Financial Statements of

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2004

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AUDITORS' REPORT

To the Board of Governors of
The St. Lawrence College of Applied Arts and Technology

We have audited the statement of financial position of The St. Lawrence College of Applied Arts and Technology as at March 31, 2004 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the College's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2004 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information included in Schedules 1 through 12 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bennett Lewis McMahon Stillar

Chartered Accountants

Brockville, Canada
August 16, 2004

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Financial Position

Statement 1

March 31, 2004, with comparative figures for 2003

	2004	2003 (restated - note 2)
Assets		
Current assets:		
Cash	$ 647	$ 12,198
Grants and accounts receivable	3,257,671	3,402,649
Inventory	441,116	364,879
Prepaid expenses	404,399	168,118
	4,103,833	3,947,844
Advances to First Nations Technical Institute (note 3)	498,512	414,284
Restricted assets (note 4)	3,730,691	7,453,755
Capital assets (note 5)	67,440,675	50,940,932
	$ 75,773,711	$ 62,756,815
Liabilities, Deferred Contributions and Deficiency in Net Assets		
Current liabilities:		
Bank indebtedness	$ 5,342,669	$ 3,247,770
Accounts payable and accrued liabilities	9,906,678	10,125,077
Current portion of long-term debt (note 8)	1,099,663	392,687
	16,349,010	13,765,534
Trust funds (note 6)	787,609	542,994
Employment-related obligations (note 7)	2,087,564	1,932,345
Long-term debt (note 8)	18,594,479	6,565,098
Deferred contributions (note 9):		
Externally restricted donations	649,890	1,014,074
Expenses of future periods	2,692,127	2,440,764
Capital assets	37,722,665	37,192,629
	41,064,682	40,647,467
Deficiency in net assets:		
Invested in capital assets (note 10)	10,602,568	11,224,816
Restricted for endowments (note 11)	1,094,723	943,751
Internally restricted (note 12)	1,082,233	792,703
Unrestricted deficiency (note 13)	(15,889,157)	(13,657,893)
	(3,109,633)	(696,623)
Subsequent event (note 13)		
Commitments (note 14)		
Contingent liabilities (note 15)		
	$ 75,773,711	$ 62,756,815

See accompanying notes to financial statements.

Approved by the Board of Governors:

_______________ Chair

_______________ President

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Operations

Statement 2

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003 (restated - note 2)
Revenue:		
Grants and reimbursements (schedule 1)	$ 36,631,051	$ 35,449,826
Tuition fees	13,392,628	13,315,793
Ancillary (schedule 1)	5,985,826	5,215,612
Other	2,071,695	1,168,524
Amortization of deferred contributions related to capital assets (note 9(c))	1,895,264	1,287,737
Donations (note 9(a))	149,931	193,130
Interest	154,344	129,257
Total revenue	60,280,739	56,759,879
Expenses:		
Academic (schedule 2)	31,231,019	31,268,233
Administration (schedule 3)	7,485,097	7,029,569
Student services (schedule 4)	6,614,524	6,015,755
Plant and property (schedule 5)	5,200,662	4,081,910
Ancillary (schedule 6)	5,508,025	4,015,141
Supplementary (schedule 7)	2,640,510	2,770,784
Amortization of capital assets	3,523,800	2,116,592
Provision for (reduction of) employee benefits obligations (note 2)	394,460	(101,522)
Student bursaries, awards and athletics	109,895	165,246
Building fund donations paid to student associations	69,881	69,044
Write-off of notes receivable	66,848	–
Total expenses	62,844,721	57,430,752
Excess of expenses over revenue	$ (2,563,982)	$ (670,873)

See accompanying notes to financial statements.

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Changes in Net Assets

Statement 3

Year ended March 31, 2004, with comparative figures for 2003

	Invested in capital assets	Restricted for endowments	Internally restricted	Unrestricted	2004 Total	2003 Total (restated - note 2)
Balance, beginning of year:						
as previously reported	$ 11,224,816	$ 943,751	$ 792,703	$ (9,167,876)	$ 3,793,394	$ 4,565,789
change in accounting policy for employee benefits obligations (note 2)	–	–	–	(4,490,017)	(4,490,017)	(4,591,539)
as restated	11,224,816	943,751	792,703	(13,657,893)	(696,623)	(25,750)
Excess of expenses over revenue (notes 10 and 12)	(1,628,536)	–	(64,863)	(870,583)	(2,563,982)	(670,873)
Net change in investment in capital assets (note 10)	1,006,288	–	–	(1,006,288)	–	–
Transfer between funds (note 12)	–	–	354,393	(354,393)	–	–
Endowment contributions	–	150,972	–	–	150,972	–
Balance, end of year	$ 10,602,568	$ 1,094,723	$ 1,082,233	$(15,889,157)	$(3,109,633)	$ (696,623)

See accompanying notes to financial statements.

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement of Cash Flows

Statement 4

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003 (restated - note 2)
Cash provided by (used for):		
Operations:		
Excess of expenses over revenue	$ (2,563,982)	$ (670,873)
Items not involving cash:		
Amortization of deferred contributions related to capital assets	(1,895,264)	(1,287,737)
Amortization of capital assets	3,523,800	2,116,592
Provision for employment-related obligations	155,219	63,345
	(780,227)	221,327
Changes in non-cash operating working capital:		
Decrease (increase) in grants and accounts receivable	144,978	(1,202,273)
Increase in inventory	(76,237)	(5,815)
Increase in prepaid expenses	(236,281)	(85,896)
Increase (decrease) in accounts payable and accrued liabilities	(218,399)	2,883,757
Net increase (decrease) in deferred contributions related to:		
Externally restricted donations	(364,184)	380,178
Expenses of future periods	251,363	(579,361)
	(1,278,987)	1,611,917
Financing:		
Increase in trust funds	244,615	1,033
Demand bank loan for advances to First Nations Technical Institute	190,000	310,000
Capital lease obligations	1,001,619	438,956
Bankers acceptance and bank loans	12,400,000	–
Principal payments on long-term debt	(855,262)	(489,559)
Contributions, enhancement fees and donations used for additions to capital assets	6,470,897	12,234,598
Decrease in unspent capital contributions	(4,045,597)	(10,582,721)
Endowment contributions	150,972	–
	15,557,244	1,912,307
Investments:		
Increase in advances to First Nations Technical Institute	(84,228)	(414,284)
Decrease in restricted assets	3,723,064	10,196,785
Additions to capital assets	(20,023,543)	(19,613,772)
	(16,384,707)	(9,831,271)
Decrease in cash and cash equivalents	(2,106,450)	(6,307,047)
Cash and cash equivalents, beginning of year	(3,235,572)	3,071,475
Cash and cash equivalents, end of year	$ (5,342,022)	$ (3,235,572)
Represented by:		
Cash	$ 647	$ 12,198
Bank indebtedness	(5,342,669)	(3,247,770)
	$ (5,342,022)	$ (3,235,572)

