



REPORT OF THE AUDITOR GENERAL OF THE REPUBLIC OF TRINIDAD AND TOBAGO ON THE FINANCIAL STATEMENTS OF THE COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS OF TRINIDAD AND TOBAGO FOR THE YEAR ENDED SEPTEMBER 30TH, 2012

Section 24 of the College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 requires the Auditor General to audit the accounts of the College of Science, Technology and Applied Arts of Trinidad and Tobago. The accompanying Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended September 30th, 2012 have been audited. The Statements comprise a Balance Sheet as at September 30th, 2012, a Statement of Income and Expenditure, a Statement of Changes in Reserves and a Statement of Cash Flows for the year ended September 30th, 2012 and Notes to the Financial Statements numbered 1 to 16.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. The management of the College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT) is responsible for the preparation and fair presentation of these Financial Statements, in accordance with International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of these Financial Statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these Financial Statements based on conducting the audit in accordance with the principles and concepts of International Standards of Supreme Audit Institutions. Because of the matters described in the Basis for Disclaimer of Opinion at paragraph 4, however, I am unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

BASIS FOR DISCLAIMER OF OPINION

4. Several balances on the prior year's Financial Statements could not be verified as sufficient appropriate supporting documents were not provided for audit. Since opening balances affect the determination of the results of operations, it could not be determined whether adjustments to the results of operations and opening retained earnings might be necessary for 2011. The audit opinion on these Financial Statements was modified accordingly. My audit opinion on the current period's Financial Statements is also modified because of the possible effect of this matter on the comparability of the current period's figures and the corresponding figures, in addition to the matters outlined below.

NON-VERIFICATION OF BALANCES

4.1 The following items in the Financial Statements could not be verified as supporting documents and journals were not provided for audit examination, nor did they agree with underlying records:

BALANCE SHEET

<i>Assets</i>	\$
Cash and cash equivalents	68,665,586
Accounts receivable and prepayments	79,079,438
Property, plant and equipment	24,516,349
<i>Liabilities</i>	\$
Trade and other payables	5,445,353
Deferred capital grants	102,164,349

STATEMENT OF INCOME AND EXPENDITURE

<i>Income</i>	\$
Recurrent grants	104,789,840
Capital grants released	14,351,651
Tuition and other related fees	85,412,837
<i>Expenses</i>	
Staff costs	119,774,847
General and administrative expenses	14,804,009
Other operating expenses	44,357,565

DISCLAIMER OF OPINION

5. Because of the significance of the matters described in the Basis for Disclaimer of Opinion at paragraph 4, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on the Financial Statements.

LEGAL AND OTHER REGULATORY REQUIREMENTS

BOARD MATTERS

6. The College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 Section 8, paragraph 1, sub-section (a) which states:

"A person shall cease to be a member of the Board where he (a) has been absent from three consecutive meetings, except where he has been granted leave by the Board;"

6.1 Evidence that leave was granted to the Chairman and Board Member by the Board was not seen. The Chairman and a Board Member were absent from consecutive meetings number 15, 16, and 17.

6.2 The College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 Section 10, paragraph 1, which states:

"Minutes in proper form of each meeting of the Board or Senate or any Committee thereof, shall be kept under the direction of the Secretary."

6.3 Minutes of Special Meetings number 4 and 6 and Meetings number 13, 15, 16, 17 and 18 of the Board were not provided.

PENSION PLAN

7. Evidence was not seen that a pension fund plan was established as required by section 32 of Act No. 77 of 2000. However, Note 2 (k) of the Financial Statements describes the alternate arrangements made for permanent staff.

SUBMISSION OF REPORT

8. This Report is being submitted to the Speaker of the House of Representatives, the President of the Senate and the Minister of Finance in accordance with the requirements of sections 116 and 119 of the Constitution of the Republic of Trinidad and Tobago.



