



**REPUBLIC OF TRINIDAD AND TOBAGO
AUDITOR GENERAL'S DEPARTMENT**

**R E P O R T
O F T H E
A U D I T O R G E N E R A L**

**ON THE FINANCIAL STATEMENTS
O F T H E
C O L L E G E O F S C I E N C E , T E C H N O L O G Y A N D
A P P L I E D A R T S O F T R I N I D A D A N D T O B A G O**

F O R T H E Y E A R E N D E D

2004 September 30



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 2004 SEPTEMBER 30

The accompanying Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the year ended 2004 September 30 have been audited. The Statements comprise a Balance Sheet as at 2004 September 30, an Income Statement and a Cash Flow Statement for the year ended 2004 September 30, Accounting Policies referenced a to g, Notes to the Financial Statements numbered 1 to 9 and supporting Schedules numbered 1 and 2.

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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

3. The Auditor General's responsibility is to express an opinion on these Financial Statements based on the audit. The audit which was carried out in accordance with section 116 of the Constitution of the Republic of Trinidad and Tobago and section 24 (4) and (5) of the College of Science, Technology and Applied Arts of Trinidad and Tobago Act, Chapter 39:56 was conducted in accordance with generally accepted Auditing Standards. Those Standards require that ethical requirements be complied with and that the audit be planned and performed to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

4. 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. It is my view that the audit evidence obtained is sufficient and appropriate to provide a basis for the comments made at paragraphs 5 to 12 of this Report.



BALANCE SHEET

5. Except for Cash and Cash Equivalents totaling \$41,461,060, items reflected on the Balance Sheet were not verified as supporting documents were not produced for audit.

INCOME AND EXPENDITURE ACCOUNT

REVENUE

6. Revenue totalling \$16,937,115.00 was not verified as relevant supporting documents were not produced for audit.

EXPENDITURE

7. Expenditure totalling \$16,010,910.00 was not verified satisfactorily as supporting documents were not produced for audit.

ERRORS IN / OMISSIONS FROM THE FINANCIAL STATEMENTS

8. Errors in and omissions from the Financial Statements have been drawn to the attention of the Management of the COSTAATT.

PRIOR YEAR BALANCES

9. Brought forward balances in respect of Assets and Liabilities were not verified, as these were not verified in the previous period. The Report of the Auditor General on the Financial Statements of the College of Science, Technology and Applied Arts of Trinidad and Tobago for the period ended 2003 September 30 dated 2011 November 08 refers.

NON-COMPLIANCE WITH THE ACT

10. There was not full compliance with sections 24 (1) and 24 (2) (b) of the Act in respect of the year ended 2004 September 30. The relevant sections are reproduced below.

“24.(1) The Board shall keep proper books of accounts and records, in accordance with GAAP, of all moneys received and expended and shall record the matters in respect of which such sums were received and expended.

(2) Within three months after the end of each financial year the Board shall cause to be prepared, in respect of that year—

...

(b) financial statements prepared in accordance with GAAP and any other statement as required by the Minister of Finance.”



PENSION PLAN

11.1 Section 32 (1) of the Act states as follows:

“The Board shall within two years of the date of assent of this Act, establish a pension fund plan.”

11.2 The date of assent of the Act was 2000 November 06. Evidence was not seen that steps were taken to establish a pension fund plan as required by the Act.

OPINION

12. Because of the possible effect of the limitation of evidence available, I am unable to form an opinion as to whether the Financial Statements as outlined at paragraph two above present fairly, in all material respects, the financial position of the College of Science, Technology and Applied Arts of Trinidad and Tobago as at 2004 September 30 and its financial performance and its cash flows for the year ended 2004 September 30 in accordance with International Financial Reporting Standards.

SUBMISSION OF REPORT

13. 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.

2011 November 08



MAJEED ALI
ACTING AUDITOR GENERAL

College of Science Technology & Applied Arts of Trinidad & Tobago

Financial Statements

For the Year Ended 30 September 2004

College of Science, Technology & Applied Arts of Trinidad & Tobago

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Compilation Report

To the Board of Trustees
College of Science, Technology & Applied Arts of Trinidad and Tobago

On the basis of information provided by management, we have compiled, in accordance with the International Standard on Related Services applicable to compilation engagements, the balance sheet of the College of Science, Technology & Applied Arts of Trinidad & Tobago as at 30 September, 2004 and the income statement, cash flow statement and related notes for the year then ended. Management is responsible for these financial statements. We have not audited or reviewed these financial statements and accordingly, express no assurance thereon.

