



**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 30 SEPTEMBER 2008**

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 30<sup>th</sup> September 2008 have been audited. The Statements comprise a Balance Sheet as at 30<sup>th</sup> September 2008, a Statement of Income and Expenditure, a Statement of Changes in Reserves and a Statement of Cash Flows for the year ended 30<sup>th</sup> September 2008 and Notes to the Financial Statements numbered 1 to 18.

**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 (IFRS) 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**

4. The Auditor General's responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with accepted auditing standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I am unable to obtain sufficient appropriate evidence to provide a basis for an audit opinion.

### **BASIS FOR DISCLAIMER OF OPINION**

5.1 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 2007. The audit opinion on the Financial Statements for the period ended 30<sup>th</sup> September 2007 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**

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

#### **BALANCE SHEET**

<u>Assets</u>	\$
Cash and cash equivalents	49,632,172
Accounts receivables and prepayments	43,015,038
Property, plant and equipment	18,141,991
Civil Works	0
Capital projects in progress	0

#### Liabilities

Trade and other payables	7,627,790
Deferred capital grants	62,846,894

#### **STATEMENT OF INCOME AND EXPENDITURE**

##### Income

Capital grants released	18,105,058
Tuition and other related fees	25,448,352

##### Expenditure

Depreciation	11,005,252
Staff costs	69,961,612
General and administrative expenses	14,808,249
Other operating expenses	40,686,583

### **DISCLAIMER OF OPINION**

6. Because of the significance of the matters described in the Basis for Disclaimer of Opinion at paragraph 5, 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**

**PENSION PLAN**

7. Evidence was not seen that a pension fund plan was established as required by section 32 of College of Science, Technology and Applied Arts of Trinidad and Tobago Act.

**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.



**27<sup>TH</sup> NOVEMBER 2023  
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 30<sup>th</sup>, 2008**

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

**BALANCE SHEET**

For the year ended September 30, 2008  
(Expressed in Trinidad and Tobago dollars)


	Note	2008	2007
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	49,632,172	62,814,476
Accounts receivable and prepayments	5	43,015,038	61,390,376
		<u>92,647,210</u>	<u>124,204,852</u>
<b>Non-current assets</b>			
Property, plant and equipment	7	18,141,991	39,796,203
Civil Works		0	25,170,248
Capital projects in progress		0	9,553,569
		<u>18,141,991</u>	<u>74,520,020</u>
<b>Total Assets</b>		<u>110,789,201</u>	<u>198,724,872</u>
<b>LIABILITIES AND RESERVES</b>			
<b>Current liabilities</b>			
Trade and other payables	6	<u>7,627,790</u>	<u>9,941,747</u>
<b>Non-current liabilities</b>			
Deferred capital grants	8	<u>62,846,894</u>	<u>99,640,848</u>
Reserves		<u>40,314,517</u>	<u>89,142,277</u>
<b>Total Liabilities and Reserves</b>		<u>110,789,201</u>	<u>198,724,872</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:

  
.....  
Dr. Gillian Paul

President, COSTAATT

  
.....  
Ms Dawn Dookie

Finance Director, COSTAATT



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

**STATEMENT OF INCOME AND EXPENDITURE**

For the year ended September 30, 2008

(Expressed in Trinidad and Tobago dollars)

	Note	2008	2007
<b>Income</b>			
<u>Government Contributions:</u>			
Recurrent grants		91,400,135	73,186,208
Capital grants released	8	18,105,058	8,841,328
Tuition and other related fees		25,448,352	25,648,982
Interest income	9	2,843,900	2,669,891
Miscellaneous income		951,158	755,444
Other income	10	1,067,849	1,021,158
		<u>139,816,452</u>	<u>112,123,011</u>
<b>Expenses</b>			
Depreciation	7	11,005,252	12,198,311
Staff costs	11	69,961,612	45,172,580
General and administrative expenses	12	14,808,249	11,441,650
Other operating expenses	13	40,686,583	30,417,910
		<u>136,461,696</u>	<u>99,230,451</u>
<b>Excess of income over expenditure for the year</b>		<u><u>3,354,756</u></u>	<u><u>12,892,560</u></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, 2008

(Expressed in Trinidad and Tobago dollars)

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**Year ended 30th September, 2006**

Balance at 1st October 2005 as adjusted	67,144,117
Excess of income over expenditure for the year	9,105,600
Balance at 30th September, 2006 as adjusted	76,249,717

**Year ended 30th September, 2007**

Balance at 1st October 2006 as adjusted	76,249,717
Excess of income over expenditure for the year	12,892,560
Balance at 30th September, 2007 as adjusted	89,142,277

