Consolidated Financial Statements of

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2006

KPMG LLP
Chartered Accountants
618 Greenwood Centre
3200 Deziel Drive
Windsor Ontario N8W 5K8
Canada

Telephone (519) 251-3500
Fax (519) 251-3530
Internet www.kpmg.ca

AUDITORS' REPORT

To the Governors of
St. Clair College of Applied Arts and Technology

We have audited the consolidated statement of financial position of St. Clair College of Applied Arts and Technology as at March 31, 2006 and the consolidated statements of revenues and expenses, 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 consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2006 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

Chartered Accountants

Windsor, Canada
May 19, 2006

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Financial Statements

Year ended March 31, 2006

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2006, with comparative figures for 2005

	2006	2005
Assets		
Current assets:		
Cash	$ 106,945	$ 302,723
Deposit receipts	9,334,642	9,722,381
Grants receivable	4,456,435	8,291,051
Accounts receivable	3,586,690	1,679,209
Current portion of contributions receivable	191,136	181,379
Prepaid and other assets	344,610	535,679
	18,020,458	20,712,422
Long-term investments (note 3)	4,884,609	3,974,509
Contribution receivable (note 4)	170,818	360,228
Interest in property (note 5)	1,346,379	1,346,379
Capital assets (note 6)	121,201,679	121,019,117
Less accumulated amortization	57,225,650	52,421,049
	63,976,029	68,598,068
	$ 88,398,293	$ 94,991,606

	2006	2005
		(Restated)

Liabilities and Net Assets

Current liabilities:		
Bankers' Acceptances, 3.48%, maturing in 90 days	$ -	$ 99,326
Accounts payable and accrued liabilities (note 7)	10,783,388	12,536,209
Deferred revenues and contributions (note 8)	9,928,122	13,004,084
Obligations under capital leases	-	18,378
Current portion of long-term debt	2,811,489	2,730,837
	23,522,999	28,388,834
Long-term:		
Accrued employee future benefits (note 9)	1,314,000	2,620,000
Accrued vested sick-leave benefit	4,281,390	4,117,194
Deferred capital contributions (note 10)	28,942,433	30,467,913
Long-term debt (note 11)	31,141,565	33,942,122
	65,679,388	71,147,229
Net assets (liabilities):		
Unrestricted, before undernoted accruals:	2,883,732	766,548
Vacation pay accrual	(4,338,768)	(4,302,574)
Employee future benefits	(1,314,000)	(2,620,000)
Vested sick-leave benefit	(4,281,390)	(4,117,194)
Net unrestricted assets (liabilities)	(7,050,426)	(10,273,220)
Restricted for endowment	4,803,836	3,847,664
Invested in Capital Assets (note 12)	1,442,496	1,881,099
	(804,094)	(4,544,457)
Commitments and contingent liabilities (notes 14 and 15)		
	$ 88,398,293	$ 94,991,606

See accompanying notes to consolidated financial statements.

On behalf of the Board:

Brian Cutler, Treasurer

Dr. John Strasser, President

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Revenue and Expenses

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
		(Restated)
Revenue:		
Government operating grants	$ 37,996,011	$ 34,289,746
Government capital support grants	1,695,906	1,506,247
Contract income	12,972,934	12,725,605
Student tuition	19,143,375	16,626,212
Ancillary operations	4,113,308	4,104,618
Donations	778,130	936,629
Foundation	45,865	251,448
Other	4,067,544	3,144,686
	80,813,073	73,585,191
Expenses:		
Academic	43,624,351	43,010,765
Student services	7,479,252	6,348,549
Administration	12,253,467	11,309,406
Plant and property	7,287,845	7,058,072
Supplementary	2,132,543	2,225,099
Other expenditures out of capital support grants	1,213,361	604,134
Ancilliary operations	3,446,695	3,555,354
Foundation	45,865	251,448
Vacation pay	36,194	346,151
Future employee benefits	(1,306,000)	10,000
Sick leave	164,196	(134,823)
Bursaries	753,321	731,087
	77,131,090	75,315,242
Excess of revenue over expenses (expenses over revenue) before the undernoted	3,681,983	(1,730,051)
Other income (expenses):		
Gain (loss) on disposition of capital assets	1,064,507	(24,854)
Amortization of capital assets	(6,058,826)	(6,013,663)
Amortization of deferred capital contributions	4,096,527	4,093,443
	(897,792)	(1,945,074)
Excess of revenue over expenses (expenses over revenue)	$ 2,784,191	$ (3,675,125)

See accompanying notes to consolidated financial statements.

