
CUMBERLAND REGIONAL COLLEGE

Financial Statements

Year Ended June 30, 2014

INDEPENDENT AUDITOR'S REPORT

To the Members of Cumberland Regional College

We have audited the accompanying financial statements of Cumberland Regional College, which comprise the statement of financial position as at June 30, 2014 and the statements of operations and accumulated surplus, changes in net financial assets and cash flows 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 for Treasury Board's approval, 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 entity'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 entity'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.

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Independent Auditor's Report to the Members of Cumberland Regional College *(continued)*

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Cumberland Regional College as at June 30, 2014 and the results of its operations, changes in net financial assets and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

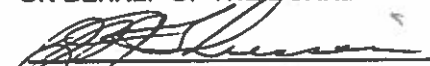

Nipawin, Saskatchewan
October 2, 2014


Chartered Accountants

CUMBERLAND REGIONAL COLLEGE
Statement of Financial Position (Statement 1)
June 30, 2014

	2014	2013
Financial Assets		
Cash and cash equivalents (Note 3)	\$ 2,827,139	\$ 3,329,647
Accounts receivable (Note 4)	884,642	711,911
	<u>3,511,781</u>	<u>4,041,558</u>
Liabilities		
Accounts payable and accrued liabilities (Note 6)	109,108	146,003
Accrued salaries and benefits (Note 7)	161,646	169,125
Liability for employee future benefits (Note 8)	121,900	117,200
	<u>392,654</u>	<u>432,328</u>
Net Financial Assets	<u>3,119,127</u>	<u>3,609,230</u>
Non-Financial Assets		
Tangible capital assets (Schedule 5)	6,247,214	6,613,605
Prepaid expenses	29,326	37,186
	<u>6,276,540</u>	<u>6,650,791</u>
Accumulated Surplus (Note 13)	<u>\$ 9,395,667</u>	<u>\$ 10,260,021</u>
Contingent liability (Note 15)		
Contractual obligations (Note 14)		

ON BEHALF OF THE BOARD

 Director
 Director

See notes to financial statements

NeuPath Group, PC Inc. 4

CUMBERLAND REGIONAL COLLEGE
Statement of Operations and Accumulated Surplus (Statement 2)
Year Ended June 30, 2014

	(Budget - note 12) 2014	2014	2013
REVENUES (Schedule 2)			
Provincial government			
Grants	\$ 4,933,303	\$ 4,585,419	\$ 5,010,712
Other	376,420	402,278	374,752
Federal government			
Other	294,076	84,475	89,881
Other revenue			
Administrative recoveries	-	6,776	8,194
Contracts	488,287	489,811	660,741
Interest	40,000	51,294	53,701
Rents	-	250	225
Resale items	40,500	64,152	94,677
Tuition	438,866	591,804	406,986
Donations	74,000	71,885	28,913
Other	12,500	42,261	20,092
	6,697,952	6,390,405	6,748,874
EXPENSES (Schedule 3)			
General	3,335,394	3,226,607	2,919,531
Skills training	1,020,381	1,285,624	1,128,873
Basic education	2,049,855	1,587,369	1,713,707
Services	729,556	697,290	736,379
University	415,081	380,119	246,091
Scholarships	148,000	77,750	52,825
	7,698,267	7,254,759	6,795,406
Surplus (Deficit) for the Year from Operations	(1,000,315)	(864,354)	(46,532)
Accumulated Surplus, Beginning of Year	10,260,021	10,260,021	10,306,553
Accumulated Surplus, End of Year	\$ 9,259,706	\$ 9,395,667	\$ 10,260,021

CUMBERLAND REGIONAL COLLEGE
Statement of Changes In Net Financial Assets (Statement 3)
Year Ended June 30, 2014