See accompanying notes to financial statements.

The St. Lawrence College of Applied Arts and Technology was established as a community college in 1967 and operates under the authority of the Province of Ontario. The College offers full-time, post-secondary programs and part-time courses and certificate programs at campuses located in Kingston, Brockville and Cornwall. The College is a registered charity and is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The St. Lawrence College Foundation is incorporated without share capital under the Ontario Corporations Act. The results and operations of the Foundation are included in the College's financial statements. The objectives of the Foundation are to solicit, receive, manage and distribute money and other funds to support the educational services provided by the College and its affiliated institutions.

1. Significant accounting policies:

(a) Revenue recognition:

The College follows the deferral method of accounting for contributions which include government grants and donations.

The College is funded primarily by the Province of Ontario in accordance with funding arrangements established by the Ministry of Training, Colleges and Universities. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the Ministry with respect to the year ended March 31, 2004.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions other than endowment contributions are deferred and recognized as revenue in the year in which the related expenditures are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Endowment contributions are recognized as direct increases in endowment net assets in the year in which the contributions are received.

Donations of assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable are not recorded as an asset in the accompanying financial statements.

Restricted investment income is recognized as revenue in the year in which the related expenses are recognized. Unrestricted investment income is recognized as revenue when earned.

Revenue from tuition fees, contract educational and ancillary operations is recognized when the services are provided or the goods are sold.

1. Significant accounting policies (continued):

(b) Inventory:

Inventory is valued at the lower of cost and net realizable value. Cost is determined on a first-in, first-out basis.

(c) Investments:

Investments are recorded at cost. If the market value of investments becomes lower than cost and this decline in value is considered to be other than temporary, the investments are written down to market value.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives as follows:

Buildings	40 years
Site improvements	10 years
Equipment	3 to 10 years

(e) Employee benefits obligations:

Employee benefits obligations, which include vacation pay and post-retirement and post-employment benefits (note 7), are accrued as employees render the services necessary to earn the benefits.

For the non-pension post-retirement benefits obligation the excess of the net actuarial gain (loss) over 10% of the greater of the accrued benefits obligation and the fair value of plan assets is amortized over the average remaining service period of active employees.

(f) Student organizations:

These financial statements do not reflect the assets, liabilities and results of operations of the various student organizations at the College.

(g) Use of estimates:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make 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. Actual results could differ from those estimates. These estimates are reviewed annually and as adjustments become necessary, they are recorded in the financial statements in the reporting period they become known.

2. Change in accounting policy for employee benefits:

Pursuant to requirements of the Ministry of Training, Colleges and Universities, the College has adopted the accrual basis of accounting for vacation pay, certain non-pension and post-retirement and post-employment benefits obligations. Previously such obligations were not reflected in the financial statements and were accounted for on a cash basis.

This change, which has been applied retroactively, has increased the March 31, 2003 accounts payable and accrued liabilities by the vacation pay accrual of $2,557,672 and has resulted in the recording of employment-related obligations of $1,932,345. In addition, the unrestricted deficiency in net assets as at March 31, 2003 has increased by $4,490,017 and the excess of expenses over revenue for 2003 has decreased by $101,522.

3. Advances to First Nations Technical Institute:

The College has entered into a partnership agreement with the First Nations Technical Institute (F.N.T.I.) pertaining to educational and training services and activities that will benefit aboriginal students.

The financial terms of the partnership agreement state that the Ministry of Training, Colleges and Universities operating grants and the tuition fees generated from accredited programs delivered pursuant to the agreement will be shared in the ratio of 90% to the F.N.T.I. and 10% to the College.

The partnership agreement stipulates that the College will annually advance funds to the F.N.T.I. for the 90% share of the Ministry operating grants that will be distributed in future years pursuant to the Ministry's funding formula. Based on enrolment in accredited programs delivered to March 31, 2004, advances to the F.N.T.I. have totalled $498,512. The partnership agreement states that the advances will be repaid to the College in the year of receipt of the operating grants.

The College is financing the advances to the F.N.T.I. with a demand bank loan, the interest on which is being paid by the F.N.T.I. Currently there are no principal repayment terms for this demand bank loan and it is the College's intent to repay the demand bank loan when the advances are repaid by F.N.T.I.

4. Restricted assets:

The College has assets restricted for the following funds and purposes:

	2004	2003
Trust funds	$ 787,609	$ 542,994
Externally restricted donations	649,890	1,014,074
Expendable funds available for bursaries (note 11)	46,736	45,136
Unspent capital contributions (note 9(c))	69,500	4,115,097
Net assets:		
restricted for endowments	1,094,723	943,751
internally restricted	1,082,233	792,703
	$ 3,730,691	$ 7,453,755

The components of restricted assets are as follows:

	2004	2003
Cash	$ 2,544,522	$ 5,370,820
Ontario Savings Bonds, 5.5% and 8% interest, maturing June 21, 2004	1,118,050	–
Bankers acceptance investment	–	1,993,300
Guaranteed investment certificate	20,000	20,000
Accrued interest receivable	48,119	2,737
Notes receivable	–	66,898
	$ 3,730,691	$ 7,453,755

5. Capital assets:

		2004		2003
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 748,461	$ –	$ 748,461	$ 748,461
Buildings	83,481,231	23,352,775	60,128,456	28,957,209
Construction in progress	663,053	–	663,053	16,815,683
Site improvements	1,967,757	1,553,965	413,792	454,028
Equipment	35,923,518	30,436,605	5,486,913	3,965,551
	$ 122,784,020	$ 55,343,345	$ 67,440,675	$ 50,940,932

Cost and accumulated amortization at March 31, 2003 amounted to $103,334,453 and $52,393,521 respectively.

