

Great Plains College

Auditor's Report

Financial Statements
For the Year Ended June 30, 2013



INDEPENDENT AUDITOR'S REPORT

To the Directors of Great Plains College:

We have audited the accompanying financial statements of Great Plains College, which comprise the statement of financial position as at June 30, 2013, and the statements of operations, accumulated surplus (deficit), changes in net financial assets (net debt) and changes in cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Great Plains College as at June 30, 2013, and the results of its operations and accumulated surplus, changes in its net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

A handwritten signature in dark ink that reads 'Stark & Marsh' in a cursive script.

Chartered Accountants, LLP

Swift Current, Saskatchewan
September 17, 2013

Great Plains Regional College
Statement of Financial Position
as at June 30, 2013

	June 30 2013	June 30 2012 Restated (Note 17)	July 1 2011 Restated (Note 18)
Financial Assets			
Cash and cash equivalents (Note 3)	\$ 1,424,030	\$ 892,541	\$ 2,810,454
Accounts receivable (Note 4)	1,531,159	718,645	566,823
Inventories for resale (Note 5)	75,990	56,221	52,504
Total Financial Assets	3,031,178	1,667,407	3,429,781
Liabilities			
Accrued salaries and benefits (Note 6)	501,618	396,357	320,958
Accounts payable and accrued liabilities (Note 7)	356,674	278,664	892,450
Deferred revenue (Note 8)	40,198	53,742	49,727
Liability for employee future benefits (Note 9)	183,400	174,300	166,400
Total Financial Assets	1,081,891	903,063	1,429,535
Net Financial Assets (Net Debt)	1,949,288	764,344	2,000,246
Non-Financial Assets			
Tangible capital assets (Note 10)	15,210,981	16,418,493	16,702,891
Prepaid expenses (Note 11)	60,948	118,768	225,292
Total Non-Financial Assets	15,271,930	16,537,261	16,928,183
Accumulated Surplus	\$ 17,221,217	\$ 17,301,605	\$ 18,928,429

The accompanying notes and schedules are an integral part of these financial statements

On behalf of the Board:

Board

President

Great Plains Regional College
Statement of Operations and Accumulated Surplus (Deficit)
for the year ended June 30, 2013

Statement 2

	2013 Budget (Note 14)	2013 Actual	2012 Actual Restated (Note 18)
Revenues (Schedule 2)			
Provincial government			
Grants	\$ 7,830,824	\$ 8,907,634	\$ 7,534,629
Other	224,803	167,234	193,868
Federal government			
Grants	123,113	192,703	113,475
Other revenue			
Contracts	247,640	498,430	550,911
Interest	12,000	25,781	31,426
Rents	36,856	68,552	50,431
Resale items	3,000	11,494	9,763
Tuition	1,960,890	1,836,216	2,022,341
Donations	143,750	258,440	99,761
Other	239,868	320,252	396,288
Total revenues	10,822,744	12,286,736	11,002,893
Expenses (Schedule 3)			
General	7,075,386	7,026,283	7,327,551
Skills training	2,615,029	2,709,165	2,960,682
Basic education	1,184,784	1,367,056	1,179,995
University	139,265	154,872	143,603
Services	445,861	532,689	536,251
Scholarships	235,000	303,945	296,200
Development	294,268	273,114	185,435
Total expenses	11,989,593	12,367,124	12,629,717
Surplus (Deficit) for the Year from Operations	(1,166,849)	(80,388)	(1,626,824)
Accumulated Surplus (Deficit), Beginning of Year	17,801,118	17,301,605	18,928,429
Accumulated Surplus (Deficit), End of Year	\$ 16,634,269	\$ 17,221,217	\$ 17,301,605

The accompanying notes and schedules are an integral part of these financial statements

Great Plains Regional College
Statement of Changes in Net Financial Assets (Net Debt)
as at June 30, 2013

	2013 Budget <u>(Note 14)</u>	2013 Actual	2012 Actual <u>Restated</u> <u>(Note 18)</u>
Net Financial Assets (Net Debt), Beginning of Year	\$ 1,964,900	\$ 764,344	\$ 2,000,246
Surplus (Deficit) for the Year from Operations	(1,166,849)	(80,388)	(1,626,824)
Acquisition of tangible capital assets	(63,000)	(97,914)	(1,066,435)
Amortization of tangible capital assets	1,281,695	1,305,426	1,350,834
Use of prepaid expenses	<u>(16,500)</u>	<u>57,820</u>	<u>106,523</u>
Change in Net Financial Assets (Net Debt)	<u>35,346</u>	<u>1,184,944</u>	<u>(1,235,902)</u>
Net Financial Assets (Net Debt), End of Year	<u>\$ 2,000,246</u>	<u>\$ 1,949,288</u>	<u>\$ 764,344</u>

The accompanying notes and schedules are an integral part of these financial statements

