

Consolidated financial statements of

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

March 31, 2017

The Algonquin College of Applied Arts and Technology

March 31, 2017

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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, 2017, 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, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

A handwritten signature in purple ink that reads "Deloitte LLP".

Chartered Professional Accountants
Licensed Public Accountants


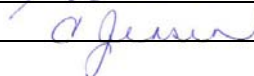
June 12, 2017

The Algonquin College of Applied Arts and Technology

Consolidated statement of financial position
as at March 31, 2017

	2017	2016
	\$	\$
Assets		
Current assets		
Cash	52,732,635	28,367,426
Short-term investments (Note 3)	29,905,672	39,274,361
Accounts receivable (Note 4)	17,916,669	22,982,352
Inventory (Note 5)	1,527,389	1,751,513
Prepaid expenses	2,152,820	2,999,672
	104,235,185	95,375,324
Investments (Note 3)	36,923,024	35,780,159
Investment in Algonquin College - Saudi Arabia (Note 6a)	-	295,013
Endowment assets (Note 7a)	24,395,366	22,795,749
Capital assets (Note 8)	263,459,379	256,798,932
	429,012,954	411,045,177
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	24,912,055	19,562,800
Accrued salaries and employee deductions payable	9,291,421	7,968,680
Algonquin College - Saudi Arabia (Note 6a)	1,104,896	-
Deferred revenue (Note 9)	32,256,264	27,734,275
Current portion of long-term debt (Note 10a)	2,927,055	2,757,892
	70,491,691	58,023,647
Long-term debt (Note 10a)	48,274,744	51,201,795
Interest rate swaps (Note 10b)	8,471,685	10,611,480
Vacation, sick leave and post-employment benefits (Note 11)	18,947,542	18,740,265
Deferred capital contributions (Note 12)	148,259,857	146,123,835
	294,445,519	284,701,022
Commitments and guarantees and contingencies (Note 13)		
Net assets (deficiency)		
Unrestricted	1,000,000	1,000,000
Investment in capital assets (Note 14)	64,959,723	56,715,410
Vacation, sick leave and post-employment benefits (Note 11)	(18,947,542)	(18,740,265)
Internally restricted (Note 15)	73,285,906	75,743,941
Endowment fund (Note 7b)	24,395,366	22,795,749
	144,693,453	137,514,835
Accumulated remeasurement losses	(10,126,018)	(11,170,680)
	134,567,435	126,344,155
	429,012,954	411,045,177

Approved by the Board


 _____ Chairman

 _____ Member

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Consolidated statement of operations
year ended March 31, 2017

	2017	2016
	\$	\$
Revenue (Schedule A)		
Grants and reimbursements	110,609,003	110,658,078
Student tuition fees	112,767,523	104,741,997
Contract educational services	32,378,231	31,981,890
Ancillary Services (Schedule B)	35,118,208	35,616,376
Other	19,000,856	17,124,009
Amortization of deferred capital contributions (Note 12)	7,294,947	7,784,343
	317,168,768	307,906,693
Expenses		
Salaries and benefits	176,786,537	168,195,042
Building maintenance and utilities	18,355,903	16,142,473
Instructional supplies and equipment	7,677,877	6,595,090
Bursaries and other student aid	7,464,904	7,596,667
Investment loss - Algonquin College - Saudi Arabia	4,864,584	1,371,528
Interest	849,139	885,745
Amortization and write off of capital assets (Note 14)	13,957,649	14,600,131
Ancillary Services (Schedule B)	27,152,494	28,765,559
Other	54,273,403	52,272,362
	311,382,490	296,424,597
Change in vacation, sick leave and post-employment benefits liabilities (Note 11)	207,277	(233,693)
	311,589,767	296,190,904
Excess of revenue over expenses	5,579,001	11,715,789

