |
| Cash flow used by operating activities | (119,280) | (231,180) |
| INVESTING ACTIVITY | | |
| Purchase of tangible capital assets | (53,476) | (849,554) |
| DECREASE IN CASH FLOW | (172,756) | (1,080,734) |
| Cash and cash equivalents - beginning of year | 3,502,403 | 4,583,137 |
| Cash and cash equivalents - end of year | \$ 3,329,647 | \$ 3,502,403 |

1. PURPOSE AND AUTHORITY

Cumberland Regional College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*.

The Board of the Cumberland Regional College is responsible for administering and managing the educational affairs of the College in accordance with the intent of the *The Regional Colleges Act* and its regulations.

The purpose of the College is to provide credit and non-credit classroom and vocational training to meet the needs of the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Adoption of Public Sector Accounting (PSA) Standards

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government reporting entities. As a government not-for-profit organization, the College must adopt for the June 30, 2013 financial statements the accounting standards for government not-for-profit organizations in the Canadian Institute of Chartered Accountants (CICA) Public Sector Accounting (PSA) Handbook either with or without the standards for not-for-profit organizations in Sections PS4200 to PS4270. In consultation with the Government of Saskatchewan, the College has elected to adopt the standards in the CICA PSA Handbook without Sections PS4200 to PS4270. The College has also early adopted the accounting standards contained in PS1201 – Financial statement presentation, PS2601 – Foreign currency translation, PS3041 – Portfolio investments, PS3410 – Government Transfers and PS3450 – Financial Instruments in the preparation of these financial statements.

These financial statements are the first financial statements for which the College has applied PSA standards, having previously prepared its financial statements in accordance with the CICA Accounting Handbook – Part V standards (CICA HB).

In accordance with PS2125 – First-time Adoption by Government Organizations, the effective date of transition to the new standards is July 1, 2011. PS2125 requires that the College prepare and present an opening statement of financial position at the date of transition to the new standards.

As required by PS2125, the PSA standards have been applied retroactively excluding cases where optional exemptions available under PS2125 have been applied, and except for the accounting standards contained in PS2601 and PS3450 as these standards specifically prohibit retroactive application. Comparative amounts relating to the implementation of the new PS2601 and PS3450 standards are presented in accordance with the accounting policies applied by the College immediately preceding its adoption of Public Sector Accounting Standards.

The College elected to use the following exemptions permitted in PS2125:

- (a) Post-employment Benefits, Compensated Absences and Termination Benefits PS3255 - in accordance with the exemption provided in PS2125, the College has elected to recognize all cumulative actuarial gains and losses as of July 1, 2011 directly in accumulated surplus.
- (b) Tangible Capital Asset Impairment PS3150 - in accordance with the exemption provided in PS2125, the College has elected to apply the PS3150 to assess write-downs on tangible capital assets on a prospective basis at the transition date of July 1, 2011.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Details of the impact of the conversion to Canadian public sector accounting standards, including reconciliations of the June 31, 2012 and July 1, 2011 restated statement of financial position and the 2011-12 restated statement of operations, are provided in Note 18.

Measurement Uncertainty and the Use of Estimates

The preparation of financial statements in conformity with PSA standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Uncertainty in the determination of the amount at which an item is recognized or disclosed in financial statements is known as measurement uncertainty. Such uncertainty exists when there is a variance between the recognized or disclosed amount and another reasonably possible amount.

Measurement uncertainty that may be material to these financial statements exists for:

- the liability for employee future benefits of \$117,200 (June 30, 2012 - \$112,800; July 1, 2011 \$109,100) because actual experience may differ significantly from actuarial or historical estimations and assumptions;
- useful lives of tangible capital assets and related amortization for buildings, leasehold improvements, furniture and equipment and vehicles;
- allowance for doubtful accounts because actual collections of accounts receivable may differ from estimated collections.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary, they are reported in earnings in the periods in which they become known. While best estimates are used for reporting items subject to measurement uncertainty, it is reasonably possible that changes in future conditions, occurring within one fiscal year, could require a material change in the amounts recognized or disclosed.

Financial Instruments

Financial instruments create rights and obligations to receive or deliver economic benefits. Financial instruments include cash and cash equivalents, accounts receivable, accrued salaries and benefits and accounts payable and accrued liabilities.

Financial instruments are assigned to one of two measurement categories: fair value, or cost or amortized cost.

i) Fair Value

Fair value measurement applies to portfolio investments in equity instruments that are quoted in an active market.

As at March 31, 2013, March 31, 2012 and March 31, 2011 the College did not own any portfolio investments in equity instruments.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*ii) **Cost or Amortized Cost**

All other financial assets and financial liabilities are measured at cost or amortized cost. Transaction costs are a component of cost for financial instruments measured using cost or amortized cost. For financial instruments measured using amortized cost, the effective interest rate method is used to determine interest revenue or expense. Impairment losses such as write-downs or write-offs are reported in the statement of operations.

Financial Assets

Financial assets are assets that could be used to discharge existing liabilities or finance future operations and are not for consumption in the normal course of operations. Valuation allowances are used where considered necessary to reduce the amounts reported for financial assets to their net realizable value.

Cash and Cash Equivalents consist of cash, bank deposits and highly liquid investments with initial maturity terms of three months or less and held for the purpose of meeting short-term operating cash commitments rather than for investing purposes.

Accounts Receivable are shown net of allowance for doubtful accounts to reflect their expected net recoverable value. Valuation allowances are recorded where recovery is considered uncertain. Changes in valuation allowances are recorded in the statement of operations.

Liabilities

Liabilities are present obligations arising from transactions and events occurring prior to year end, which will be satisfied in the future through the use of assets or another form of economic settlement.

Accrued Salaries and Benefits represents salaries and benefits owing to or on behalf of work performed by employees, but not yet paid, at the end of the fiscal period. Amounts are payable within one year.

Accounts Payable and Accrued Liabilities include accounts payable and accrued liabilities owing to third parties for goods supplied and services rendered, but not yet paid, at the end of the fiscal period. Amounts are payable within one year.

Deferred revenue from government transfers represents restricted grants with stipulations that give rise to a liability for which the stipulations have not yet been fulfilled. The revenue is recognized as the stipulation liabilities are settled. Deferred revenue from non-government sources represents revenue related to fees or services received in advance of the fee being earned or the services being performed, and other contributions for which the contributor has placed restrictions on the use of the resources. Tuition and fee revenue is recognized as the course is delivered, revenue from contractual services is recognized as the services are delivered, and revenue from other contributions is recognized in the fiscal year in which the resources are used for the purpose specified.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Liability for Employee Future Benefits represents non-vesting sick leave benefits that accrue to the College's employees. The cost of these benefits is recorded as the benefits are earned by employees. The liability relating to these benefits is actuarially determined using the projected benefit method pro-rated on service and management's best estimate of expected sick leave usage, discount rate, inflation, salary escalation, termination and retirement rates and mortality. Actuarial gains and losses are amortized on a straight line basis over the expected average remaining service life of the related employee groups. Actuarial valuations are performed periodically. Extrapolations of these valuations are made when a valuation is not done in the current fiscal year.

Non-Financial Assets

Non-financial assets are assets held for consumption in the provision of services. These assets do not normally provide resources to discharge the liabilities of the College unless they are sold.

Tangible Capital Assets have useful lives extending beyond the accounting period, are used by the College to provide services to the public and are not intended for sale in the ordinary course of operations. Tangible capital assets are recorded at cost and include all costs directly attributable to the acquisition, design, construction, development, installation and betterment of the tangible capital asset. The College does not capitalize interest incurred while a tangible capital asset is under construction. Contributed tangible capital assets are recorded at their fair value at the date of receipt.