Chartered Accountants
Port of Spain
Trinidad, West Indies
5 November 2004

College of Science Technology & Applied Arts Of Trinidad & Tobago

Balance Sheet

	Notes	30 September	
		2004 \$	2003 \$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	2	<u>10,601,639</u>	<u>12,554,876</u>
Current Assets			
Capital Projects In Progress		18,317,866	8,139,432
Receivables and Prepayments	3	5,384,577	4,682,514
Cash and Cash Equivalents	4	<u>41,461,060</u>	<u>7,974,106</u>
		<u>65,163,503</u>	<u>20,796,052</u>
Total Assets		<u><u>75,765,142</u></u>	<u><u>33,350,928</u></u>
EQUITY AND LIABILITIES			
Capital And Reserves			
Opening Capital		9,427,727	6,311,187
Surplus for year		<u>4,842,923</u>	<u>3,116,540</u>
		<u>14,270,650</u>	<u>9,427,727</u>
Non-Current Liabilities			
Government Capital Grants Deferred	5	<u>55,656,386</u>	<u>22,632,925</u>
Current Liabilities			
Trade and other payables	6	<u>5,838,106</u>	<u>1,290,276</u>
Total Liabilities		<u><u>61,494,492</u></u>	<u><u>23,923,201</u></u>
Total Equity And Liabilities		<u><u>75,765,142</u></u>	<u><u>33,350,928</u></u>

The accounting policies on pages 5 to 6 and the notes on pages 7 to 9 are an integral part of these financial statements.

On 12/04/05, the Board of Trustees authorised these financial statements for issue.

[Signature] Trustee

[Signature] Trustee



College of Science Technology & Applied Arts of Trinidad & Tobago

Income Statement

	Notes/Schedules	Year Ended 30 September	
		2004 \$	2003 \$
Revenue			
Subvention from Government		30,180,429	25,895,216
Enrollment fees		14,724,478	14,247,408
Other operating income	Note 7	1,945,530	1,458,270
Translation & Interpretation		370,806	313,262
Processing, Transcripts		195,133	183,783
Cafeteria Sales		22,445	199,798
Sale of ECIAF Produce		<u> --</u>	<u> 124,309</u>
		<u>47,438,821</u>	<u>42,422,046</u>
Expenditure			
Operations	Schedule 1	(39,256,457)	(35,447,511)
Administrative	Schedule 2	<u>(3,660,718)</u>	<u>(4,077,681)</u>
		<u>(42,917,175)</u>	<u>(39,525,192)</u>
Surplus From Operations		4,521,646	2,896,854
Interest Income	Note 8	<u> 321,277</u>	<u> 219,686</u>
Surplus for Year		<u> 4,842,923</u>	<u> 3,116,540</u>

The accounting policies on pages 5 to 6 and the notes on pages 7 to 9 are an integral part of these financial statements.

College of Science Technology & Applied Arts of Trinidad & Tobago

Cash Flow Statement

	Notes	Year Ended 30 September	
		2004 \$	2003 \$
Cash Flows From Operating Activities			
Surplus from operations		4,521,646	2,896,854
Adjustments for items not requiring an outlay of funds:			
Depreciation		3,456,557	2,969,136
Amortisation of capital grants deferred		<u>(867,888)</u>	<u>(1,219,605)</u>
Surplus before changes in working capital		7,110,315	4,646,384
Increase in receivables		(702,063)	(4,682,514)
Increase in trade and other payables		<u>4,547,830</u>	<u>739,797</u>
Cash Generated From Operations		10,956,082	703,667
Interest received		<u>321,277</u>	<u>219,686</u>
Net Cash Generated From Operations		<u>11,277,359</u>	<u>923,353</u>
Investing Activities			
Purchase of property, plant and equipment		(1,503,321)	(5,594,444)
Payments towards capital projects in progress		<u>(10,178,434)</u>	<u>(2,498,200)</u>
Net Cash Used In Investing Activities		<u>(11,681,755)</u>	<u>(8,092,644)</u>
Financing Activities			
Receipts from Government capital grants		<u>33,891,349</u>	<u>6,636,414</u>
Net Cash From Financing Activities		<u>33,891,349</u>	<u>6,636,414</u>
Increase/(Decrease) in Cash and Cash Equivalents		33,486,953	(532,877)
Cash and Cash Equivalents at Beginning of Year		<u>7,974,106</u>	<u>8,506,983</u>
Cash and Cash Equivalents at End of Year	4	<u>41,461,060</u>	<u>7,974,106</u>