	2014	2013
Surplus (Deficit) for the Year from Operations	\$ (864,354)	\$ (46,532)
Acquisition of tangible capital assets	(78,632)	(53,476)
Amortization of tangible capital assets	445,023	445,532
Use (purchase) of prepaid expenses	7,860	27,464
Change In net financial assets	(490,103)	372,988
Net financial assets at beginning of year	3,609,230	3,236,242
Net financial assets at end of year	\$ 3,119,127	\$ 3,609,230

CUMBERLAND REGIONAL COLLEGE
Statement of Cash Flows (Statement 4)
Year Ended June 30, 2014

	2014	2013
OPERATING ACTIVITIES		
Surplus (Deficit) for the Year from Operations	\$ (864,354)	\$ (46,532)
Item not affecting cash:		
Amortization of tangible capital assets	445,023	445,532
	(419,331)	399,000
Changes in non-cash working capital:		
Accounts receivable	27,269	(475,736)
Accounts payable and accrued liabilities	(36,895)	(335)
Accrued salaries and benefits	(7,479)	280
Deferred revenue	-	(74,353)
Liability for employee future benefits	4,700	4,400
Prepaid expenses	7,860	27,464
	(4,545)	(518,280)
Cash flow used by operating activities	(423,876)	(119,280)
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(78,632)	(53,476)
DECREASE IN CASH FLOW	(502,508)	(172,756)
Cash and cash equivalents - beginning of year	3,329,647	3,502,403
Cash and cash equivalents - end of year	\$ 2,827,139	\$ 3,329,647

CUMBERLAND REGIONAL COLLEGE

Notes to Financial Statements

Year Ended June 30, 2014

1. PURPOSE AND AUTHORITY

Cumberland Regional College (the College) was established by Saskatchewan Order in Council #34/75 dated January 14, 1974.

The College offers educational services and programs under the authority of Section 14 of *The Regional Colleges Act*. The College Board of Directors 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 the regional constituents and industry. The Cumberland Regional College is exempt from the payment of income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

As a government not-for-profit organization, the College prepared these financial statements in accordance with Canadian public sector accounting standards for government reporting entities. The accounting standards followed for government not-for-profit organizations is the CPA Canada Public Sector Accounting (PSA) Handbook.

College Reporting Entity

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

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 \$121,900 (June 30, 2013 - \$117,200) 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 because actual experience may differ from historical estimations and assumptions;
- allowance for doubtful accounts of \$31,334 (2013 - \$15,000) 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.

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

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 June 30, 2014 and June 30, 2013 the College did not own any portfolio investments in equity instruments.

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. Receivables are measured at amortized cost. Due to their short-term nature, the amortized cost of these instruments approximates their fair value.

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 and bank deposits.

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.

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CUMBERLAND REGIONAL COLLEGE

Notes to Financial Statements

Year Ended June 30, 2014

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

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.

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

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.
- 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.

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CUMBERLAND REGIONAL COLLEGE**Notes to Financial Statements****Year Ended June 30, 2014****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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.

	2014	2013
Provincial government:		
Advanced Education/Economy	\$ 565,382	\$ 538,071
Federal government	59,802	55,926
Other receivables	90,792	132,914
	715,976	726,911
Allowance for Doubtful Accounts	(31,334)	(15,000)
	\$ 684,642	\$ 711,911

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 0.5% 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, 2014 was \$nil (2013 - \$nil).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2014	2013
Trade payables and accrued liabilities	\$ 82,157	\$ 126,811
Deposits	26,951	19,192
	\$ 109,108	\$ 146,003

CUMBERLAND REGIONAL COLLEGE

Notes to Financial Statements

Year Ended June 30, 2014

7. ACCRUED SALARIES AND BENEFITS

	2014	2013
Accrued vacation salaries	\$ 161,848	\$ 169,125

8. 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, 2014	June 30, 2013
Actuarial valuation date	June 30, 2013	June 30, 2013
Long-term assumptions used:		
Salary escalation rate	1.50%	2.00%
Discount rate	2.8%	2.8%
Expected average remaining service life (years)	10.7	10.7