6. Trust funds:

(a) Trust funds are comprised of the following:

	2004	2003
Employment stability trust funds	$ 207,443	$ 215,394
Funds for student enhancement	580,166	327,600
	$ 787,609	$ 542,994

(b) Employment stability trust funds:

	Academic Staff Local 417	Support Staff Local 418	Support Staff Local 419	2004 Total	2003 Total
Balance, beginning of year	$ 117,850	$ 77,563	$ 19,981	$ 215,394	$ 214,478
Obligatory contribution by the College	–	8,500	–	8,500	–
Interest	3,087	2,045	523	5,655	5,132
	120,937	88,108	20,504	229,549	219,610
Disbursements for support staff	–	22,106	–	22,106	4,216
Balance, end of year	$ 120,937	$ 66,002	$ 20,504	$ 207,443	$ 215,394

The College is required to make annual contributions to the employment stability trust funds equal to $50 for each full-time member of the union locals. The maximum balance to be maintained in the funds is $500 for each full-time member of the union locals.

The College holds these funds in trust for the union locals. The College Employment Stability Committee, comprised of members from the College and the union locals, administers and makes decisions with respect to the use of these funds to facilitate short-term and long-term employment stability strategies and for training or retraining.

6. Trust funds (continued):

(c) Funds for student enhancement:

	2004	2003
Student enhancement fees	$ 1,012,855	$ 403,584
Portion of student enhancement fees utilized for additions to capital assets (note 9(c))	(16,474)	(130,831)
	996,381	272,753
Interest earned on enhancement fees	19,768	8,257
	1,016,149	281,010
Enhancement fees recognized as revenue:		
utilized for fitness facility expenditures	(527,205)	–
utilized for student approved activities	(210,950)	(279,387)
paid to student associations	(25,428)	(1,506)
Increase in funds for student enhancement	252,566	117
Balance, beginning of year	327,600	327,483
Balance, end of year	$ 580,166	$ 327,600

7. Employment–related obligations:

	2004	2003
Post-retirement and post-employment benefits	$ 1,973,000	$ 1,901,000
Other non-pension benefits	114,564	31,345
	$ 2,087,564	$ 1,932,345

The premiums for group benefits available for early retirees (ages 50 to 65) are paid by the early retirees. However their claims experience is included with active employees. This practice impacts the group benefits premium rates for active employees, for which the College pays all of the premiums, and results in the College subsidizing the premiums paid by early retirees for their group benefits. In a similar fashion a subsidy is provided for the continuation of benefits for employees on long-term disability leaves. This subsidization results in a benefit being provided by the College to current and future early retirees and long-term disability claimants.

Information on the post-retirement and post-employment liability arising from this benefit is as follows:

	2004	2003
Accrued benefits obligation	$ 1,993,000	$ 2,093,000
Fair value of plan assets	149,000	135,000
Funded status - plan deficit	1,844,000	1,958,000
Unamortized net actuarial gain (loss)	129,000	(57,000)
Post-retirement and post-employment benefits liability	$ 1,973,000	$ 1,901,000

7. Employment–related obligations (continued):

The significant actuarial assumptions used in measuring the College's post-retirement and post-employment benefits liability are as follows:

Discount rate	5.5% per annum (2003 – 6.5% per annum)
Dental cost increases	4.0% per annum
Medical cost increases	Drugs – 9% per annum in 2004 decreasing to 5% by 2010 Hospital and other medical – 5% per annum

8. Long-term debt:

(a) Long-term debt is comprised of the following:

	2004	2003
Demand bank loan financing advances to First Nations Technical Institute (note 3)	$ 500,000	$ 310,000
Capital lease obligations (note 8(b))	1,264,840	592,560
Bankers acceptance loans (note 8(c)):		
5.997%, repayable approximately $133,000 quarterly including interest, maturing September 10, 2021	5,878,512	6,055,225
6.01%, repayable approximately $28,000 monthly including interest, maturing July 4, 2028	4,348,386	–
6.02%, repayable approximately $21,000 monthly including interest, maturing August 1, 2028	3,266,265	–
6.06%, repayable approximately $13,000 monthly including interest, maturing September 1, 2028	1,982,625	–
Bank loans (note 8(d)):		
Loan facility #1 repayable $5,278 monthly including interest at Bank of Montreal prime rate less 0.75% which will result in full repayment by approximately April, 2027	974,732	–
Loan facility #2 repayable $23,237 monthly including interest at Bank of Montreal prime rate less 0.75% which will result in full repayment by approximately March, 2010	1,478,782	–
	19,694,142	6,957,785
Current portion	(1,099,663)	(392,687)
	$ 18,594,479	$ 6,565,098

8. Long-term debt (continued):

(b) Future minimum lease payments, by year and in aggregate, under the capital lease obligations as at March 31, 2004 are as follows:

2005	$ 532,934
2006	367,003
2007	293,547
2008	117,122
2009	61,847
Total minimum lease payments	1,372,453
Less amount representing interest (at rates from 4.6% to 7.2%)	107,613
Present value of net minimum lease payments	1,264,840
Current portion of capital lease obligations	478,880
	$ 785,960

Interest of $44,901 (2003 - $41,137) relating to capital lease obligations has been recorded as an expense in the statement of operations.