**Year ended 30th September, 2008**

Balance at 1st October 2007 as adjusted	89,142,277
Excess of income over expenditure for the year net of adjustments	-48,827,760
Balance at 30th September, 2008 as adjusted	40,314,517

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, 2008

(Expressed in Trinidad and Tobago dollars)

	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of income over expenditure for the year	3,354,755	12,892,560
Adjustments to reconcile excess of income over expenditure to net cash from operating activities:		
Depreciation	11,005,252	12,198,311
Capital grants released to the statement of income and expenditure	<u>-18,105,058</u>	<u>-8,841,328</u>
Operating income before working capital changes	-3,745,051	16,758,450
Change in accounts receivables and prepayments	17,496,790	-15,466,092
Change in accounts payable and accruals	-1,476,266	-2,554,322
Net cash (used in) from operating activities	<u>12,275,474</u>	<u>-1,770,870</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of non-current assets	-6,768,883	-10,431,250
Transfers from payments toward capital projects in progress	0	2,809,665
Net cash used in investing activities	<u>-6,768,883</u>	<u>-7,621,585</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from capital grants and increase in remittances outstanding	-18,688,896	18,450,000
Net cash from financing activities	-18,688,896	18,450,000
Net (decrease) / increase in cash and cash equivalents	-13,182,305	9,057,544
Cash and cash equivalents at the beginning of year	<u>62,814,476</u>	<u>53,756,932</u>
Cash and cash equivalents at the end of year	<u><u>49,632,171</u></u>	<u><u>62,814,476</u></u>
<b>Represented by:</b>		
Cash at bank and in hand	<u>49,632,171</u>	<u>62,814,476</u>
	<u>49,632,171</u>	<u>62,814,476</u>

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, 2008

(Expressed in Trinidad and Tobago dollars)

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**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 the 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, 2008, 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) 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.

**g) 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 GORTT 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.

**h) 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.

**i) 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.

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.

**j) 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.

#### **k) 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.

#### **l) 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.

### **m) Comparative Information**

Certain changes in presentation of comparative information have been made in these financial statements. These changes primarily relate to the reclassification of balances previously presented as other operating income and staff costs. In addition, there were changes to the classification of certain prior year expenses to ensure consistency with current year presentation. These changes had no effect on net assets or operating results for the previous year.

## **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, 2008  
(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

	<b>2008</b>	<b>2007</b>
Cash at bank and in hand	49,632,171	62,814,476
Money market mutual funds	0	0
	<u>49,632,171</u>	<u>62,814,476</u>

**5 Accounts Receivable and Prepayments**

Accounts receivable and prepayments

	<b>2008</b>	<b>2007</b>
Accounts receivable	33,235,124	57,610,288
		921,312
Prepayments	548,516	170,518
VAT receivable	1,310,951	2,636,648
Other receivables	7,920,447	51,610
	<u>43,015,038</u>	<u>61,390,376</u>

**6 Trade and Other Payables**

Trade and other payables

	<b>2008</b>	<b>2007</b>
Accounts payable and accruals	650,547	3,098,060
Provision for staff bonus and unpaid leave	0	2,431,165
Stale-dated cheques	0	835,005
Other payables	<u>6,977,242</u>	<u>3,577,517</u>
	<u>7,627,789</u>	<u>9,941,747</u>

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

Notes to the Financial Statements  
For the year ended September 30, 2008  
(Expressed in Trinidad and Tobago dollars)

7 Property, Plant and Equipment	<u>Computer Equipment</u>	<u>Motor Vehicles</u>	<u>Furniture and Furnishings</u>	<u>Equipment</u>	<u>Total</u>
<b>Year ended September 30, 2008</b>					
Opening net book value	9,992,836	662,767	11,885,410	17,255,190	39,796,203
Additions	589,304	270,779	-2,255,987	-9,253,055	-10,648,959
Depreciation charge	<u>-5,786,326</u>	<u>-290,222</u>	<u>-2,895,337</u>	<u>-2,033,367</u>	<u>-11,005,252</u>
Closing net book value	<u>4,795,814</u>	<u>643,324</u>	<u>6,734,086</u>	<u>5,968,768</u>	<u>18,141,992</u>
<b>At September 30, 2008</b>					
Cost	19,742,376	1,354,999	15,070,313	11,230,123	47,397,811
Accumulated depreciation	<u>-14,946,561</u>	<u>-711,675</u>	<u>-8,336,229</u>	<u>-5,261,355</u>	<u>-29,255,820</u>
Net book value	<u>4,795,815</u>	<u>643,324</u>	<u>6,734,084</u>	<u>5,968,768</u>	<u>18,141,991</u>
<b>Year ended September 30, 2007</b>					
Opening net book value	12,403,280	670,441	10,758,213	1,773,130	25,605,064
Additions and Reclassifications	2,944,722	202,025	3,585,659	3,698,844	10,431,250
Depreciation charge	<u>-5,355,166</u>	<u>-209,699</u>	<u>-2,458,462</u>	<u>-4,174,984</u>	<u>-12,198,311</u>
Closing net book value	<u>9,992,836</u>	<u>662,767</u>	<u>11,885,410</u>	<u>1,296,990</u>	<u>23,838,003</u>
<b>At September 30, 2007</b>					
Cost	35,321,652	1,268,310	20,195,309	30,390,518	87,175,789
Accumulated depreciation	<u>-25,328,816</u>	<u>-605,543</u>	<u>-8,309,899</u>	<u>-13,135,328</u>	<u>-47,379,586</u>
Net book value	<u>9,992,836</u>	<u>662,767</u>	<u>11,885,410</u>	<u>17,255,190</u>	<u>39,796,203</u>