22ND APRIL, 2025
PORT OF SPAIN

Jaiwantie Ramdass
JAIWANTIE RAMDASS
AUDITOR GENERAL



**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

**Financial Statements for the Year Ended
September 30th, 2012**

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**
BALANCE SHEET

For year ended September 30, 2012


(Expressed in Trinidad and Tobago dollars)

	Note	2012	2011
ASSETS			
Current assets			
Cash and cash equivalents	4	68,665,586	53,271,972
Accounts receivable and prepayments	5	79,079,438	65,806,810
		<u>147,745,024</u>	<u>119,078,782</u>
Non-current assets			
Property, plant and equipment	7	24,516,349	19,056,007
Civil works		0	0
Capital projects in progress		0	0
		<u>24,516,349</u>	<u>19,056,007</u>
Total Assets		<u>172,261,373</u>	<u>138,134,789</u>
LIABILITIES AND RESERVES			
Current liabilities			
Trade and other payables	6	<u>5,445,353</u>	<u>8,864,106</u>
Non-current liabilities			
Deferred capital grants	8	<u>102,164,349</u>	<u>84,539,955</u>
Reserves		<u>64,651,671</u>	<u>44,730,728</u>
Total Liabilities and Reserves		<u>172,261,373</u>	<u>138,134,789</u>

The accompanying notes on form an integral part of these financial statements.

 These financial statements were approved on **July 21st, 2022** and signed by:


 President, COSTAATT
 Dr. Gillian Paul


 Finance Director, COSTAATT
 Ms. Dawn Dookie



**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**
STATEMENT OF INCOME AND EXPENDITURE

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

	Note	2012	2011
Income			
<u>Government Contributions:</u>			
Recurrent grants		104,789,840	98,983,500
Capital grants released	8	14,351,651	10,581,816
Tuition and other related fees		85,412,837	65,612,812
Interest income	9	1,148,869	876,059
Miscellaneous income		1,207,218	1,065,657
Other income	10	917,720	884,858
		<u>207,828,135</u>	<u>178,004,702</u>
Expenses			
Depreciation	7	9,002,067	8,668,570
Staff costs	11	119,774,847	95,678,418
General and administrative expenses	12	14,804,009	16,348,466
Other operating expenses	13	44,357,565	43,935,169
		<u>187,938,488</u>	<u>164,630,623</u>
Excess of income over expenditure for the year		<u>19,889,647</u>	<u>13,374,079</u>

The accompanying notes form an integral part of these financial statements.



**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

STATEMENT OF CHANGES IN RESERVES

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

Year ended 30th September, 2010

Balance at 1st October 2009 as adjusted	13,258,732
Excess of income over expenditure net of Adj. for the year	18,788,978
Balance at 30th September, 2010 as adjusted	32,047,710

Year ended 30th September, 2011

Balance at 1st October 2010 as adjusted	32,047,710
Excess of income over expenditure net of adjustment for the year	12,683,018
Closing balance at 30th September, 2011	44,730,728

Year ended 30th September, 2012

Balance at 1st October 2011 as adjusted	44,730,728
Excess of income over expenditure net of Adj. for the year	19,920,943
Closing balance at 30th September, 2012	<u>64,651,671</u>

The accompanying notes form an integral part of these financial statements.

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**
STATEMENT OF CASH FLOWS

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of income over expenditure for the year	19,889,647	13,374,080
Adjustments to reconcile excess of income over expenditure to net cash from operating activities:		
Depreciation	9,002,068	8,668,570
Capital grants released to the statement of income and expenditure	-14,351,652	-10,581,816
Operating income before working capital changes	14,540,063	11,460,834
Change in accounts receivables and prepayments	-13,272,628	-39,977,084
Change in accounts payable and accruals	-3,070,595	6,743,186
Net cash (used in) from operating activities	-1,803,160	-21,773,064
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of non-current assets	-7,664,804	-5,769,856
Transfers from payments toward capital projects in progress	0	0
Net cash used in investing activities	-7,664,804	-5,769,856
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from capital grants and increase in remittances outstanding	24,861,578	19,216,982
Net cash from financing activities	24,861,578	19,216,982
Net (decrease) / increase in cash and cash equivalents	15,393,614	-8,325,938
Cash and cash equivalents at the beginning of year	53,271,972	61,597,910
Cash and cash equivalents at the end of year	68,665,586	53,271,972
Represented by:		
Cash at bank and in hand	68,665,586	53,271,972
	68,665,586	53,271,972

The accompanying notes form an integral part of these financial statements.