(c) The 5.997% and 6.01% bankers acceptance loans were used to finance the construction of the student residence on the Kingston campus. The 6.02% and 6.06% bankers acceptance loans were used to finance the construction of a fitness facility and the expansion of the cafeteria, respectively, on the Kingston campus. These loans are hedged through interest rate swaps to the fixed interest rates noted above. The College also incurs a bank stamping fee of 0.30% to 0.32% on the outstanding principal balance of each loan which is paid quarterly for the 5.997% loan and monthly for the remaining loans. No specific security has been pledged for these loans.

Based on a detailed analysis and feasibility study it is expected that operational costs of the student residence, including the principal and interest payments on the related bankers acceptance loans, will be financed from operational revenue generated by the residence as required by the Ministry of Training, Colleges and Universities. If an operating deficit is incurred, it will be financed by the excess of revenue over expenses from other ancillary operations.

It is expected that the management fees, utilities and other costs of the fitness facility, including the principal and interest payments on the related bankers acceptance loan, will be financed from student enhancement fees.

Principal due on the bankers acceptance loans in each of the next five years is as follows:

2005	$ 366,783
2006	390,259
2007	415,240
2008	441,819
2009	470,033

Loan interest and stamping fees totalling $740,883 (2003 - $400,580) have been recorded as an expense in the statement of operations.

8. Long-term debt (continued):

(d) Bank loan facility #1 provided financing of $1,000,000 for the installation of an electrical substation on the Kingston campus. Bank loan facility #2 provided financing of $1,700,000 for the costs of the Peoplesoft computer software acquisition and implementation. The College has pledged not to encumber assets to another creditor without the Bank of Montreal's prior written consent.

Principal due on the bank loan facilities in each of the next five years is approximately as follows:

2005	$ 254,000
2006	264,000
2007	274,000
2008	285,000
2009	296,000

Loan interest totalling $95,698 has been recorded as an expense in the statement of operations.

9. Deferred contributions:

(a) Externally restricted donations:

Deferred contributions related to externally restricted donations represent unspent donations that have been restricted by the donors for additions to capital assets and for student bursaries and other financial assistance.

	2004	2003
Donations	$ 865,573	$ 565,409
Restricted investment income	13,893	22,796
	879,466	588,205
Amount recognized as revenue in the year	(149,931)	(193,130)
	729,535	395,075
Transfer to net assets restricted for endowments	(21,170)	–
Donations utilized for additions to capital assets (note 9(c))	(1,072,549)	(14,897)
Net increase (decrease)	(364,184)	380,178
Balance, beginning of year	1,014,074	633,896
Balance, end of year	$ 649,890	$ 1,014,074
Represented by:		
Foundation fund for bursaries and capital assets	$ 308,591	$ 719,428
Funds for bursaries	281,369	234,716
Funds for student assistance	59,930	59,930
	$ 649,890	$ 1,014,074

9. Deferred contributions (continued):

(b) Expenses of future periods:

Deferred contributions related to expenses of future periods represent unspent grants and reimbursements as well as unspent investment income earned on the Ontario Student Opportunity Trust Fund.

	2004	2003
Balance, beginning of year	$ 2,440,764	$ 3,020,125
Amount recognized as revenue in the year	(1,524,519)	(2,307,567)
Amount received related to future years	1,774,282	1,746,159
Restricted investment income (note 11)	31,600	25,033
Investment income used to pay bursaries (note 11)	(30,000)	(42,986)
Balance, end of year	$ 2,692,127	$ 2,440,764

(c) Capital assets:

Deferred contributions related to capital assets represent the unamortized amount of grants, enhancement fees and donations utilized for additions to capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2004	2003
Balance, beginning of year	$ 33,077,532	$ 22,130,671
Contributions used for capital purposes	5,381,874	12,088,870
Enhancement fees used for capital purposes	16,474	130,831
Donations used for capital purposes	1,072,549	14,897
Less amortization of deferred capital contributions	(1,895,264)	(1,287,737)
Balance, end of year	$ 37,653,165	$ 33,077,532

The balance of deferred contributions related to capital assets consists of the following:

	2004	2003
Unamortized capital contributions	$ 37,653,165	$ 33,077,532
Unspent capital contributions	69,500	4,115,097
	$ 37,722,665	$ 37,192,629

The unspent capital contributions as at March 31, 2004 represents Facility Renewal Program funds received from the Ministry of Training, Colleges and Universities which will be used to finance the replacement of windows on the Cornwall campus.

10. Invested in capital assets:

(a) Investment in capital assets is calculated as follows:

	2004	2003
Capital assets	$ 67,440,675	$ 50,940,932
Less amounts financed by:		
Deferred capital contributions	(37,653,165)	(33,077,532)
Capital lease obligations	(1,264,840)	(592,559)
Bankers acceptance loans	(15,466,588)	(6,046,025)
Bank loans	(2,453,514)	–
	$ 10,602,568	$ 11,224,816

(b) Change in net assets invested in capital assets is calculated as follows:

	2004	2003
Excess of expenses over revenue:		
Amortization of deferred contributions related to capital assets	$ 1,895,264	$ 1,287,737
Amortization of capital assets	(3,523,800)	(2,116,592)
	$ (1,628,536)	$ (828,855)
Net change in investment in capital assets:		
Additions to capital assets	$ 20,023,543	$ 19,613,772
Amount funded by:		
Deferred capital contributions	(6,470,898)	(12,234,598)
Capital lease obligations	(1,001,619)	(438,956)
Bankers acceptance loans	(9,700,000)	–
Bank loans	(2,700,000)	–
Repayment of:		
Capital lease obligations	329,339	323,785
Bankers acceptance loans	279,437	165,775
Bank loans	246,486	–
	$ 1,006,288	$ 7,429,778

11. Net assets restricted for endowments:

All of the net assets restricted for endowments represent The Ontario Student Opportunity Trust Fund (OSOTF). The OSOTF program was established by the Government of Ontario whereby all eligible donations made to the College's OSOTF are matched by the Government of Ontario on a dollar for dollar basis. During the year a new OSOTF Phase 2 program was launched by the Government of Ontario.