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, 2017

	Unrestricted	Investment in capital assets	Vacation, sick leave and post-employment benefits	Internally restricted	Endowment fund	2017	2016
	\$	\$ (Note 14)	\$ (Note 11)	\$ (Note 15)	\$ (Note 7)	\$	\$
Net assets, beginning of year	1,000,000	56,715,410	(18,740,265)	75,743,941	22,795,749	137,514,835	127,710,961
Excess of revenue over expenses	5,579,001	-	-	-	-	5,579,001	11,715,789
Change in vacation, sick leave and post-employment benefits liabilities (Note 11)	207,277	-	(207,277)	-	-	-	-
Internally imposed restrictions	2,458,035	-	-	(2,458,035)	-	-	-
Net change in investment in capital assets (Note 14)	(8,244,313)	8,244,313	-	-	-	-	-
Endowment contributions and investment income (Note 7)	-	-	-	-	1,599,617	1,599,617	(1,911,915)
Net assets (deficiency), end of year	1,000,000	64,959,723	(18,947,542)	73,285,906	24,395,366	144,693,453	137,514,835

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, 2017

	2017	2016
	\$	\$
Accumulated remeasurement losses, beginning of year	(11,170,680)	(11,444,225)
Unrealized gains attributable to:		
Fair value decline in investments	(1,095,133)	(559,200)
Interest rate swaps	2,139,795	832,745
	1,044,662	273,545
Accumulated remeasurement losses, end of year	(10,126,018)	(11,170,680)

The Algonquin College of Applied Arts and Technology

Consolidated statement of cash flow year ended March 31, 2017

	2017	2016
	\$	\$
Operating activities		
Excess of revenue over expenses	5,579,001	11,715,789
Items not affecting cash		
Amortization of capital assets	13,810,533	14,564,685
Write off of capital assets	147,116	35,446
Amortization and write off of deferred capital contributions	(7,294,947)	(7,784,343)
Investment loss Algonquin College Saudi Arabia	4,864,584	1,371,528
Foreign currency translation adjustment - Saudi Arabia	(36,120)	66,104
Change in vacation, sick leave and post-employment benefits liabilities (Note 11)	207,277	(233,693)
	17,277,444	19,735,516
Changes in non-cash operating working capital items (Note 17)	17,330,644	1,489,036
	34,608,088	21,224,552
Financing activities		
Principal repayments of long-term debt	(2,757,888)	(2,598,799)
Disposal of investments	39,468,669	20,454,299
Purchases of investments	(32,337,978)	(35,528,125)
Net Contributions to Endowment Fund	1,431,158	529,008
	5,803,961	(17,143,617)
Capital activities		
Capital asset additions (Note 14)	(20,295,842)	(4,840,698)
Decrease in deferred capital contributions (Note 12)	-	(3,412,077)
Capital contributions received (Note 12)	9,108,715	1,250,498
	(11,187,127)	(7,002,277)
Investing activities		
Investment (liability) in Algonquin College - Saudi Arabia	(3,428,555)	220,006
Disposal of endowed assets	16,963,319	12,954,838
Purchases of endowed assets	(18,394,477)	(13,483,846)
	(4,859,713)	(309,002)
Increase in cash and cash equivalents	24,365,209	(3,230,344)
Cash and cash equivalents, beginning of year	28,367,426	31,597,770
Cash and cash equivalents, end of year	52,732,635	28,367,426
Interest paid in the year	3,153,380	3,333,996

See accompanying notes to the financial statements.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

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, 2017

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 consolidated statement of remeasurement gains and losses; once realized, these gains and losses are recognized in the consolidated 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 consolidated statement of financial position of the College are classified as follows:

Cash	Fair value
Short-term investments	Fair value
Accounts receivable	Amortized cost
Investments	Fair value
Endowment assets	Fair value
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 consolidated statement of remeasurement gains and losses; once realized, they are derecognized from the consolidated statement of remeasurement gains and losses and recognized in the consolidated statement of operations.

iii. Endowed investments

Realized investment income and unrealized gains or losses from the change in fair value are recorded in the consolidated 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, 2017

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 consolidated 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 consolidated statement of remeasurement gains and losses; once realized, they are derecognized from the consolidated statement of remeasurement gains and losses and recognized in the consolidated 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. 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.
- iii. 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.
- iv. Construction in progress is not amortized until the project is complete and the facilities are available for use.
- v. Assets under development are not amortized until the asset is complete and ready 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, 2017

2. Significant accounting policies (continued)

g) Capital assets (continued)

Software

3-10 years

h) Expenses

In the consolidated 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 certain accrued liabilities, the estimated useful lives of tangible capital assets and the assumptions underlying the post-employment benefit liabilities calculations.