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

1 Incorporation and Principal Activity

The College of Science, Technology and Applied Arts of Trinidad and Tobago (COSTAATT/the College) was established by an Act of Parliament (Act No. 77 of 2000, assented to on 27th October 2000), as a teaching, research and examining body.

The College operates out of multi-campus facilities throughout Trinidad and Tobago. Its main campus is located at Pierre Road Connector, Chaguanas.

The management of the College is vested in a Board of Trustees appointed by the President of the Republic of Trinidad and Tobago.

The College is a higher education institution with a mandate to contribute to national and regional development, social equity and the development of civil society, by providing broad-based access to socially responsive and innovative educational programmes that meet international standards.

2 Significant Accounting Policies

a) Basis of Presentation

These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), and are stated in Trinidad and Tobago dollars. These financial statements have been prepared on a historical cost basis.

The following is a summary of the significant accounting and reporting policies used in preparing the financial statements.

b) New Standards and Interpretations Not Yet Adopted

A number of new standards, amendments to standards and interpretations are not yet effective for the year ended September 30, 2012, and have not been applied in preparing these financial statements. None of these will have an effect on the financial statements of the College.

c) Financial Instruments

Financial instruments carried in the balance sheet include cash and bank balances, accounts receivables and prepayments and accounts payables, and are stated at fair values. The College's financial assets and liabilities are recognized in the balance sheet when it becomes party to the contractual obligations of the instrument. Financial assets are initially recognized at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

The College derecognizes its financial assets when the rights to receive cash flows from the assets have expired or where the College has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognized only when the obligation under the liability is discharged, cancelled or expires. All "regular way" purchases and sales are recognized on the trade date, which is the date that the College commits to purchase or sell the instrument.

d) Impairment of Financial Assets

Financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the future cash flows.

Provision for impairment is assessed for all loans where there is objective evidence that the full amount due to the College would not be repaid. The allowance recognized is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset original effective interest rate.

e) Property and Equipment

Property, plant and equipment are stated in the balance sheet at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the College and the cost of the item can be measured reliably.

All other repairs and maintenance are charged to other operating expenses during the financial period in which they are incurred.

With the exception of capital works in progress, depreciation is charged on all other assets on the reducing balance basis at rates estimated to write off these assets over their useful lives as follows:

Motor vehicles	25%
Furniture and equipment	20%
Computer equipment	33 1/3 %

Section 39 of Act 77 of 2000 by which the College was established states that 'all property belonging to the scheduled tertiary level institutions (TLIs) be respectively transferred to and vested in the College'. As such, property, plant and equipment transferred by the Government of the Republic of Trinidad and Tobago and/or donated by other sources to the College are recognized at their estimated fair values, with a corresponding credit to the deferred capital grant account.

Property and equipment are reviewed periodically for impairment. Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount.

Gains and losses on disposals of property and equipment are determined by reference to their carrying amounts and are taken into the Statement of income and expenditure.

f) Capital Projects in Progress

Capital projects in progress represent the cost of buildings under construction. When the assets are ready for their intended use they are transferred to property, plant and equipment and depreciated.

g) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash at bank and in hand and short term, highly liquid investments readily convertible to known amounts of cash with original maturities of three months or less and subject to insignificant risks of change in value. These amounts are carried at cost which approximates their fair value.

h) Capital Grants and Government Contributions

Capital Grants

Capital grants are received from the Government for the specific purpose of construction and/or purchase of property, plant and equipment. These grants are recognized where there is reasonable assurance that the grant funds will be received and utilized in accordance with all stipulated conditions. An amount equivalent to the depreciation charge on the relevant property, plant and equipment is released to income over the expected useful life of the asset.

Government Subventions

Subventions received from the Government to meet operating deficits are recognized in the respective year to which the Government's annual budget allocation applies.

The College adopts the deferral method of accounting for grants when they are restricted in use by the donor.

i) Trade and Other Payables

Accounts payable are carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not invoiced to the College.

j) Provisions

Provisions are recognized when the College has a present (legal or constructive) obligation as a result of past events from which, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Employee entitlements to annual leave and long service leave are recognized when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

k) Employee Benefits

Pension Obligations

The College has no pension plan to date, as a formal establishment for most of its employees has not yet been submitted to and approved by the Government. However, as catered for in Act 77, employees transferred from NIHERST to COSTAATT continue to contribute to the NIHERST pension plan.