The cost of depreciable tangible capital assets, net of any residual value, is amortized on a straight line basis over their estimated useful lives as follows:

| | |
|------------------------------------|---------------|
| Buildings | 20 years |
| Leasehold improvements | 20 years |
| Furniture, equipment and computers | 3 to 10 years |
| Automotive equipment | 5 years |
| System development | 3 years |

Write-downs are accounted for as expenses in the statement of operations.

Assets that have a historical or cultural significance, such as works of art and other cultural artifacts, are not recognized as tangible capital assets because a reasonable estimate of future benefits associated with these properties cannot be made.

Prepaid Expenses are prepaid amounts for goods or services such as insurance premiums, membership fees, Workers' Compensation premiums, advertising, rent etc., which will provide economic benefits in one or more future periods. The prepaid amount is recognized as an expense in the year the goods or services are consumed.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*Employee Pension Plans

Employees of the College participate in the following pension plans:

Multi-Employer Defined Benefit Plans

The College's employees participate in one of the following multi-employer defined benefit plans:

- i) Teachers and other employees holding a teaching certificate participate in either the retirement plan of the Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP). The College's obligation for these plans is limited to collecting and remitting contributions of the employees at rates determined by the plans.
- ii) Other employees participate in the Municipal Employees' Pension Plan (MEPP). In accordance with PSA standards, the plan is accounted for as a defined contribution plan whereby the College's contributions are expensed when due.

Revenue Recognition

Revenues are recorded on the accrual basis. Revenues are recognized in the period in which the transactions or events occurred that gave rise to the revenues, provided the amount to be received can be reasonably estimated and collection is reasonably assured.

The College's major sources of revenue include the following:

- i) **Government Transfers (Grants)**
Grants from governments are considered to be government transfers. Government transfers are recognized as revenues when the transfer is authorized, all eligibility criteria have been met, the amount can be estimated and collection is reasonably assured except when, and to the extent, stipulations by the transferor give rise to an obligation that meets the definition of a liability.
- ii) **Fees and Services**
Revenues from tuition fees and other services are recognized in the year they are earned. Amounts that are restricted pursuant to legislation, regulation or agreements with external parties that may only be used in the conduct of certain programs or in the delivery of specific services and transactions are initially recorded as deferred revenue and subsequently recognized as revenue in the fiscal year the related expenses are incurred or services are performed.
- iii) **Interest Income**
Interest is recognized on an accrual basis when it is earned.

(continues)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*iv) **Other (Non-Government Transfer) Contributions**

Unrestricted contributions are recognized as revenue in the year received or in the year the funds are committed to the College if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are contributions for which the contributor has placed restrictions on the use of the resources. Externally restricted contributions that are to be held in perpetuity are recognized as revenue in the year in which they are received or committed if the amount can be reasonably estimated and collection is reasonably assured. Externally restricted contributions that are not held in perpetuity are deferred until the resources are used for the purpose specified, at which time the contributions are recognized as revenue. In-kind contributions are recorded at their fair value when they are received.

Expenses

Expenses are reported on an accrual basis. The cost of all goods consumed and services received during the year is expensed.

Contingent Liabilities

Contingent liabilities are potential liabilities which may become actual liabilities when one or more future events occur or fail to occur. To the extent that the future event is likely to occur or fail to occur, and a reasonable estimate of the loss can be made, an estimated liability is accrued and an expense recorded. If the likelihood is not determinable or an amount cannot be reasonably estimated, the contingency is disclosed in the notes to the financial statements.

3. CASH AND CASH EQUIVALENTS

Due to the short-term nature of the investments, market value of cash and cash equivalents approximates costs. The College's cash and cash equivalents consist solely of cash and bank deposits.

4. ACCOUNTS RECEIVABLE

All accounts receivable presented on the statement of financial position are net of any valuation allowances for doubtful accounts.

| | 2013 | 2012 |
|---------------------------------|------------|------------|
| Provincial government: | | |
| Advanced Education/Economy | \$ 538,071 | \$ 113,851 |
| Federal government | 55,926 | 40,896 |
| Other receivables | 132,914 | 81,428 |
| | 726,911 | 236,175 |
| Allowance for doubtful accounts | (15,000) | - |
| | \$ 711,911 | \$ 236,175 |

5. BANK INDEBTEDNESS

Bank indebtedness consists of a demand operating line of credit with a maximum borrowing limit of \$100,000 that bears interest at bank prime less .5% per annum. This line of credit is authorized by a borrowing resolution by the Board and is secured by a general security agreement. The balance drawn on the line of credit at June 30, 2013 was \$nil.

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

| | 2013 | 2012 |
|--|-------------------|-------------------|
| Trade payables and accrued liabilities | \$ 126,811 | \$ 128,715 |
| Deposits | 19,192 | 17,622 |
| | \$ 146,003 | \$ 146,337 |

7. ACCRUED SALARIES AND BENEFITS

| | 2013 | 2012 |
|------------------|------------|------------|
| Accrued vacation | \$ 169,126 | \$ 168,846 |

8. DEFERRED REVENUE

Deferred revenue consists of non-government revenues, as follows:

| | July 1, 2011 | June 30, 2012 | Additions during the year | Revenue recognized in the year | June 30, 2013 |
|-------------------------------|-----------------|------------------|---------------------------------|--------------------------------------|------------------|
| Red Earth First Nation - ABE | 14,827 | 27,446 | 91,000 | 133,273 | - |
| James Smith Cree Nation - ABE | - | 46,908 | 120,000 | 166,908 | - |
| Other - Job Skills | 28,046 | - | - | 28,046 | - |
| | 42,873 | 74,354 | 211,000 | 328,227 | - |

9. LIABILITY FOR EMPLOYEE FUTURE BENEFITS

The College provides accumulating non-vested sick leave benefits to its employees. Significant assumptions include an estimate of inflation, discount rate, employee demographics and sick leave usage of active employees. The liability associated with these benefits is calculated as the present value of expected future payments pro-rated for service and is recorded as Liability for Employee Future Benefits in the statement of financial position.

Details of the employee future benefits are as follows:

| | June 30, 2013 | June 30, 2012 | July 1, 2011 |
|---|------------------|------------------|------------------|
| Actuarial valuation date | July 25, 2013 | July 25, 2013 | July 25, 2013 |
| Long-term assumptions used: | | | |
| Salary escalation rate (percentage) | 1.5% | 2.0% | 2.0% |
| Discount rate (percentage) | 2.8% | 2.4% | 3.2% |
| Expected average remaining service life (years) | 10.7 | 10.7 | 10.7 |

| | 2013 | 2012 |
|--|------------|------------|
| Liability for Employee Future Benefits | | |
| Accrued Benefit Obligation - beginning of year | \$ 117,600 | \$ 109,100 |
| Current period benefit cost | 22,300 | 20,900 |
| Interest cost | 2,800 | 3,500 |
| Benefit payments | (21,100) | (20,700) |
| Actuarial (gains) losses | (2,700) | 4,800 |
| Actuarial Benefit Obligation - end of year | 118,900 | 117,600 |
| Unamortized Net Actuarial Gains (Losses) | (1,700) | (4,800) |
| Liability for Employee Future Benefits | \$ 117,200 | \$ 112,800 |

| | 2013 | 2012 |
|--|-----------|-----------|
| Employee Future Benefits Expense | | |
| Current period benefit cost | \$ 22,300 | \$ 20,900 |
| Amortization of net actuarial (gain) loss | 400 | - |
| Plan amendments | - | - |
| Benefit cost | 22,700 | 20,900 |
| Interest cost on unfunded employee future benefit obligation | 2,800 | 3,500 |
| Total Employee Future Benefit Expense | \$ 25,500 | \$ 24,400 |

10. EMPLOYEE PENSION PLANS

Multi-Employer Defined Benefit Plans

- i) Saskatchewan Teachers' Retirement Plan (STRP) or Saskatchewan Teachers' Superannuation Plan (STSP):

The STRP and STSP provide retirement benefits based on length of service and pensionable earnings.