11. Net assets restricted for endowments (continued):

At March 31, 2004 the net assets restricted for endowments included OSOTF Phase 1 of $943,751 and OSOTF Phase 2 of $150,972. Investment income from the funds must be used to assist academically qualified individuals who for financial reasons would not otherwise be able to attend college.

	2004	2003
Expendable funds available for bursaries, beginning of year	$ 45,136	$ 63,089
Investment income earned on endowment funds	31,600	25,033
Bursaries awarded	(30,000)	(42,986)
Expendable funds available for bursaries, end of year	$ 46,736	$ 45,136

The expendable funds available for bursaries is included in the College's deferred contributions for expenses of future periods.

12. Net assets internally restricted:

	Funds for Student Assistance	Kingston Student Residence	Pay Parking	2004 Total	2003 Total
Balance, beginning of year	$ 117,146	$ 675,557	$ –	$ 792,703	$ 770,025
Transfer from unrestricted net assets	–	273,918	80,475	354,393	20,926
Investment income	1,985	–	–	1,985	1,752
Write-off of notes receivable	(66,848)	–	–	(66,848)	–
Balance, end of year	$ 52,283	$ 949,475	$ 80,475	$ 1,082,233	$ 792,703

13. Unrestricted net assets deficiency:

	2004	2003
Unrestricted net assets deficiency:		
Operating	$ 11,004,680	$ 9,167,876
Vacation pay accrued liability	2,796,913	2,557,672
Employment-related obligations	2,087,564	1,932,345
	$ 15,889,157	$ 13,657,893

Subsequent to the year end the Ministry of Training, Colleges and Universities provided $3,848,709 to the College from the Ministry's College Sustainability Fund which will be included in revenue for the year ending March 31, 2005.

14. Commitments:

(a) The College rents equipment and premises under long-term operating leases expiring up to the 2009 fiscal year. College management intends to terminate the majority of these operating leases. The anticipated future lease payments, after taking into account the planned terminations, will total approximately $1,300,000 over the next five years.

(a) The College has entered into contracts for the construction of new facilities on the Kingston and Cornwall campuses. The total construction cost is expected to be approximately $12,950,000, of which approximately $663,000 was incurred by March 31, 2004.

15. Contingent liabilities:

(a) The College has been named as the defendant in legal claims totaling approximately $1,500,000 pertaining to the cafeteria expansion project. The College has filed their statements of defense. The eventual outcome of these legal claims cannot be reasonably determined at the present time and, consequently, no provision for these claims has been recorded in the financial statements. Losses, if any, arising from these claims will be accounted for in the year in which they are settled.

(b) The College is involved with outstanding and pending litigation and claims which arise in the normal course of operations, primarily as a result of grievances filed under the provisions of the union collective agreements. In management's opinion, any liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the College. Losses in excess of the provision recorded in the financial statements, if any, arising from these contingencies will be accounted for in the year in which they are determined.

16. Pension plan:

Substantially all of the full-time employees of the College are members of The Colleges of Applied Arts and Technology Pension Plan. The plan is a defined benefit plan which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

Contributions to the plan made during the year by the College on behalf of its full-time employees amounted to $1,605,436 (2003 - $1,475,779) and are included as an expense in the statement of operations.

17. Financial instruments:

The carrying values of cash, grants and accounts receivable, restricted assets and accounts payable and accrued liabilities approximate their fair values due to the relatively short periods to maturity of these financial instruments. Since it is the College's intent to make payments on long-term debt until maturity, it is not cost effective to determine the fair value of this debt.

It is management's opinion that the College is not exposed to significant interest, currency or credit risks arising from these financial instruments. The College has reduced its interest rate risk by entering into interest rate swap agreements for the bankers acceptance loans (note 8).

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Revenue

Schedule 1

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Grants and reimbursements revenue:		
Ministry of Training, Colleges and Universities:		
Operating and supplemental grants	$ 29,685,738	$ 28,390,460
Job Connect and Summer Jobs Service programs	3,749,462	3,807,664
Literacy and Basic Skills program	586,020	582,307
Apprentice Training grants:		
Per diem rates	1,006,826	1,055,944
Premise rentals add-ons	53,116	73,290
Administrative support	39,333	53,900
Enhancement	75,131	170,874
Journeyperson updating	16,405	46,048
Contract educational services	703,091	643,883
Federal training	484,699	410,280
Early Childhood Centre program	231,230	215,176
Total grants and reimbursements revenue	$ 36,631,051	$ 35,449,826

	2004	2003
Ancillary operations:		
Bookstore sales	$ 2,740,734	$ 2,675,666
Residence	1,781,294	1,265,895
Parking lots	601,578	529,182
Computer store	332,866	252,061
Facilities rent	284,371	313,458
Food services contract	225,593	152,531
Licensed premises	19,390	26,819
Total ancillary operations revenue	$ 5,985,826	$ 5,215,612

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Academic Expenses

Schedule 2

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Salaries:		
Academic:		
Full-time	$ 12,532,556	$ 13,064,832
Partial load and part-time	3,749,153	3,273,095
Coordinators' allowance	118,043	107,730
Excluded/sessional	599,613	693,121
Bonus/overtime	110,777	92,550
Administrative	1,385,283	1,131,485
Support:		
Full-time	3,072,231	3,082,789
Part-time	729,463	669,836
Bonus/overtime	11,112	15,380
Professional development leave	154,070	188,645
Fringe benefits:		
Academic	2,660,435	2,676,001
Administrative	253,890	219,911
Support	787,262	813,503
Instructional supplies	1,142,461	1,163,885
Field work	38,693	78,384
Professional development	42,151	71,836
Travel	259,785	201,498
Promotion/public relations	84,792	75,491
Equipment maintenance	133,875	125,503
Other supplies	431,905	378,993
Professional fees	45,602	15,727
Contract teaching services	920,906	1,078,497
Other contract services	703,790	775,261
Equipment rental and interest on capital lease obligations	1,096,369	1,105,983
Telecommunications	41,651	48,158
Approved premises rent	62,089	72,129
Unapproved premises rent	53,950	22,579
Staff employment	3,329	972
Membership fees and dues	5,783	24,459
	$ 31,231,019	$ 31,268,233