The College has three (3) categories of staff namely:

(i) Employees transferred from the National Institute of Higher Education, Research, Science and Technology (NIHERST).

(ii) Seconded officers. These are officers transferred from government ministries for specified periods.

(iii) Contract staff

The rate of contribution for former employees of NIHERST who were transferred to COSTAATT is 6% of their base salary, while the rate of contribution paid by COSTAATT for former NIHERST employees is 10.4% of their base salary plus 4% pension adjustment granted to members to assist them in meeting their pension payments.

COSTAATT's monthly pension contributions for former NIHERST employees transferred to the College approximates \$32,000 per month.

Seconded officers' pensionable status is preserved by COSTAATT paying 25% of their substantive salary to the Comptroller of Accounts, while contracted officers receive a gratuity upon completion of their contract term.

The College's obligation for contributions to the defined-contribution scheme is recognized as an expense in the statement of income and expenditure as incurred.

l) Financial Liabilities

Financial liabilities are recognized initially at fair value net of transaction costs, and subsequently measured at amortized cost using the effective interest rate method.

m) Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the College and the revenue can be reliably measured. Revenue is measured at their fair value of the consideration received, excluding discounts and rebates.

The following specific recognition criteria apply to the relevant category of revenue:

(i) Grants Relating to Operating Activities

Grants relating to operating activities are recognized as income on a systematic basis over the periods in which the related expenses are incurred.

(ii) Tuition and Other Related Fees

Tuition fees are recognized on the accrual basis over the period of instruction.

(iii) Interest Income

Interest income is accounted for on an accrual basis.

(iv) Other Income

Income is received from a range of sources including cafeteria sales and other services rendered. Income is recognized on the accrual basis.

3 Critical Accounting Judgments and Key Sources of Estimation Uncertainty

Key Sources of Estimation Uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period or in the period of the revision and future periods, if the revision affects both current and future periods.

Critical Accounting Judgments

The following are the critical judgments, apart from those involving estimations that management has made in the process of applying the entity's accounting policies that have the most significant effect on the amounts recognized in financial statements.

a) Impairment of Financial Assets

Management makes judgments at each balance sheet date to determine whether financial assets are impaired when the carrying value is greater than the recoverable amount and there is objective evidence of impairment. The recoverable amount is the present value of the expected future cash flows.

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

4 Cash and Cash Equivalents

Cash and cash equivalents for the purposes of the statement of cash flows include the

	2012	2011
Cash at bank and in hand	68,665,586	53,271,972
Money market mutual funds	0	0
	<u>68,665,586</u>	<u>53,271,972</u>

5 Accounts Receivable and Prepayments

Accounts receivable and prepayments

	2012	2011
Accounts receivable	43,252,858	29,077,106
Prepayments	291,266	991,755
VAT receivable	20,967,103	17,958,471
Other receivables	14,568,211	17,779,478
	<u>79,079,438</u>	<u>65,806,810</u>

6 Trade and Other Payables

Trade and other payables

	2012	2011
Salary Suspense	-36,154	27,774
Accounts payable and accruals	2,168,428	5,082,715
Provision for staff bonus and unpaid leave	0	0
Stale-dated cheques	0	0
Other payables	<u>3,313,080</u>	<u>3,753,619</u>
	<u>5,445,354</u>	<u>8,864,108</u>