The STRP and STSP are funded by contributions by the participating employee members and the Government of Saskatchewan. The College's obligation to the STRP and STSP is limited to collecting and remitting contributions of the employees at rates determined by the plans. Accordingly, these financial statements do not include any expense for employer contributions to these plans. Net pension assets or liabilities for these plans are not reflected in these financial statements as ultimate responsibility for retirement benefits rests with the Saskatchewan Teachers' Federation for the STRP and with the Government of Saskatchewan for the STSP.

Details of the contributions to these plans for the College's employees are as follows:

| | STRP | STSP | 2013 TOTAL | 2012 TOTAL |
|---|----------|----------|---------------|---------------|
| Number of active College members | 16 | 4 | 20 | 18 |
| Member contribution rate (percentage of salary) | | | | |
| Integrated rate | 7.8% | 6.05% | | 7.8%/6.05% |
| Non-integrated rate | 10.00% | 7.85% | | 10.00%/7.85% |
| Member contributions for the year | \$56,088 | \$13,687 | \$69,775 | \$69,421 |

- ii) Municipal Employees' Pension Plan (MEPP)

The MEPP provides retirement benefits based on length of service and pensionable earnings.

The MEPP is funded by employer and employee contributions at rates set by the Municipal Employees' Pension Commission.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. Any actuarially determined deficiency is the responsibility of the participating employers and employees which could affect future contribution rates and/or benefits.

The contributions to the MEPP by the participating employers are not segregated in separate accounts or restricted to provide benefits to the employees of a particular employer. As a result, individual employers are not able to identify their share of the underlying assets and liabilities, and the net pension assets or liabilities for this plan are not recognized in these financial statements. In accordance with PSA standards, the plan is accounted for as a defined contribution plan whereby the College's contributions are expensed when due.

Details of the MEPP are as follows:

| | 2013 | 2012 |
|--|-----------|-----------|
| Number of active College members | 53 | 57 |
| Member contribution rate (percentage of salary) | 8.15% | 7.40% |
| College contribution rate (percentage of salary) | 8.15% | 7.40% |
| Member contributions for the year | \$176,428 | \$195,499 |
| College contributions for the year | \$176,428 | \$194,499 |

11. RISK MANAGEMENT

The College is exposed to financial risks from its financial assets and liabilities. These risks include credit risk, liquidity risk and market risk (consisting of interest rate risk).

i) **Credit Risk**

Credit risk is the risk to the College from potential non-payment of accounts receivable. The credit risk related to the College's receivables from the provincial government, federal government and their agencies are considered to be minimal. For other receivables, the College has adopted credit policies which includes close monitoring of overdue accounts. The College does not have a significant exposure to any individual customer. Management reviews accounts receivable on a case by case basis to determine if a valuation allowance is necessary to reflect an impairment in collectability.

The College is also exposed to credit risk from cash and cash equivalents. The College manages this credit risk by dealing solely with reputable banks and financial institutions. The College invests surplus funds to earn investment income with the objective of maintaining safety of principal and providing liquidity to meet cash flow requirements.

ii) **Liquidity Risk**

Liquidity risk is the risk that the College will not be able to meet its financial obligations as they come due. The College manages liquidity risk by continually monitoring actual and forecasted cash flows from operations and anticipated investing and financing activities.

iii) **Interest Rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College's interest rate exposure is limited to cash and cash equivalents. The College also has an authorized bank line of credit of \$100,000 with interest payable monthly at a rate of prime less 0.5%. Changes in the bank's prime rate can cause fluctuation in interest payments and cash flows. There was no balance outstanding on this credit facility as of June 30, 2013.

The College minimizes these risks by:

- holding cash in an account at a Canadian financial institution, denominated in Canadian currency
- investing surplus cash in variable rate savings accounts
- managing cash flows to minimize utilization of its bank line of credit

12. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board on May 22, 2012 and the Minister of Advanced Education on July 12, 2012. The budget approved by the Board was developed to support provision of information for provincial funding purposes, which differs from the PSA standards used for financial reporting. In accordance with PSA standards, the budget figures presented have been adjusted to conform to the basis of accounting used to prepare the College's financial statements. A reconciliation of the budget figures presented in the financial statements to the budget approved by the Board and the Minister of Advanced Education is as follows:

| | Ministry Approved Budget | Adjustments | 2012-13 Budget Restated |
|--------------------------|--------------------------------|---------------------|-------------------------------|
| REVENUES | | | |
| Provincial government | | | |
| Grants | \$ 5,410,231 | \$ (525,000) | \$ 4,885,231 |
| Other | 508,575 | - | 508,575 |
| Federal government | | | |
| Grants | 93,056 | - | 93,056 |
| Other revenue | | | |
| Contracts | 132,074 | - | 132,074 |
| Interest | 40,000 | - | 40,000 |
| Resale items | 66,800 | - | 66,800 |
| Tuition | 346,320 | - | 346,320 |
| Other | 11,500 | - | 11,500 |
| TOTAL REVENUES | 6,608,556 | (525,000) | 6,083,556 |
| EXPENSES | | | |
| General | 2,895,052 | - | 2,895,052 |
| Skills training | 1,353,051 | - | 1,353,051 |
| Basic education | 1,788,136 | - | 1,788,136 |
| University | 223,869 | - | 223,869 |
| Services | 844,580 | - | 844,580 |
| Scholarships | 162,500 | - | 162,500 |
| TOTAL EXPENSES | 7,267,188 | - | 7,267,188 |
| SURPLUS (DEFICIT) | \$ (658,632) | \$ (525,000) | \$ (1,183,632) |

Provincial grants - adjustment required due to application of PS 3410 Government Transfers and the impact of those standards on deferred revenue.

13. RELATED PARTIES

These financial statements include transactions with related parties. The College is related to all Government of Saskatchewan ministries, agencies, boards, school divisions, health authorities, colleges and crown corporations under the common control of the Government of Saskatchewan. The College is also related to non-Crown enterprises that the Government jointly controls or significantly influences. In addition, the College is related to other non-Government organizations by virtue of its economic interest in these organizations.