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2006, with comparative figures for 2005

	Unrestricted	Restricted for Endowment	Invested in Capital Assets	2006 Total	2005 Total
					(Restated)
Balance, beginning of year	$ (10,273,220)	$ 3,847,664	$ 1,881,099	$ (4,544,457)	$ (1,370,692)
Excess of revenue over expenses (expenses over revenue)	3,681,983	-	(897,792)	2,784,191	(3,675,125)
Invested in capital assets (note 12)	(459,189)	-	459,189	-	-
Endowment Contributions	-	956,172	-	956,172	501,360
Balance, end of year	(7,050,426)	4,803,836	1,442,496	$ (804,094)	$ (4,544,457)

See accompanying notes to consolidated financial statements.

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
		(Restated)
Cash provided by (used in):		
Operations (note 13)	$ (170,400)	$ 683,650
Financing and investments:		
Decrease in deposit receipts	387,739	2,030,201
Decrease in contribution receivable	179,653	168,807
Increase in long-term investments	(910,100)	(456,853)
Decrease in bankers' acceptances	(99,326)	(1,483,282)
Repayment of capital lease obligations	(18,378)	(15,548)
Deferred capital contributions, net	2,571,047	2,617,976
Decrease in long-term debt, net	(2,719,905)	(2,454,067)
Proceeds on sale of capital assets	2,011,568	203,498
Purchase of capital assets	(2,383,848)	(2,147,772)
Endowment contributions	956,172	501,360
	(25,378)	(1,035,680)
Net decrease in cash	(195,778)	(352,030)
Cash, beginning of year	302,723	654,753
Cash, end of year	$ 106,945	$ 302,723

See accompanying notes to consolidated financial statements.

St. Clair College of Applied Arts and Technology (the "College") was incorporated in 1965 under the laws of the Province of Ontario. The College is dedicated to providing post-secondary education.

The College is a registered charity and therefore is, under Section 149 of the Income Tax Act, exempt from payment of income tax.

1. Significant accounting policies:

(a) Basis of presentation:

The consolidated financial statements include the accounts of the St. Clair College Foundation. All significant inter-organization balances and transactions have been eliminated in consolidation.

(b) Revenue recognition:

The College follows the deferral method of accounting for contributions which include donations and government grants. Externally restricted contributions are recognized as revenue in the year in which the related expenses are recorded. 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. 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.

Donated assets are recorded at fair value when a fair value can be reasonably estimated. Pledges receivable totalling $346,464 (2005 - $883,450) are not recorded as an asset in the accompanying financial statements.

Revenue from student fees and from the sale of services and products is recognized at the time the products are delivered or the services provided.

Endowment contributions are recognized as direct increases in net assets.

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

(c) Long-term investments:

Long-term investments are recorded at the lower of cost and market.

1. Significant accounting policies (continued):

(d) Capital assets:

Capital assets are stated at cost, or at fair market value on the date of acquisition for donated assets. Amortization is provided on a straight-line basis using the following rates:

Buildings	40 years
Site improvements	10 years
Equipment	5 years

(e) Student organizations:

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

(f) Cost allocation:

Expenditure is reported as required by the Ministry of Training, Colleges and Universities' "College Financial Information Systems" (CFIS). As well, the College has followed the cost allocation plan approved by the Committee of Finance Officers and the Committee of Presidents of the Colleges of Applied Arts and Technology and endorsed by the Ministry of Training, Colleges and Universities.

Accordingly, direct costs are charged to programs and courses on an actual basis wherever possible and elsewhere allocated on the basis of full-time equivalent students.

(g) Employee future benefits:

The College participates in the contributory retirement pension plans administered by the Colleges of Applied Arts and Technology Plan and the Ontario Teachers' Superannuation Fund. The College also participates in a group plan with other Colleges in Ontario, which effectively provides post-retirement benefits and other post-employment benefits, and has adopted the following policies:

1. Significant accounting policies (continued):

i) The cost of the accrued benefit obligations for post-retirement and other post-employment benefits earned by employees is actuarially determined using the projected benefit method prorated on service and administration's best estimate of expected plan investment performance, salary escalation, retirement ages and expected health care costs.

ii) For the purpose of calculating expected return on plan assets, those assets are valued at fair value.

iii) Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The excess of the net accumulated actuarial gains (losses) over 10 percent of the greater of the accrued benefit obligation and the fair value of plan assets is amortized over the average remaining service period of active employees. The average remaining service period of the active employees covered by the post-retirement benefit plan is 13 years (2005 - 13 years).

(h) Sick leave benefits:

Sick leave benefits are accrued as the employees otherwise eligible to receive such benefits, render the services necessary to earn these benefits. Only those employees who were employed by the College as at March 31, 1991 are eligible to accrue sick leave benefits. The accrual per employee is limited to a maximum of 261 days and is calculated as the number of accrued days at 50% of the employee's current daily rate of compensation.

(i) Use of estimates:

The preparation of the 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 dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation allowances for grants receivable and accounts receivable; and assets and obligations related to employee future benefits. Actual results could differ from those estimates.

2. Change in accounting policy:

During 2006, partly in response to the strike by its faculty, the College changed its policy for accounting for tuition revenue. Such revenue, formerly recognized in the fiscal year during which the related semester substantially occurred, is now being recognized over the period the actual classroom instruction and related examination process is delivered. This change has been applied retroactively and has decreased amounts previously reported for student tuition, excess of expenses over revenue and net unrestricted assets by $1,557,258 and increased unearned tuition fees reported on the statement of financial position under the caption of deferred revenues and contributions by $1,557,258.

3. Long-term investments:

	2006	2005
Term deposits	$ 1,460,764	$ 1,365,822
Corporate and government bonds	2,064,181	1,433,538
Shares in public companies	1,359,664	1,175,149
Restricted for endowment	$ 4,884,609	$ 3,974,509

The market value of long-term investments at March 31, 2006 was $5,103,266 (2005 - $4,015,182).

4. Contribution receivable:

The St. Clair Student Representative Council Incorporated ("SRC") has entered into an agreement with the College to provide funding totaling $ 2,133,033 representing its commitment towards the total cost of $4,031,010 for construction of the South Campus Student Centre. The SRC is raising these funds by way of an annual Student Centre Levy which is expected to be sufficient to satisfy the annual principal and interest due under the terms of the 6.10% bank loan described in note 11.

The contribution receivable, which also bears interest at 6.10% per annum, represents the Student Centre levy funds to be collected in the future by the SRC.

5. Interest in property:

During 2004, the College entered into various agreements with the City of Windsor with the combined purpose of redeveloping the City's Huron Lodge Municipal Home for the Aged and establishing a long-term care education and training facility. This new multi-purpose facility is being built on certain lands previously owned by the College, which title has been now transferred to the City. In exchange for this property, the College received total consideration of $1,670,000, comprised of cash in the amount of $336,500 and interest in the property currently occupied by the existing Huron Lodge Municipal Home for the Aged, which has been independently appraised at a value of $1,333,500. As a result of this transaction, the College has recorded a gain on the disposition of its property approximating $1,207,577.

In the event the College decides not to develop its interest in the property acquired from the City, and is unable to sell or lease this property prior to December 31, 2008, the City is obligated to re-purchase the property from the College for its current appraised value of $1,333,500.

6. Capital assets:

			2006	2005
	Cost	Accumulated amortization	Net book value	Net book value
Land	$ 923,375	$ -	$ 923,375	$ 1,108,671
Buildings	69,887,104	22,802,293	47,084,811	49,344,059
Site improvements	3,321,516	2,849,106	472,410	1,127,509
Equipment	46,009,354	31,574,251	14,435,103	16,079,421
Construction in progress	1,060,330	-	1,060,330	938,408
	$121,201,679	$57,225,650	$63,976,029	$68,598,068

7. Accounts payable and accrued liabilities:

Accounts payable and accrued liabilities are comprised of the following:

	2006	2005
Trade accounts payable and accrued liabilities	$ 4,173,109	$ 5,905,864
Accrued vacation pay	4,338,768	4,302,574
Security deposits	120,583	190,000
Due to student associations	2,150,928	2,137,771
	$ 10,783,388	$ 12,536,209

8. Deferred revenues and contributions:

Deferred revenues and contributions are comprised of the following:

	2006	2005 (Restated)
Unearned tuition fees	$ 2,371,456	$ 2,479,351
Unearned grants	6,123,393	8,877,307
Other deferred contributions	906,682	1,118,071
Unearned rent	207,930	220,698
Funds available for awards	318,661	308,657
	$ 9,928,122	$ 13,004,084

Unearned tuition fees and grants represent funds received related to services and/or projects yet to be delivered and/or to be completed in subsequent fiscal years. Other deferred contributions represent unspent externally restricted resources. Unearned rent represents prepayment of student residence fees.

Changes in these balances are as follows

	2006	2005 (Restated)
Balance, beginning of year	$ 13,004,084	$ 5,966,669
Amount recognized as revenue in the year	(9,359,647)	(6,218,050)
Amount received related to subsequent years	6,229,580	13,136,011
Investment income, net	185,338	230,421
Bursaries awarded	(131,233)	(110,967)
Balance, end of year	$ 9,928,122	$ 13,004,084

9. Pensions and other post-employment benefits:

Employees are participants in the contributory retirement pension plans administered by the Colleges of Applied Arts and Technology Plan and the Ontario Teachers' Superannuation Fund. Under this arrangement, the College makes contributions to these plans equal to those of the employees. Employer contributions made to the plan during 2006 by the College amounted to $2,897,993 (2005 - $2,800,626). These amounts have been included in the statement of revenue and expenditure.

9. Pensions and other post-employment benefits (continued):

The College also participates in a group plan with other Colleges in Ontario, which effectively provides post-retirement benefits and other post-employment benefits. These benefits are provided to current retired employees and future early retirees, as well as claimants on long-term disability. The expense for the College's group benefit plans for the year ended March 31, 2006 is $2,357,782 (2005 - $2,069,803).

The College's portion of the total other post-employment benefit plan for Ontario Colleges at March 31 is as follows:

	2006	2005
Accrued benefit obligation	$ 1,169,000	$ 2,376,000
Fair value of plan assets	(166,000)	(170,000)
Plan deficit	$ 1,003,000	$ 2,206,000
Accrued benefit liability, net of valuation allowance	$ 1,314,000	$ 2,620,000

The discount rate used to value the accrued benefit obligation was 5.00% (2005 - 5.25%).

Assumed health care cost trend rates at March 31:

	2006	2005
Initial health care cost trend rate	9.0%	9.0%
Cost trend rate declines to	5.0%	5.0%
Year that the rate reaches the rate it is assumed to remain at	2010	2010

Effective September 1, 2005, the costs of the early retiree benefits is no longer subsidized by the College as a result of the separation of the early retirees' benefit premium rate from the active employees' benefit premium rate. The change in this benefit policy has decreased the accrued benefit obligation by approximately $1,200,000 in 2006.

10. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for capital assets.

Changes in deferred capital contributions are as follows:

	2006	2005
Balance, beginning of year	$ 30,467,913	$ 31,943,380
Contributions received for future capital expansion and other capital purposes	2,571,047	2,617,976
Amortization of deferred capital contributions	(4,096,527)	(4,093,443)
	$ 28,942,433	$ 30,467,913

The majority of these contributions have been, or will be expended, for the following projects:

(i) The Ford Centre for Excellence in Manufacturing. Primarily funded by grants from the Province of Ontario's Superbuild Growth Fund, this project was opened in September, 2004.

(ii) The integrated Engineering and Technology Learning Program. This program, which was also primarily funded by the Province's Superbuild Growth Fund, is to be jointly administered by the College and the University of Windsor.

(iii) The James Burgess Metal Trades Centre. This Centre, located in Wallaceburg, Ontario was funded primarily by the Province's Strategic Skills Investments Program, and was opened in September, 2003.

11. Long-term debt:

	2006	2005
6.10% bank loan, payable $17,289 monthly including interest, due January 9, 2008	$ 358,811	$ 538,464
6.15% bank loan, payable $10,226 monthly including interest, due January 9, 2008	682,614	760,781
6.63% term loan, payable $128,585 monthly including interest, due March 27, 2028	17,839,010	18,145,175
3.39% bank loan, payable $26,034 monthly including interest, due March 30, 2009	889,966	1,189,769
3.81% bank loan, payable $67,908 monthly including interest, due March 30, 2011	3,704,542	4,418,468
3.39% bank loan, payable $9,706 monthly including interest, due March 30, 2009	331,799	443,572
4.30% bank loan, payable $125,097 monthly including interest, due March 30, 2014	10,146,312	11,176,730
	33,953,054	36,672,959
Current portion of long-term debt	(2,811,489)	(2,730,837)
	$ 31,141,565	$ 33,942,122

Principal due within each of the next five years on long-term debt is approximately:

2007	$ 2,811,489
2008	3,414,615
2009	2,768,382
2010	2,456,833
2011	2,571,775

Interest expense on long-term debt included in the statement of revenue and expenditure is $1,921,628 (2005 - $2,121,053).

12. Invested in capital assets:

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

	2006	2005
Capital assets, net	$ 63,976,029	$ 68,598,068
Contribution receivable	361,954	541,607
	64,337,983	69,139,675
Amount financed by:		
Deferred capital contributions	(28,942,433)	(30,467,913)
Obligations under capital leases	-	(18,378)
Long-term debt	(33,953,054)	(36,672,959)
Bankers' Acceptances	-	(99,326)
	$ 1,442,496	$ 1,881,099

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

	2006	2005
Excess of revenues over expenses:		
Amortization of deferred contributions related to capital assets	$ 4,096,527	$ 4,093,443
Amortization of capital assets	(6,058,826)	(6,013,663)
(Loss) gain on disposition of assets	1,064,507	(24,854)
	(897,792)	(1,945,074)
Invested in capital assets:		
Purchase of capital assets	2,383,848	2,147,772
Repayment of long-term debt	2,719,905	2,454,067
Repayment of bankers' acceptances	99,326	1,483,282
Reduction of capital lease obligations	18,378	15,548
	5,221,457	6,100,669
Amount funded by:		
Deferred contributions	(2,571,047)	(2,617,976)
Change in deposit receipts related to capital assets	-	(1,528,296)
Change in contribution receivable	(179,653)	(168,807)
Proceeds on sale of assets	(2,011,568)	(203,498)
	(4,762,268)	(4,518,577)
Net decrease in invested capital assets	$ (438,603)	$ (362,982)

13. Cash provided from (used in) operations:

	2006	2005
		(Restated)
Excess of revenue over expenses (excess of expenses over revenue)	$ 2,784,191	$ (3,675,125)
Items not involving cash:		
Amortization of capital assets	6,058,826	6,013,663
Amortization of deferred capital contributions	(4,096,527)	(4,093,443)
Increase (decrease) in accrued future employee benefits	(1,306,000)	10,000
Loss (gain) on disposition of capital assets	(1,064,507)	24,854
	2,375,983	(1,720,051)
Decrease (increase) in grants receivable	3,834,616	(6,534,368)
Decrease (increase) in accounts receivable	(1,907,481)	1,375,015
Decrease (increase) in prepaid and other assets	191,069	(115,934)
Increase (decrease) in accounts payable and accrued liabilities	(1,752,821)	776,396
Increase (decrease) in deferred revenues and contributions	(3,075,962)	7,037,415
Increase (decrease) in vested sick leave benefit	164,196	(134,823)
Cash provided from (used in) operations	$ (170,400)	$ 683,650

14. Commitments:

Lease commitments:

The College is obligated to make the following future minimum payments under various operating leases for equipment and rental premises:

2007	$ 1,578,296
2008	1,272,842
2009	574,737

15. Contingent liabilities:

The College has been named as a defendant or co-defendant in several actions for damages. The outcome and the amount of the losses, if any, are not determinable at this time and accordingly, no provision for losses has been made in the financial statements. The amount will be accounted for in the period when and if such losses are determined.

16. St. Clair College Foundation:

The St. Clair College Foundation (the "Foundation") was established to raise funds for the use of the College. The Foundation is a registered charity and is classified as a public Foundation under the Income Tax Act and as such, is exempt from tax. Resources of the Foundation are for the benefit of the College and are, to be used for purposes agreed upon by the College and the Foundation. During the year, an amount of $899,628 (2005 - $2,418,411) including $100,261 of in-kind donations (2005 - $622,098), was received from the Foundation, all of which has been recorded as deferred contributions. It is available to be used at the discretion of the Board of Governors of the College.

The College administers the receipt and disbursement of funds on behalf of the St. Clair College Foundation at no charge. All other related party transactions and balances are disclosed elsewhere in these financial statements.

The Foundation's net assets restricted for endowments includes both the Ontario Student Opportunity Trust Fund (OSOTF) and the Ontario Trust for Student Support (OTSS). The OSOTF program was established by the Government of Ontario whereby all eligible donations made prior to April 1, 2000 to the College's OSOTF were matched by the Government of Ontario on a dollar for dollar basis. Subsequently, in July 2003 phase two of the OSOTF was established and is known as OSOTF II, and provided for similar matching of donations by the Government.

In November, 2005, the Government of Ontario established the Ontario Trust for Student Support ("OTSS") to further encourage corporate and individual donors to contribute to permanent endowment funds to assist Ontario's college and university students with financial need. The Government intends to provide up to $50 million annually to match eligible cash donations raised by colleges and universities for student financial assistance.

Only investment income, not permanently endowed cash donations or provincial match funding, may be used to fund awards to assist academically qualified individuals who for financial reasons would not otherwise be able to attend college.

16. St. Clair College Foundation (continued):

The Foundation has recorded the following amounts under these programs:

Year ended March 31, 2006

	OSOTF	OSOTF II	OTSS	Total
Cash donations received	$ -	$ 400	$ 896,810	$ 897,210
Balance, beginning of year	$ 1,871,454	$ 992,230	$ -	$ 2,863,684
Donations received	-	400	896,810	897,210
Restricted for endowment, end of year	$ 1,871,454	$ 992,630	$ 896,810	$ 3,760,894

Year ended March 31, 2005

	OSOTF	OSOTF II	OTSS	Total
Cash donations received	$ 21,104	$ 404,223	$ -	$ 425,327
Balance, beginning of year	$ 1,850,350	$ 587,802	$ -	$ 2,438,152
Donations received	21,104	404,428	-	425,532
Restricted for endowment, end of year	$ 1,871,454	$ 992,230	$ -	$ 2,863,684

16. St. Clair College Foundation (continued):

Year ended March 31, 2006

		OSOTF		OSOTF II		Total
Deferred contributions:						
Balance, beginning of year	$	123,830	$	33,395	$	157,225
Investment income, net of direct investment related expenses		77,553		41,030		118,583
Bursaries awarded		(85,826)		(45,407)		(131,233)
Balance, end of year	$	115,557	$	29,018	$	144,575
Number of bursaries awarded		137		73		210

Year ended March 31, 2005

		OSOTF		OSOTF II		Total
Deferred contributions:						
Balance, beginning of year	$	86,671	$	4,419	$	91,090
Investment income, net of direct investment related expenses		122,626		54,476		177,102
Bursaries awarded		(85,467)		(25,500)		(110,967)
Balance, end of year	$	123,830	$	33,395	$	157,225
Number of bursaries awarded		132		30		162

17. Fair value of financial assets and financial liabilities:

The fair value of the College's cash, deposit receipts, accounts and grants receivable, contribution receivable, accounts payable and accrued liabilities, unearned tuition fees and grants, long-term obligations under capital leases and long-term debt approximate their carrying amounts due to the short-term maturity of these financial instruments and/or they bear interest rates which approximate current market rates.

KPMG LLP
Chartered Accountants
618 Greenwood Centre
3200 Deziel Drive
Windsor ON N8W 5K8

Telephone (519) 251-3500
Telefax (519) 251-3530
(519) 251-3540
www.kpmg.ca

AUDITORS' REPORT ON SUPPLEMENTARY CONSOLIDATED INFORMATION

The Governors

St. Clair College of Applied Arts and Technology

We have audited and reported herein on the consolidated financial statements of St. Clair College of Applied Arts and Technology as at and for the year ended March 31, 2006.

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

KPMG LLP

Chartered Accountants

Windsor, Canada

May 19, 2006

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Schedule - Revenue

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Government operating grants:		
Basic operating	$ 36,450,421	$ 32,562,589
Municipal taxes	463,875	451,275
Other	1,081,715	1,275,882
	37,996,011	34,289,746
Government capital support grants	1,695,906	1,506,247
Contract income:		
Federal government	531,972	540,757
Apprentice training	2,878,586	2,841,530
Job Connect	3,014,997	2,982,230
Summer and part-time employment experience program	611,922	623,887
Literacy basic skills	1,022,255	1,090,852
Contract training	895,173	1,050,849
Other	4,018,029	3,595,500
	12,972,934	12,725,605
Student tuition:		
Full-time students	14,718,928	12,898,920
Part-time students	3,783,634	3,092,125
Tuition short students	640,813	635,167
	19,143,375	16,626,212
Ancillary operations	4,113,308	4,104,618
Donations	778,130	936,629
Foundation revenue	45,865	251,448
Other:		
Interest earned	444,759	273,344
Other	3,622,785	2,871,342
	4,067,544	3,144,686
	$ 80,813,073	$ 73,585,191

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Schedule - Academic Expense

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries:		
Instructional officers and staff	$ 2,079,401	$ 2,204,156
Full-time teaching	18,856,702	19,053,620
Part-time teaching	5,083,751	5,086,449
Support staff	6,947,653	6,568,575
	32,967,507	32,912,800
Fringe benefits	5,583,335	5,568,082
Travel and conferences	377,770	291,638
Instructional supplies	2,625,669	2,363,650
Instructional equipment rental	346,324	80,841
Professional development	43,077	29,590
Field work	90,213	60,087
Office and supplies	248,143	234,877
Contract services	178,866	123,771
Professional fees	8,085	14,078
Staff employment	14,297	10,643
Contract clinical	527,484	604,066
Advertising and promotion	158,163	113,755
Telephone	90,184	59,356
Memberships and dues	51,949	55,683
Other equipment rental	3,461	7,966
Equipment maintenance	168,104	162,414
Equipment	141,720	317,468
	$ 43,624,351	$ 43,010,765

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Schedule - Student Services Expense

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries	$ 3,940,057	$ 3,668,738
Fringe benefits	800,484	747,761
Advertising and recruitment	46,011	41,197
Travel and conferences	210,345	187,739
Professional development	1,643	3,030
Office and supplies	163,518	126,673
Professional fees	3,947	3,576
Contract services	163,887	147,870
Equipment maintenance	34,922	34,570
Equipment	12,450	9,316
Staff employment	1,180	3,800
Telephone	15,184	6,151
Instructional supplies	360,958	266,397
Memberships and dues	22,261	11,771
Student assistance - tuition fee bursary	1,702,405	1,089,960
	$ 7,479,252	$ 6,348,549

Consolidated schedule - Administration Expense

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries	$ 4,995,169	$ 4,604,408
Fringe benefits	1,179,839	1,088,378
Staff employment and recruitment	17,899	17,227
Advertising and promotion	769,119	577,990
Office and supplies	890,116	866,016
Termination gratuities	394,940	-
Travel and conferences	210,994	209,592
Telephone	223,451	222,022
Professional fees	164,553	165,173
Equipment maintenance	727,782	507,686
Professional development	104,686	105,081
Insurance	305,821	247,479
Contract services	194,848	273,802
Equipment rental (net of chargebacks)	949,999	1,057,596
Memberships and dues	190,805	152,531
Interest	888,463	1,191,519
Equipment	44,983	22,906
	$ 12,253,467	$ 11,309,406

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Schedule - Plant and Property Expense

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Salaries	$ 1,859,860	$ 1,775,806
Fringe benefits	389,169	356,188
Travel and conferences	15,968	7,465
Janitorial	450,972	360,013
Grounds maintenance	221,013	252,761
Utilities and services	1,969,603	2,218,217
Vehicle	21,589	21,911
Premise rental	468,775	269,539
Professional fees	42,750	23,246
Professional development	6,628	5,262
Contracted services	1,423,061	1,323,161
Advertising and promotion	447	664
Equipment rental	-	4,832
Office and supplies	28,103	19,325
Equipment maintenance	78,828	85,717
Maintenance of buildings	289,695	294,796
Telephone	3,763	17,645
Memberships and dues	1,920	2,040
Equipment	13,388	18,632
Staff employment	2,313	852
	$ 7,287,845	$ 7,058,072

Consolidated schedule - Supplementary Expense

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Program stipends and allowances	$ 1,654,667	$ 1,762,482
Municipal taxes	477,876	462,617
	$ 2,132,543	$ 2,225,099

ST.CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Schedule - Ancillary Operations

Year ended March 31, 2006, with comparative figures for 2005

	2006	2005
Revenue:		
Bookstore	$ 399,764	$ 496,515
Snack bars/recreation facility	160,983	143,983
Parking lots	591,005	603,983
Varsity athletics	366,230	410,946
Cafeterias	53,957	106,377
Student lockers	25,374	19,221
Print shop	42,295	-
Residence	2,473,700	2,323,593
	4,113,308	4,104,618
Expense:		
Snack bars/recreation facility	157,452	156,396
Parking lots	588,337	723,996
Varsity athletics	366,230	413,433
Cafeterias	23,116	1,382
Student lockers	14,589	14,856
Residence	2,296,971	2,245,291
	3,446,695	3,555,354
Net revenue	$ 666,613	$ 549,264