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

7

	<u>Computer Equipment</u>	<u>Motor Vehicles</u>	<u>Furniture and Furnishings</u>	<u>Equipment</u>	<u>Total</u>
Year ended September 30, 2012					
Opening net book value	2,108,844	804,926	3,008,332	11,472,911	17,395,013
Additions	3,039,330	498,000	1,004,546	3,156,475	7,698,351
Depreciation charge	<u>-2,209,581</u>	<u>-305,184</u>	<u>-1,358,804</u>	<u>-3,757,900</u>	<u>-7,631,469</u>
Closing net book value	<u>2,938,593</u>	<u>997,742</u>	<u>2,654,074</u>	<u>10,871,486</u>	<u>17,461,895</u>
At September 30, 2012					
Cost	28,650,166	2,755,124	19,106,721	28,600,940	79,112,951
Accumulated depreciation	<u>-25,711,574</u>	<u>-1,757,382</u>	<u>-16,452,647</u>	<u>-17,729,454</u>	<u>-61,651,057</u>
Net book value	<u>2,938,593</u>	<u>997,742</u>	<u>2,654,074</u>	<u>10,871,486</u>	<u>17,461,894</u>
Year ended September 30, 2011					
Opening net book value	4,399,109	193,794	3,491,925	11,467,312	19,552,140
Additions	382,414	902,125	974,684	3,510,633	5,769,856
Depreciation charge	<u>-2,672,680</u>	<u>-290,993</u>	<u>-1,458,277</u>	<u>-3,505,034</u>	<u>-7,926,984</u>
Closing net book value	<u>2,108,843</u>	<u>804,926</u>	<u>3,008,332</u>	<u>11,472,911</u>	<u>17,395,012</u>
At September 30, 2011					
Cost	25,610,836	2,257,124	18,102,175	25,444,465	71,414,600
Accumulated depreciation	<u>-23,501,993</u>	<u>-1,452,198</u>	<u>-15,093,843</u>	<u>-13,971,554</u>	<u>-54,019,588</u>
Net book value	<u>2,108,843</u>	<u>804,926</u>	<u>3,008,332</u>	<u>11,472,911</u>	<u>17,395,012</u>

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

8 Deferred Capital Grants

The College receives monetary grants on an annual basis. Those related to the acquisition of property, plant and equipment are released to the Income and Expenditure account over the life of the related asset in the same way that depreciation of assets is charged to the Income and Expenditure account. Grants to be released in future years are held on the Balance Sheet as deferred capital grants.

	2012	2011
Grant balance as at 30 September	84,415,282	60,697,098
Adjustments	0	0
Grants received during the year	36,162,000	18,232,890
Grants due for the year, but not received	12,800,000	17,000,000
Grants received for 2010	-17,000,000	-932,890
Amounts released to the statement of of income and expenditure	-14,351,652	-10,581,816
	<u>102,025,630</u>	<u>84,415,282</u>

9 Interest Income

	2012	2011
Interest on bank accounts	1,148,869	876,059
Interest on money market accounts		
	<u>1,148,869</u>	<u>876,059</u>

10 Other Income

Donations	48	400
Tender fees	56,700	105,300
Other Receipts	<u>860,972</u>	<u>779,158</u>
	<u>917,720</u>	<u>884,858</u>

11 Staff Costs

Salaries, gratuities, allowances and other benefits	115,429,954	91,847,769
National insurance	4,007,462	3,422,046
Pension costs – defined contribution plan	337,431	408,603
	<u>119,774,847</u>	<u>95,678,418</u>

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

12 General and Administration Expenses

	2012	2011
<u>Included therein are the following items:</u>		
Staff training	1,131,645	0
Audit Fees	0	0
Board fees	668,449	550,000
Books and periodicals	1,498,210	1,983,714
Hosting of conferences, seminars and other functions	3,043,257	2,544,827
Overseas travel	163,793	265,673
Office stationery and supplies	2,893,870	3,087,406
Professional consulting and other fees	5,168,013	5,609,766
Other	236,772	2,307,080
	<u>14,804,009</u>	<u>16,348,466</u>

13 Other Operating Expenses

Included therein are the following items:

Advertising and promotions	1,775,778	4,243,596
Local travel	338,214	483,961
Materials and supplies	2,188,308	1,517,060
Other contracted services	4,231,700	2,925,378
Utilities and telecommunications	4,180,172	4,115,140
Rent	21,569,073	20,116,481
Repairs and maintenance	955,213	2,685,688
Security	2,451,806	2,285,248
Insurance	1,703,761	1,272,190
Furniture and equipment (not capitalized)	1,341,378	1,137,592
Rent/Lease - Vehicles and equipment	1,511,670	1,288,587
Janitorial services	608,211	
Other	<u>1,502,281</u>	<u>1,864,248</u>
	<u>44,357,565</u>	<u>43,935,169</u>

14 Related Party Transactions

Parties are considered to be related if one has the ability to control or exercise significant influence over the other party in making financial or operational decisions.