The accounting policies on pages 5 to 6 and the notes in pages 7 to 9 are an integral part of these financial statements

College of Science Technology & Applied Arts of T&T

Accounting Policies

30 September 2004

The principal accounting policies adopted in the preparation of these financial statements are set out below:

a **Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards, except as discussed in note (f) below, and under the historical cost convention.

b **Financial instruments**

Financial instruments carried on the balance sheet include cash and bank balances, accounts receivable and accounts payable and are stated at their approximate fair values determined in accordance with the policy statements disclosed.

c **Property, plant and equipment**

Property, plant and equipment are stated at historical cost and are depreciated on the reducing balance basis, at rates estimated to write off the cost of each asset to their residual values over their estimated useful lives as follows:

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

The assets residual valued and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

Profits or losses on disposals of property, plant and equipment are determined by comparing proceeds with the carrying amount and are included in the income statement.

Property, plant and equipment are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use.

d **Cash and cash equivalents**

Cash and cash equivalents are carried in the balance sheet at cost and comprise cash in hand, and cash at bank.

Accounting Policies (Continued)

30 September 2004

e **Revenue recognition**

Enrollment fees are recognized on a cash basis. Other revenues earned by the organization are recognized on the following bases:

Sponsorship funding and donations – cash received basis

Interest income – on a time proportioned basis using the effective interest method.

f **Government grants**

Grants from the Government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the organization will comply with all attached conditions.

Grants relating to costs are credited directly to the income statement when received. This is not in accordance with International Accounting Standard No. 20 'Accounting for Government Grants and Disclosure of Government Assistance' which requires that Government grants be deferred and included in non-current liabilities and recognized as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Grants relating to the purchase of property, plant and equipment are included in non-current liabilities and are credited to the income statement on a straight line basis over the expected lives of the assets.

g **Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into Trinidad and Tobago dollars at the exchange rates prevailing at the accounting date. Transactions in foreign currencies are recorded at the rate of exchange prevailing at the transaction date. All exchange differences are taken to the income statement as incurred.

College of Science Technology & Applied Arts of Trinidad & Tobago

Notes to the Financial Statements
30 September 2004

1 Incorporation and Principal Business Activity

The Act of Parliament # 77 in the year 2000 incorporated the College of Science, Technology & Applied Arts of Trinidad and Tobago (COSTAATT). The principal activity of the organization is to provide tertiary level education.

2 Property, Plant and Equipment

	Equipment \$	Computer Equipment \$	Furniture & Fixtures \$	Motor Vehicles \$	Total \$
Year ended 30 September 2003					
Opening net book amount	2,878,555	5,107,567	1,912,978	30,469	9,929,568
Additions	2,056,150	3,440,869	97,425	--	5,594,444
Depreciation charge	(656,827)	(1,936,720)	(367,971)	(7,617)	(2,969,136)
Closing net book amount	<u>4,277,878</u>	<u>6,611,715</u>	<u>1,642,431</u>	<u>22,852</u>	<u>12,554,876</u>
At 30 September 2003					
Cost	7,430,423	15,143,033	2,973,013	78,000	25,624,469
Accumulated depreciation	(3,152,545)	(8,531,317)	(1,330,582)	(55,148)	(13,069,593)
Net book amount	<u>4,277,878</u>	<u>6,611,715</u>	<u>1,642,431</u>	<u>22,852</u>	<u>12,554,876</u>
Year ended 30 September 2004					
Opening net book amount	4,277,878	6,611,715	1,642,430	22,852	12,554,875
Additions	151,578	913,391	154,352	284,000	1,503,321
Depreciation charge	(864,385)	(2,249,166)	(321,564)	(21,442)	(3,456,557)
Closing net book amount	<u>3,565,071</u>	<u>5,275,941</u>	<u>1,475,218</u>	<u>285,410</u>	<u>10,601,639</u>
At 30 September 2004					
Cost	7,582,000	16,056,424	3,127,364	362,000	27,127,788
Accumulated depreciation	(4,016,929)	(10,780,484)	(1,652,146)	(76,590)	(16,526,150)
Net book amount	<u>3,565,071</u>	<u>5,275,940</u>	<u>1,475,218</u>	<u>285,410</u>	<u>10,601,639</u>