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Administration Expenses

Schedule 3

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Salaries:		
Administrative:		
Full-time	$ 1,296,998	$ 1,527,365
Part-time	20,541	57,091
Support:		
Full-time	1,496,792	1,720,014
Part-time	200,186	152,487
Bonus/overtime	87,170	38,087
Fringe benefits:		
Administrative	293,437	273,988
Support	441,474	406,359
Membership fees and dues	49,451	46,877
Travel	160,652	154,591
Promotion/public relations	190,964	182,455
Equipment maintenance	366,226	254,285
Telephone	360,310	355,714
Other supplies	542,106	453,580
Professional fees	407,618	142,953
Equipment rental and interest on long-term debt	1,194,771	988,090
Other interest and bank charges	33,714	8,573
Professional development	44,277	21,045
Vehicles	13,119	12,900
Other contract services	97,318	233,115
Bad debts	180,658	–
Staff employment	7,315	–
	$ 7,485,097	$ 7,029,569

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Student Services Expenses

Schedule 4

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Salaries:		
Academic:		
Full-time	$ 393,530	$ 312,229
Part-time	72,997	125,493
Excluded/sessional	27,377	48,858
Bonus overtime	–	5,652
Administrative:		
Full-time	277,578	181,715
Part-time	–	4,000
Support:		
Full-time	1,969,466	1,745,462
Part-time	470,215	382,480
Bonus/overtime	23,379	20,540
Professional development leave	–	10,975
Fringe benefits:		
Academic	82,910	67,941
Administrative	57,621	22,176
Support	514,800	430,275
Instructional supplies	120,360	124,281
Membership fees and dues	2,488	2,875
Travel	75,754	62,252
Promotion/public relations	323,546	313,657
Equipment maintenance	15,625	23,967
Other supplies	191,385	237,976
Professional fees	19,608	–
Equipment rental	332,959	320,362
Scholarships, bursaries and student assistance	1,616,635	1,532,846
Telecommunications	9,418	10,279
Other contract services	6,705	20,671
Professional development	6,358	8,793
Staff employment	3,810	–
	$ 6,614,524	$ 6,015,755

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Plant and Property Expenses

Schedule 5

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Salaries:		
Administrative:		
Full-time	$ 109,113	$ –
Support:		
Full-time	519,198	392,173
Part-time	123,638	62,403
Bonus/overtime	42,005	28,215
Fringe benefits:		
Administrative	3,135	–
Support	132,079	92,224
Professional development	10,350	5,815
Travel	12,968	11,389
Other supplies	97,698	51,399
Maintenance:		
Building	498,283	470,278
Building equipment	456,595	361,339
Ground	93,439	53,198
Professional fees	41,366	24,418
Contracted security services	275,085	201,534
Contracted cleaning services	889,794	671,430
Other contract services	79,052	9,929
Electricity	900,821	786,156
Natural gas	457,790	454,939
Water	60,882	55,936
Refuse removal	67,077	53,535
Tax, college property	18,412	39,060
Telecommunications	21,736	17,330
Insurance	229,134	193,265
Equipment rental	40,882	20,201
Premise rental	3,926	20,102
Vehicles	16,204	5,642
	$ 5,200,662	$ 4,081,910

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Ancillary Expenses

Schedule 6

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Salaries:		
Administrative:		
Full-time	$ 78,017	$ 66,525
Support:		
Full-time	461,182	194,506
Part-time	123,592	29,486
Bonus/overtime	1,934	–
Fringe benefits:		
Administrative	15,543	13,890
Support	127,251	53,885
Professional development	1,918	–
Maintenance:		
Building	4,716	45,046
Building equipment	23,163	36,073
Ground	162,868	114,144
Contracted security services	95,394	89,351
Contracted cleaning services	43,376	20,330
Electricity	98,887	74,671
Natural gas	68,962	18,018
Water	14,423	22,545
Refuse removal	10,267	7,579
Insurance	6,875	6,362
Travel	28,343	13,809
Telephone	35,809	35,586
Vehicle	23,834	27,277
Cost of sales	2,340,418	2,388,944
Interest and stamping fees on bankers acceptance loans	757,783	400,580
Other supplies	180,351	50,539
Promotion and public relations	24,512	1,484
Management fees	680,407	278,121
Professional fees	55,654	13,185
Memberships and dues	1,918	1,981
Equipment maintenance	28,642	9,049
Equipment rental	10,258	2,175
Premise rental	1,728	–
	$ 5,508,025	$ 4,015,141

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Supplementary Expenses

Schedule 7

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Participant wages and benefits	$ 2,166,870	$ 2,328,801
Special support allowances	40,909	33,610
Taxes per capita	343,952	321,300
Approved facilities rent	88,779	87,073
	$ 2,640,510	$ 2,770,784

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Operations - Kingston Residence

Schedule 8

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Revenue:		
Room rentals	$ 1,751,337	$ 1,245,728
Telephone	5,054	5,836
Other	24,903	14,331
	1,781,294	1,265,895
Expenses:		
Interest and stamping fees on bankers acceptance loans	550,357	400,580
Salaries	216,667	190,843
Benefits	41,692	37,368
Management fees	62,555	55,075
Travel	8,915	5,950
Supplies	53,630	24,845
Office supplies	12,995	4,261
Advertising	1,444	1,331
Security	324	613
Contract cleaning	43,376	20,330
Grounds maintenance	185	–
Electricity	89,131	74,672
Natural gas	61,620	18,018
Water	14,423	22,545
Equipment maintenance	24,952	24,602
Insurance	18,689	14,900
Telephone and fax	31,353	34,018
Building maintenance	10,484	28,375
Refuse removal	10,267	7,579
Equipment rental	3,116	1,669
Professional fees	22,874	–
	1,279,049	967,574
Operating income	502,245	298,321
Amortization expense	167,270	167,270
Excess of revenue over expenses	$ 334,975	$ 131,051