Related Party Transactions:

Transactions with these related parties are in the normal course of operations. Amounts due to or from and the recorded amounts of transactions resulting from these transactions are included in the financial statements and the table below. They are recorded at exchange amounts which approximate prevailing market rates charged by those organizations and are settled on normal trade terms.

| | 2013 | 2012 |
|---|---------------------|---------------------|
| Revenues: | | |
| Ministry of Advanced Education/Economy | \$ 5,311,464 | \$ 4,784,994 |
| North East School Division | 204,579 | 790,188 |
| Saskatchewan Workers' Compensation | 15,566 | 12,200 |
| Sask Advantage Scholarship | 6,000 | - |
| SIASST | 12,624 | 10,891 |
| Sask Power | 420 | 4,950 |
| | \$ 5,550,653 | \$ 5,603,223 |
| Expenses: | | |
| Association of Saskatchewan Regional Colleges | \$ 66,000 | \$ 65,000 |
| Ministry of Central Services | 79,153 | 64,950 |
| Ministry of Finance | 65,602 | 116,637 |
| North East School Division | 178,555 | 125,747 |
| Other Regional Colleges | 13,392 | 4,039 |
| Sask Energy | 13,887 | 11,277 |
| Sask Power | 28,993 | 29,373 |
| Saskatchewan Government Employees Union | 108,683 | 122,004 |
| SGI | 958 | 691 |
| Saskatchewan Indian Institute of Technology | - | 105,588 |
| Saskatchewan Teachers Superannuation Commission | 16,372 | 19,188 |
| Saskatchewan Teachers Retirement Plan | 54,891 | 53,158 |
| Sask Tel/Sask Mobility | 54,588 | 71,470 |
| Saskatchewan Tourism Education Council | 252 | 10,037 |
| SIASST | 288,356 | 544,034 |
| University of Saskatchewan | 95,227 | 66,381 |
| | \$ 1,064,909 | \$ 1,409,574 |

(continues)

CUMBERLAND REGIONAL COLLEGE

Notes to Financial Statements

Year Ended June 30, 2013

13. RELATED PARTIES (continued)

| | 2013 | 2012 |
|---|------------------|-------------------|
| Accounts Receivable: | | |
| Ministry of Advanced Education/Economy | \$ 2,750 | \$ 113,851 |
| Other Regional Colleges | 5,391 | 1,931 |
| Saskatchewan Government Employees Union | 8,194 | - |
| Saskatchewan Workers' Compensation | 250 | 2,400 |
| SIAST | 3,170 | 3,180 |
| University of Regina | 180 | - |
| | \$ 19,935 | \$ 121,362 |
| Accounts Payable and Accrued Liabilities: | | |
| Ministry of Central Services | \$ 4,722 | \$ 4,828 |
| Ministry of Economy | 8,519 | 31,796 |
| Ministry of Finance | - | 1,174 |
| North East School Division | 11,438 | 48,130 |
| Other Regional Colleges | 1,002 | 283 |
| | \$ 25,681 | \$ 86,211 |

In addition, the College pays Provincial Sales Tax to the Saskatchewan Ministry of Finance on all its taxable purchases and customer sales on items that are deemed taxable. Taxes paid are recorded as part of the cost of those purchases.

Other transactions with related parties and amounts due to/from them are described separately in the financial statements or notes thereto.

14. ACCUMULATED SURPLUS

Accumulated surplus represents the financial assets and non-financial assets of the College less liabilities. This represents the accumulated balance of net surplus arising from the operations of the College and accumulated net remeasurement gains and losses.

Certain amounts of the accumulated operating surplus, as approved by the Board, have been designated for specific future purposes such as for program development, human resources, capital reserves, etc. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position.

The College does not maintain separate bank accounts for the internally restricted amounts.

Details of accumulated surplus are as follows:

| | June 30, 2012 | Additions during the year | Reductions during the year | June 30, 2013 |
|--|------------------|---------------------------------|----------------------------------|------------------|
| Invested in Tangible Capital Assets: | | | | |
| Net Book Value of Tangible Capital Assets | \$ 7,005,661 | \$ 53,476 | \$ (445,532) | \$ 6,613,605 |
| Less: Debt owing on Tangible Capital Assets | - | - | - | - |
| | 7,005,661 | 53,476 | (445,532) | 6,613,605 |
| Internally Restricted Operating Surplus: | | | | |
| Capital Projects: | | | | |
| Designated for tangible capital asset expenditures | 267,942 | 19,389 | (13,331) | 274,000 |
| Nipawin facility | 385,642 | 4,076 | (64,645) | 325,073 |
| Other: | | | | |
| Operations | 220,835 | 456,310 | (103,915) | 573,230 |
| Programs and services | 710,473 | (461,203) | - | 249,270 |
| Early childhood | - | 51,939 | - | 51,939 |
| ABE | - | 252,991 | - | 252,991 |
| ABE on reserve | - | 532,377 | - | 532,377 |
| ESL | - | 14,124 | - | 14,124 |
| Skills training | - | 326,170 | - | 326,170 |
| Learner support | - | 338,735 | - | 338,735 |
| Older workers | - | 49,057 | - | 49,057 |
| Scholarships | - | 99,088 | - | 99,088 |
| Building operating maintenance | 200,000 | (100,000) | - | 100,000 |
| Marketing | 50,000 | (25,000) | (25,000) | - |
| Professional development | 34,724 | 26,862 | (34,724) | 26,862 |
| Initiatives | 325,000 | - | (116,500) | 208,500 |
| | 2,194,616 | 1,584,915 | (358,115) | 3,421,416 |
| Unrestricted Operating Surplus | 1,106,276 | 703,639 | (1,584,915) | 225,000 |
| Total Accumulated Surplus | \$ 10,306,553 | 2,342,030 | \$ (2,388,562) | \$ 10,260,021 |

15. CONTRACTUAL OBLIGATIONS

Significant operating lease obligations of the College are as follows:

| | Operating Leases | | | |
|--------------------------------|------------------|------------------|-------|--------------------|
| | Office Rental | Copier Leases | Other | Total Operating |
| Future minimum lease payments: | | | | |
| 2014 | \$ 28,332 | \$ 15,584 | \$ - | \$ 43,916 |
| 2015 | - | 15,584 | - | 15,584 |
| 2016 | - | 15,584 | - | 15,584 |
| 2017 | - | 15,584 | - | 15,584 |
| 2018 | - | 3,896 | - | 3,896 |
| Thereafter | - | - | - | - |
| | 28,332 | 66,232 | - | 94,564 |
| Interest and executory costs | - | - | - | - |
| Total Lease Obligations | \$ 28,332 | \$ 66,232 | \$ - | \$ 94,564 |

16. CONTINGENT LIABILITY

A union representing employees of an employer unrelated to the College has applied by Notice of Motion for an order quashing purported decisions of the Municipal Employees Pension Plan, relating to the application of actuarial surplus in the fund, as well as other relief. Several participating employers, including the College have been named.

An arbitration involving an instructor's hours of work has been delayed with no definite schedule. The employee has claimed to have worked beyond the requirement in the collective agreement and is seeking back pay.

The outcomes of the above actions is not determinable as at the date of reporting and, accordingly, no provision has been made in these financial statements for any liability that may result.

The College constructed a new campus facility in Nipawin which was substantially completed prior to the 2011-12 academic school year. The College has held back certain payments to the general contractor due to unresolved construction deficiencies and invoicing disagreements. The total amount being held back is approximately \$150,000. The general contractor has not, to date, pursued payment and no payable has been recorded in these financial statements.

17. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

18. DETAILS OF CONVERSION TO PUBLIC SECTOR ACCOUNTING (PSA) STANDARDS

The following tables present the reconciliation of account balances and transactions from the College's previous CICA Accounting Handbook – Part V standards (CICA HB) reporting framework to the current CICA PSA Handbook (PSA standards) reporting framework. The adoption of PSA standards had no effect on the amounts reported in the College's cash flows for the year ended June 30, 2012. Certain amounts have been reclassified to conform to the presentation adopted in 2012-13:

CUMBERLAND REGIONAL COLLEGE

Notes to Financial Statements

Year Ended June 30, 2013

18. DETAILS OF CONVERSION TO PUBLIC SECTOR ACCOUNTING (PSA) STANDARDS (Cont'd)

| i) Reconciliation of the July 1, 2011 Statement of Financial Position | Notes | CICA HB July 1, 2011 | Adjustments | PSA Standards July 1, 2011 |
|--|-------|--------------------------|---------------------|--------------------------------|
| FINANCIAL ASSETS | | | | |
| Cash and cash equivalents | | \$ 4,583,137 | \$ - | \$ 4,583,137 |
| Accounts receivable | | 355,589 | - | 355,589 |
| TOTAL FINANCIAL ASSETS | | 4,938,726 | - | 4,938,726 |
| LIABILITIES | | | | |
| Accrued salaries and benefits | | 166,524 | - | 166,524 |
| Accounts payable and accrued liabilities | | 290,723 | - | 290,723 |
| Deferred revenue | B | 1,284,853 | (1,241,980) | 42,873 |
| Employee future benefits | C | - | 109,100 | 109,100 |
| TOTAL LIABILITIES | | 1,742,100 | (1,132,880) | 609,220 |
| NET FINANCIAL ASSETS | | 3,196,626 | 1,132,880 | 4,329,506 |
| NON-FINANCIAL ASSETS | | | | |
| Tangible capital assets | | 6,633,004 | - | 6,633,004 |
| Prepaid expenses | | 68,619 | - | 68,619 |
| TOTAL NON-FINANCIAL ASSETS | | 6,701,623 | - | 6,701,623 |
| ACCUMULATED SURPLUS | | \$ 9,898,249 | \$ 1,132,880 | \$ 11,031,129 |
| ACCUMULATED SURPLUS IS COMPRISED OF: | | | | |
| Accumulated surplus from operations | | \$ 9,898,249 | \$ 1,132,880 | \$ 11,031,129 |
| Accumulated remeasurement gains and losses | | - | - | - |
| TOTAL ACCUMULATED SURPLUS | | \$ 9,898,249 | \$ 1,132,880 | \$ 11,031,129 |
| ii) Reconciliation of the June 30, 2012 Statement of Financial Position | | | | |
| | Notes | CICA HB June 30, 2012 | Adjustments | PSA Standards June 30, 2012 |
| FINANCIAL ASSETS | | | | |
| Cash and cash equivalents | | \$ 3,502,403 | \$ - | \$ 3,502,403 |
| Accounts receivable | | 236,175 | - | 236,175 |
| TOTAL FINANCIAL ASSETS | | 3,738,578 | - | 3,738,578 |
| LIABILITIES | | | | |
| Accrued salaries and benefits | | 168,846 | - | 168,846 |
| Accounts payable and accrued liabilities | | 146,337 | - | 146,337 |
| Deferred revenue | B | 1,093,430 | (1,019,077) | 74,353 |
| Employee future benefits | C | - | 112,800 | 112,800 |
| TOTAL LIABILITIES | | 1,408,613 | (906,277) | 502,336 |
| NET FINANCIAL ASSETS | | 2,329,965 | 906,277 | 3,236,242 |
| NON-FINANCIAL ASSETS | | | | |
| Tangible capital assets | | 7,005,661 | - | 7,005,661 |
| Prepaid expenses | | 64,650 | - | 64,650 |
| TOTAL NON-FINANCIAL ASSETS | | 7,070,311 | - | 7,070,311 |
| ACCUMULATED SURPLUS | | \$ 9,400,276 | \$ 906,277 | \$ 10,306,553 |
| ACCUMULATED SURPLUS IS COMPRISED OF: | | | | |
| Accumulated surplus from operations | | \$ 9,400,276 | \$ 906,277 | \$ 10,306,553 |
| Accumulated remeasurement gains and losses | | - | - | - |
| TOTAL ACCUMULATED SURPLUS | | \$ 9,400,276 | \$ 906,277 | \$ 10,306,553 |

CUMBERLAND REGIONAL COLLEGE

Notes to Financial Statements

Year Ended June 30, 2013

18 . DETAILS OF CONVERSION TO PUBLIC SECTOR ACCOUNTING (PSA) STANDARDS (Cont'd)

| iii) Reconciliation of the June 30, 2012 Statement of Operations | Notes | CICA HB June 30, 2012 | Adjustments | PSA Standards June 30, 2012 |
|---|-------|--------------------------|---------------------|--------------------------------|
| REVENUES | | | | |
| Provincial government | | | | |
| Grants | B | \$ 4,690,030 | \$ (271,903) | \$ 4,418,127 |
| Other | B | 397,797 | 49,000 | 446,797 |
| Federal Government | | | | |
| Grants | | - | - | - |
| Other | | 92,870 | - | 92,870 |
| Other revenue | | | | |
| Contracts | | 1,561,302 | - | 1,561,302 |
| Interest | | 54,403 | - | 54,403 |
| Rents | | 950 | - | 950 |
| Resale items | | 85,738 | - | 85,738 |
| Tuition | | 618,272 | - | 618,272 |
| Donations | | 29,930 | - | 29,930 |
| Other | | 39,922 | - | 39,922 |
| TOTAL REVENUES | | 7,571,214 | (222,903) | 7,348,311 |
| EXPENSES: | | | | |
| General | C | 3,019,001 | 3,700 | 3,022,701 |
| Skills training | | 2,277,324 | - | 2,277,324 |
| Basic education | | 1,815,048 | - | 1,815,048 |
| University | | 673,880 | - | 673,880 |
| Services | | 223,074 | - | 223,074 |
| Scholarships | | 60,860 | - | 60,860 |
| TOTAL EXPENSES | | 8,069,187 | 3,700 | 8,072,887 |
| SURPLUS (DEFICIT) FROM OPERATIONS | | \$ (497,973) | \$ (226,603) | \$ (724,576) |

(a) Statement of Operations – Presentation of Expenses by Function: The College has made certain adjustments to the presentation of its statement of operations to comply with the presentation requirements under PSA standards. PSA standards require that expenses be presented by function on the statement of operations and disclosed in the notes by object (economic classification). The change to presentation by function required the allocation of expenses by object (economic classification) to the appropriate function.

(b) Previous Unearned Revenue No Longer Deferred: Grants received from the provincial government to support programs had been recorded as deferred (unearned) revenue under previous CICA HB fund accounting practices. The College has determined there were no stipulations associated with these transfers that met the requirement for deferral of the grant as a liability under PSA standards. The previously deferred grants were adjusted to the PSA standards restated accumulated surplus as at July 1, 2011 in the amount of \$1,241,980 and as at June 30, 2012 in the amount of \$1,019,077, and \$(222,903) was recognized in the PSA standards restated revenue for 2011-12.

18 . DETAILS OF CONVERSION TO PUBLIC SECTOR ACCOUNTING (PSA) STANDARDS *(Cont'd)*

- (c) Accumulating Non-Vesting Sick Pay Benefits: Under the previous CICA HB standards, the College was not required to accrue a liability for sick pay benefits that accumulated but did not vest. However, PSA standards require accrual of non-vesting sick pay benefits as they are earned by employees. An accrual of \$109,100 was adjusted to the PSA standards restated accumulated surplus as at July 1, 2011 and \$112,800 as at June 30, 2012 and \$3,700 was recognized in the PSA standards restated expenses for 2011-12.