	2014	2013
Liability for Employee Future Benefits		
Accrued Benefit Obligation - beginning of year	\$ 118,900	\$ 117,600
Current period benefit cost	22,600	22,300
Interest cost	3,300	2,800
Benefit payments	(21,300)	(21,100)
Actuarial (gains) losses	-	(2,700)
Actuarial Benefit Obligation - end of year	123,500	118,900
Unamortized Net Actuarial Gains (Losses)	(1,600)	(1,700)
Liability for Employee Future Benefits	\$ 121,900	\$ 117,200

	2014	2013
Employee Future Benefits Expense		
Current period benefit cost	\$ 22,600	\$ 22,300
Amortization of net actuarial (gain) loss	100	400
Benefit cost	22,700	22,700
Interest cost on unfunded employee future benefit obligation	3,300	2,800
Total Employee Future Benefit Expense	\$ 26,000	\$ 25,500

CUMBERLAND REGIONAL COLLEGE**Notes to Financial Statements****Year Ended June 30, 2014****9. 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	2014 STSP	TOTAL	2013 TOTAL
Number of active College members	16	2	18	20
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	\$66,702	\$10,186	\$76,888	\$69,775

- 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:

	2014	2013
Number of active College members	51	53
Member contribution rate (percentage of salary)	8.15%	8.15%
College contribution rate (percentage of salary)	8.15%	8.15%
Member contributions for the year	\$193,614	\$176,428
College contributions for the year	\$193,614	\$176,428

10. 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, 2014 or 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

11. BUDGET FIGURES

Budget figures included in the financial statements have been derived from the budget approved by the Board of Directors on May 28, 2013 and the Minister of Advanced Education on July 11, 2013.

CUMBERLAND REGIONAL COLLEGE**Notes to Financial Statements****Year Ended June 30, 2014****12. 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.

	2014	2013
Revenues:		
Community Initiatives Fund	\$ 14,768	\$ -
Ministry of Advanced Education/Economy	4,916,566	5,317,464
North East School Division	224,198	204,579
Saskatchewan Workers' Compensation	-	15,566
SIAST	22,548	12,624
Sask Power	-	420
	\$ 5,178,080	\$ 5,550,653
Expenses:		
Association of Saskatchewan Regional Colleges	\$ 72,213	\$ 66,000
Ministry of Central Services	57,662	79,153
Ministry of Finance	8,710	65,602
North East School Division	128,995	176,555
Other Regional Colleges	7,084	13,392
Sask Energy	13,634	13,887
Sask Power	29,788	28,993
SGI	1,015	958
Saskatchewan Teachers Federation	357	-
Saskatchewan Workers' Compensation Board	13,670	14,709
Sask Tel/Sask Mobility	49,770	54,588
SIAST	473,539	288,356
Tourism Saskatchewan	3,144	252
University of Saskatchewan	41,947	95,227
University of Regina	211,709	5,272
	\$ 1,113,137	\$ 904,944

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CUMBERLAND REGIONAL COLLEGE**Notes to Financial Statements****Year Ended June 30, 2014****12. RELATED PARTIES (continued)**

	2014	2013
Accounts Receivable:		
Ministry of Advanced Education/Economy	\$ 547,458	\$ 2,750
Other Regional Colleges	-	5,391
Saskatchewan Workers' Compensation	-	250
SIAST	2,778	3,170
University of Regina	82	180
	\$ 550,318	\$ 11,741
Accounts Payable and Accrued Liabilities:		
Ministry of Central Services	\$ 15,055	\$ 4,722
Ministry of the Economy	-	8,519
North East School Division	11,325	11,438
Other Regional Colleges	4,141	1,002
	\$ 30,521	\$ 25,681

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 services between major centres from SaskTel, a related party, at reduced rates available to Government agencies.

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

CUMBERLAND REGIONAL COLLEGE

Notes to Financial Statements

Year Ended June 30, 2014

13. 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.