College of Science Technology & Applied Arts of Trinidad & Tobago

Notes to the Financial Statements (Continued)

30 September 2004

3	Receivables and Prepayments	2004	2003
		\$	\$
	Vat receivable	3,057,709	978,529
	Other receivables	2,307,975	3,343,000
	Staff advances	14,700	9,300
	Other	4,193	14,385
	Rents prepaid	<u> --</u>	<u>337,300</u>
		<u>5,384,577</u>	<u>4,682,514</u>
4	Cash and Cash Equivalents		
	Cash at bank	41,448,753	7,968,599
	Cash in hand	<u>12,307</u>	<u>5,507</u>
		<u>41,461,060</u>	<u>7,974,106</u>
5	Capital Grants Deferred		
	Opening balance	22,632,925	17,216,116
	Capital grants received during the year	33,891,349	6,636,414
	Amortisation for the year (note 7)	<u>(867,888)</u>	<u>(1,219,605)</u>
	Closing balance	<u>55,656,386</u>	<u>22,632,925</u>

College of Science Technology & Applied Arts of Trinidad & Tobago

Notes to the Financial Statements (Continued)
30 September 2004

6	Trade and Other Payables	2004 \$	2003 \$
	Accrued Expenses/Accounts Payable	4,803,165	698,095
	Stale Dated Cheques	572,200	129,440
	Other payables	<u>462,741</u>	<u>462,741</u>
		<u>5,838,106</u>	<u>1,290,276</u>
7	Other Operating Income		
	Amortisation of Government capital grants (note 5)	867,888	1,219,605
	Sundry income	<u>1,077,642</u>	<u>238,665</u>
		<u>1,945,530</u>	<u>1,458,270</u>
8	Interest Income		
	Interest income earned	<u>321,277</u>	<u>219,686</u>
9	Staff Costs		
	Wages and salaries	3,105,301	3,594,834
	Contract Employment	<u>18,106,472</u>	<u>14,689,069</u>
		<u>21,211,773</u>	<u>18,283,903</u>

College of Science Technology & Applied Arts of Trinidad & Tobago

Schedules to the Financial Statements For the Year Ended 30 September 2004

		2004	2003
1	Direct costs of operations	\$	\$
	Staff Cost	21,211,773	18,283,903
	Rent	5,276,783	4,913,904
	Utilities and telephone	3,505,424	2,467,498
	Depreciation	3,456,557	2,969,135
	Security	1,595,109	2,737,643
	Materials and inventories consumed	1,388,025	1,450,561
	Advertising and promotion	986,297	582,304
	Training	417,709	70,874
	Repairs and maintenance	408,489	996,427
	Insurance	250,889	140,126
	Contracted service	230,775	162,949
	Janitorial services	229,258	278,081
	Motor vehicle costs	93,887	133,394
	Transportation	64,720	43,205
	Translation & interpretation	61,963	88,710
	Traveling	55,102	84,597
	Uniforms	23,697	44,200
		<u>39,256,457</u>	<u>35,447,511</u>
2	Administrative expenses		
	Professional counseling	936,163	420,826
	Books & periodicals	804,103	621,276
	Office supplies & stationery	540,253	687,848
	Legal and professional fees	329,845	640,336
	Overseas travel	309,188	246,810
	Miscellaneous fees	286,819	585,223
	Directors' fees and expenses	273,000	238,200
	Conference & seminars	91,955	138,952
	Entertaining	31,323	15,032
	Postage	29,184	36,474
	Subscriptions	24,488	68,007
	Licence fee	4,397	14,722
	Programme fee	--	363,975
		<u>3,660,718</u>	<u>4,077,681</u>