3. Investments

Short-term investments of \$29,905,672 (2016 - \$39,274,361) consist entirely of fixed income securities that will be maturing within a year. Long-term investments consist of the following:

	2017	2016
	\$	\$
Fixed income securities	35,555,506	34,495,805
Equity	1,367,518	1,284,354
	36,923,024	35,780,159

The College's fixed income securities have effective interest rates ranging from 0.75% to 4.25% and maturity dates ranging from April 2017 to December 2021 (2016 - 1.75% to 4.00% and maturity dates ranging from June 2016 to April 2018).

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

4. Accounts receivable

	2017	2016
	\$	\$
Government of Ontario	1,682,393	3,299,227
Harmonized Sales Tax receivable	1,715,280	1,313,418
Trade	3,376,738	5,711,857
Students	7,074,519	6,648,464
Other	6,359,027	7,950,790
Allowance for doubtful accounts	(2,291,288)	(1,941,404)
	17,916,669	22,982,352

Details on due dates for receivables are as follows:

	2017				
	0-30 days	31-60 days	61-90 days	Over 90 days	Total
	\$	\$	\$	\$	\$
Government of Ontario	1,682,393	-	-	-	1,682,393
Harmonized Sales Tax receivable	1,715,280	-	-	-	1,715,280
Trade	2,664,631	449,454	105,281	157,372	3,376,738
Students	461,236	3,839,795	-	2,773,488	7,074,519
Other	6,066,477	11,960	24,308	256,282	6,359,027
Allowance for doubtful accounts	(78,410)	(652,765)	-	(1,560,113)	(2,291,288)
	12,511,607	3,648,444	129,589	1,627,029	17,916,669

	2016				
	0-30 days	31-60 days	61-90 days	Over 90 days	Total
	\$	\$	\$	\$	\$
Government of Ontario	3,299,227	-	-	-	3,299,227
Harmonized Sales Tax receivable	1,313,418	-	-	-	1,313,418
Trade	3,894,409	259,036	139,703	1,418,709	5,711,857
Students	466,671	3,574,244	-	2,607,549	6,648,464
Other	7,776,673	1,416	2,964	169,737	7,950,790
Allowance for doubtful accounts	(79,334)	(607,622)	-	(1,254,448)	(1,941,404)
	16,671,064	3,227,074	142,667	2,941,547	22,982,352

5. Inventory

	2017	2016
	\$	\$
Bookstore	1,226,838	1,435,750
Food services	258,870	272,520
Publishing centre	21,417	19,918
Stationery and supplies	-	2,046
Hospitality	20,264	21,279
	1,527,389	1,751,513

The amount of inventory expensed during the year is \$14,264,568 (2016 - \$14,815,592).

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

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.

	2017	2016
	\$	\$
Investment, beginning of year	213,959	51,591
Net loss for the year	(4,864,584)	(1,371,528)
Contribution of capital	3,509,609	1,600,000
Foreign currency translation adjustment	36,120	(66,104)
Investment (liability) before the undernoted	(1,104,896)	213,959
Due from Algonquin College - Saudi Arabia as at March 31	-	81,054
Net investment (liability), end of year	(1,104,896)	295,013

As at August 31, 2016, Algonquin College - Saudi Arabia terminated the relationship with the Colleges of Excellence in Saudi Arabia. Negotiations are ongoing regarding the value of the assets of Algonquin College - Saudi Arabia and therefore the reported net liability may increase.

The financial position of Algonquin College - Saudi Arabia and the results of its operations and its cash flow as at and for the year ended March 31, 2017 is as follows:

	2017	2016
	\$	\$
Financial position		
Assets	5,186,581	8,789,020
Liabilities	6,291,477	8,575,061
Deficit		
Foreign currency translation adjustment	(157,421)	(193,541)
Shareholders' equity (deficiency)	(947,475)	407,500
	(1,104,896)	213,959
	5,186,581	8,789,020
Results of operations		
Revenue	2,496,445	10,496,370
Expenses	7,361,029	11,867,898
Net loss	(4,864,584)	(1,371,528)
Cash flows		
Operating activities	(3,199,963)	(2,682,959)
Capital activities	(144,465)	(1,201,821)
Financing activities	2,236,718	1,600,000
Net cash outflow	(1,107,710)	(2,284,780)

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

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. The total value of these expenses (before offsetting the 1% and 5% fees noted in 7 b)) is \$816,596 (2016 - \$788,213), which includes salaries and benefits of \$672,741 (2016 - \$640,773) and operating costs of \$143,855 (2016 - \$147,440). These expenses are recorded in the College's consolidated financial statements, and are not recorded as expenses in the Foundation's financial statements.

