

Financial Statements of

HURON UNIVERSITY COLLEGE

April 30, 2006



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Auditors' Report

The Executive Board of
Huron University College

We have audited the following financial statements of Huron University College:

Statement of Operations for the year ended April 30, 2006

Statement of Financial Position as at April 30, 2006

Statement of Changes in Net Assets for the year ended April 30, 2006

Statement of Cash Flows for the year ended April 30, 2006

These financial statements are the responsibility of the University'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 University as at April 30, 2006 and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Chartered Accountants
May 31, 2006

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HURON UNIVERSITY COLLEGE

Statement of Operations

Year ended April 30, 2006

	<u>2006</u>	<u>2005</u>
REVENUE		
Student fees	\$ 5,734,405	\$ 5,723,519
Government grants	4,949,368	4,556,047
	<u>10,683,773</u>	<u>10,279,566</u>
Ancillary net income (Note 9)	773,576	560,104
External trust	55,110	61,398
Foundation transfer (Note 10)	608,256	470,729
	<u>1,436,942</u>	<u>1,092,231</u>
Other revenue (Note 11)	776,226	728,279
Gain on sale of capital asset	-	1,364
Total Revenue	<u>12,896,941</u>	<u>12,101,440</u>
EXPENDITURES		
Salaries and benefits - faculty	5,341,705	5,114,975
Salaries and benefits - staff	1,409,985	1,312,499
Registrarial	542,110	487,978
Academic instructional	703,300	636,067
UWO fees	791,476	725,047
	<u>8,788,576</u>	<u>8,276,566</u>
Scholarships and bursaries	892,221	803,884
Building costs - academic	448,078	416,525
General administration	354,074	424,581
Alumni development	298,440	268,970
	<u>1,992,813</u>	<u>1,913,960</u>
Total Operating Expenditures	<u>10,781,389</u>	<u>10,190,526</u>
EXCESS OF REVENUES OVER EXPENDITURES BEFORE UNDERNOTED	2,115,552	1,910,914
Depreciation	1,064,491	1,058,898
EXCESS OF REVENUE OVER EXPENDITURE	<u>\$ - 1,051,061</u>	<u>\$ 852,016</u>

HURON UNIVERSITY COLLEGE

Statement of Financial Position

April 30, 2006

	<u>2006</u>	<u>2005</u>
ASSETS		
CURRENT		
Accounts receivable	\$ 480,293	\$ 1,259,180
Due from Huron University College Foundation	101,496	61,722
	<u>581,789</u>	<u>1,320,902</u>
CAPITAL (Note 3)	14,702,320	15,010,572
	<u>\$ 15,284,109</u>	<u>\$ 16,331,474</u>
LIABILITIES		
CURRENT		
Bank indebtedness (Note 4)	\$ 66,566	\$ 1,731,086
Demand loans (Note 4)	1,071,096	1,359,743
Accounts payable and accrued liabilities	450,600	287,432
Advance tuition and residence deposits	328,730	414,792
Deferred revenue	39,172	9,908
Current portion of long-term debt (Note 6)	638,052	258,677
	<u>2,594,216</u>	<u>4,061,638</u>
DEFERRED CAPITAL CONTRIBUTIONS (Note 5)	3,539,226	3,559,417
DEFERRED REVENUE	-	91,909
LONG-TERM DEBT (Note 6)	2,075,108	2,710,780
EMPLOYEE FUTURE BENEFITS (Note 7)	413,986	297,218
	<u>8,622,536</u>	<u>10,720,962</u>
NET ASSETS		
Invested in capital assets	7,445,018	7,483,800
Internally restricted (Note 17)	675,000	-
Unrestricted	(1,458,445)	(1,873,288)
	<u>6,661,573</u>	<u>5,610,512</u>
	<u>\$ 15,284,109</u>	<u>\$ 16,331,474</u>

APPROVED BY THE BOARD:

_____ Director

_____ Director

HURON UNIVERSITY COLLEGE
Statement of Changes in Net Assets
Year ended April 30, 2006

	2006		2005		Total	Invested in Capital Assets	Unrestricted	Restricted	Total	Invested in Capital Assets	Unrestricted	Total
	Invested in Capital Assets	Internally Restricted	Invested in Capital Assets	Unrestricted								
BALANCE, BEGINNING OF YEAR	\$ 7,483,800	\$ (1,873,288)	\$ -	\$ 5,610,512	\$ 7,610,975	\$ (3,108,463)	\$ 4,502,512	187,840	7,798,815	(3,108,463)	4,690,352	
As previously reported	-	-	-	-	-	-	-	-	-	-	-	
Restatement of prior years (Note 16)	7,483,800	(1,873,288)	-	5,610,512	7,798,815	(3,108,463)	4,690,352	-	-	-	-	
As restated	-	1,051,061	-	1,051,061	-	852,016	852,016	-	-	-	-	
EXCESS OF REVENUES OVER EXPENDITURES	(1,064,491)	1,064,491	-	-	(1,058,898)	1,058,898	-	-	-	-	-	
Depreciation of capital assets	244,935	(244,935)	-	-	209,666	(209,666)	-	-	-	-	-	
Amortization of deferred contributions	328,010	(328,010)	-	-	104,106	(104,106)	-	-	-	-	-	
Capital assets acquired from own funds	-	(675,000)	675,000	-	-	-	-	-	-	-	-	
Interfund transfer	-	-	-	-	68,144	-	68,144	-	-	-	-	
Contributed capital asset	(491,546)	867,607	675,000	1,051,061	(676,982)	1,597,142	920,160	-	-	-	-	
Repayment of long-term debt (Note 6)	256,297	(256,297)	-	-	224,328	(224,328)	-	-	-	-	-	
Repayment of demand loan (Note 4)	196,467	(196,467)	-	-	137,639	(137,639)	-	-	-	-	-	
	(38,782)	414,843	675,000	1,051,061	(315,015)	1,235,175	920,160	-	-	-	-	
BALANCE, END OF YEAR	\$ 7,445,018	\$ (1,458,445)	\$ 675,000	\$ 6,661,573	\$ 7,483,800	\$ (1,873,288)	\$ 5,610,512	68,144	7,551,944	(1,873,288)	5,678,656	

HURON UNIVERSITY COLLEGE

Statement of Cash Flows

Year ended April 30, 2006

	<u>2006</u>	<u>2005</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 1,051,061	\$ 852,016
Items not involving cash:		
Depreciation of capital assets	1,064,491	1,058,898
Amortization of deferred capital contributions	(244,935)	(209,666)
Gain on disposal of capital assets	-	(1,364)
Employee future benefits	116,768	19,384
Change in non-cash working capital items (Note 12)	845,483	(1,450,755)
	<u>2,832,868</u>	<u>268,513</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to capital assets	(756,239)	(2,213,162)
Proceeds of disposal of capital assets	-	1,364
Increase in deferred capital contributions	224,744	523,519
	<u>(531,495)</u>	<u>(1,688,279)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in deferred revenue	(91,909)	(159,533)
Proceeds from long-term debt	-	1,850,000
Repayment of long-term debt	(256,297)	(224,328)
Proceeds from demand loans	-	209,743
Repayment of demand loans	(288,647)	(250,000)
	<u>(636,853)</u>	<u>1,425,882</u>
DECREASE IN BANK INDEBTEDNESS	1,664,520	6,116
BANK INDEBTEDNESS, BEGINNING OF YEAR	(1,731,086)	(1,737,202)
BANK INDEBTEDNESS, END OF YEAR	\$ (66,566)	\$ (1,731,086)

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

1. PURPOSE OF THE ORGANIZATION

Huron University College ("the University") is a university institution with undergraduate programs in Arts and Social Sciences, and graduate programs in Theology. The University is affiliated with The University of Western Ontario and closely associated with the Anglican Church of Canada. The University is incorporated under the statutes of the Province of Ontario. The University is a not-for-profit organization under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies.

Revenue recognition

The University follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount received can be reasonably estimated and collection is reasonably assured.

Capital assets

Capital assets are carried at cost. When an asset is sold or otherwise disposed of, the related cost and accumulated depreciation are removed from the respective accounts and any gain or loss on disposition is recognized in operations for the year.

The carrying amount of a capital asset not being depreciated because it is under construction or development is classified as work-in-process. Depreciation expense is calculated upon completion of construction and allocation of the asset to its appropriate capital asset account.

Depreciation expense is calculated on all depreciable assets based on the following methods, utilizing estimated lives according to Canadian Association of University Business Officers guidelines for Canadian colleges and universities as follows:

Buildings	5% declining balance
Equipment and furniture	10 years straight line
Computer equipment	4 years straight line
Library books	5 years straight line
Food court	5% declining balance

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Deferred capital contributions

Effective May 1, 1997 contributions received for capital assets are deferred and amortized over the same term and on the same basis as the related capital assets. Contributions related to capital assets acquired prior to fiscal 1998 are not reasonably determinable and therefore, the change in policy was applied prospectively.

Employee future benefits

The University provides a Retirement Gratuity Plan, which is a defined benefit plan. Benefits from the Gratuity Plan are provided only to participants who had benefits under the Standard Life Group Annuity plan as at December 31, 1986, only if the participant invests his/her defined contribution account in accordance with plan provisions and meets all other conditions necessary for receiving such benefits. The service cost and accrued benefit obligation of the Gratuity Plan is actuarially determined using a modified form of the projected unit credit actuarial cost method pro-rated on services. The employees of the University are also eligible to be members of the University of Western Ontario ("UWO") Academic and Staff/Management Pension Plan, which is a defined contribution plan.

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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

3. CAPITAL ASSETS

	2006		2005	
	Cost	Accumulated Depreciation	Net Book Value	Net Book Value
Land	\$ 325,458	\$ -	\$ 325,458	\$ 325,458
Building	20,680,168	8,708,955	11,971,213	12,392,794
Equipment and furniture	3,784,292	2,966,372	817,920	653,908
Computer equipment	580,530	436,691	143,839	155,363
Library books	1,456,896	1,082,904	373,992	379,456
Food court	2,064,886	994,988	1,069,898	1,103,593
	<u>\$ 28,892,230</u>	<u>\$ 14,189,910</u>	<u>\$ 14,702,320</u>	<u>\$ 15,010,572</u>

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

4. BANK INDEBTEDNESS AND DEMAND LOANS

	<u>2006</u>	<u>2005</u>
<i>Bank indebtedness</i>		
Unsecured demand loan bearing interest at prime less 0.25%	\$ -	\$ 1,375,000
Bank overdraft	66,566	356,086
	<u>\$ 66,566</u>	<u>\$ 1,731,086</u>
<i>Demand loans</i>		
Unsecured demand loan bearing interest at prime		
Superbuild	\$ 150,000	\$ 400,000
Unsecured demand loan bearing interest at prime less 0.25% -		
New residence	921,096	959,743
	<u>\$ 1,071,096</u>	<u>\$ 1,359,743</u>

Of the demand loan repayment made, \$92,180 was funded through external contributions and \$196,467 was repaid using the University's own funds.

Security

No specific security has been pledged, but the University agrees not to encumber any real estate assets without the bank's prior written consent.

5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred Capital Contributions

	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 1,839,943	\$ 1,827,046
Facility renewal/infrastructure capital grant	66,221	59,221
Facility renewal applied from prior year	295,664	-
Huron University College Foundation capital contribution	36,374	56,274
Other capital contributions	29,969	-
Total contributions received	<u>428,228</u>	<u>115,495</u>
Amortized to operations	<u>(122,981)</u>	<u>(102,598)</u>
	<u>\$ 2,145,190</u>	<u>\$ 1,839,943</u>

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

5. DEFERRED CAPITAL CONTRIBUTIONS (continued)

Unapplied Deferred Capital Contributions

	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 295,664	\$ -
Facility renewal	-	295,664
Contributions expended during the year	(295,664)	
Balance, end of year	\$ -	\$ 295,664

Deferred Superbuild Capital Contributions

	<u>2006</u>	<u>2005</u>
Balance, beginning of year	\$ 1,423,810	\$ 1,418,518
Contributions	92,180	112,361
Amortized to operations	(121,954)	(107,069)
	(29,774)	5,292
Balance, end of year	\$ 1,394,036	\$ 1,423,810

Total deferred capital contributions	\$ 3,539,226	\$ 3,559,417
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Deferred contributions related to capital assets represent restricted contributions to fund capital projects

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

6. LONG-TERM DEBT

	<u>2006</u>	<u>2005</u>
<i>Food court loan</i>		
Non-revolving term bank loan bearing interest at 5.3% per annum, payable in full by December 31, 2006. Combined principal and interest payments of \$16,873 are required monthly until the maturity date, with a final payment of the balance of principal and interest outstanding due on the maturity date. Security as described in Note 4.	\$ 546,200	\$ 714,824
<i>O'Neil/Ridley residence loan</i>		
Non-revolving term bank loan bearing interest at prime, payable in full by August 31, 2007. Principal payments of \$4,714 plus interest commencing September 2002 are required monthly until the maturity date, with a final payment of the balance of principal and interest outstanding due on the maturity date. Security as described in Note 4.	358,236	412,461
<i>Southwest residence loan</i>		
Non-revolving term bank loan bearing interest at 5.98% per annum, payable in full by January 31, 2015. Combined principal and interest payments of \$11,916 are required monthly until the maturity date, with a final payment of the balance of principal and interest outstanding due on the maturity date. Security as described in Note 4.	1,808,724	1,842,172
	<u>2,713,160</u>	<u>2,969,457</u>
Less current portion	638,052	258,677
	<u>\$ 2,075,108</u>	<u>\$ 2,710,780</u>

Principal repayments made during the year were as follows:

	<u>2006</u>	<u>2005</u>
Food court loan	\$ 168,624	\$ 159,932
O'Neil/Ridley residence loan	54,225	56,568
Southwest residence loan	33,448	7,828
	<u>\$ 256,297</u>	<u>\$ 224,328</u>

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

6. LONG-TERM DEBT (continued)

The principal repayments over the remaining term of the loans are as follows:

2007	\$	638,052
2008		339,365
2009		40,249
2010		42,490
2011		45,109
Thereafter		1,607,895
	\$	<u>2,713,160</u>

7. EMPLOYEE FUTURE BENEFITS

Employer contributions made to the defined contribution plan during the year amounted to \$404,842 (2005- \$416,964).

Retirement Gratuity Plan

The University does not provide any other material post retirement non-pension benefits or post-employment benefits to its employees.

The accrued benefit obligation was measured as at May 1, 2003 and was extrapolated for the estimated balance at April 30, 2006. The effective date of the most recent valuation is May 1, 2003 and the effective date of the next required valuation is May 1, 2006.

Information about the University's retirement gratuity plan, which is a defined benefit plan as at April 30, is as follows:

	<u>2006</u>	<u>2005</u>
Funded Status		
Funded status - deficit	\$ 609,734	\$ 988,618
Unamortized experience losses	(240,312)	(744,877)
Unamortized transition asset	44,564	53,477
Net accrued benefit liability	<u>\$ 413,986</u>	<u>\$ 297,218</u>

The Retirement Gratuity Plan has no assets. There were no contributions made during the year to the plan and benefits of \$39,928 (2005- \$Nil) were paid out of the plan.

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

7. EMPLOYEE FUTURE BENEFITS (continued)

The University's net benefit plan expense includes the following components:

	<u>2006</u>	<u>2005</u>
Current service cost	\$ 37,117	\$ 24,403
Interest cost	47,740	35,029
Amortization of transition asset	(8,913)	(9,705)
Amortization of experience losses	80,752	50,702
Settlement loss	-	123,534
Net benefit plan expense	<u>\$ 156,696</u>	<u>\$ 223,963</u>

The significant weighted-average assumptions used are as follows:

	<u>2006</u>	<u>2005</u>
	%	%
Accrued benefit obligation as at April 30		
Discount rate	5.1	5.1
Rate of compensation increase	3.5	3.5
Expected rate of return on plan assets	5.0	5.0
Benefit costs for the year ended April 30		
Discount rate	4.7	5.1
Rate of compensation increase	3.5	3.5

8. COMMITMENTS

Lease obligation

The University is obligated to make a series of payments on leases with respect to certain office equipment. The minimum lease payments are as follows:

2007	\$ 50,089
2008	44,100
2009	30,493

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

9. ANCILLARY OPERATIONS

Ancillary operations include the operations of residence, conference facilities and parking facilities. The operations of these facilities are included in the Statement of Operations and are summarized as follows:

	<u>2006</u>	<u>2005</u>
Ancillary revenue		
Residence fees and rentals	\$ 1,666,041	\$ 1,255,671
Conference	471,277	351,904
Parking	285,009	279,424
Food court	218,025	218,025
	<u>2,640,352</u>	<u>2,105,024</u>
Interest on long-term debt	171,855	88,076
Residence salary and benefits	388,893	382,961
Conference salary and benefits	57,726	14,627
Building costs	888,542	773,545
Conference food costs	247,377	210,516
Other costs	112,383	75,195
	<u>1,866,776</u>	<u>1,544,920</u>
Ancillary net income	<u>\$ 773,576</u>	<u>\$ 560,104</u>

10. TRANSACTIONS WITH HURON UNIVERSITY COLLEGE FOUNDATION

The purpose of Huron University College Foundation ("the Foundation") is to administer money received for the benefit of the University. The Foundation was incorporated in Ontario on June 12, 1979 as a not for profit organization and is a registered charity under the Income Tax Act. The Foundation administers certain Trust and Endowment Funds on behalf of the University for the purposes of pooling investment funds to maximize return and minimize costs. The decision-making as to the use of the University Trust and Endowment income rests with the Executive Board of the University.

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

10. TRANSACTIONS WITH HURON UNIVERSITY COLLEGE FOUNDATION (continued)

The Board of Directors of the Foundation approved the transfer to Huron University College of \$736,810 (2005 - \$639,363) for the year ended April 30, which can be detailed as follows:

	<u>2006</u>	<u>2005</u>
Huron University College Foundation		
Trust and Endowment Fund	\$ 62,899	\$ 47,917
Foundation Fund	545,357	422,812
Capital Contributions	36,374	56,273
Foundation Superbuild	92,180	112,361
	<u>736,810</u>	<u>639,363</u>
Deferred Capital Contributions	<u>(128,554)</u>	<u>(168,634)</u>
	<u>\$ 608,256</u>	<u>\$ 470,729</u>

The University has a significant economic interest in the Foundation in that the Foundation solicits funds in the name of and with the expressed or implied approval of the University and substantially all of the funds solicited are intended by the contributor to be transferred to the University.

The Foundation has not been consolidated in the University's financial statements. A financial summary of the Foundation as at December 31, 2005 and December 31, 2004 and the years then ended is as follows:

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

10. TRANSACTIONS WITH HURON UNIVERSITY COLLEGE FOUNDATION (continued)

Huron University College Foundation

Balance Sheet

	<u>2005</u>	<u>2004</u>
Assets		
Investments, at market	\$ 8,363,273	\$ 7,361,069
Other assets	136,656	54,504
	<u>\$ 8,499,929</u>	<u>\$ 7,415,573</u>
Liabilities	<u>\$ 173,835</u>	<u>\$ 400,833</u>
Fund Balances		
Huron University College Trust and Endowment	2,401,092	2,168,866
Foundation	5,925,002	4,845,874
	<u>8,326,094</u>	<u>7,014,740</u>
	<u>\$ 8,499,929</u>	<u>\$ 7,415,573</u>

Statement of Operations

	<u>2005</u>	<u>2004</u>
Revenue	\$ 1,191,000	\$ 1,174,304
Expenditures	(62,669)	(43,370)
Excess of revenue over expenditures	1,128,331	1,130,934
Disbursed to Huron University College	(743,932)	(770,397)
Unrealized capital gain	926,955	682,311
Net increase in fund balances	<u>\$ 1,311,354</u>	<u>\$ 1,042,848</u>

11. OTHER REVENUE

	<u>2006</u>	<u>2005</u>
Amortization of deferred contributions	\$ 244,935	\$ 209,666
Diocesan grant	102,757	97,873
Other academic revenue	326,237	338,967
Miscellaneous revenue	102,297	81,773
	<u>\$ 776,226</u>	<u>\$ 728,279</u>

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

12. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	<u>2006</u>	<u>2005</u>
Accounts receivable	\$ 778,887	\$ (924,958)
Prepaid expenses	-	17,129
Due from Huron University College Foundation	(39,774)	(44,247)
Accounts payable and accrued liabilities	163,168	(334,705)
Advance tuition and residence deposits	(86,062)	(140,577)
Deferred revenue	29,264	(23,397)
	<u>\$ 845,483</u>	<u>\$ (1,450,755)</u>

Interest paid \$ 206,620 \$ 210,985

13. FINANCIAL INSTRUMENTS

Fair values

The University's short-term financial instruments, comprised of bank indebtedness, demand loans, accounts receivable, accounts payable and accrued liabilities, are carried at cost which, due to their short-term nature, approximate their fair value. The carrying value of the long-term debt does not necessarily approximate its fair value. It would not be cost effective to determine the fair value of the debt.

Interest rate risk

The University's exposure to interest rate risk lies in its debt obligations.

Credit risk

Management monitors its credit risk related to diversified sources.

14. ONTARIO STUDENT OPPORTUNITY TRUST FUNDS

The Ontario Student Opportunity Trust Funds ("OSOTF") program was established by the Government of Ontario during 1997 to encourage companies and individuals to contribute funds for Ontario's college and university students. Prior to March 31, 2000, all eligible donations made to the University were matched by the Province on a dollar for dollar basis as cash was received. The matching donations ceased as of March 31, 2000. The University allocates investment income to the fund based on its annual opening balance. Activity in this fund is included in the Huron University College Foundation.

HURON UNIVERSITY COLLEGE

Notes to the Financial Statements

April 30, 2006

14. ONTARIO STUDENT OPPORTUNITY TRUST FUNDS (continued)

The Ministry of Training, Colleges and Universities no longer requires institutions to submit a separate audit report with respect to the OSOTF program, however, it requires that the year-end OSOTF Report must be included in the institution's financial statements. Therefore, these OSOTF schedules have been included with the University's financial statements.

15. TRUST FUNDS

The University is the beneficiary of the income from certain trusts administered on its behalf. The University equally shares the beneficiary of the Colonel Leonard trust with another college.

The income from these trusts flows directly to the University. At April 30th, the book value and market value of the assets contained in the trusts was:

	2006		2005	
	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>
Colonel Leonard	\$ 509,064	\$ 550,735	\$ 514,625	\$ 535,057
Sarah Leonard	701,499	702,726	694,497	683,524
Diocese of Huron	170,696	226,077	170,696	206,243
Trusts administered on behalf of				
Huron University College	\$ 1,381,259	\$ 1,479,538	\$ 1,379,818	\$ 1,424,824

16. RESTATEMENT OF PRIOR YEAR FIGURES

In 2005, the University determined that depreciation expense calculated during 1998-2004 had been overstated. Consequently, the balance of capital assets and invested in capital assets has been increased by \$187,840 and the 2004 financial statements were restated. In addition, previously reported capital assets and invested in capital assets has been increased by \$113,186 as at May 1, 2003. The restatement had no impact on the unrestricted fund.

17. RESTRICTIONS ON NET ASSETS

The University's board of directors restricted \$675,000 of unrestricted net assets of which \$75,000 is to be used for facilities renewal and \$600,000 is to be used for promotion costs. This internally restricted amount is not available for other purposes without approval of the board of directors.

18. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.

HURON UNIVERSITY COLLEGE
ONTARIO STUDENT OPPORTUNITY TRUST FUNDS

Schedule of Changes in Endowment Fund Balance
Year ended December 31, 2005

Fund balance, beginning of year and end of year	\$ 549,192
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Schedule of Changes in Expendable Funds Available for Awards
Year ended December 31, 2005

Balance, beginning of year	\$ 11,172
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Net return on investment	79,032
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Bursaries awarded	(41,011)
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Balance, end of year	\$ 49,193
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Number of awards	30
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