CUMBERLAND REGIONAL COLLEGE
Schedule of Revenues and Expenses by Function (Schedule 1)
For the year ended June 30, 2013

| | 2013 Actual | | | | | | 2013 | | 2013 | 2012 | | |
|-----------------------------------|--------------|-----------------|------------|-----------------|-------------|--------------------|-------------|--------------|--------------|--------------|----------------|---------------------------------|
| | General | Skills Training | | Basic Education | | Services | | University | Scholarships | Actual | Budget | Actual Restated (Note 18) |
| | | Credit | Non-credit | Credit | Non-credit | Learner Support | Counsel | Credit | | | | |
| Revenues (Schedule 2) | | | | | | | | | | | | |
| Provincial government | \$ 2,297,329 | \$ 1,163,836 | \$ 43,810 | \$ 1,271,666 | \$ 194,687 | \$ 224,599 | \$ 115,537 | \$ - | \$ 74,000 | \$ 5,385,464 | \$ 5,393,806 | \$ 4,864,924 |
| Federal government | - | - | - | 89,881 | - | - | - | - | - | 89,881 | 93,056 | 92,870 |
| Other | 67,661 | 326,991 | 132,537 | 635,230 | 16,789 | 16,288 | - | 49,118 | 28,913 | 1,273,528 | 596,694 | 2,390,518 |
| Total Revenues | 2,364,990 | 1,490,828 | 176,348 | 1,996,777 | 211,476 | 240,887 | 115,537 | 49,118 | 102,913 | 6,748,873 | 6,083,556 | 7,348,312 |
| Expenses (Schedule 3) | | | | | | | | | | | | |
| Agency contracts | 3,812 | 233,757 | 53,469 | 15,349 | 6,156 | 4,094 | 6,151 | 99,202 | - | 421,990 | 521,593 | 1,112,279 |
| Amortization | 445,532 | - | - | - | - | - | - | - | - | 445,532 | 456,288 | 476,897 |
| Equipment | 81,433 | 13,610 | 239 | 19,262 | 1,224 | 7,248 | 1,570 | 1,236 | - | 125,822 | 126,023 | 183,437 |
| Facilities | 248,158 | 167 | 712 | 14,320 | 12,050 | 444 | - | 980 | - | 276,831 | 286,447 | 348,204 |
| Information technology | 76,888 | 747 | - | 586 | 85 | 2,109 | - | - | - | 80,415 | 65,575 | 153,935 |
| Operating | 447,316 | 127,924 | 39,388 | 100,936 | 27,619 | 37,622 | 19,002 | 30,597 | - | 830,406 | 968,169 | 853,125 |
| Personal services | 1,616,394 | 629,574 | 27,286 | 1,338,365 | 177,752 | 534,072 | 124,066 | 114,076 | - | 4,561,585 | 4,680,593 | 4,884,151 |
| Scholarships | - | - | - | - | - | - | - | - | 52,825 | 52,825 | 162,500 | 60,860 |
| Total Expenses | 2,919,534 | 1,005,779 | 121,094 | 1,488,818 | 224,886 | 585,590 | 150,789 | 246,091 | 52,825 | 6,795,406 | 7,267,188 | 8,072,888 |
| Surplus (Deficit) for the year | \$ (554,544) | \$ 485,049 | \$ 55,253 | \$ 507,959 | \$ (13,410) | \$ (344,702) | \$ (35,252) | \$ (196,973) | \$ 50,088 | \$ (46,532) | \$ (1,183,632) | \$ (724,576) |

CUMBERLAND REGIONAL COLLEGE
Schedule of Revenues by Function (Schedule 2)
for the year ended June 30, 2013

| | General | | Skills Training | | Basic Education | | Services | | University | Scholarships | 2013 Total Revenues Actual | 2013 Total Revenues Budget | 2012 Total Revenues Actual Restated (Note 18) |
|--------------------------------|---------------------|---------------------|-------------------|---------------------|-------------------|-------------------|--------------------|------------------|-------------------|---------------------|-------------------------------------|-------------------------------------|--|
| | | | Credit | Non-credit | Credit | Non-credit | Learner Support | Counsel | Credit | | | | |
| Provincial Government | | | | | | | | | | | | | |
| Advanced Education/ Economy | | | | | | | | | | | | | |
| Operating grants | \$ 2,216,338 | \$ - | \$ - | \$ 25,500 | \$ - | \$ 150,803 | \$ - | \$ - | \$ - | \$ - | \$ 2,392,641 | \$ 2,457,252 | \$ 2,338,452 |
| Program grants | - | 1,163,836 | 38,784 | 1,201,811 | 14,124 | 40,459 | 49,057 | - | - | - | 2,508,071 | 2,411,979 | 2,063,675 |
| Capital grants | 36,000 | - | - | - | - | - | - | - | - | - | 36,000 | 16,000 | 16,000 |
| | 2,252,338 | 1,163,836 | 38,784 | 1,227,311 | 14,124 | 191,262 | 49,057 | - | - | - | 4,936,712 | 4,885,231 | 4,418,127 |
| Contracts | 44,991 | - | 5,026 | 44,355 | 180,563 | 33,337 | 66,480 | - | - | - | 374,752 | 346,075 | 366,867 |
| Other | - | - | - | - | - | - | - | - | - | - | - | - | - |
| | 2,297,329 | 1,163,836 | 43,810 | 1,271,666 | 194,687 | 224,599 | 115,537 | - | - | - | 5,311,464 | 5,231,306 | 4,784,994 |
| Other provincial | - | - | - | - | - | - | - | - | - | 74,000 | 74,000 | 162,500 | 79,930 |
| Total Provincial | 2,297,329 | 1,163,836 | 43,810 | 1,271,666 | 194,687 | 224,599 | 115,537 | - | - | 74,000 | 5,385,464 | 5,393,806 | 4,864,924 |
| Federal Government | | | | | | | | | | | | | |
| Operating grants | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Program grants | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Capital grants | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other Federal | - | - | - | 89,881 | - | - | - | - | - | - | 89,881 | 93,056 | 92,870 |
| Total Federal | - | - | - | 89,881 | - | - | - | - | - | - | 89,881 | 93,056 | 92,870 |
| Other Revenue | | | | | | | | | | | | | |
| Admin recovery | 8,194 | - | - | - | - | - | - | - | - | - | 8,194 | - | - |
| Contracts | - | 12,624 | - | 630,870 | 11,176 | 656 | - | 5,415 | - | - | 660,741 | 132,074 | 1,561,302 |
| Interest | 53,701 | - | - | - | - | - | - | - | - | - | 53,701 | 40,000 | 54,403 |
| Rents | 225 | - | - | - | - | - | - | - | - | - | 225 | - | 950 |
| Resale items | 3,946 | 71,640 | 17,806 | 40 | 887 | - | - | 358 | - | - | 94,677 | 66,800 | 85,738 |
| Tuitions | - | 242,623 | 114,731 | 4,200 | 4,726 | - | - | 40,800 | - | - | 407,081 | 346,320 | 618,272 |
| Donations | - | - | - | - | - | - | - | - | - | 28,913 | 28,913 | - | 29,930 |
| Other | 1,596 | 105 | - | 120 | - | 15,632 | - | 2,545 | - | - | 19,998 | 11,500 | 39,923 |
| Total Other | 67,661 | 326,991 | 132,537 | 635,230 | 16,789 | 16,288 | - | 49,118 | 28,913 | 28,913 | 1,273,528 | 596,694 | 2,390,518 |
| Total Revenues | \$ 2,364,990 | \$ 1,490,828 | \$ 176,348 | \$ 1,996,777 | \$ 211,476 | \$ 240,887 | \$ 115,537 | \$ 49,118 | \$ 102,913 | \$ 6,748,873 | \$ 6,083,556 | \$ 7,348,312 | |