**Great Plains Regional College
Statement of Cash Flows
for the year ended June 30, 2013**

Statement 4

	2013	2012
Operating Activities		
Surplus (deficit) for the year from operations	\$ (80,388)	\$ (1,626,824)
Non-cash items included in surplus (deficit)		
Amortization of tangible capital assets	1,305,426	1,350,834
Changes in non-cash working capital		
Decrease (increase) in accounts receivable	(812,513)	(151,823)
Decrease (increase) in inventories for resale	(19,769)	(3,717)
Increase (decrease) in accrued salaries and benefits	105,261	75,399
Increase (decrease) in accounts payable and accrued liabilities	78,010	(613,786)
Increase (decrease) in deferred revenue	(13,544)	4,015
Increase (decrease) in employee future benefits	9,100	7,900
Decrease (increase) in prepaid expenses	57,820	106,524
Cash Provided (Used) by Operating Activities	629,403	(851,478)
Capital Activities		
Cash used to acquire tangible capital assets	(97,914)	(1,066,435)
Cash Provided (Used) by Capital Activities	(97,914)	(1,066,435)
Increase (Decrease) in Cash and Cash equivalents	531,489	(1,917,913)
Cash and Cash Equivalents, Beginning of Year	892,541	2,810,454
Cash and Cash Equivalents, End of Year	\$ 1,424,030	\$ 892,541

The accompanying notes and schedules are an integral part of these financial statements

Great Plains Regional College
Schedule of Revenues and Expenses by Function
for the year ended June 30, 2013

	2013 Actual										2013	2013	2012
	General	Skills Training		Basic Education		Services		University Credit	Scholarships	Development	Actual	Budget (Note 14)	Actual Restated (Note 18)
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel						
Revenues (Schedule 2)													
Provincial government	\$ 5,141,550	\$ 2,160,711	\$ -	\$ 783,426	\$ 822,204	\$ 49,978	\$ -	\$ -	\$ 117,000	\$ -	\$ 9,074,869	\$ 8,055,627	\$ 7,728,497
Federal government	5,774	-	-	-	186,929	-	-	-	-	-	192,703	123,113	113,475
Other	283,116	1,925,669	19,685	287,330	30,259	60,366	-	135,622	258,440	18,678	3,019,165	2,644,004	3,160,921
Total Revenues	5,430,440	4,086,380	19,685	1,070,756	1,039,392	110,344	-	135,622	375,440	18,678	12,286,737	10,822,744	11,002,893
Expenses (Schedule 3)													
Agency contracts	23,051	1,086,561	3,810	8,725	66,831	2,006	-	146,900	-	-	1,337,884	1,271,690	1,476,208
Amortization	1,305,426	-	-	-	-	-	-	-	-	-	1,305,426	1,281,695	1,350,834
Equipment	208,926	60,123	-	-	11,604	942	-	-	-	-	281,595	202,200	232,945
Facilities	617,539	1,700	-	-	2,257	-	-	467	-	-	621,963	560,607	579,710
Information technology	125,925	-	-	-	-	-	619	-	-	-	126,544	91,800	79,615
Operating	977,451	207,463	138	15,941	109,914	2,610	10,219	2,255	303,945	45,630	1,675,566	1,714,553	1,812,492
Personal services	3,767,965	1,344,502	4,868	601,644	550,141	182,530	333,762	5,251	-	227,484	7,018,147	6,867,048	7,097,913
Total Expenses	7,026,283	2,700,349	8,816	626,310	740,747	188,088	344,600	154,873	303,945	273,114	12,367,125	11,989,593	12,629,717
Surplus (Deficit) for the year	\$ (1,595,843)	\$ 1,386,031	\$ 10,869	\$ 444,446	\$ 298,645	\$ (77,744)	\$ (344,600)	\$ (19,251)	\$ 71,495	\$ (254,436)	\$ (80,388)	\$ (1,166,849)	\$ (1,626,824)

Great Plains Regional College
Schedule of Revenues by Function
for the year ended June 30, 2013

	2013 Revenues Actual									2013	2013	2012	
	General	Skills Training		Basic Education		Services		University Credit	Scholarships	Development	Total	Total	Total
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel				Revenues Actual	Revenues Budget (Note 14)	Revenues Actual (Note 18)
Provincial Government													
Advanced Education/ Economy													
Operating grants	\$4,852,800	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,852,800	\$ 4,827,000	\$ 4,771,900
Program grants	-	2,136,570	-	683,042	785,745	49,978	-	-	-	-	3,655,334	2,881,574	2,623,595
Capital grants	282,500	-	-	-	-	-	-	-	-	-	282,500	16,000	-
	5,135,300	2,136,570	-	683,042	785,745	49,978	-	-	-	-	8,790,634	7,724,574	7,395,495
Other	-	-	-	-	-	-	-	-	117,000	-	117,000	106,250	139,134
	5,135,300	2,136,570	-	683,042	785,745	49,978	-	-	117,000	-	8,907,634	7,830,824	7,534,629
Other provincial	6,250	24,141	-	100,384	36,459	-	-	-	-	-	167,234	224,803	193,868
Total Provincial	5,141,550	2,160,711	-	783,426	822,204	49,978	-	-	117,000	-	9,074,868	8,055,627	7,728,497
Federal Government													
Program grants	5,774	-	-	-	186,929	-	-	-	-	-	192,703	123,113	113,475
Other Revenue													
Contracts	35,364	176,668	3,487	282,911	-	-	-	-	-	-	498,430	247,640	550,911
Interest	25,781	-	-	-	-	-	-	-	-	-	25,781	12,000	31,426
Rents	68,552	-	-	-	-	-	-	-	-	-	68,552	36,856	50,431
Resale items	9,110	-	-	2,384	-	-	-	-	-	-	11,494	3,000	9,763
Tuition	-	1,691,659	15,948	-	-	-	-	128,609	-	-	1,836,216	1,960,890	2,022,341
Donations	-	-	-	-	-	-	-	-	258,440	-	258,440	143,750	99,761
Other	144,309	57,342	250	2,035	30,259	60,366	-	7,013	-	18,678	320,252	239,868	396,288
Total Other	283,116	1,925,669	19,685	287,330	30,259	60,366	-	135,622	258,440	18,678	3,019,165	2,644,004	3,160,921
Total Revenues	\$5,430,440	\$4,086,380	\$ 19,685	\$1,070,756	\$1,039,392	\$ 110,344	\$ -	\$ 135,622	\$ 375,440	\$ 18,678	\$ 12,286,736	\$ 10,822,744	\$11,002,893