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Operations - Bookstores

Schedule 9

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Sales	$ 2,738,548	$ 2,670,328
Cost of goods sold:		
Inventory, beginning of year	237,882	204,424
Purchases	2,073,536	2,125,242
Inventory, end of year	(290,066)	(237,882)
	2,021,352	2,091,784
Gross profit	717,196	578,544
Operating expenses:		
Salaries	226,852	190,713
Fringe benefits	44,526	44,182
Management salaries and benefits	10,242	49,913
Travel	5,578	9,938
Equipment maintenance	4,217	–
Interest on capital lease obligations	9,487	–
Equipment rental	359	505
Other	11,960	14,547
	313,221	309,798
	403,975	268,746
Locker rentals	2,186	5,338
Excess of revenue over expenses	$ 406,161	$ 274,084

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Operations - Licensed Premises

Schedule 10

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Sales	$ 19,390	$ 26,819
Cost of goods sold:		
Inventory, beginning of year	3,422	1,710
Purchases	9,674	14,027
Inventory, end of year	(2,624)	(3,422)
	10,472	12,315
Gross profit	8,918	14,504
Operating expenses:		
Salaries and benefits	–	162
Supplies	286	742
Equipment maintenance	–	–
	286	904
	8,632	13,600
Repayment to Student Association	(8,632)	(13,600)
Excess of revenue over expenses	$ –	$ –

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Operations - Computer Store

Schedule 11

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Sales	$ 330,288	$ 249,773
Cost of goods sold:		
Inventory, beginning of year	123,574	152,928
Purchases	333,151	243,867
Inventory, end of year	(148,426)	(123,574)
	308,299	273,221
Gross profit (loss)	21,989	(23,448)
Operating expenses:		
Salaries	48,641	38,797
Fringe benefits	10,816	9,643
Management salaries and benefits	4,815	5,704
Supplies	344	361
Advertising	–	461
Travel	492	611
Equipment rent	–	–
	65,108	55,577
	(43,119)	(79,025)
Commissions and other revenue	2,578	2,288
Excess of expenses over revenue	$ (40,541)	$ (76,737)

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Operations - Parking Lots

Schedule 12

Year ended March 31, 2004, with comparative figures for 2003

	2004	2003
Revenue	$ 601,578	$ 529,182
Expenses:		
Maintenance	165,256	133,772
Security	95,070	88,738
Vehicles	23,834	27,277
Professional fees	–	11,685
Office supplies	6,724	6,966
Interest on capital lease obligations	3,820	1,802
Management salaries and benefits	19,259	–
Salaries	8,432	928
Fringe benefits	1,744	51
Travel	2,450	295
	326,589	271,514
Excess of revenue over expenses	$ 274,989	$ 257,668

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AUDITORS' REPORT

To the Ministry of Training, Colleges and Universities

We have audited the following financial statements of The St. Lawrence College of Applied Arts and Technology for the year ended March 31, 2004 as prepared in accordance with the 2003/2004 audit guidelines issued by the Ministry of Training, Colleges and Universities for the following programs:

Job Connect Program:
Statement of Revenue and Expenditures

Summer Jobs Service Program:
Statement of Revenue and Expenditures

Literacy and Basic Skills Program:
Statement of Revenue and Expenditures

These financial statements are the responsibility of the College's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the revenue and expenditures of the Job Connect, Summer Jobs Service and Literacy and Basic Skills Programs of the College for the year ended March 31, 2004 in accordance with the provisions of the 2003/2004 audit guidelines issued by the Ministry of Training, Colleges and Universities for the above-noted programs.

Bennett Lewis McMahon Stillar

Chartered Accountants

Brockville, Canada
August 16, 2004

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Statement 1-1

Job Connect and Summer Jobs Service Programs
Statements of Revenue and Expenditures

Year ended March 31, 2004, with comparative figures for 2003

	Kingston	Brockville	Ottawa	2004 Total	2003 Total
Job Connect					
Revenue:					
Approved grant allocations from Ministry of Training, Colleges and Universities	$ 994,000	$ 688,000	$ 1,722,200	$ 3,404,200	$ 3,390,000
Interest	56	1,178	1,770	3,004	997
	994,056	689,178	1,723,970	3,407,204	3,390,997
Excess of grant allocations and interest over allowable expenditures	(3,920)	(92,493)	(129,904)	(226,317)	(80,750)
Total revenue	990,136	596,685	1,594,066	3,180,887	3,310,247
Expenditures:					
Operating (note)	466,370	366,801	829,514	1,662,685	1,584,871
Training subsidies	543,135	253,816	767,113	1,564,064	1,699,453
Training supports	6,007	3,869	21,953	31,829	25,923
Total expenditures	1,015,512	624,486	1,618,580	3,258,578	3,310,247
Excess of expenditures over revenue	$ (25,376)	$ (27,801)	$ (24,514)	$ (77,691)	$ –

Note:
Commencing April 1, 2003 the Ministry requires colleges to accrue all liabilities in their annual financial statements including employee benefits obligations. Pursuant to this requirement the operating expenditures of the Job Connect Program for the year ended March 31, 2004 includes a vacation pay entitlement accrual of $93,622.