Key management personnel are those persons having authority and responsibility for planning and controlling the activities of the College.

Key Management Compensation

	2012	2011
Board of Trustees' remuneration	\$ <u>668,449</u>	<u>550,000</u>

**COLLEGE OF SCIENCE, TECHNOLOGY AND APPLIED ARTS
OF TRINIDAD AND TOBAGO**

NOTES TO THE FINANCIAL STATEMENTS

For the year ended September 30, 2012

(Expressed in Trinidad and Tobago dollars)

15 Capital Management

The College's objectives when managing capital, which is a broader concept than equity on the face of the balance sheet, are:

** To safeguard the College's ability to continue as a going concern so that it can continue to provide benefits for stakeholders; and*

** To maintain a strong capital base to support the development of its business.*

The College reviews its capital adequacy annually at the level of the Finance Committee and the Board of Trustees. The College maintains healthy capital ratios in order to support its business and to maximize shareholder value.

16 Risk Management

The College's risk management policies are designed to identify and analyze these risks, set appropriate risk limits and controls, and to monitor the risks and adherence to limits by means of reliable and up-to-date information systems, together with robust corporate governance. The College regularly reviews its risk management policies and systems to reflect changes in markets and emerging best practice. The most important types of risks that the College is exposed to are credit risk, liquidity risk, market risk and other operational risks.

Risk Management Structure

The Board of Trustees is ultimately responsible for identifying and controlling risks. However, there are separate independent bodies responsible for managing and monitoring risks.

Board of Trustees

The Board of Trustees is responsible for the College's overall risk management approach and for approving its risk management strategies, policies and procedures.

Internal Audit

Risk management processes throughout the College are audited periodically by the internal audit function, which examines both the adequacy of the procedures and the College's compliance with the procedures. In addition, internal audit is responsible for the independent review of risk management and the control environment. Internal Audit discusses the results of all assessments with management, and reports its findings and recommendations to the Audit Committee of the Board of Trustees

Foreign Currency Risk

The College incurs foreign currency exposure on transactions that are denominated in a currency other than the Trinidad and Tobago dollar. The College ensures that the net exposure is kept to a minimum and is managed by monitoring and, where necessary adjusting the exposure.

Interest Rate Risk

Interest rate risk is further mitigated by the subsidies received from the Government in support of operational activities.

Liquidity Risk

Liquidity risk is financial risk due to uncertain liquidity. It is the risk that the College will encounter difficulty in raising funds to meet commitments. The College might lose liquidity if it experiences sudden unexpected cash outflows, or some other event causes counterparties to avoid trading with the College. The consequence may be the failure to meet obligations. Prudent liquidity risk management implies maintaining sufficient cash and ensuring the availability of funding through an adequate amount of committed resources. The management of the College mitigates this risk by keeping a substantial portion of its financial assets in liquid form.

Liquidity Risk Management Process

The College's liquidity management process includes:

- * Day-to-day funding, managed by monitoring future cash flows in order to ensure that requirements can be met.*
- * Keeping a significant portion of its financial assets in liquid form.*
- * Monitoring balance sheet liquidity ratios against internal requirements.*

Fair Value of Financial Assets and Liabilities

The College computes the estimated fair value of all financial instruments held at the balance sheet date and separately discloses information where the fair values are different from the carrying values. At September 30, carrying values approximated their fair values for all classes of financial instruments as follows:

Financial instruments where the carrying values are assumed to approximate to their fair values, due to their short-term to maturity include: Cash and cash equivalents, accounts receivable and prepayments, and sundry creditors and accruals.

Operational Risk

Operational risk is the risk of loss arising from systems failure, human error, fraud or external events. When controls fail to perform, operational risks can cause damage to reputation, have legal or regulatory implications, or lead to financial loss. The College cannot expect to eliminate all operational risks, but through a controlled framework and by monitoring and responding to potential risks, the College is able to manage the risks. Controls include a periodically reviewed disaster recovery plan and business continuity plan, effective segregation of duties, access, authorization and reconciliation procedures, staff training and development and assessment processes.