Great Plains Regional College
Schedule of Expenses by Function
for the year ended June 30, 2013

	2013 Expenses Actual										2013 Total Expenses Actual	2013 Total Expenses Budget (Note 14)	2012 Total Expenses Actual Restated (Note 18)
	General (Schedule 4)	Skills Training		Basic Education		Services		University	Scholarships	Development			
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel	Credit					
Agency Contracts													
Contracts	\$ 16,577	\$ 761,446	\$ 3,810	\$ 8,215	\$ 53,987	\$ 2,006	\$ -	\$ 146,900	\$ -	\$ -	\$ 992,941	\$ 974,955	\$ 1,112,761
Instructors	6,474	325,115	-	510	12,844	-	-	-	-	-	344,943	296,735	363,447
	<u>23,051</u>	<u>1,086,561</u>	<u>3,810</u>	<u>8,725</u>	<u>66,831</u>	<u>2,006</u>	<u>-</u>	<u>146,900</u>	<u>-</u>	<u>-</u>	<u>1,337,884</u>	<u>1,271,690</u>	<u>1,476,208</u>
Amortization	<u>1,305,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,305,426</u>	<u>1,281,695</u>	<u>1,350,834</u>
Equipment													
Equipment (non-capital)	44,210	12,478	-	-	11,604	942	-	-	-	-	69,234	40,850	66,366
Rental	70,056	30,344	-	-	-	-	-	-	-	-	100,400	84,250	83,781
Repairs and maintenance	14,066	17,301	-	-	-	-	-	-	-	-	31,367	4,000	24,966
Vehicle Lease	80,594	-	-	-	-	-	-	-	-	-	80,594	73,100	57,833
	<u>208,926</u>	<u>60,123</u>	<u>-</u>	<u>-</u>	<u>11,604</u>	<u>942</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>281,595</u>	<u>202,200</u>	<u>232,946</u>
Facilities													
Building supplies	6,446	-	-	-	-	-	-	-	-	-	6,446	36,050	13,701
Grounds	10,659	-	-	-	-	-	-	-	-	-	10,659	13,952	11,464
Janitorial	97,768	-	-	-	-	-	-	-	-	-	97,768	74,440	78,974
Rental	132,564	1,700	-	-	2,257	-	-	467	-	-	136,988	161,205	149,185
Repairs & maintenance buildings	168,506	-	-	-	-	-	-	-	-	-	168,506	86,300	137,508
Utilities	201,596	-	-	-	-	-	-	-	-	-	201,596	188,660	188,879
	<u>617,539</u>	<u>1,700</u>	<u>-</u>	<u>-</u>	<u>2,257</u>	<u>-</u>	<u>-</u>	<u>467</u>	<u>-</u>	<u>-</u>	<u>621,963</u>	<u>560,607</u>	<u>579,711</u>
Information Technology													
Computer services	40,540	-	-	-	-	-	-	-	-	-	40,540	30,000	27,616
Data communications	5,375	-	-	-	-	-	-	-	-	-	5,375	7,600	12,053
Equipment (non-capital)	30,532	-	-	-	-	-	-	-	-	-	30,532	16,100	15,535
Materials & supplies	12,169	-	-	-	-	-	-	-	-	-	12,169	12,400	8,848
Repairs & maintenance	11,426	-	-	-	-	-	-	-	-	-	11,426	5,000	1,078
Software (non-capital)	25,883	-	-	-	-	-	619	-	-	-	26,502	20,700	14,484
	<u>125,925</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>126,544</u>	<u>91,800</u>	<u>79,614</u>
Operating													
Advertising	190,014	48,709	-	-	3,258	-	115	-	-	5,722	247,818	236,100	216,138
Association fees & dues	75,925	2,404	-	230	215	-	-	-	-	1,643	80,417	95,450	65,733
Bad debts	19,780	-	-	-	-	-	-	-	-	-	19,780	5,000	2,197
Financial services	28,666	-	-	-	-	-	-	-	-	-	28,666	32,600	27,165
In-service (includes PD)	91,296	-	-	-	10,262	-	-	-	-	120	101,678	141,881	196,148
Insurance	88,574	-	-	-	-	-	-	-	-	-	88,574	97,660	111,854
Materials & supplies	98,801	99,279	51	13,111	68,489	2,113	6,504	2,111	-	24,912	315,371	343,151	340,365
Postage, freight & courier	26,074	212	-	-	998	33	-	-	-	-	27,317	56,075	32,732
Printing & copying	26,127	31	-	13	-	-	-	-	-	203	26,374	41,775	27,935
Professional services	122,085	-	-	-	1,000	-	-	-	-	7,233	130,318	148,500	164,362
Subscriptions	7,983	53	-	786	70	-	-	-	-	177	9,069	8,071	6,756
Telephone & fax	80,338	142	-	-	286	-	-	-	-	1,179	81,945	95,320	106,646
Travel	121,688	46,633	87	1,801	25,335	464	3,600	144	-	4,441	204,193	173,970	218,260
Other	100	10,000	-	-	-	-	-	-	-	-	314,045	239,000	296,200
	<u>977,451</u>	<u>207,463</u>	<u>138</u>	<u>15,941</u>	<u>109,913</u>	<u>2,610</u>	<u>10,219</u>	<u>2,255</u>	<u>303,945</u>	<u>45,630</u>	<u>1,675,565</u>	<u>1,714,553</u>	<u>1,812,491</u>
Personal Services													
Employee benefits	574,434	169,971	343	65,706	47,944	27,326	48,015	287	-	34,976	969,002	974,899	958,226
Honoraria	14,723	-	-	-	480	-	-	-	-	-	15,203	10,000	16,305
Salaries	3,169,708	1,174,531	4,525	535,938	465,743	155,204	285,747	4,964	-	192,508	5,988,868	5,882,149	6,115,472
Other	9,100	-	-	-	35,974	-	-	-	-	-	45,074	-	7,910
	<u>3,767,965</u>	<u>1,344,502</u>	<u>4,868</u>	<u>601,644</u>	<u>550,141</u>	<u>182,530</u>	<u>333,762</u>	<u>5,251</u>	<u>-</u>	<u>227,484</u>	<u>7,018,147</u>	<u>6,867,048</u>	<u>7,097,913</u>
Total Expenses	<u>\$7,026,283</u>	<u>\$2,700,349</u>	<u>\$ 8,816</u>	<u>\$ 626,310</u>	<u>\$ 740,746</u>	<u>\$ 188,088</u>	<u>\$344,600</u>	<u>\$ 154,873</u>	<u>\$ 303,945</u>	<u>\$ 273,114</u>	<u>\$ 12,367,124</u>	<u>\$ 11,989,593</u>	<u>\$12,629,717</u>