	Kingston	Brockville	Ottawa	2004 Total	2003 Total
Summer Jobs Service					
Revenue:					
Approved grant allocations from Ministry of Training, Colleges and Universities	$ 143,700	$ 106,700	$ 330,700	$ 581,100	$ 567,000
Excess of allowable expenditures over approved grant allocations	(459)	–	(9,061)	(9,520)	–
Total revenue	143,241	106,700	321,639	571,580	567,000
Expenditures:					
Training subsidies	143,241	106,700	321,639	571,580	567,000
Excess of expenditures over revenue	$ –	$ –	$ –	$ –	$ –

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Literacy and Basic Skills Program
Statement of Revenue and Expenditures

Statement 1-2

Year ended March 31, 2004, with comparative figures for 2003

	Brockville	Cornwall	Kingston	2004 Total	2003 Total
Revenue:					
Approved grant allocations from Ministry of Training, Colleges and Universities:					
Delivery	$ 158,500	$ 156,500	$ 154,800	$ 469,800	$ 469,800
OBS IV delivery	35,500	35,500	35,500	106,500	105,000
Training support	3,500	5,000	1,500	10,000	12,000
Interest	–	22	20	42	56
	197,500	197,022	191,820	586,342	586,856
Excess of approved grant allocations and interest over allowable expenditures	–	(1,760)	(1,520)	(3,280)	(4,493)
Total revenue	197,500	195,262	190,300	583,062	582,363
Expenditures:					
Delivery	199,511	188,366	274,936	662,813	631,999
OBS IV delivery	35,500	35,500	35,500	106,500	105,000
Field support	5,253	3,262	–	8,515	–
Training support					7,563
Total expenditures	240,264	227,128	310,436	777,828	744,562
Excess of expenditures over revenue	$ (42,764)	$ (31,866)	$ (120,136)	$ (194,766)	$ (162,199)

Bennett Lewis McMahon Stillar

Chartered Accountants

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AUDITORS' REPORT

To the Ministry of Training, Colleges and Universities

We have audited the schedules of apprentice training course expenditures and administrative expenditures to collect classroom fees for apprentice training courses of The St. Lawrence College of Applied Arts and Technology for the year ended March 31, 2004 as determined in accordance with the Official Instructions for Reporting dated February 2004 issued by the Ministry of Training, Colleges and Universities. These schedules are the responsibility of the College's management. Our responsibility is to express an opinion on these schedules based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the schedules are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the schedules. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the schedules.

In our opinion, these schedules present fairly, in all material respects, the number of training days provided and the related program costs and the administrative expenditures to collect classroom fees for apprentice training courses of the College for the year ended March 31, 2004 in accordance with the Official Instructions for Reporting dated February 2004 issued by the Ministry of Training, Colleges and Universities.

Bennett Lewis McMahon Stillar

Chartered Accountants

Brockville, Canada
August 16, 2004

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of Apprentice Training Course Expenditures

Schedule 2-1

Year ended March 31, 2004

		2003-2004				2002-2003
		Number of Training Days				
Program Number	Program Name	Days Regardless of Length	Standard 6-Hour Day Equivalents	Course Costs	Per Diem Cost	Per Diem Cost
Full-Time						
306A	Plumber	2,238.0	2,238.0	$ 122,217	$ 54.61	$ 49.90
309A	Electrician (Construction and Maintenance)	3,106.0	3,106.0	208,205	67.03	46.45
310S	Automotive Service Technician	1,129.0	1,129.0	79,342	70.28	75.98
403A	Carpenter	2,904.0	2,904.0	154,431	53.18	60.38
403A	Carpenter	561.0	299.2	15,741	52.61	00.00
415A	Cook	583.0	583.0	33,362	57.22	00.00
415B	Assistant Cook	742.0	742.0	42,371	57.10	60.00
		11,263.0	11,001.2	$ 655,669	$ 59.60	$ 54.84
Part-Time						
309A	Electrician (Construction and Maintenance)	496.0	578.7	$ 39,002	$ 67.40	$ 46.54
309A	Electrician (Construction and Maintenance)	636.0	848.0	56,933	67.14	46.58
332A	Hairstylist	208.0	208.0	17,273	83.04	00.00
429A	General Machinist	709.0	827.2	50,830	61.45	54.99
433A	Industrial Mechanic Millwright	2,985.0	3,482.5	200,309	57.52	53.18
442A	Industrial Electrician	560.0	746.7	62,411	83.58	00.00
		5,594.0	6,691.1	$ 426,758	$ 63.78	$ 52.26
Totals		16,857.0	17,692.3	$1,082,427	$ 61.18	$ 53.82

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of Administrative Expenditures to Collect Classroom Fees for Apprentice Training Courses

Schedule 2-2

Year ended March 31, 2004

	Approved Funding	Expenditures
Operating costs:		
Salaries and benefits	$ 34,305	$ 37,998
Overhead	600	607
Office supplies	3,500	2,686
Telephone and fax	1,500	1,185
Computer equipment lease and maintenance	550	1,069
Audit fees	2,000	2,000
Other	2,268	2,277
	$ 44,723	$ 47,822

THE ST. LAWRENCE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Schedule of National Training Act Rental Funding Approvals and Expenditures

Schedule 2-3

Year ended March 31, 2004

Programs	Type	Location	Total Rental Funding Approval by MTCU	Rental Expenditures	Excess Funding
Carpenter	FAC	Kingston	$ 27,930	$ 8,795	$ 19,135
Plumbing	FAC	Kingston	45,360	42,619	2,741
			$ 73,290	$ 51,414	$ 21,876

AUDITORS' REPORT

To the Ministry of Training, Colleges and Universities

We have examined this schedule of National Training Act rental funding approvals and expenditures of The St. Lawrence College of Applied Arts and Technology for the year ended March 31, 2004 as determined in accordance with the Official Instructions for Reporting dated February 2004 issued by the Ministry of Training, Colleges and Universities. This schedule is the responsibility of the College's management. Our responsibility is to express an opinion on this schedule based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether this schedule is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in this schedule. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of this schedule.

In our opinion, this schedule presents fairly, in all material respects, the National Training Act rental funding approvals and expenditures of the College for the year ended March 31, 2004 in accordance with the Official Instructions for Reporting dated February 2004 issued by the Ministry of Training, Colleges and Universities.

Barnett Lewis McMahon Stiller

Chartered Accountants

Brockville, Canada
August 16, 2004