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, 2013	Additions during the year	Reductions during the year	June 30, 2014
Invested in Tangible Capital Assets:				
Net Book Value of Tangible Capital Assets	\$ 6,613,605	\$ 78,632	\$ (445,023)	\$ 6,247,214
Internally Restricted Operating Surplus:				
Capital Projects:				
Designated for tangible capital asset expenditures	274,000	-	(49,100)	224,900
Nipawin facility	325,073	-	(102,395)	222,678
Other:				
Operations	573,230	-	(222,910)	350,320
Programs and services	249,270	-	(31,707)	217,563
Early childhood	51,939	-	(8,812)	43,127
ABE	252,991	14,362	-	267,353
ABE on reserve	532,377	-	(94,026)	438,351
ESL	14,124	14,124	-	28,248
Skills training	326,170	-	(23,363)	302,807
Leamer support	338,735	39,759	-	378,494
Older workers	49,057	-	(49,057)	-
Scholarships	99,088	1,250	-	100,338
Building operating maintenance	100,000	-	-	100,000
Preventative maintenance renewal	-	20,000	-	20,000
Professional development initiatives	26,862	-	(26,862)	-
	208,500	6,005	-	214,505
Community initiative funding	-	14,768	-	14,768
	3,421,416	110,268	(808,232)	2,923,452
Unrestricted Operating Surplus	225,000	1,068,024	(1,068,023)	225,001
Total Accumulated Surplus	\$ 10,260,021	\$ 1,256,924	\$ (2,121,278)	\$ 9,395,667

CUMBERLAND REGIONAL COLLEGE**Notes to Financial Statements****Year Ended June 30, 2014****14. 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:				
2015	\$ -	\$ 15,584	\$ -	\$ 15,584
2016	-	15,584	-	15,584
2017	-	15,584	-	15,584
2018	-	3,896	-	3,896
2019	-	-	-	-
Thereafter	-	-	-	-
Total Lease Obligations	\$ -	\$ 50,648	\$ -	\$ 50,648

15. 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. The outcome of this action 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 \$83,000. The general contractor has not, to date, pursued payment and no payable has been recorded in these financial statements.

16. COMPARATIVE FIGURES

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

CUMBERLAND REGIONAL COLLEGE
Schedule of Revenues and Expenses by Function (Schedule 1)
For the year ended June 30, 2014

	General	2014 Actual						2014		2014		2013	
		Skills Training		Basic Education		Services		University	Scholarships	Actual	Budget	Actual	
		Credit	Non-credit	Credit	Non-credit	Leamer Support	Counsel	Credit					
Revenues (Schedule 2)													
Provincial government	\$ 2,373,461	\$ 917,575	\$ 70,901	\$ 1,229,020	\$ 121,160	\$ 186,130	\$ 52,450	\$ -	\$ 37,000	\$ 4,987,697	\$ 5,309,723	\$ 5,385,463	
Federal government	-	-	-	-	84,475	-	-	-	-	84,475	294,076	89,881	
Other	82,536	446,958	204,716	288,448	3,719	14,073	-	205,898	71,885	1,318,233	1,094,153	1,273,530	
Total Revenues	2,455,997	1,364,533	275,617	1,517,468	209,354	200,203	52,450	205,898	108,885	6,390,405	6,697,952	6,748,874	
Expenses (Schedule 3)													
Agency contracts	5,718	486,629	119,268	12,813	4,534	6,214	16,232	229,930	-	881,338	691,572	421,990	
Amortization	445,023	-	-	-	-	-	-	-	-	445,023	443,084	445,532	
Equipment	89,792	12,029	413	15,554	2,227	7,963	1,184	2,043	-	131,205	137,671	125,822	
Facilities	245,205	197	2,234	8,362	13,293	997	173	1,331	-	271,792	300,721	276,831	
Information technology	96,000	838	-	270	84	2,855	1,900	(87)	-	101,960	111,425	80,415	
Operating	506,088	91,854	34,525	107,096	18,566	49,797	23,184	17,851	-	848,961	1,008,843	830,406	
Personal services	1,838,781	503,599	33,938	1,272,740	131,830	452,672	134,119	129,051	-	4,486,730	4,856,951	4,561,585	
Scholarships	-	-	-	-	-	-	-	-	77,750	77,750	148,000	52,825	
Total Expenses	3,226,607	1,095,246	190,378	1,416,835	170,534	520,496	176,792	380,119	77,750	7,254,759	7,698,267	6,795,406	
Surplus (Deficit) for the year	\$ (770,610)	\$ 269,287	\$ 85,239	\$ 100,633	\$ 38,820	\$ (320,295)	\$ (124,342)	\$ (174,221)	\$ 31,135	\$ (864,354)	\$ (1,000,315)	\$ (46,532)	

CUMBERLAND REGIONAL COLLEGE
Schedule of Revenues by Function (Schedule 2)
for the year ended June 30, 2014

	2014 Actual								2014	2014	2013	
	General	Skills Training		Basic Education		Services		University	Scholarships	Total	Total	Total
		Credit	Non-credit	Credit	Non-credit	Leamer Support	Counsel	Credit		Revenues Actual	Revenues Budget	Revenues Actual
Provincial Government												
Advanced Education/ Economy												
Operating grants	\$ 2,326,398	\$ -	\$ -	\$ 25,500	\$ -	\$ 130,820	\$ -	\$ -	\$ -	\$ 2,482,718	\$ 2,486,900	\$ 2,392,641
Program grants	-	917,575	51,581	1,068,154	1,244	27,147	-	-	37,000	2,102,701	2,446,403	2,582,070
Capital grants	-	-	-	-	-	-	-	-	-	-	-	36,000
	2,326,398	917,575	51,581	1,093,654	1,244	157,967	-	-	37,000	4,585,419	4,933,303	5,010,711
Contracts	6,250	-	4,552	135,366	119,916	28,163	52,450	-	-	346,697	376,420	374,752
Other	-	-	-	-	-	-	-	-	-	-	-	-
	2,332,648	917,575	56,133	1,229,020	121,160	186,130	52,450	-	37,000	4,932,116	5,309,723	5,385,463
Other provincial	40,813	-	14,768	-	-	-	-	-	-	55,581	-	-
Total Provincial	2,373,461	917,575	70,901	1,229,020	121,160	186,130	52,450	-	37,000	4,987,697	5,309,723	5,385,463
Federal Government												
Operating grants	-	-	-	-	-	-	-	-	-	-	-	-
Program grants	-	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
Other Federal	-	-	-	-	84,475	-	-	-	-	84,475	294,076	89,881
Total Federal	-	-	-	-	84,475	-	-	-	-	84,475	294,076	89,881
Other Revenue												
Admin recovery	6,776	-	-	-	-	-	-	-	-	6,776	-	8,194
Contracts	10,029	182,964	5,234	288,448	-	3,136	-	-	-	489,811	488,287	660,741
Interest	51,294	-	-	-	-	-	-	-	-	51,294	40,000	53,701
Rents	250	-	-	-	-	-	-	-	-	250	-	225
Resale items	1,255	41,692	19,707	-	588	-	-	910	-	84,152	40,500	94,677
Tuitions	-	222,232	179,581	-	3,131	-	-	186,860	-	591,804	438,866	406,966
Donations	-	-	-	-	-	-	-	-	71,885	71,885	74,000	28,913
Other	12,932	70	194	-	-	10,937	-	18,128	-	42,261	12,500	20,093
Total Other	82,536	446,958	204,716	288,448	3,719	14,073	-	205,898	71,885	1,318,233	1,094,153	1,273,530
Total Revenues	\$ 2,455,997	\$ 1,364,533	\$ 275,617	\$ 1,517,468	\$ 209,354	\$ 200,203	\$ 52,450	\$ 205,898	\$ 108,885	\$ 6,390,405	\$ 6,697,952	\$ 6,748,874

CUMBERLAND REGIONAL COLLEGE
Schedule of Expenses by Function (Schedule 3)
For the year ended June 30, 2014

	2014 Expenses Actual								2014	2014	2013	
	General (Schedule 4)	Skills Training		Basic Education		Services		University	Scholarships	Total Expenses Actual	Total Expenses Budget	Total Expenses Actual
		Credit	Non-credit	Credit	Non-credit	Learner Support	Counsel					
Agency Contracts												
Contracts	\$ 5,718	\$ 486,629	\$ 119,268	\$ 12,813	\$ 4,534	\$ 8,214	\$ 16,232	\$ 229,930	\$ -	\$ 881,338	\$ 691,572	\$ 421,990
Instructors	-	-	-	-	-	-	-	-	-	-	-	-
	5,718	486,629	119,268	12,813	4,534	8,214	16,232	229,930	-	881,338	691,572	421,990
Amortization	445,023	-	-	-	-	-	-	-	-	445,023	443,064	445,532
Equipment												
Equipment (non-capital)	38,021	4,682	-	968	-	-	-	-	-	41,671	29,000	33,624
Rental	53,771	7,247	413	14,586	2,227	7,963	1,184	2,043	-	89,434	104,371	90,386
Repairs and maintenance	-	100	-	-	-	-	-	-	-	100	4,300	1,812
	89,792	12,029	413	15,554	2,227	7,963	1,184	2,043	-	131,205	137,671	125,822
Facilities												
Building supplies	10,891	-	-	-	-	(107)	-	-	-	10,784	19,530	14,030
Grounds	9,318	-	-	-	-	-	-	-	-	9,318	5,595	7,634
Janitorial	22,685	-	-	2,970	-	-	-	-	-	25,655	33,208	28,620
Rental	121,945	197	2,234	5,392	13,293	1,104	173	1,331	-	145,669	158,362	144,680
Repairs & maintenance buildings	21,940	-	-	-	-	-	-	-	-	21,940	28,375	28,880
Utilities	58,426	-	-	-	-	-	-	-	-	58,426	55,651	54,987
	245,205	197	2,234	8,362	13,293	997	173	1,331	-	271,792	300,721	278,831
Information Technology												
Computer services	11,877	-	-	100	-	-	-	-	-	11,977	11,000	11,000
Data communications	-	-	-	-	-	-	-	-	-	-	-	-
Equipment (non-capital)	63,468	-	-	-	-	1,126	-	(87)	-	64,507	80,875	46,866
Materials & supplies	2,063	278	-	-	84	123	-	-	-	2,568	2,000	3,279
Rental	-	-	-	-	-	-	-	-	-	-	-	-
Repairs & maintenance buildings	780	-	-	-	-	-	-	-	-	780	2,000	1,265
Software (non-capital)	17,792	660	-	170	-	1,606	1,900	-	-	22,128	15,550	18,005
	96,000	938	-	270	84	2,855	1,900	(87)	-	101,960	111,425	80,415
Operating												
Advertising	60,998	25,667	6,758	1,152	4,361	212	6,234	11,745	-	117,127	129,955	132,735
Association fees & dues	34,700	1,286	-	-	100	-	-	-	-	36,086	34,445	36,029
Bad debts	16,334	-	-	-	-	-	-	-	-	16,334	-	15,000
Financial services	8,054	-	-	-	-	-	25	-	-	8,079	5,500	6,502
In-service (includes PD)	20,305	3,086	-	6,478	1,000	6,332	1,613	-	-	40,812	91,701	43,157
Insurance	30,045	-	-	-	-	-	-	-	-	30,045	31,351	29,369
Materials & supplies	48,004	7,800	2,379	68,896	6,017	16,275	2,788	1,334	-	149,493	209,488	141,323
Postage, freight & courier	12,363	98	10	237	18	289	25	75	-	13,093	12,300	12,891
Printing & copying	7,260	-	-	-	-	66	27	501	-	7,854	15,001	7,009
Professional services	131,890	-	-	-	-	6,008	-	-	-	137,898	208,160	104,746
Resale items	5,508	43,369	19,757	-	211	-	-	858	-	69,703	47,000	105,360
Subscriptions	1,967	-	-	1,173	-	-	107	-	-	3,247	2,025	9,185
Telephone & fax	35,029	1,702	-	5,205	1,177	2,986	463	2,824	-	49,388	58,052	48,953
Travel	69,731	6,384	5,816	22,478	5,657	12,004	11,902	514	-	134,284	144,865	124,538
Other	25,900	2,464	5	1,481	25	5,647	-	-	-	35,522	19,000	13,609
	508,088	91,854	34,525	107,098	18,586	49,797	23,184	17,851	-	848,981	1,008,843	830,408
Personnel Services												
Employee benefits	265,968	65,791	2,851	137,189	17,348	69,419	14,908	19,375	-	582,649	580,597	576,132
Honoraria	13,318	-	-	1,618	-	1,965	-	-	-	16,921	23,320	69,125
Salaries	1,559,495	437,808	31,287	1,133,933	114,482	381,268	91,821	109,678	-	3,859,770	4,243,034	3,866,409
Other	-	-	-	-	-	-	27,390	-	-	27,390	-	19,820
	1,838,781	503,599	33,938	1,272,740	131,830	452,672	134,119	129,051	-	4,498,730	4,856,951	4,581,585
Scholarships												
Other	-	-	-	-	-	-	-	-	77,750	77,750	148,000	52,825
Total Expenses	\$ 3,226,607	\$ 1,095,248	\$ 190,378	\$ 1,416,835	\$ 170,534	\$ 520,498	\$ 176,792	\$ 380,119	\$ 77,750	\$ 7,254,750	\$ 7,698,267	\$ 6,795,408

CUMBERLAND REGIONAL COLLEGE
Schedule of General Expenses by Functional Area (Schedule 4)
for the year ended June 30, 2014

	2014 General Actual				2014	2014	2013
	Governance	Operating and Administration	Facilities and Equipment	Information Technology	Total General Actual	Total General Budget	Total General Actual
Agency Contracts							
Contracts	\$ -	\$ 5,718	\$ -	\$ -	\$ 5,718	\$ 108	\$ 3,812
Instructors	-	-	-	-	-	-	-
	-	5,718	-	-	5,718	108	3,812
Amortization	-	-	445,023	-	445,023	443,084	445,532
Equipment							
Equipment (non-capital)	-	-	36,021	-	36,021	18,000	29,129
Rental	-	-	53,771	-	53,771	53,540	50,493
Repairs and maintenance	-	-	-	-	-	2,300	1,812
	-	-	89,792	-	89,792	73,840	81,434
Facilities							
Building supplies	-	-	10,891	-	10,891	19,530	13,995
Grounds	-	-	9,318	-	9,318	5,595	7,634
Janitorial	-	-	22,685	-	22,685	22,008	22,031
Rental	-	-	121,945	-	121,945	123,496	120,631
Repairs & maintenance buildings	-	-	21,940	-	21,940	28,375	28,880
Utilities	-	-	58,426	-	58,426	55,651	54,987
	-	-	245,205	-	245,205	254,655	248,158
Information Technology							
Computer services	-	-	-	11,877	11,877	11,000	11,000
Data communications	-	-	-	-	-	-	-
Equipment (non-capital)	-	-	-	63,468	63,468	80,875	48,208
Materials & supplies	-	-	-	2,083	2,083	2,000	3,107
Rental	-	-	-	-	-	-	-
Repairs & maintenance buildings	-	-	-	780	780	2,000	918
Software (non-capital)	-	-	-	17,792	17,792	13,900	15,657
	-	-	-	98,000	98,000	109,775	76,888
Operating							
Advertising	-	60,998	-	-	60,998	66,229	61,167
Association fees & dues	33,247	1,453	-	-	34,700	34,245	34,593
Bad debts	-	16,334	-	-	16,334	-	15,000
Financial services	-	8,054	-	-	8,054	5,500	6,502
In-service (includes PD)	2,833	17,672	-	-	20,305	52,787	26,271
Insurance	-	30,045	-	-	30,045	31,351	29,369
Materials & supplies	1,761	44,243	-	-	46,004	46,460	26,204
Postage, freight & courier	-	12,363	-	-	12,363	11,000	11,849
Printing & copying	-	7,260	-	-	7,260	9,000	5,530
Professional services	898	130,992	-	-	131,890	165,120	104,698
Resale items	-	5,508	-	-	5,508	10,000	11,128
Subscriptions	-	1,967	-	-	1,967	1,125	8,513
Telephone & fax	-	35,029	-	-	35,029	36,310	32,448
Travel	20,041	49,690	-	-	69,731	54,550	67,150
Other	-	25,900	-	-	25,900	8,500	6,897
	58,580	447,508	-	-	506,088	532,177	447,317
Personnel Services							
Employee benefits	-	240,066	-	25,902	265,968	254,201	231,211
Honoraria	13,168	150	-	-	13,318	18,820	17,525
Salaries	-	1,420,458	-	139,037	1,559,495	1,648,734	1,367,658
Other	-	-	-	-	-	-	-
	13,168	1,660,674	-	164,939	1,838,781	1,921,755	1,616,394
Total General Expenses	\$ 71,748	\$ 2,113,900	\$ 780,020	\$ 260,939	\$ 3,226,607	\$ 3,335,394	\$ 2,919,535

CUMBERLAND REGIONAL COLLEGE
Schedule of Tangible Capital Assets (Schedule 5)
Year Ended June 30, 2014

	Buildings	Leasehold Improvements	Furniture, Equipment and Computers	Automotive Equipment	System Development	Total 2014	Total 2013
Tangible Capital Assets - at Cost:							
Opening Balance at Start of Year	\$ 8,101,279	\$ 102,884	\$ 907,008	\$ 13,331	\$ 32,384	\$ 9,156,886	\$ 9,126,896
Additions/Purchases	75,000	-	3,632	-	-	78,632	53,476
Disposals	-	-	-	-	-	-	(23,486)
Write-downs	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-
Closing Balance at End of Year	<u>\$ 8,176,279</u>	<u>\$ 102,884</u>	<u>\$ 910,640</u>	<u>\$ 13,331</u>	<u>\$ 32,384</u>	<u>\$ 9,235,518</u>	<u>\$ 9,156,886</u>
Tangible Capital Assets - Amortization:							
Opening Balance at Start of Year	\$ 1,626,028	\$ 24,871	\$ 857,332	\$ 2,666	\$ 32,384	\$ 2,543,281	\$ 2,121,235
Amortization of the period	409,834	5,144	27,379	2,666	-	445,023	445,532
Disposals	-	-	-	-	-	-	(23,486)
Write-downs	-	-	-	-	-	-	-
Closing Balance at End of Year	<u>\$ 2,035,862</u>	<u>\$ 30,015</u>	<u>\$ 884,711</u>	<u>\$ 5,332</u>	<u>\$ 32,384</u>	<u>\$ 2,988,304</u>	<u>\$ 2,543,281</u>
Net Book Value:							
Opening Balance at Start of Year	\$ 6,475,251	\$ 78,013	\$ 49,676	\$ 10,665	\$ -	\$ 6,613,605	\$ 7,005,661
Closing Balance at End of Year	6,140,417	72,869	25,929	7,999	-	6,247,214	6,613,605
Change in Net Book Value	<u>\$ 334,834</u>	<u>\$ 5,144</u>	<u>\$ 23,747</u>	<u>\$ 2,666</u>	<u>\$ -</u>	<u>\$ 366,391</u>	<u>\$ 392,056</u>
Disposals:							
Historical Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 23,486
Accumulated amortization	-	-	-	-	-	-	(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>