CUMBERLAND REGIONAL COLLEGE
Schedule of Expenses by Function (Schedule 3)
For the year ended June 30, 2013

| | 2013 Expenses Actual | | | | | | | | 2013 | 2013 | 2012 | |
|---------------------------------|-------------------------|-----------------|------------|-----------------|------------|--------------------|------------|------------|--------------|-----------------------------|-----------------------------|--|
| | General (Schedule 4) | Skills Training | | Basic Education | | Services | | University | Scholarships | Total Expenses Actual | Total Expenses Budget | Total Expenses Actual Restated (Note 18) |
| | | Credit | Non-credit | Credit | Non-credit | Learner Support | Counsel | | | | | |
| Agency Contracts | | | | | | | | | | | | |
| Contracts | \$ 3,812 | \$ 233,757 | \$ 53,469 | \$ 15,349 | \$ 6,156 | \$ 4,094 | \$ 6,151 | \$ 99,202 | \$ - | \$ 421,990 | \$ 521,593 | \$ 1,112,279 |
| Instructors | - | - | - | - | - | - | - | - | - | - | - | - |
| | 3,812 | 233,757 | 53,469 | 15,349 | 6,156 | 4,094 | 6,151 | 99,202 | - | 421,990 | 521,593 | 1,112,279 |
| | | | | | | | | | | | | |
| Amortization | 445,532 | - | - | - | - | - | - | - | - | 445,532 | 456,288 | 476,897 |
| Equipment | | | | | | | | | | | | |
| Equipment (non-capital) | 29,129 | 4,495 | - | - | - | - | - | - | - | 33,624 | 35,000 | 82,410 |
| Rental | 50,493 | 9,115 | 239 | 19,262 | 1,224 | 7,248 | 1,570 | 1,236 | - | 90,386 | 87,523 | 90,895 |
| Repairs and maintenance | 1,812 | - | - | - | - | - | - | - | - | 1,812 | 3,500 | 10,132 |
| | 81,433 | 13,610 | 239 | 19,262 | 1,224 | 7,248 | 1,570 | 1,236 | - | 125,822 | 126,023 | 183,437 |
| Facilities | | | | | | | | | | | | |
| Building supplies | 13,995 | 35 | - | - | - | - | - | - | - | 14,030 | 19,530 | 10,448 |
| Grounds | 7,634 | - | - | - | - | - | - | - | - | 7,634 | 2,825 | 13,876 |
| Janitorial | 22,031 | - | - | 4,589 | - | - | - | - | - | 26,620 | 34,830 | 35,082 |
| Rental | 120,631 | 132 | 712 | 9,731 | 12,050 | 444 | - | 980 | - | 144,680 | 158,972 | 186,800 |
| Repairs & maintenance buildings | 28,880 | - | - | - | - | - | - | - | - | 28,880 | 27,230 | 45,461 |
| Utilities | 54,987 | - | - | - | - | - | - | - | - | 54,987 | 43,060 | 56,537 |
| | 248,158 | 167 | 712 | 14,320 | 12,050 | 444 | - | 980 | - | 276,831 | 286,447 | 348,204 |
| Information Technology | | | | | | | | | | | | |
| Computer services | 11,000 | - | - | - | - | - | - | - | - | 11,000 | 10,000 | 10,000 |
| Data communications | - | - | - | - | - | - | - | - | - | - | - | - |
| Equipment (non-capital) | 46,206 | 661 | - | - | - | - | - | - | - | 46,866 | 31,475 | 114,385 |
| Materials & supplies | 3,107 | 86 | - | - | 85 | - | - | - | - | 3,279 | 750 | 3,436 |
| Rental | - | - | - | - | - | - | - | - | - | - | - | - |
| Repairs & maintenance buildings | 918 | - | - | 347 | - | - | - | - | - | 1,265 | 2,000 | 262 |
| Software (non-capital) | 15,657 | - | - | 239 | - | 2,109 | - | - | - | 18,005 | 21,350 | 25,853 |
| | 76,888 | 747 | - | 586 | 85 | 2,109 | - | - | - | 80,415 | 65,575 | 153,935 |
| Operating | | | | | | | | | | | | |
| Advertising | 61,167 | 27,821 | 8,534 | 788 | 4,836 | 1,946 | 2,659 | 24,984 | - | 132,735 | 128,672 | 142,009 |
| Association fees & dues | 34,593 | 1,138 | 87 | 25 | 100 | - | - | 87 | - | 36,029 | 34,370 | 35,863 |
| Bad debts | 15,000 | - | - | - | - | - | - | - | - | 15,000 | - | (20) |
| Financial services | 6,502 | - | - | - | - | - | - | - | - | 6,502 | 5,500 | 6,018 |
| In-service (includes PD) | 26,271 | 1,151 | - | 6,523 | 1,571 | 2,931 | 4,711 | - | - | 43,157 | 89,775 | 72,252 |
| Insurance | 29,369 | - | - | - | - | - | - | - | - | 29,369 | 23,249 | 28,736 |
| Materials & supplies | 26,204 | 11,807 | 4,889 | 62,361 | 15,509 | 17,490 | 2,197 | 864 | - | 141,323 | 199,559 | 210,894 |
| Postage, freight & courier | 11,849 | 431 | 71 | 11 | 49 | 406 | 74 | - | - | 12,891 | 13,950 | 17,447 |
| Printing & copying | 5,530 | - | - | 25 | - | 27 | 27 | 1,400 | - | 7,009 | 17,167 | 10,616 |
| Professional services | 104,696 | - | - | 50 | - | - | - | - | - | 104,746 | 143,604 | 17,471 |
| Resale items | 11,128 | 74,435 | 19,579 | 218 | - | - | - | - | - | 105,360 | 71,800 | 87,226 |
| Subscriptions | 8,513 | - | - | 606 | - | 66 | - | - | - | 9,185 | 1,900 | 1,685 |
| Telephone & fax | 32,448 | 1,694 | - | 7,086 | 1,328 | 2,876 | 432 | 3,088 | - | 48,953 | 65,521 | 69,863 |
| Travel | 67,150 | 9,447 | 6,228 | 21,513 | 4,226 | 6,897 | 8,902 | 173 | - | 124,538 | 154,578 | 135,003 |
| Other | 6,897 | - | - | 1,729 | - | 4,983 | - | - | - | 13,609 | 18,524 | 18,061 |
| | 447,316 | 127,924 | 39,388 | 100,936 | 27,619 | 37,622 | 19,002 | 30,597 | - | 830,406 | 968,169 | 853,125 |
| Personnel Services | | | | | | | | | | | | |
| Employee benefits | 231,211 | 75,278 | 2,242 | 136,935 | 21,552 | 72,289 | 14,177 | 22,447 | - | 576,132 | 539,777 | 640,248 |
| Honoraria | 17,525 | 350 | - | 47,635 | - | 3,615 | - | - | - | 69,125 | 22,820 | 73,114 |
| Salaries | 1,367,658 | 553,945 | 25,044 | 1,153,795 | 156,200 | 458,168 | 89,969 | 91,629 | - | 3,896,409 | 4,117,996 | 4,170,789 |
| Other | - | - | - | - | - | - | 19,920 | - | - | 19,920 | - | - |
| | 1,616,394 | 629,574 | 27,286 | 1,338,365 | 177,752 | 534,072 | 124,066 | 114,076 | - | 4,561,585 | 4,680,593 | 4,884,151 |
| Scholarships | | | | | | | | | | | | |
| Other | - | - | - | - | - | - | - | - | 52,825 | 52,825 | 162,500 | 60,860 |
| Total Expenses | \$ 2,919,534 | \$ 1,005,779 | \$ 121,094 | \$ 1,488,818 | \$ 224,886 | \$ 585,590 | \$ 150,789 | \$ 246,091 | \$ 52,825 | \$ 6,795,406 | \$ 7,267,188 | \$ 8,072,888 |