Great Plains Regional College
Schedule of General Expenses by Functional Area
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 (Note 14)	Total General Actual Restated (Note 18)
Agency Contracts							
Contracts	\$ -	\$ 15,973	\$ 604	\$ -	\$ 16,577	\$ 15,000	\$ 20,965
Instructors	-	6,474	-	-	6,474	-	3,304
	-	22,447	604	-	23,051	15,000	24,269
Amortization	-	1,305,426	-	-	1,305,426	1,281,695	1,350,834
Equipment							
Equipment (non-capital)	-	29,074	15,136	-	44,210	22,700	52,624
Rental	-	69,986	80,664	-	150,650	156,100	132,733
Repairs and maintenance	-	6,118	7,948	-	14,066	2,000	24,332
	-	105,178	103,748	-	208,926	180,800	209,689
Facilities							
Building supplies	-	-	6,446	-	6,446	36,050	13,701
Grounds	-	-	10,659	-	10,659	13,952	11,464
Janitorial	-	-	97,768	-	97,768	73,940	78,974
Rental	-	1,473	131,091	-	132,564	142,525	136,796
Repairs & maintenance	-	-	168,506	-	168,506	86,300	136,839
Utilities	-	-	201,596	-	201,596	188,660	188,879
	-	1,473	616,066	-	617,539	541,427	566,653
Information Technology							
Computer services	-	20,546	-	19,993	40,539	30,000	27,616
Data communications	-	-	-	5,375	5,375	7,000	11,601
Equipment (non-capital)	-	-	-	30,532	30,532	15,000	15,535
Materials & supplies	-	59	-	12,111	12,170	12,400	8,848
Repairs & maintenance	-	-	-	11,426	11,426	5,000	1,078
Software (non-capital)	-	-	-	25,883	25,883	20,000	14,484
	-	20,605	-	105,320	125,925	89,400	79,162
Operating							
Advertising	1,250	188,765	-	-	190,015	233,600	211,865
Association fees & dues	19,779	45,146	-	11,000	75,925	91,625	61,599
Bad debts	19,780	-	-	-	19,780	5,000	2,197
Financial services	-	28,666	-	-	28,666	32,600	27,165
In-service (includes PD)	14,564	76,732	-	-	91,296	135,000	171,747
Insurance	6,906	89	81,579	-	88,574	97,660	111,854
Materials & supplies	8,467	87,465	2,098	770	98,800	102,750	123,796
Postage, freight & courier	-	26,074	-	-	26,074	55,450	29,692
Printing & copying	147	25,743	238	-	26,128	40,275	26,990
Professional services	7,611	97,324	17,150	-	122,085	138,500	163,989
Subscriptions	-	7,983	-	-	7,983	7,121	6,117
Telephone & fax	-	76,390	1,425	2,523	80,338	92,320	104,993
Travel	18,962	98,260	1,142	3,323	121,687	115,500	130,129
Other	-	100	-	-	100	4,000	-
	97,466	758,737	103,632	17,616	977,451	1,151,401	1,172,133
Personal Services							
Employee benefits	213	499,052	41,572	33,596	574,433	598,173	545,450
Honoraria	14,723	-	-	-	14,723	10,000	16,305
Salaries	-	2,789,595	188,051	192,063	3,169,709	3,207,490	3,355,148
Other	-	9,100	-	-	9,100	-	7,910
	14,936	3,297,747	229,623	225,659	3,767,965	3,815,663	3,924,813
Total General Expenses	\$ 112,402	\$ 5,511,613	\$ 1,053,673	\$ 348,595	\$ 7,026,283	\$ 7,075,386	\$ 7,327,553

GREAT PLAINS COLLEGE
Notes to the Financial Statements
For the year ended June 30, 2013

1. PURPOSE AND AUTHORITY

Great Plains College (the College) was established by Saskatchewan Order-in-Council 465/2008 and 466/2008 dated June 27, 2008. It was created as a merger of Cypress Hills Regional College and Prairie West Regional College and included all liabilities and assets of the two former Colleges as of July 1, 2008.

The College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board plays an integral part in strategic direction and management guidance.

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

2. 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: 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.

Details of the impact of the conversion to Canadian public sector accounting standards, including reconciliations of the June 30, 2012 and July 1, 2011 restated statement of financial position and the 2011-12 restated statement of operations, are provided in Note 17.

Significant aspects of the accounting policies adopted by the College are as follows:

(a) College Reporting Entity

The financial statements include all of the assets, liabilities, revenues and expenses of the College reporting entity.

(b) 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 and 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 \$183,400 (June 30, 2012 - \$174,300; July 1, 2011 \$166,400) because actual experience may differ significantly from actuarial or historical estimations and assumptions.

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 changes in the amounts recognized or disclosed.

(c) Financial Instruments

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

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.

(d) 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.

Inventories for Resale consist of books and materials which are held for sale in the ordinary course of operations and are valued at the lower of cost and net realizable value. Cost is determined by the average cost method. Net realizable value is the estimated selling price in the ordinary course of business.

(e) 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. 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.

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.

(f) 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
Office Furniture	10 years
Office Equipment	5 years
Machinery	5 years
Computer Equipment	3 years
Leasehold Improvements	Term of lease
System Development	5 years

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

Prepaid Expenses are prepaid amounts for goods or services and include prepaid facility leases, utilities, janitorial contracts and equipment leases 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.

(g) Employee 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) All 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.

(h) 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.

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.

(i) Expenses

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

(j) 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 cost.

	June 30 2013	June 30 2012	July 1 2011
Cash and bank deposits	\$ 1,424,030	\$ 892,541	\$ 2,810,454
Cash and cash equivalents	\$ 1,424,030	\$ 892,541	\$ 2,810,454

4. ACCOUNTS RECEIVABLE

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

	June 30 2013	June 30 2012	July 1 2011
Provincial government:			
Advanced Education/Economy	\$ 730,392	\$ 16,184	\$ 96,512
Other	428,809	380,778	123,224
Federal government	128,981	68,853	37,358
Other receivables	242,977	252,830	309,729
Accounts receivable, net of allowances	1,531,159	718,645	566,823

5. INVENTORIES FOR RESALE

	June 30 2013	June 30 2012	July 1 2011
Book and materials for resale	\$ 75,990	\$ 56,221	\$ 52,504

6. ACCRUED SALARIES AND BENEFITS

	June 30 2013	June 30 2012	July 1 2011
Accrued salaries & vacation pay	\$ 486,617	\$ 385,373	\$ 316,955
Accrued employee benefits	15,001	10,699	2,513
Other	-	285	1,490
Accrued salaries and benefits	\$ 501,618	\$ 396,357	\$ 320,958

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	June 30 2013	June 30 2012	July 1 2011
Ministries of Advanced Education/Economy	\$ 3,601	\$ -	\$ 2,062
School Divisions	28,133	26,850	-
Regional Colleges	3,082	3,128	25,772
Other Provincial	19,779	65,553	50,845
Federal Government	4,688	10,078	7,258
W.W. Smith Insurance Ltd.	88,429	-	-
Western Trade Training Institute	38,233	-	-
Quorex Construction	-	-	463,642
Stantec Architecture	-	-	66,650
Other	170,729	173,055	276,221
Accounts payable and accrued liabilities	\$ 356,674	\$ 278,664	\$ 892,450

8. DEFERRED REVENUE

	June 30 2013	June 30 2012	July 1 2011
Tuitions & deposits	36,950	52,408	46,312
Other	3,248	1,334	3,415
Deferred revenue	40,198	53,742	49,727

9. LIABILITY FOR EMPLOYEE FUTURE BENEFITS

The College provides certain post-employment, compensated absence and termination benefits to its employees. These benefits include accumulating non-vested sick leave. 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	30-Jun-12	30-Jun-12	30-Jun-12
Long-term assumptions used:			
Salary escalation rate (percentage)	2.00%	2.00%	2.00%
Discount rate (percentage)	2.80%	2.40%	3.20%
Expected average remaining service life (years)	11.9	11.9	11.9
Liability for Employee Future Benefits	June 30 2013	June 30 2012	
Accrued Benefit Obligation - beginning of year	\$ 182,300	\$ 166,400	
Current period benefit cost	33,200	31,100	
Interest cost	4,400	5,400	
Benefit payments	(29,200)	(28,600)	
Actuarial gains / losses	(4,300)	8,000	
Plan amendments	-	-	
Accrued Benefit Obligation - end of year	186,400	182,300	
Unamortized Net Actuarial Gains / Losses	(3,000)	(8,000)	
Liability for Employee Future Benefits	\$ 183,400	\$ 174,300	
Employee Future Benefits Expense	June 30 2013	June 30 2012	
Current period benefit cost	\$ 33,200	\$ 31,100	
Amortization of net actuarial gain / loss	700	-	
Plan amendments	-	-	
Benefit cost	33,900	31,100	
Interest cost on unfunded employee future benefits obligation	4,400	5,400	
Total Employee Future Benefits Expense	\$ 38,300	\$ 36,500	

10. TANGIBLE CAPITAL ASSETS

	Land	Buildings	Paving Lot	Leasehold Improv	Office Furniture	Office Equip	Computer Equip	Machinery	System Develop	2013	2012
Tangible Capital Assets - at Cost:											
Opening Balance at Start of Year	\$ 168,550	\$ 18,462,950	\$ 482,422	\$ 799,989	\$ 314,818	\$ 165,199	\$ 293,178	\$ 425,768	\$ 303,721	\$ 21,416,635	\$ 20,350,695
Additions/Purchases	-	74,397	-	-	-	-	23,517	-	-	97,914	1,067,136
Disposals	-	-	-	-	-	-	-	-	-	-	(1,196)
Write-Downs	-	-	-	-	-	-	-	-	-	-	-
Closing Balance at End of Year	168,550	18,537,387	482,422	799,989	314,818	165,199	316,695	425,768	303,721	21,514,549	21,416,635
Tangible Capital Assets - Amortization:											
Opening Balance at Start of Year	-	3,409,166	287,066	628,873	119,403	87,155	218,687	187,048	60,744	4,998,142	3,647,604
Amortization of the Period	-	907,047	96,484	42,779	30,896	24,260	69,329	73,887	60,744	1,305,426	1,350,937
Disposals	-	-	-	-	-	-	-	-	-	-	(599)
Write-Downs	-	-	-	-	-	-	-	-	-	-	-
Closing Balance at End of Year	-	4,316,213	383,550	671,652	150,299	111,415	288,016	260,935	121,488	6,303,568	4,998,142
Net Book Value:											
Opening Balance at Start of Year	168,550	15,053,824	195,356	171,116	195,415	78,044	74,491	238,720	242,977	16,418,493	16,702,891
Closing Balance at End of Year	168,550	14,221,174	98,872	128,337	164,519	53,704	28,679	164,833	182,233	15,210,981	16,418,493
Change in Net Book Value	-	(832,650)	(96,484)	(42,779)	(30,896)	(24,260)	(45,812)	(73,887)	(60,744)	(1,207,512)	(284,398)

11. PREPAID EXPENSES

The College entered into an agreement with Prairie Spirit School Division for the Warman facility in the high school. In March 2007, an initial lease payment of \$135,000 was paid to the School Division. The agreement provides for a refund of a portion of the initial lease payment should the College vacate the facility and its presence in the Town of Warman during the first ten years of the lease. The initial lease amount to be refunded is reduced at the rate of \$13,500 for each year the college occupies the facility to a maximum of ten years.

	June 30 2013	June 30 2012	July 1 2011
Prairie Spirit School Division - Long term operating Lease	\$ 36,000	\$ 49,500	\$ 63,000
Other prepaid expenses - current	24,948	69,268	162,292
Total Prepaid expenses	\$ 60,948	\$ 118,768	\$ 225,292

Future lease expense for the Warman facility is as follows:

2014	\$13,500
2015	13,500
2016	13,500
2017	<u>9,000</u>
Future lease expense	49,500
Less current portion	<u>13,500</u>
Long term portion	<u>\$36,000</u>

12. EMPLOYEE PENSION PLANS

Multi-Employer Defined Benefit Plans

Information on the multi-employer pension plans to which the College contributes is as follows:

- 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:

	2013		2012	
	STRP	STSP	TOTAL	TOTAL
Number of active College members	10	2	12	13
Member contribution rate (percentage of salary)	8.50%	6.72%		8.5% / 6.75%
Member contributions for the year	\$ 57,567	\$ 10,262	\$ 67,829	\$ 70,211

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	98	87
Member contribution rate (percentage of salary)	7.40% / 8.15%	7.40%
College contribution rate (percentage of salary)	7.40% / 8.15%	7.40%
Member contributions for the year	\$ 351,886	\$ 324,239
College contributions for the year	\$ 351,886	\$ 324,239

13. 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 and foreign exchange 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. 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 impairment in collectability.

The aging of accounts receivable at June 30, 2013, June 30, 2012 and July 1, 2011 was:

	June 30, 2013		June 30, 2012		July 1, 2011	
	Accounts Receivable	Allowance of Doubtful Accounts	Accounts Receivable	Allowance of Doubtful Accounts	Accounts Receivable	Allowance of Doubtful Accounts
Current	\$ 1,383,171	\$ -	\$ 680,172	\$ -	\$ 527,229	\$ -
61-90 days	27,344	-	23,362	-	21,366	-
91-120 days	74,187	-	4,361	-	4,784	-
Over 121 days	66,237	19,780	15,750	5,000	15,641	2,197
Total	\$ 1,550,939	\$ 19,780	\$ 723,645	\$ 5,000	\$ 569,020	\$ 2,197
Net		\$ 1,531,159		\$ 718,645		\$ 566,823

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 maintaining adequate cash balances and continual monitoring of annual budgeting and trimester forecasting. The following table sets out the contractual maturities of the College's financial liabilities:

	June 30, 2013			
	Within 6 months	6 months to 1 year	1 to 5 years	> 5 years
Bank indebtedness	\$ -	\$ -	\$ -	\$ -
Accrued salaries and benefits	\$ 233,244	\$ 268,374		
Accounts payable and accrued liabilities	\$ 356,674			
Total	\$ 589,918	\$ 268,374	\$ -	\$ -

iii) Market Risk

The College is exposed to market risks with respect to interest rates and foreign currency exchange rates, as follows:

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 relates to cash and cash equivalents. The College also has an authorized bank line of credit of \$400,000 with interest payable monthly at a rate of prime minus .60%. 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.

Foreign Currency Risk:

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The College is exposed to currency risk on purchases denominated in U.S. dollars for which the related accounts payable balances are subject to exchange rate fluctuations; however, this risk is minimal as the College does not make a significant amount of purchases denominated on a foreign currency. As at June 30, 2013 the College did not have any financial instruments denominated in foreign currency outstanding at June 30, 2013 or June 30, 2012.

14. BUDGET FIGURES

Budget figures included in the financial statements were approved by the Board on April 24, 2012 and the Minister of Advanced Education on July 12, 2012. The budget figures are unaudited.

15. 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.

	June 30 2013	June 30 2012
Revenues:		
Ministry of Advanced Education/Economy	\$ 8,907,634	\$ 7,534,629
Federal Government	192,703	113,475
Association Of Sask Regional Colleges	231,200	241,370
Regional Colleges	739	415
School Divisions	231,559	280,834
SIAST	65,800	93,064
Sask Apprenticeship and Trade	24,220	49,725
	\$ 9,653,855	\$ 8,313,512
Expenses:		
Regional Colleges	\$ 7,157	\$ 5,072
School Divisions	62,862	88,302
SIAST	644,043	926,737
Municipal Employees Superannuation Commission	351,886	324,238
Saskatchewan Crown Corporations	153,819	283,930
Sask Worker's Compensation Board	20,942	19,205
Regional Health Authorities	906	5,127
	\$ 1,241,615	\$ 1,652,611

	June 30 2013	June 30 2012	July 1 2011
Accounts Receivable:			
Ministry of Advanced Education/Economy	\$ 730,392	\$ 16,184	\$ 96,512
Federal Government	128,981	68,853	37,358
School Divisions	319,135	274,251	-
Association of Sask Regional Colleges	79,084	58,729	75,290
Regional Colleges	-	-	6,064
SIAST	2,655	28,755	5,175
Other	27,935	19,043	36,695
	\$ 1,288,182	\$ 465,815	\$ 257,094
Accounts Payable and Accrued Liabilities:			
Ministry of Advanced Education/Economy	\$ 3,601	\$ -	\$ 2,062
Federal Government	4,688	10,078	7,258
School Divisions	28,133	26,850	-
Regional Colleges	3,082	3,128	25,772
Other	19,779	65,553	50,845
	\$ 59,283	\$ 105,609	\$ 85,937

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.

The College receives long distance telephone service between major centres from SaskTel, a related party, at reduced rates available to Government agencies.

16. CONTRACTUAL OBLIGATIONS AND COMMITMENTS

Significant contractual obligations and commitments of the College are as follows:

- Lease agreement with Rosetown & District Civic Centre for the Rosetown Program Centre facilities. This agreement covers the period July 2013 through July 2016. The operating lease obligation is as follows:

Future minimum lease payments:		
2014	\$	26,868
2015		27,276
2016		<u>27,684</u>
	\$	<u>81,828</u>

- The College also holds other small leases for office equipment.

17. 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. These internally restricted amounts are included in the accumulated surplus presented in the statement of financial position. Accumulated surplus from operations also includes externally restricted contributions for which the contributor has placed restrictions that the resources be held in perpetuity.

The College does not maintain separate bank accounts for the internally restricted amounts and/or externally restricted resources to be held in perpetuity.

Details of accumulated surplus are as follows:

	July 1 2011	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	\$ 16,702,891	\$ 16,418,493	\$ 97,914	\$ (1,305,426)	\$ 15,210,981
Externally Restricted - Tangible Capital Asset Expenditure	642,856	164,060	184,586	(73,646)	275,000
Externally Restricted - Scholarships	123,235	64,710	-	(64,710)	-
External Contributions to be Held in Perpetuity - Endowment Funds	-	-	164,000	-	164,000
Internally Restricted Operating Surplus:					
Other:					
Prepaid operating lease - Warman	76,500	63,000	-	(13,500)	49,500
Succession Planning	25,000	25,000	-	-	25,000
Retiring Allowance (Severance)	-	-	50,000	-	50,000
Building Maintenance	100,000	100,000	-	-	100,000
Building Maintenance - Kindersley HVAC	-	-	50,000	-	50,000
Program Development	-	250,000	-	-	250,000
Wind Turbine Equipment	161,010	-	-	-	-
Vehicle Replacement	75,000	-	-	-	-
Programming:					
Skills Training Allowance	283,638	-	445,001	-	445,001
Adult Basic Education	-	-	136,608	-	136,608
ABE - On Reserve	210,265	-	34,987	-	34,987
Early Childhood Education	-	51,696	43,398	(38,196)	56,898
English as a Second Language	-	-	43,500	-	43,500
Targeted Initiative for Older Workers	-	-	23,097	-	23,097
Other Programming	287,702	120,396	-	(120,396)	-
	1,219,115	610,092	826,591	(172,092)	1,264,591
Unrestricted Operating Surplus	240,332	44,250	1,116,781	(854,386)	306,645
Total Accumulated Surplus	18,928,429	17,301,605	2,389,872	(2,470,260)	17,221,217

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:

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		\$ 2,810,454	\$	\$ 2,810,454
Accounts receivable		566,823		566,823
Inventories for resale		52,504		52,504
Portfolio investments		-		-
TOTAL FINANCIAL ASSETS		3,429,781	-	3,429,781
LIABILITIES				
Bank indebtedness		-		-
Accrued salaries and benefits		320,958		320,958
Accounts payable and accrued liabilities	(c)	938,762	(46,312)	892,450
Deferred revenue	(c)	785,020	(735,293)	49,727
Employee future benefits	(d)	-	166,400	166,400
Long-term debt				-
TOTAL LIABILITIES		2,044,740	(615,205)	1,429,535
NET FINANCIAL ASSETS		1,385,041	615,205	2,000,246
NON-FINANCIAL ASSETS				
Tangible capital assets		16,702,891		16,702,891
Inventory of supplies for consumption		-		-
Prepaid expenses		225,292		225,292
TOTAL NON-FINANCIAL ASSETS		16,928,183	-	16,928,183
ACCUMULATED SURPLUS		\$ 18,313,224	\$ 615,205	\$ 18,928,429
ACCUMULATED SURPLUS IS COMPRISED OF:				
Accumulated surplus form operations		\$ 18,313,224	\$ 615,205	\$ 18,928,429
Accumulated remeasurement gains and losses				-
TOTAL ACCUMULATED SURPLUS		\$ 18,313,224	\$ 615,205	\$ 18,928,429

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		\$ 892,541	\$	\$ 892,541
Accounts receivable	(b)	859,404	(140,759)	718,645
Inventories for resale		56,221		56,221
Portfolio investments		-		-
TOTAL FINANCIAL ASSETS		1,808,166	(140,759)	1,667,407
LIABILITIES				
Bank indebtedness		-		-
Accrued salaries and benefits		396,357		396,357
Accounts payable and accrued liabilities	(c)	331,072	(52,408)	278,664
Deferred revenue	(c)	173,426	(119,684)	53,742
Employee future benefits	(d)	-	174,300	174,300
Long-term debt		-		-
TOTAL LIABILITIES		900,855	2,208	903,063
NET FINANCIAL ASSETS		907,311	(142,967)	764,344
NON-FINANCIAL ASSETS				
Tangible capital assets		16,418,493		16,418,493
Inventory of supplies for consumption		-		-
Prepaid expenses		118,768		118,768
TOTAL NON-FINANCIAL ASSETS		16,537,261	-	16,537,261
ACCUMULATED SURPLUS		\$ 17,444,572	\$ (142,967)	\$ 17,301,605
ACCUMULATED SURPLUS IS COMPRISED OF:				
Accumulated surplus from operations		\$ 17,444,572	\$ (142,967)	\$ 17,301,605
Accumulated rereasurement gains and losses				-
TOTAL ACCUMULATED SURPLUS		\$ 17,444,572	\$ (142,967)	\$ 17,301,605

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) (c)	\$ 8,295,708	\$ (761,079)	\$ 7,534,629
Other	(c)	200,546	(6,678)	193,868
Federal government				-
Grants		113,475		113,475
Other				-
Other revenue				-
Administrative recoveries				-
Contracts		550,911		550,911
Interest	(a)	30,798	628	31,426
Rents		50,431		50,431
Resale items		9,763		9,763
Tuitions		2,022,341		2,022,341
Donations		99,761		99,761
Other	(c)	379,430	16,858	396,288
TOTAL REVENUES		11,753,164	(750,271)	11,002,893
EXPENSES				
General	(a) (d)	7,505,086	(177,535)	7,327,551
Skills training		2,960,682		2,960,682
Basic education		1,179,995		1,179,995
University		143,603		143,603
Services		536,251		536,251
Scholarships		296,200		296,200
Development	(a)	-	185,435	185,435
Student housing				-
TOTAL EXPENSES		12,621,817	7,900	12,629,717
SURPLUS (DEFICIT) FROM OPERATIONS		\$ (868,653)	\$ (758,171)	\$ (1,626,824)

- (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) Transfer Revenue Previously Recognized: In 2012 the College recognized transfer revenue of \$140,759 for the Skill Training Allocation (STA) program. This revenue does not meet the definition of transfer revenue under PS3410, and was derecognized upon the College’s adoption of PSA standards. Accumulated surplus, accounts receivable on June 30, 2012, and Provincial Government grants for 2011-12 have been restated.

- (c) **Previous Unearned Revenue No Longer Deferred:** Program grants received from the Ministry of Advanced Education to support Skills Training, Literacy, On-Reserve ABE and SCN programming 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 by \$781,605 and \$172,094 was recognized in the PSA standards restated revenue for 2011-12.

- (d) **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.

19. COMPARATIVE INFORMATION

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