During the year, the College received \$2,088,706 (2016 - \$2,641,189) from the Foundation consisting of:

	2017	2016
	\$	\$
Endowed contributions	535,313	267,156
Deferred capital contributions	255,261	651,148
Other restricted contributions	1,298,132	1,722,885
	2,088,706	2,641,189

The summarized assets, liabilities and results of operations for the Foundation for the year ended March 31, 2017 is as follows:

	2017	2016
	\$	\$
Financial position		
Total assets	340,059	323,035
Liabilities and fund balances		
Accrued liabilities	14,380	919
Deferred revenue	-	18,100
Fund balances	325,679	304,016
Total liabilities and fund balances	340,059	323,035
Results of operations		
Revenue	2,237,512	2,781,752
Expenses	2,215,849	2,731,306
Excess of revenue over expenses	21,663	50,446
Cash flow		
Operating activities	16,448	44,316
Net cash inflow	16,448	44,316

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

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

	2017	2016
	\$	\$
Endowed investments		
Cash equivalents	1,548,310	1,461,154
Bonds	6,521,153	8,747,242
Equities	16,325,903	12,587,353
	24,395,366	22,795,749

Cost

	2017	2016
	\$	\$
Endowed investments		
Cash equivalents	1,548,277	1,461,012
Bonds	6,478,732	8,520,434
Equities	14,113,090	10,727,495
	22,140,099	20,708,941

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 bonds, corporate bonds with a minimum rating of A-, and cash equivalents.

The bonds have effective interest rates of 1.25% to 7.77% and maturity dates ranging from June 2017 to December 2048 (2016 - 2.05% to 7.77% and maturity dates ranging from April 2016 to December 2048).

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, 2017

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:

	2017	2016
	\$	\$
Opening balance	22,795,749	24,707,664
Contributions	587,116	326,591
Realized investment income	1,742,764	1,084,810
Distributions	(898,722)	(882,393)
Net contribution to Endowment Fund	1,431,158	529,008
Change in unrealized gains (losses) due to changes in fair value of endowment assets	168,459	(2,440,923)
Net change in Endowment Fund	1,599,617	(1,911,915)
Ending balance	24,395,366	22,795,749

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.

The total value of administrative fees charged by the College, to recover a portion of the costs of fundraising expenses incurred by the College on behalf of the Foundation, for the year was \$201,408 (2016 - \$ 200,067), which includes:

- 1% of the Endowment Fund's book value (based on the original donation value) at the end of the previous year, which amounts to \$179,724 (2016 - \$176,459); and
- 5% of new major gifts, which amounts to \$ 21,684 (2016 - \$23,608).

As at March 31, 2017, the Endowment Fund / Assets included a balance of \$3,543,476 (2016 - \$2,699,434) which represents the cumulative realized investment income in excess of amounts distributed. The changes during the year are as follows:

	2017	2016
	\$	\$
Amount available for future distribution, beginning of year	2,699,434	2,497,016
Realized investment income	1,742,764	1,084,811
Amount distributed	(898,722)	(882,393)
Amount available for future distribution, end of year	3,543,476	2,699,434

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

8. Capital assets

			2017
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	6,895,284	-	6,895,284
Buildings	320,043,688	99,679,249	220,364,439
Assets under development	15,505,504	-	15,505,504
Site improvements	37,571,864	25,505,610	12,066,254
Parking lots	4,291,520	3,946,016	345,504
Computers and equipment	60,027,028	51,847,188	8,179,840
Automotive equipment	312,773	210,219	102,554
	444,647,661	181,188,282	263,459,379

			2016
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Land	6,895,284	-	6,895,284
Buildings	317,571,736	92,246,917	225,324,819
Assets under development	1,936,786	-	1,936,786
Site improvements	36,703,705	23,087,369	13,616,336
Parking lots	4,291,520	3,853,395	438,125
Computers and equipment	59,972,818	51,437,476	8,535,342
Automotive equipment	254,176	201,936	52,240
	427,626,025	170,827,093	256,798,932

Assets under development are comprised of construction in progress and software under development.