CUMBERLAND REGIONAL COLLEGE
Schedule of General Expenses by Functional Area (Schedule 4)
for the year ended June 30, 2013

| | 2013 General Actual | | | | 2013 | 2013 | 2012 |
|---------------------------------|---------------------|------------------------------------|--------------------------------|---------------------------|----------------------------|----------------------------|---|
| | Governance | Operating and Administration | Facilities and Equipment | Information Technology | Total General Actual | Total General Budget | Total General Actual Restated (Note 18) |
| Agency Contracts | | | | | | | |
| Contracts | \$ - | \$ 3,812 | \$ - | \$ - | \$ 3,812 | \$ 108 | \$ 9,600 |
| Instructors | - | - | - | - | - | - | - |
| | - | 3,812 | - | - | 3,812 | 108 | 9,600 |
| Amortization | - | - | 445,532 | - | 445,532 | 456,288 | 476,897 |
| Equipment | | | | | | | |
| Equipment (non-capital) | - | - | 29,129 | - | 29,129 | 18,000 | 77,789 |
| Rental | - | - | 50,493 | - | 50,493 | 54,400 | 45,811 |
| Repairs and maintenance | - | - | 1,812 | - | 1,812 | 500 | 10,132 |
| | - | - | 81,433 | - | 81,433 | 72,900 | 133,732 |
| Facilities | | | | | | | |
| Building supplies | - | - | 13,995 | - | 13,995 | 19,530 | 9,329 |
| Grounds | - | - | 7,634 | - | 7,634 | 2,825 | 13,780 |
| Janitorial | - | - | 22,031 | - | 22,031 | 26,280 | 22,642 |
| Rental | - | - | 120,631 | - | 120,631 | 116,572 | 115,418 |
| Repairs & maintenance buildings | - | - | 28,880 | - | 28,880 | 27,230 | 45,461 |
| Utilities | - | - | 54,987 | - | 54,987 | 43,060 | 45,511 |
| | - | - | 248,158 | - | 248,158 | 235,497 | 252,141 |
| Information Technology | | | | | | | |
| Computer services | - | - | - | 11,000 | 11,000 | 10,000 | 10,000 |
| Data communications | - | - | - | - | - | - | - |
| Equipment (non-capital) | - | - | - | 46,206 | 46,206 | 31,475 | 46,985 |
| Materials & supplies | - | - | - | 3,107 | 3,107 | 750 | 2,477 |
| Rental | - | - | - | - | - | - | - |
| Repairs & maintenance buildings | - | - | - | 918 | 918 | 2,000 | 262 |
| Software (non-capital) | - | - | - | 15,657 | 15,657 | 15,250 | 13,879 |
| | - | - | - | 76,888 | 76,888 | 59,475 | 73,603 |
| Operating | | | | | | | |
| Advertising | - | 61,167 | - | - | 61,167 | 66,229 | 65,428 |
| Association fees & dues | 33,446 | 1,147 | - | - | 34,593 | 34,170 | 34,357 |
| Bad debts | - | 15,000 | - | - | 15,000 | - | (20) |
| Financial services | - | 6,502 | - | - | 6,502 | 5,500 | 5,981 |
| In-service (includes PD) | 4,606 | 21,665 | - | - | 26,271 | 54,766 | 41,497 |
| Insurance | - | 29,369 | - | - | 29,369 | 23,249 | 28,736 |
| Materials & supplies | 714 | 25,490 | - | - | 26,204 | 46,260 | 44,171 |
| Postage, freight & courier | - | 11,849 | - | - | 11,849 | 11,650 | 12,740 |
| Printing & copying | 27 | 5,503 | - | - | 5,530 | 9,000 | 4,855 |
| Professional services | - | 104,696 | - | - | 104,696 | 138,604 | 17,471 |
| Resale items | - | 11,128 | - | - | 11,128 | 10,000 | 6,806 |
| Subscriptions | - | 8,513 | - | - | 8,513 | 850 | 728 |
| Telephone & fax | - | 32,448 | - | - | 32,448 | 38,090 | 47,970 |
| Travel | 24,467 | 42,683 | - | - | 67,150 | 52,850 | 61,651 |
| Other | 5,000 | 1,897 | - | - | 6,897 | 8,524 | 11,699 |
| | 68,259 | 379,058 | - | - | 447,316 | 499,742 | 384,071 |
| Personnel Services | | | | | | | |
| Employee benefits | - | 218,663 | - | 12,549 | 231,211 | 217,291 | 237,844 |
| Honoraria | 17,525 | - | - | - | 17,525 | 18,820 | 12,483 |
| Salaries | - | 1,294,899 | - | 72,759 | 1,367,658 | 1,334,931 | 1,442,331 |
| Other | - | - | - | - | - | - | - |
| | 17,525 | 1,513,561 | - | 85,308 | 1,616,394 | 1,571,042 | 1,692,657 |
| Total General Expenses | \$ 85,784 | \$ 1,896,431 | \$ 775,124 | \$ 162,196 | \$ 2,919,534 | \$ 2,895,052 | \$ 3,022,701 |

CUMBERLAND REGIONAL COLLEGE
Schedule of Tangible Capital Assets (Schedule 5)
Year Ended June 30, 2013

| | Buildings | Leasehold Improvements | Furniture, Equipment and Computers | Automotive Equipment | System Development | Total 2013 | Total 2012 |
|--|---------------------|---------------------------|--|-------------------------|-----------------------|---------------------|---------------------|
| Tangible Capital Assets - at Cost: | | | | | | | |
| Opening Balance at Start of Year | \$ 8,061,133 | \$ 102,884 | \$ 907,008 | \$ 23,486 | \$ 32,384 | \$ 9,126,895 | \$ 8,277,341 |
| Additions/Purchases | 40,145 | - | - | 13,331 | - | 53,476 | 7,585,697 |
| Disposals | - | - | - | (23,486) | - | (23,486) | - |
| Write-downs | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | (6,736,143) |
| Closing Balance at End of Year | <u>\$ 8,101,279</u> | <u>\$ 102,884</u> | <u>\$ 907,008</u> | <u>\$ 13,331</u> | <u>\$ 32,384</u> | <u>\$ 9,156,885</u> | <u>\$ 9,126,895</u> |
| Tangible Capital Assets - Amortization: | | | | | | | |
| Opening Balance at Start of Year | \$ 1,219,944 | \$ 19,727 | \$ 825,693 | \$ 23,486 | \$ 32,384 | \$ 2,121,235 | \$ 1,644,338 |
| Amortization of the period | 406,084 | 5,144 | 31,638 | 2,666 | - | 445,532 | 476,897 |
| Disposals | - | - | - | (23,486) | - | (23,486) | - |
| Write-downs | - | - | - | - | - | - | - |
| Closing Balance at End of Year | <u>\$ 1,626,028</u> | <u>\$ 24,871</u> | <u>\$ 857,331</u> | <u>\$ 2,666</u> | <u>\$ 32,384</u> | <u>\$ 2,543,280</u> | <u>\$ 2,121,235</u> |
| Net Book Value: | | | | | | | |
| Opening Balance at Start of Year | \$ 6,841,189 | \$ 83,157 | \$ 81,314 | \$ - | \$ - | \$ 7,005,661 | \$ 6,633,004 |
| Closing Balance at End of Year | 6,475,251 | 78,013 | 49,676 | 10,665 | - | 6,613,605 | 7,005,661 |
| Change in Net Book Value | <u>\$ 365,939</u> | <u>\$ 5,144</u> | <u>\$ 31,638</u> | <u>\$ (10,665)</u> | <u>\$ -</u> | <u>\$ 392,056</u> | <u>\$ (372,657)</u> |
| Disposals: | | | | | | | |
| Historical Cost | \$ - | \$ - | \$ - | \$ 23,486 | \$ - | \$ 23,486 | \$ - |
| Accumulated amortization | - | - | - | (23,486) | - | (23,486) | - |
| Net Cost | - | - | - | - | - | - | - |
| Price of Sale | - | - | - | - | - | - | - |
| Gain (Loss) on Disposal | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |