

Consolidated financial statements of

**The Algonquin College of Applied
Arts and Technology**

March 31, 2015

The Algonquin College of Applied Arts and Technology

March 31, 2015

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Independent Auditor's Report

To the Board of Governors of
The Algonquin College of Applied Arts and Technology

We have audited the accompanying consolidated financial statements of The Algonquin College of Applied Arts and Technology (the "College"), which comprise the consolidated statement of financial position as at March 31, 2015, and the consolidated statements of operations, changes in net assets, remeasurement gains and losses and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2015 and the results of its operations and its cash flow for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Deloitte LLP

Chartered Professional Accountants, Chartered Accountants
Licensed Public Accountants


June 8, 2015


The Algonquin College of Applied Arts and Technology

Consolidated statement of financial position
as at March 31, 2015

	2015	2014
	\$	\$
Assets		
Current assets		
Cash	31,597,770	31,311,471
Short-term investments (Note 3)	19,775,086	21,350,896
Accounts receivable (Note 4)	18,673,802	14,020,605
Inventory (Note 5)	1,973,160	1,964,775
Prepaid expenses	2,903,370	1,590,712
	74,923,188	70,238,459
Investments (Note 3)	40,764,808	29,222,152
Investment in Algonquin College - Saudi Arabia (Note 6a)	1,952,651	1,998,098
Endowment assets (Note 7a)	24,707,664	20,810,100
Capital assets (Note 8)	266,177,867	271,415,796
	408,526,178	393,684,605
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	17,768,165	14,530,902
Accrued salaries and employee deductions payable	6,337,971	5,785,363
Deferred revenue (Note 9)	25,487,378	23,187,521
Current portion of long-term debt (Note 10)	2,598,799	2,449,163
	52,192,313	45,952,949
Long-term debt (Note 10)	53,959,687	56,558,486
Interest rate swaps (Note 10)	11,444,225	9,930,830
Vacation, sick leave and post-employment benefits (Note 11)	18,973,958	18,896,993
Deferred capital contributions (Note 12)	155,689,259	161,604,124
	292,259,442	292,943,382
Commitments, guarantees and contingencies (Note 13)		
Net assets (deficiency)		
Unrestricted	1,000,000	1,000,000
Investment in capital assets (Note 14)	53,930,122	50,804,023
Vacation, sick leave and post-employment benefits (Note 11)	(18,973,958)	(18,896,993)
Internally restricted (Note 15)	67,047,133	56,954,923
Endowment fund (Note 7b)	24,707,664	20,810,100
	127,710,961	110,672,053
Accumulated remeasurement losses	(11,444,225)	(9,930,830)
	116,266,736	100,741,223
	408,526,178	393,684,605

Approved by the Board

 Chairman

 Chair, Audit & Risk Management Committee

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Consolidated statement of operations
year ended March 31, 2015

	2015	2014
	\$	\$
Revenue (Schedule A)		
Grants and reimbursements	104,453,002	100,050,650
Student tuition fees	102,395,189	92,626,158
Contract educational services	31,802,785	29,513,307
Ancillary Services (Schedule B)	34,542,049	33,384,347
Other	16,258,743	15,398,540
Amortization of deferred capital contributions (Note 12)	8,232,932	8,299,156
	297,684,700	279,272,158
Expenses		
Salaries and benefits	161,970,003	156,585,768
Building maintenance and utilities	13,791,346	12,569,596
Instructional supplies and equipment	6,959,390	6,619,669
Bursaries and other student aid	7,442,750	6,305,832
Interest	924,956	1,972,566
Amortization and write off of capital assets (Note 12)	15,062,775	15,520,784
Ancillary Services (Schedule B)	27,992,324	27,783,930
Other	51,238,719	45,711,864
	285,382,263	273,070,009
Change in vacation, sick leave and post-employment benefits liabilities (Note 11)	76,965	(966,002)
	285,459,228	272,104,007
Excess of revenue over expenses from operations before the undernoted item	12,225,472	7,168,151
Gain on sale of former Pembroke campus (Note 18)	915,872	-
Excess of revenue over expenses	13,141,344	7,168,151

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Consolidated statement of changes in net assets
year ended March 31, 2015

	Unrestricted	Investment in capital assets (Note 14)	Vacation, sick leave and post-employment benefits (Note 11)	Internally restricted (Note 15)	Endowment fund (Note 7)	2015	2014
	\$	\$	\$	\$	\$	\$	\$
Net assets, beginning of year	1,000,000	50,804,023	(18,896,993)	56,954,923	20,810,100	110,672,053	100,604,738
Excess of revenue over expenses	13,141,344	-	-	-	-	13,141,344	7,168,151
Change in vacation, sick leave and post-employment benefits liabilities (Note 11)	76,965	-	(76,965)	-	-	-	-
Internally imposed restrictions	(10,092,210)	-	-	10,092,210	-	-	-
Net change in investment in capital assets (Note 14)	(3,126,099)	3,126,099	-	-	-	-	-
Endowment contributions and investment income (Note 7)	-	-	-	-	3,897,564	3,897,564	2,899,164
Net assets (deficiency), end of year	1,000,000	53,930,122	(18,973,958)	67,047,133	24,707,664	127,710,961	110,672,053

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Consolidated statement of remeasurement gains and losses
year ended March 31, 2015

	2015	2014
	\$	\$
Accumulated remeasurement losses, beginning of year	(9,930,830)	(13,722,914)
Unrealized gains (losses) attributable to:		
Interest rate swaps	(1,513,395)	3,792,084
Accumulated remeasurement losses, end of year	(11,444,225)	(9,930,830)

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Consolidated statement of cash flow
year ended March 31, 2015

	2015	2014
	\$	\$
Operating activities		
Excess of revenue over expenses	13,141,344	7,168,151
Items not affecting cash		
Amortization of capital assets	15,048,101	15,451,829
Write off of capital assets	14,674	68,955
Gain on Sale of Pembroke Campus (Note 18)	(915,872)	-
Amortization and write off of deferred capital contributions	(8,232,932)	(8,299,156)
Investment (gain) loss Algonquin College Saudi Arabia	(767,147)	730,229
Foreign currency translation adjustment - Saudi Arabia	127,437	-
Change in vacation, sick leave and post-employment benefits liabilities (Note 11)	76,965	(966,002)
	18,492,570	14,154,006
Changes in non-cash operating working capital items (Note 17)	115,488	5,563,087
	18,608,058	19,717,093
Financing activities		
Principal repayments of long-term debt	(2,449,163)	(2,494,235)
(Decrease) increase in long-term debt	-	(3,358,183)
Disposal of investments	40,137,395	43,898,382
Purchases of investments	(50,104,241)	(47,752,617)
Net Contributions to Endowment Fund	1,027,947	3,217,191
	(11,388,062)	(6,489,462)
Capital activities		
Capital asset additions (Note 14)	(10,659,243)	(6,981,856)
Capital contributions received (Note 12)	2,630,382	3,726,614
	(8,028,861)	(3,255,242)
Investing activities		
Net proceeds on sale of Pembroke Campus	1,437,954	-
Investment in Algonquin College - Saudi Arabia	685,157	(2,728,327)
Disposal of endowed assets	5,830,556	11,701,708
Purchases of endowed assets	(6,858,503)	(14,918,899)
	1,095,164	(5,945,518)
Increase in cash and cash equivalents	286,299	4,026,871
Cash and cash equivalents, beginning of year	31,311,471	27,284,600
Cash and cash equivalents, end of year	31,597,770	31,311,471
Interest paid in the year	3,495,858	3,814,219

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

1. Description of the College

The Algonquin College of Applied Arts and Technology (the "College") was incorporated as a College in 1966 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 exempt, under Section 149 of the Income Tax Act, from payment of income taxes.

2. Significant accounting policies

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards for government not-for-profit organizations ("PSAS") and include the following significant accounting policies:

a) *Basis of presentation*

These consolidated financial statements include the accounts of the College and its controlled for-profit entities:

- 2364193 Ontario Inc., which is fully consolidated in these consolidated financial statements, and
- Algonquin College - Saudi Arabia, which is accounted for on a modified equity basis. Information concerning this entity is presented in the notes to these financial statements.

The College does not consolidate in its financial statements the results and financial position of its controlled not-for-profit organization, Algonquin College Foundation. Information concerning this entity is presented in the notes to these financial statements.

These consolidated financial statements do not reflect the assets, liabilities and results of operations of the various student organizations at the College, as these Organizations are not controlled by the College.

b) *Revenue*

The College uses the deferral method of accounting for contributions for government not-for-profit organizations.

- i. Unrestricted contributions are recognized as revenue when received or receivable. Contributions externally restricted for purposes other than endowment are deferred and recognized as revenue in the period in which the related expenses are recognized. Contributions to endowment funds are recognized as direct increases in net assets in the period received.

Operating grants are recorded as revenue in the period to which they relate. Grant amounts relating to future periods are deferred and recognized in the subsequent period when the related activity occurs. Grants approved but not received are accrued or deferred.

- ii. Contributions received for capital assets are deferred and amortized into revenue over the same term and on the same basis as the related capital asset. Contributions of land are recognized as direct increases in investment in capital assets in the period received.
- iii. Student tuition fees are recorded in the accounts based on the academic period of the specific courses. Tuition fees are deferred to the extent that the courses extend beyond the fiscal year of the College.
- iv. Contract educational services are recorded in the accounts based on the services provided in the College's fiscal year on a percentage of completion basis.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements

March 31, 2015

2. Significant accounting policies (continued)

b) Revenue (continued)

- v. Unrestricted investment income is recognized as revenue on an accrual basis. All unrealized gains or losses in the fair value of unrestricted investments are recognized in the statement of remeasurement gains and losses; once realized, these gains and losses are recognized in the statement of operations.

c) Employee benefit plans

The College accrues its obligations for employee benefit plans. The cost of non-pension post-retirement and post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on services and management's best estimate of retirement ages of employees and expected health care costs.

The College is an employer member of the Colleges of Applied Arts and Technology Pension Plan, which is a multi-employer, defined benefit pension plan. The College has adopted defined contribution plan accounting principles for this plan because insufficient information is available to apply defined benefit plan accounting principles.

d) Financial instruments

All financial instruments reported on the statement of financial position of the College are classified as follows:

Cash	Fair value
Short-term investments	Fair value
Accounts receivable	Amortized cost
Investment	Fair value
Endowment assets	Fair value
Bank indebtedness	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Accrued salaries and employee deductions payable	Amortized cost
Long-term debt	Amortized cost
Interest rate swaps	Fair value

Fair value for investments is determined at quoted market prices.

i. Cash

Cash is comprised of the net amount of: cash on hand and short term investments, if any, which are highly liquid, subject to insignificant risk of changes in value and have a short maturity term of less than 90 days from the date of acquisition.

ii. Investments

Purchases of investments are recorded on the settlement date. Transaction costs related to the acquisition of investments are expensed. Short-term investments are fixed-term investments maturing within the next fiscal year.

Unrealized gains or losses on investments denominated in foreign currencies are recorded in the statement of remeasurement gains and losses; once realized, they are derecognized from the statement of remeasurement gains and losses and recognized in the statement of operations.

iii. Endowed investments

Realized investment income and unrealized gains or losses from the change in fair value are recorded in the statement of changes in net assets. Sales and purchases of endowed investments are recorded on the settlement date. Transaction costs related to the acquisition of endowed investments are recorded against the realized investment income of the Endowment Fund.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements

March 31, 2015

2. Significant accounting policies (continued)

d) *Financial instruments (continued)*

iv. *Foreign currency*

Investments denominated in foreign currencies are translated using rates of exchange in effect at the statement of financial position date.

v. *Interest rate swaps*

The College is party to interest rate swap agreements used to manage the exposure to market risks from changing interest rates. The College's policy is not to utilize derivative financial instruments for trading or speculative purposes. The fair value of the swap is determined by discounting future cash flows, which are based on the difference between the market interest rate and the fixed interest rate the College pays.

Unrealized gains or losses on interest rate swaps are recorded in the statement of remeasurement gains and losses; once realized, they are derecognized from the statement of remeasurement gains and losses and recognized in the statement of operations.

e) *Other financial instruments*

The College records accounts receivable, accounts payable and accrued liabilities, accrued salaries and employee deductions payable and long-term debt at amortized cost using the effective interest method.

f) *Inventory*

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

g) *Capital assets*

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments that extend the estimated life of an asset are capitalized. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. When a capital asset no longer contributes to the College's ability to provide services, or the value of the future economic benefits associated with the capital asset is less than its net book value, the carrying value of the capital asset is reduced to reflect the decline in the asset's value.

- i. Furniture and library holdings are charged to expenses in the year of acquisition.
- ii. Computer software is charged to expenses in the year of acquisition.
- iii. Land originally acquired at the Woodroffe campus is recorded at a nominal value of \$1 with subsequent additions recorded at cost. Land is not amortized due to its infinite life.
- iv. Donated capital assets are recorded at the value of the receipt issued to the donor, which reflects estimated fair value of the capital asset at the time of the donation.
- v. Construction in progress is not amortized until the project is complete and the facilities are available for use.

Capital assets are capitalized on acquisition and amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Buildings	40 years
Site improvements	10-20 years
Equipment and computers	5 years

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

2. Significant accounting policies (continued)

h) Expenses

In the statement of operations, the College presents its expenses by object, except for Ancillary Services which are presented by function.

Expenses are recognized in the year incurred and are recorded in the applicable function to which they are directly related. The College does not allocate expenses among functions after initial recognition.

i) Contributed services

Volunteers contribute an indeterminable number of hours per year to assist the College in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these consolidated financial statements.

j) Taxes

The College uses the taxes payable method to account for all income taxes related to its controlled for-profit entities.

k) Use of estimates

The preparation of these consolidated financial statements 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 consolidated financial statements, as well as the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in the periods in which they become known. The most significant estimates used in preparing these consolidated financial statements include assumptions used in determining the fair value of investments, endowment assets and interest rate swaps, the allowance for doubtful accounts, the amount of accrued liabilities, the estimated useful lives of tangible capital assets and the calculation of post-employment benefit liabilities.

3. Investments

Short-term investments of \$19,775,086 (2014 - \$21,350,896) consist entirely of fixed income securities that will be maturing within a year. Long-term investments consist of the following:

	2015	2014
	\$	\$
Fixed income securities	38,859,473	27,409,187
Bond funds	1,352,788	1,287,205
Equity	552,547	525,760
	40,764,808	29,222,152

The College's fixed income securities have effective interest rates ranging from 1.75% to 4.03% and maturity dates ranging from May 2015 to April 2018 (March 31, 2014 - 2.1% to 4.0% and maturity dates ranging from May 2015 to September 2017).

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

4. Accounts receivable

	2015	2014
	\$	\$
Government of Ontario	2,129,477	1,671,764
Harmonized Sales Tax receivable	1,895,819	917,061
Trade	5,017,137	3,392,719
Students	4,912,064	4,008,168
Other	6,078,616	5,451,720
Allowance for doubtful accounts	(1,359,311)	(1,420,827)
	18,673,802	14,020,605

Details on due dates for receivables are as follows:

	2015				
	0-30 days	31-60 days	61-90 days	Over 90 days	Total
	\$	\$	\$	\$	\$
Government of Ontario	1,964,315	165,162	-	-	2,129,477
Harmonized Sales Tax receivable	1,895,819	-	-	-	1,895,819
Trade	3,765,205	563,646	189,420	498,866	5,017,137
Students	234,835	3,050,112	-	1,627,117	4,912,064
Other	5,942,296	14,381	23,393	98,546	6,078,616
Allowance for doubtful accounts	-	(337,232)	-	(1,022,079)	(1,359,311)
	13,802,470	3,456,069	212,813	1,202,450	18,673,802

	2014				
	0-30 days	31-60 days	61-90 days	Over 90 days	Total
	\$	\$	\$	\$	\$
Government of Ontario	1,671,764	-	-	-	1,671,764
Harmonized Sales Tax receivable	917,061	-	-	-	917,061
Trade	2,537,934	439,531	19,085	396,169	3,392,719
Students	148,978	2,468,358	-	1,390,832	4,008,168
Other	5,285,595	3,253	13,364	149,508	5,451,720
Allowance for doubtful accounts	-	(358,037)	-	(1,062,790)	(1,420,827)
	10,561,332	2,553,105	32,449	873,719	14,020,605

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

5. Inventory

	2015	2014
	\$	\$
Bookstore	1,670,601	1,647,358
Food services	254,946	262,545
Publishing centre	20,631	31,425
Stationery and supplies	9,547	12,365
Hospitality	17,435	11,082
	1,973,160	1,964,775

The amount of inventory expensed during the year is \$14,791,431 (2014 - \$16,181,798).

6. Controlled entities

(a) Investment in Algonquin College - Saudi Arabia

Algonquin College - Saudi Arabia is a limited liability company, incorporated on June 26, 2013 under the laws of the Kingdom of Saudi Arabia, as a for-profit entity with an August 31 year-end. It is a subsidiary of Algonquin College of Applied Arts and Technology. The due from Algonquin College - Saudi Arabia is without defined terms of repayment and is non-interest bearing.

	2015	2014
	\$	\$
Investment, beginning of year	(588,119)	-
Initial investment	-	142,110
Net gain (loss) for the year	767,147	(730,229)
Foreign currency translation adjustment	(127,437)	-
Investment before the undernoted	51,591	(588,119)
Due from Algonquin College - Saudi Arabia as at March 31st	1,901,060	2,586,217
Net investment, end of year	1,952,651	1,998,098

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

6. Controlled entities (continued)

(a) Investment in Algonquin College - Saudi Arabia (continued)

The financial position of Algonquin College - Saudi Arabia and the results of its operations and its cash flows as at and for the year ended March 31, 2015 is as follows

	2015	2014
	\$	\$
Financial position		
Assets	10,246,467	4,146,466
Liabilities	10,194,876	4,734,585
Deficit		
Foreign currency translation adjustment	(127,437)	-
Shareholders' equity (deficiency)	179,028	(588,119)
	51,591	(588,119)
	10,246,467	4,146,466
Results of operations		
Revenue	10,173,860	6,245,917
Expenses	9,406,713	6,976,146
Net gain (loss)	767,147	(730,229)
Cash flows		
Operating activities	(1,915,435)	3,688,794
Capital activities	(3,725,941)	(2,112,196)
Financing activities	7,215,157	142,110
Net cash flow	1,573,781	1,718,708

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

6. Controlled entities (continued)

(b) Algonquin College Foundation

The College controls the Algonquin College Foundation by virtue of a Memorandum of Agreement between the two parties. The objectives of the Foundation are to solicit, receive, manage and distribute money and other property to support education at the College. The Foundation was incorporated without share capital on December 4, 1995 under the Ontario Corporations Act and is exempt from income taxes.

The College provides administrative services to the Foundation which includes: financial accounting, human resources, and information systems services. In addition, the College funds the direct operating costs of the Foundation. There is no cost recovery by the College to the Foundation for these services. The total value of these expenses is \$724,512 (2014 - \$690,166), which includes salaries and benefits of \$587,811 (2014 - \$597,905) and operating costs of \$136,701 (2014 - \$92,261). These expenses are recorded in the College's financial statements, and are not recorded as expenses in the Foundation's financial statements.

During the year, the College received \$2,912,019 (2014 - \$3,073,791) from the Foundation consisting of:

	2015	2014
	\$	\$
Endowed contributions	500,939	538,329
Deferred capital contributions	935,239	1,338,668
Other restricted contributions	1,475,841	1,196,794
	2,912,019	3,073,791

The summarized assets, liabilities and results of operations for the Foundation for the year ended March 31, 2015 is as follows:

	2015	2014
	\$	\$
Financial position		
Total assets	278,970	257,880
Liabilities and fund balances		
Deferred revenue	25,400	10,000
Fund balances	253,570	247,880
Total liabilities and fund balances	278,970	257,880
Results of operations		
Revenue	3,045,431	3,208,429
Expenses	3,039,741	3,157,031
Excess of revenue over expenses	5,690	51,398
Cash flows		
Operating activities	20,890	61,667
Net cash flow	20,890	61,667

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

7. Endowment assets

- a) Endowment assets represent funds held or receivable by the College which have been permanently endowed. The carrying value of endowed investments is recorded at fair value.

The endowment assets consist of the following:

Fair value

	2015	2014
	\$	\$
Endowed investments		
Cash equivalents	902,780	1,029,047
Bonds	9,129,860	8,069,566
Equities	14,675,024	11,711,487
	24,707,664	20,810,100

Cost

	2015	2014
	\$	\$
Endowed investments		
Cash equivalents	902,780	1,029,046
Bonds	8,648,754	7,905,024
Equities	10,628,399	10,217,914
	20,179,933	19,151,984

Endowed investments are managed by investment managers under an investment policy approved by the Board of Governors. The investment policy limits investments to Canadian and foreign equities traded on a public market, Canadian and the United States government, corporate bonds with a minimum rating of A-, and cash equivalents.

The bonds have effective interest rates of 2.05% to 7.77% and maturity dates ranging from June 2015 to December 2045 (March 31, 2014 - 2.05% to 7.68% and maturity dates ranging from September 2014 to June 2023).

The College regularly reviews endowed investments to determine whether unrealized losses represent temporary changes in fair value or are a result of other than temporary impairments. The consideration of whether an investment is other than temporarily impaired is based on a number of factors which include, but are not limited to, the financial condition of the issuer and the length and magnitude of the unrealized loss and specific credit events.

The College also considers its intent and ability to hold an investment for a sufficient period of time for the value of the unrealized loss to recover.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements

March 31, 2015

7. Endowment assets (continued)

- b) Endowed funds consist of external contributions that either the donor or the College has designated as a permanent endowment. The endowed funds cannot be expended by the College. The annual income earned on the endowed funds may be expended only for the externally restricted purpose specified by the donor or the College. The changes during the year in the Endowment Fund / Assets are as follows:

	2015	2014
	\$	\$
Opening balance	20,810,100	17,910,936
Contributions	598,136	621,895
Realized investment income	1,282,667	3,252,435
Distributions	(852,856)	(657,139)
Net contribution to Endowment Fund	1,027,947	3,217,191
Change in unrealized gains due to changes in fair value of endowment assets	2,869,617	(318,027)
Net change in Endowment Fund	3,897,564	2,899,164
Ending balance	24,707,664	20,810,100

The College's endowment policy is to annually distribute investment income equal to 4% of the Endowment Fund's book value at the end of the preceding fiscal year. The purpose of this policy is to allow the College to distribute a consistent amount of income from the endowed funds on an annual basis regardless of the investment income actually earned in the fiscal year.

In June 2014, the College's Board of Governors approved the Foundation's five-year fundraising plan and fundraising model which included a 1% administrative fee to cover a portion of the cost of fundraising expenses incurred by the College on behalf of the Foundation. This fee is calculated as 1% of the Endowment Fund book value at the end of the previous year. In 2015, the fee was \$170,847 (2014- \$NIL).

As at March 31, 2015, the Endowment Fund / Assets included a balance of \$2,497,016 (2014 - \$2,067,205) which represents the cumulative realized investment income in excess of amounts distributed. The changes during the year are as follows:

	2015	2014
	\$	\$
Amount available for future distribution, beginning of year	2,067,205	(528,091)
Realized investment income	1,282,667	3,252,435
Amount distributed	(852,856)	(657,139)
Amount available for future distribution, end of year	2,497,016	2,067,205

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

8. Capital assets

			2015
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	6,895,284	-	6,895,284
Buildings	317,571,737	84,845,487	232,726,250
Work in progress	-	-	-
Site improvements	36,254,899	20,287,622	15,967,277
Parking lots	4,291,520	3,760,774	530,746
Computers and equipment	63,017,303	53,034,064	9,983,239
Automotive equipment	254,176	179,105	75,071
	428,284,919	162,107,052	266,177,867

			2014
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	7,336,878	-	7,336,878
Buildings	318,412,976	78,545,322	239,867,654
Work in progress	279,790	-	279,790
Site improvements	29,311,624	17,510,383	11,801,241
Parking lots	4,391,024	3,741,102	649,922
Computers and equipment	62,886,565	51,434,982	11,451,583
Automotive equipment	213,706	184,978	28,728
	422,832,563	151,416,767	271,415,796

9. Deferred revenue

Details of the year-end balance are as follows:

	2015	2014
	\$	\$
Student tuition fees	17,506,610	15,911,762
Grant and reimbursements	128,698	87,534
Contract education services	2,390,690	2,569,740
Student aid	833,090	701,016
Miscellaneous projects	4,628,290	3,917,469
	25,487,378	23,187,521

Student tuition fees are for academic courses which extend beyond the fiscal year of the College.

Grants and reimbursements are unexpended externally restricted grants to be spent on future specific projects, including improvements and investments in the College's campus facilities, information systems, and equipment and programs.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements

March 31, 2015

9. Deferred revenue (continued)

Contract education services represent prepayments for courses to be held in future years.

Student aid represents the unexpended donations and interest to be spent on student scholarships and bursaries in future years.

Miscellaneous projects include contributions, deposits and prepayments related to small, miscellaneous activities of the College.

10. Long-term debt and interest rate swaps

a) Long-term debt

The College has entered into the following long-term debt agreements to finance the construction of student residences, the Police and Public Safety Institute, and the Student Commons:

	2015	2014
	\$	\$
Residence I building loan, bearing interest at prime plus 1.00% maturing in 2025, with average monthly payments of \$96,635	8,233,815	8,739,233
Residence II building loan, bearing interest at prime plus 0.25% maturing in 2027, with average monthly payments of \$122,832	11,942,158	12,574,494
Residence III building loan, bearing interest at prime plus 0.25% maturing in 2029, with monthly payment of \$126,755	13,046,077	13,635,718
Police and Public Safety Institute loan, bearing interest at prime plus 1.00%, maturing in 2025, with monthly payments of \$67,833	3,076,394	3,269,526
Student Commons loan, bearing interest at 4.008%, maturing in 2037, with semi-annual payments of \$678,301	20,260,042	20,788,678
	56,558,486	59,007,649
Less: current portion	(2,598,799)	(2,449,163)
	53,959,687	56,558,486

Interest is payable on a monthly basis. The principal of the loans is payable as follows:

	\$
2016	2,598,799
2017	2,757,892
2018	2,927,055
2019	3,106,940
2020	3,298,244
Thereafter	41,869,556
	56,558,486

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

10. Long-term debt and interest rate swaps (continued)

b) *Interest rate swaps*

The College has interest rate swap agreements to manage the volatility of interest rates related to a net notional \$59.0 million of floating rate long-term debt on the three phases of the Residence and the Police and Public Safety Institute. The fixed rates set under the interest rate swaps range from 5.97% to 6.95%. The maturity dates of the interest rate swaps are the same as the maturity dates of the associated long-term debt, ranging from 2025 to 2029. The fair value of the interest rate swaps is \$11,444,225 (2014 - \$9,930,830).

11. Employee benefits plans

a) *Pension plan*

Substantially all of the employees of the College are members of the Colleges of Applied Arts and Technology ("CAAT") Pension Plan (the "Plan"), which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the CAAT. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the highest five consecutive years prior to retirement, termination, or death. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Plan by placing Plan assets in trust and through the Plan investment policy.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2015 indicated an actuarial surplus of \$773 million (2014 - \$525 million).

Contributions to the Plan made during the year by the College on behalf of its employees amounted to \$13,643,902 (2014 - \$12,947,998) and are included in salaries and benefits in the statement of operations.

b) *Post-employment benefits*

The College provides extended health care, dental insurance and life insurance benefits to certain of its employees under a multi-employer plan under CAAT. This coverage may be extended to the post-employment period. The most recent actuarial valuation of post-employment benefits was completed by the Plan's Actuary as at January 1, 2014, and was extrapolated for accounting purposes to March 31, 2014 and March 31, 2015.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The College recognizes as expense for current services the amount of its required contribution in a given year and the change in the accrued benefit liability in the year.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

11. Employee benefits plans (continued)

b) Post-employment benefits (continued)

The significant actuarial assumptions adopted in estimating the College's accrued benefit liability are as follows:

	2015	2014
	%	%
Discount rate	1.6%	2.7%
Dental benefits cost and premium escalation	4.0%	4.0%
Medical benefits cost escalation		
Hospital and other medical	4.0%	4.0%
Vision/hearing	4.0%	4.0%
Drugs	9.0% in 2014 decreasing to 4.0% by 2034	9.0% in 2014 decreasing to 4.0% by 2034
Medical premium escalation	7.5% in 2014 decreasing to 4.0% by 2034	7.5% in 2014 decreasing to 4.0% by 2034
Expected return on assets	1.4% per annum	1.7% per annum

The composition of the vacation, sick leave and post-employment net asset deficiency is as follows:

	2015	2014
	\$	\$
Post-employment benefits	3,438,627	3,768,300
Vacation	9,397,331	8,985,693
Sick leave	6,138,000	6,143,000
	18,973,958	18,896,993

The employee future benefit liability change for the year ended March 31, 2015 is \$76,965 (2014 - (\$966,002)). This amount is comprised of:

	2015	2014
	\$	\$
Current year service cost	479,000	411,000
Interest expense on accrued benefit obligation	178,000	185,000
Amortization of actuarial loss	(117,000)	22,000
Benefit payments made by the College during the year	(463,035)	(1,584,002)
	76,965	(966,002)

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements

March 31, 2015

12. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase and construction of capital assets. Investment income earned on government contributions received is also included in deferred capital contributions. The amortization of the deferred capital contributions is recorded as revenue in the statement of operations.

In 2005, the Algonquin College Foundation launched a building campaign to raise \$2 million for the construction of the Automotive Technology Trades Centre. Construction of the Automotive Technology Trades Centre was completed in 2007; however, pledges continue to be received. Total cumulative contributions received up to March 31, 2015 amounted to \$665,744 (2014 - \$655,744).

In 2008, the Foundation launched building campaigns to raise \$7 million for the construction of the Algonquin Centre for Construction Excellence, \$2.5 million for the relocation of the Pembroke campus, and \$1 million for the expansion of the Perth campus. Construction of the Algonquin Centre for Construction Excellence, the new Pembroke campus, and the expansion of the Perth campus are now complete. Total cumulative contributions received up to March 31, 2015 amounted to \$8,727,763 (2014 - \$7,794,977).

The changes in the deferred capital contributions balance are as follows:

	2015	2014
	\$	\$
Balance, beginning of year	161,604,124	165,940,500
Less amortization of deferred capital contributions	(8,232,932)	(8,299,156)
Less deferred capital contributions on disposal of buildings (Note 1)	(401,815)	-
	152,969,377	157,641,344
Add capital contributions received:		
Industry and Individual contributions		
Automotive Technology Trades Centre	10,000	15,000
Algonquin Centre for Construction Excellence	718,356	1,086,724
Pembroke campus relocation	164,980	159,900
Perth campus expansion	41,900	77,045
Government contributions		
Other capital projects	1,695,146	2,128,244
Contributions from the Student Association		
Student Commons	-	259,701
Contributions received before donated equipment	2,630,382	3,726,614
Donated equipment	89,500	236,166
	2,719,882	3,962,780
Balance, end of year	155,689,259	161,604,124

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

13 Commitments, guarantees and contingencies

Commitments

The College has committed to make the following future minimum payments under various vehicle, premises rental and equipment leases:

	\$
2016	659,684
2017	433,103
2018	360,332
	<u>1,453,119</u>

Letters of credit

The College is contingently liable under letters of credit amounting to \$15,198,252 (March 31, 2014 - \$16,431,987), which have been issued in the normal course of business. The decrease from the prior year is due to two Letters of Credit being cancelled as related capital projects were completed, and a reduction in the liability related to Algonquin College-Saudi Arabia's Jazan campus, after the completion of year one of a five year contractual agreement.

Guarantees

In the normal course of business, the College has entered into lease agreements for premises and equipment. It is common in such commercial lease transactions for the College, as the lessee, to agree to indemnify the lessor's liabilities that may arise from the use of the leased assets. The maximum amount potentially payable under the foregoing indemnities cannot be reasonably estimated. The College has liability insurance that relates to the indemnifications described above.

Contingencies

The College is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of the administration, any liability that may arise from such contingencies would not have a significant adverse effect on the consolidated financial statements of the College.

A HST audit was performed by the Canada Revenue Agency, which covered the period from April 1, 2011 to March 31, 2013. There were several observations noted during the audit that the College needs to further investigate. Management has accrued its best estimate of the liability.

14. Investment in capital assets

The investment in capital assets consists of the following:

	2015	2014
	\$	\$
Capital assets	266,177,867	271,415,796
Less amounts financed by		
Deferred capital contributions - used (Note 12)	(155,689,259)	(161,604,124)
Long-term debt	(56,558,486)	(59,007,649)
	<u>53,930,122</u>	<u>50,804,023</u>

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

14. Investment in capital assets (continued)

The net change in investment in capital assets is calculated as follows:

	2015	2014
	\$	\$
Capital asset additions		
Total additions	10,748,743	7,218,022
Less		
Donated equipment	(89,500)	(236,166)
Additions net of donated equipment	10,659,243	6,981,856
Less		
Building/construction in progress financed with donations	(935,236)	(1,338,669)
Building/construction in progress financed with contributions from the Students' Association	-	(259,701)
Other capital assets financed with capital contributions	(1,695,146)	(2,128,244)
Capital assets purchased with College funds	8,028,861	3,255,242
External financing		
Decrease in long-term debt	2,449,163	5,852,418
Amortization of deferred capital contributions	8,232,932	8,299,156
Amortization of capital assets	(15,048,101)	(15,451,829)
Write-off of capital assets	(14,674)	(68,955)
Amounts relating to the sale of the former Pembroke campus		
Net book value of buildings	(923,897)	-
Deferred capital contributions	401,815	-
Net change in investment in capital assets	3,126,099	1,886,032

15. Capital disclosures

Capital

The College considers its operating capital to consist of long-term debt including the interest rate swaps, net assets invested in capital assets, internally restricted net assets, and unrestricted net assets. The College's overall objective for its capital is to fund capital assets, future projects, and ongoing operations. The College manages its capital by appropriating amounts to internally restricted net assets for anticipated future projects, contingencies, and other capital requirements as disclosed below.

The College also considers its endowments, as disclosed in Note 7 as part of its capital. The College's objective with regard to endowments is to grow the endowment principal and maximize investment income to increase funding for student aid.

The College may not incur an accumulated deficit without the approval of the Minister of Training, Colleges and Universities of Ontario. The College would be required to eliminate any accumulated deficit within a prescribed period of time.

The College is not subject to any other externally imposed capital requirements and its approach to capital management remains unchanged from the prior year.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

15. Capital disclosures (continued)

Internally restricted net assets

Internally restricted net assets are funds restricted by the College for future projects to improve and invest in the College's campus facilities, information systems, equipment, programs, student aid, and employee retraining.

Internally restricted net assets consist of the following:

	2015	2014
	\$	\$
Appropriations	250,000	1,000,000
Specific reserves		
Other projects and initiatives	24,669,157	18,317,840
Ancillary services reserve fund	5,525,008	5,603,278
Contingency reserve fund	7,773,000	7,607,000
Employment stabilization funds	539,635	516,546
Other student aid	27,013	26,593
Reserve fund		
Future capital expansion	28,263,320	23,883,666
Balance, end of year	67,047,133	56,954,923

16. Financial instruments

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The College is exposed to interest rate risk with respect to its interest-bearing investments, long-term debt and interest rate swaps.

As at March 31, 2015, a 1% increase in nominal interest rates would result in a decline of investments of approximately \$764,430 (March 31, 2014 - \$951,314) and an appreciation of the interest rate swap's fair value of approximately \$2,684,259 (March 31, 2014 - \$2,883,515). Conversely, a 1% decrease in nominal interest rates would result in an increase of investments of approximately \$778,749 (March 31, 2014 - \$970,833), and a decrease of the interest rate swap's fair value of approximately \$2,712,096 (March 31, 2014 - \$3,101,723). These amounts do not include other variables such as convexity.

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The College is exposed to price risk with respect to its equity investments.

As at March 31, 2015, a 5% increase in price would result in an increase of endowment assets of approximately \$733,751 (March 31, 2014 - \$585,574).

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The College believes that it is not exposed to significant currency risks arising from its financial instruments.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

16. Financial instruments (continued)

Credit risk

Credit risk arises from the potential that a counterparty to an investment will fail to perform its obligations. The College is exposed to credit risk on its accounts receivable and its investments. The maximum exposure to credit risk is the carrying value reported in the statement of financial position. Credit exposure is minimized by dealing mostly with creditworthy counterparties such as government agencies and public companies. The College also enforces approved collection policies for student accounts.

Concentrations of accounts receivable are described in Note 4. Credit risk on endowment investments is also mitigated by the College's investment policy as described in Note 7. Primary credit portfolio concentrations on investments are detailed in Notes 3 and 7.

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash flow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and cash flow analysis. The College has the following financial liabilities as at March 31, 2015:

	Net book value	2016	2017	2018 and after
	\$	\$	\$	\$
Accounts payable and accrued liabilities	17,768,165	17,768,165	-	-
Accrued salaries and employee deduction payable	6,337,971	6,337,971	-	-
Long-term debt	56,558,489	2,598,799	2,757,892	51,201,798
Interest rate swaps	11,444,225	-	-	11,444,225
	92,108,850	26,704,935	2,757,892	62,646,023

Fair values

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, accrued salaries and employee deductions payable, approximate their fair value due to the relatively short periods to maturity of the instruments.

The carrying value of long-term debt including the interest rate swaps approximates fair value.

Fair value hierarchy

Financial instruments are grouped into Levels 1 to 3 based on the degree to which fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and,
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements

March 31, 2015

16. Financial instruments (continued)

Fair value hierarchy (continued)

The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The following table presents the financial instruments recorded at fair value in the statement of financial position, classified using the fair value hierarchy described above:

				2015
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	31,597,770	-	-	31,597,770
Short-term investments	-	19,775,086	-	19,775,086
Long-term investments	552,547	40,212,261	-	40,764,808
Endowment assets	15,577,804	9,129,860	-	24,707,664
Interest rate swaps	-	11,444,225	-	11,444,225
	47,728,121	80,561,432	-	128,289,553

				2014
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	31,311,471	-	-	31,311,471
Short-term investments	-	21,350,896	-	21,350,896
Long-term investments	525,760	28,696,392	-	29,222,152
Endowment assets	12,740,534	8,069,566	-	20,810,100
Interest rate swaps	-	9,930,830	-	9,930,830
	44,577,765	68,047,684	-	112,625,449

17. Changes in non-cash operating working capital items

	2015	2014
	\$	\$
(Increase) decrease in accounts receivable	(4,653,197)	3,349,826
Increase in inventory	(8,385)	(92,115)
(Increase) decrease in prepaid expenses	(1,312,658)	392,556
Increase in accounts payable and accrued liabilities	3,237,263	275,302
Increase in accrued salaries and employee deduction payable	552,608	30,729
Increase in deferred revenue	2,299,857	1,606,789
	115,488	5,563,087

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2015

18. Sale of former Pembroke campus

Effective June 19, 2014, the College completed the sale of the former Pembroke campus.

\$

Gross proceeds on disposal	1,500,000
Less sale related expenses	(62,046)
Net proceeds on disposal	1,437,954
Unamortized capital asset	923,897
Less unamortized deferred capital contributions	(401,815)
Net investment in disposed capital assets	522,082
Gain on sale of asset	915,872

19. Comparative figures

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

The Algonquin College of Applied Arts and Technology

Supplementary information - Revenue - Schedule A
year ended March 31, 2015

	2015	2014
	\$	\$
Grants and reimbursements:		
Post secondary activity	97,746,403	93,515,587
Apprentice programs	5,116,203	5,084,687
Special bursaries	1,590,396	1,450,376
	104,453,002	100,050,650
Student tuition fees:		
Full-time post secondary	79,705,885	71,903,247
Full-time non-funded	2,058,795	1,704,629
Part-time	10,651,017	11,155,033
Adult training	1,141,146	1,238,959
Student information technology and mobile computing fee	8,838,346	6,624,290
	102,395,189	92,626,158
Contract educational services:		
Provincially funded programs	15,975,216	13,335,012
International programs	1,137,440	446,138
Corporate and other programs	14,690,129	15,732,157
	31,802,785	29,513,307
Ancillary operations (Schedule B)	34,542,049	33,384,347
Other:		
Early Learning Centre	931,447	907,154
Student ancillary fees	5,733,076	5,113,165
Investment income	2,099,366	1,200,484
Investment gain (loss) Algonquin College Saudi Arabia	767,147	(730,229)
Foreign currency translation adjustment	(127,437)	-
Miscellaneous	6,855,144	8,907,966
	16,258,743	15,398,540
Amortization of deferred capital contributions (Note 12)	8,232,932	8,299,156
Total revenue	297,684,700	279,272,158

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Supplementary information - Ancillary operations summary - Schedule B
year ended March 31, 2015

							2015	
	Gross revenue	Internal revenue	Net revenue	Expenses	Internal expenses	Net expenses	Contribution including internal transactions	Contribution net of internal transactions
	\$	\$	\$	\$	\$	\$	\$	\$
Food services	9,949,464	(469,968)	9,479,496	9,430,810	(469,968)	8,960,842	518,654	518,654
Bookstore	15,255,652	(3,632,430)	11,623,222	14,519,116	(3,457,058)	11,062,058	736,536	561,164
Parking and lockers	4,606,842	(455,024)	4,151,818	1,397,172	(138,001)	1,259,171	3,209,670	2,892,647
Publishing centre	1,795,053	(1,583,598)	211,455	1,570,596	(1,385,582)	185,014	224,457	26,441
Residence	9,065,934	-	9,065,934	7,654,915	-	7,654,915	1,411,019	1,411,019
Director's office	10,124	-	10,124	592,900	-	592,900	(582,776)	(582,776)
Overhead allocation	-	-	-	-	(1,722,576)	(1,722,576)	-	1,722,576
Total	40,683,069	(6,141,020)	34,542,049	35,165,509	(7,173,185)	27,992,324	5,517,560	6,549,725

							2014	
	Gross revenue	Internal revenue	Net revenue	Expenses	Internal expenses	Net expenses	Contribution including internal transactions	Contribution net of internal transactions
	\$	\$	\$	\$	\$	\$	\$	\$
Food services	9,269,060	(381,076)	8,887,984	8,966,925	(381,076)	8,585,849	302,135	302,135
Bookstore	15,520,596	(3,957,961)	11,562,635	14,659,974	(3,738,491)	10,921,483	860,622	641,152
Parking and lockers	4,471,110	(473,285)	3,997,825	1,569,285	(166,115)	1,403,170	2,901,825	2,594,655
Publishing centre	1,857,287	(1,697,601)	159,686	1,626,569	(1,486,720)	139,849	230,718	19,837
Residence	8,706,112	-	8,706,112	7,623,608	-	7,623,608	1,082,504	1,082,504
Director's office	70,104	-	70,104	700,244	-	700,244	(630,140)	(630,140)
Overhead allocation	-	-	-	-	(1,590,273)	(1,590,273)	-	1,590,273
Total	39,894,269	(6,509,923)	33,384,347	35,146,605	(7,362,675)	27,783,930	4,747,664	5,600,416

See accompanying notes to the financial statements.