9. Deferred revenue

Details of the year-end balance are as follows:

	2017	2016
	\$	\$
Student tuition fees	24,175,073	20,369,707
Grant and reimbursements	665,143	471,857
Contract education services	1,855,816	1,349,479
Student aid	1,224,551	873,887
Miscellaneous projects	4,335,681	4,669,345
	32,256,264	27,734,275

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, equipment and programs.

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

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:

	2017	2016
	\$	\$
Residence I building loan, bearing interest at prime plus 1.00% maturing in 2025, with average monthly payments of \$96,635	7,112,420	7,692,399
Residence II building loan, bearing interest at prime plus 0.25% maturing in 2027, with average monthly payments of \$122,832	10,545,502	11,266,802
Residence III building loan, bearing interest at prime plus 0.25% maturing in 2029, with monthly payment of \$126,755	11,756,035	12,420,256
Police and Public Safety Institute loan, bearing interest at prime plus 1.00%, maturing in 2025, with monthly payments of \$67,833	2,650,138	2,870,224
Student Commons loan, bearing interest at 4.008%, maturing in 2037, with semi-annual payments of \$678,301	19,137,704	19,710,006
	51,201,799	53,959,687
Less: current portion	(2,927,055)	(2,757,892)
	48,274,744	51,201,795

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

	\$
2018	2,927,055
2019	3,106,940
2020	3,298,244
2021	3,501,708
2022	3,718,123
Thereafter	34,649,729
	51,201,799

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

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 \$8,471,685 (2016 - \$10,611,480).

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, 2017 indicated an actuarial surplus of \$1.6 billion (2016 - \$1.2 billion).

Contributions to the Plan made during the year by the College on behalf of its employees amounted to \$14,658,392 (2016 - \$14,064,034) and are included in salaries and benefits in the consolidated 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, 2016 and March 31, 2017.

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, 2017

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:

	2017	2016
	%	%
Discount rate	2.0%	1.7%
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	8.25% in 2017 decreasing to 4.0% by 2034	8.5% in 2016 decreasing to 4.0% by 2034
Medical premium escalation	6.98% in 2017 decreasing to 4.0% by 2034	7.5% in 2016 decreasing to 4.0% by 2034
Expected return on assets	1.3% per annum	1.1% per annum

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

	2017	2016
	\$	\$
Post-employment benefits	3,125,899	3,321,263
Vacation	9,975,643	9,535,002
Sick leave	5,846,000	5,884,000
	18,947,542	18,740,265

The employee future benefit liability change for the year ended March 31, 2017 is an increase of \$207,277 (2016 - decrease of \$233,693). This amount is comprised of:

	2017	2016
	\$	\$
Current year service cost	356,000	435,000
Interest expense on accrued benefit obligation	116,000	110,000
Amortization of actuarial loss	(30,000)	(67,000)
Benefit payments made by the College during the year	(234,723)	(711,693)
	207,277	(233,693)

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

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 consolidated 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, 2017 amounted to \$675,744 (2016 - \$673,244).

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, 2017 amounted to \$9,599,375 (2016 - \$9,371,411).

In 2017, the Algonquin College Foundation launched a campaign to raise \$2 million for the construction of the Innovation, Entrepreneurship and Learning Centre and Institute for Indigenous Entrepreneurship, for which construction began in 2017 and is scheduled to be substantially completed by April 2018. Total cumulative contributions received up to March 31, 2017 amounted to \$25,000 (2016 - \$Nil).