**The Technical Institutes Originally Scheduled for Incorporation into COSTAATT**

The Government agreed to the assignment and vesting of the properties of the John S. Donaldson Technical Institute and the San Fernando Technical Institute to the University of Trinidad and Tobago (UTT) in June 2005, and the Eastern Caribbean Institute of Agriculture and Forestry (ECIAF) was similarly assigned to UTT in September 2006. The formal transfer of these properties to UTT has not been effected as at the balance sheet date. In the interim, the University of Trinidad and Tobago has been granted permission to occupy and utilize the said properties. The treatment of civil works done at these institutes in the College's financial statements is based on advice provided by the Ministry of Finance.

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

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2008

(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.

	<u>2008</u>	<u>2007</u>
Grant balance as at 30 September	99,640,848	90,032,176
Adjustments		
Grants received during the year	10,186,277	13,650,000
Grants due for the year, but not received	745,000	4,800,000
Amounts released to the statement of of income and expenditure	<u>-47,725,234</u>	<u>-8,841,328</u>
	<u>62,846,891</u>	<u>99,640,848</u>
<b>9 Interest Income</b>	<u>2008</u>	<u>2007</u>
Interest on bank accounts	2,843,900	2,669,891
Interest on money market accounts	0	0
	<u>2,843,900</u>	<u>2,669,891</u>
<b>10 Other Income</b>		
Application Fees	102,920	86,188
Donations	38,785	0
Library Fees	174,214	176,828
Donations	0	15,400
Tender fees	34,986	8,575
Other Receipts	<u>719,944</u>	<u>734,167</u>
	<u>1,070,849</u>	<u>1,021,158</u>
<b>11 Staff Costs</b>		
Salaries, gratuities, allowances and other benefits	67,754,857	44,165,296
National insurance	2,093,957	820,029
Pension costs – defined contribution plan	112,797	<u>187,254</u>
	<u>69,961,611</u>	<u>45,172,579</u>



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

**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended September 30, 2008  
(Expressed in Trinidad and Tobago dollars)

**12 General and Administration Expenses**

	<u>2008</u>	<u>2007</u>
<i>Included therein are the following items:</i>		
Staff training	5,286,960	0
Fees	1,861,688	8,900
Board fees	278,427	310,700
Books and periodicals	1,983,290	1,645,025
Hosting of conferences, seminars and other functions	245,105	285,348
Overseas travel	116,132	497,913
Office stationery and supplies	1,967,619	1,775,321
Professional consulting and other fees	738,546	3,347,988
Other	2,330,482	3,570,455
	<u>14,808,249</u>	<u>11,441,650</u>

**13 Other Operating Expenses**

	<u>2008</u>	<u>2007</u>
<i>Included therein are the following items:</i>		
Advertising and promotions	1,609,380	932,061
Local travel	258,988	268,425
Materials and supplies	795,547	1,229,550
Other contracted services	12,223,863	2,470,513
Utilities and telecommunications	3,428,588	6,078,276
Rent	14,498,898	13,739,556
Repairs and maintenance	3,135,827	3,326,066
Security	775,478	535,173
Insurance	782,993	610,036
Equipment Lease	1,596,802	
Other	1,580,219	1,228,287
	<u>40,686,583</u>	<u>30,417,943</u>

**14 Related Party Transactions**

Parties are considered to be related if one party 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

		<u>2008</u>	<u>2007</u>
Board of Trustees' remuneration	\$	<u>278,427</u>	<u>310,700</u>

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**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 risk 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 same. 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.

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**18 Risk Management (continued)**

**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 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.*