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

12. Deferred capital contributions (continued)

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

	2017	2016
	\$	\$
Balance, beginning of year	146,123,835	155,689,259
Less amortization of deferred capital contributions	(7,294,947)	(7,784,343)
Amounts relating to a decrease in deferred capital contributions		
Students' Association contributions to the Student Commons construction	-	(2,930,847)
Students' Association contributions to the Pembroke campus construction	-	(481,230)
	138,828,888	144,492,839
Add capital contributions received:		
Industry and Individual contributions		
Automotive Technology Trades Centre	2,500	7,500
Algonquin Centre for Construction Excellence	128,607	490,142
Pembroke campus relocation	96,957	146,207
Perth campus expansion	2,400	7,299
Innovation, Entrepreneurship and Learning Centre and Institute for Indigenous Entrepreneurship	25,000	-
Smart apartment	183,212	-
Government contributions		
Other capital projects	545,352	599,350
Apprenticeship Enhancement Fund	2,198,015	-
Facilities renewal	1,437,518	-
Post Secondary Institutions Strategic Investment Fund	4,489,154	-
Contributions received before donated equipment	9,108,715	1,250,498
Donated equipment	322,254	380,498
	9,430,969	1,630,996
Balance, end of year	148,259,857	146,123,835
	2017	2016
	\$	\$
Unused deferred capital contributions at end of year		
Post Secondary Institutions Strategic Investment Fund	962,000	-
Used deferred capital contributions at end of year	147,297,857	146,123,835
Balance, end of year	148,259,857	146,123,835

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

13. Commitments, guarantees and contingencies

Commitments

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

	\$
2018	1,292,842
2019	1,202,239
2020	1,020,327
	<u>3,515,408</u>

Letters of credit

The College is contingently liable under letters of credit amounting to \$502,517 (2016 - \$17,942,154), which have been issued in the normal course of business. The decrease from the prior year is due primarily to the expiration of the advance payment and performance bonds related to the Algonquin College - Saudi Arabia's Jazan campus.

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. Please refer to Note 6 a) for additional information regarding Algonquin College - Saudi Arabia.

14. Investment in capital assets

The investment in capital assets consists of the following:

	2017	2016
	\$	\$
Capital assets	263,459,379	256,798,932
Less amounts financed by		
Deferred capital contributions - used (Note 12)	(147,297,857)	(146,123,835)
Long-term debt	(51,201,799)	(53,959,687)
	<u>64,959,723</u>	<u>56,715,410</u>

The Algonquin College of Applied Arts and Technology

Notes to the consolidated financial statements
March 31, 2017

14. Investment in capital assets (continued)

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

	2017	2016
	\$	\$
Capital asset additions		
Total additions	20,618,096	5,221,196
Less		
Donated equipment	(322,254)	(380,498)
Additions net of donated equipment	20,295,842	4,840,698
Less		
Building/construction in progress financed with donations	(255,464)	(651,148)
Other capital assets financed with capital contributions	(7,891,251)	(599,350)
Capital assets purchased with College funds	12,149,127	3,590,200
External financing		
Decrease in long-term debt	2,757,888	2,598,799
Amortization of deferred capital contributions	7,294,947	7,784,343
Amortization of capital assets	(13,810,533)	(14,564,685)
Write-off of capital assets	(147,116)	(35,446)
Amounts relating to a decrease in deferred capital contributions		
Students' Association contributions to the Student Commons construction	-	2,930,847
Students' Association contributions to the Pembroke campus construction	-	481,230
Net change in investment in capital assets	8,244,313	2,785,288

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 Advanced Education and Skills Development 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, 2017

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:

	2017	2016
	\$	\$
Appropriations	100,000	250,000
Specific reserves		
Other projects and initiatives	25,524,645	29,840,775
Ancillary services reserve fund	4,872,917	5,755,886
Contingency reserve fund	8,471,000	8,127,000
Employment stabilization funds	551,842	546,566
Other student aid	-	616
Reserve fund		
Future capital expansion	33,765,502	31,223,098
Balance, end of year	73,285,906	75,743,941

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, 2017, a 1% increase in nominal interest rates would result in a decline of investments of approximately \$1,108,612 (2016 - \$605,751) and an appreciation of the interest rate swap's fair value of approximately \$1,923,279 (2016 - \$2,353,412). Conversely, a 1% decrease in nominal interest rates would result in an increase of investments of approximately \$1,123,356 (2016 - \$586,881), and a decrease of the interest rate swap's fair value of approximately \$2,068,459 (2016 - \$2,548,247). 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, 2017, a 5% increase in price would result in an increase of endowment assets of approximately \$816,295 (2016 - \$629,368).

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, 2017

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 consolidated 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, 2017:

	Net book value	2018	2019	2020 and after
	\$	\$	\$	\$
Accounts payable and accrued liabilities	24,912,055	24,912,055	-	-
Accrued salaries and employee deduction payable	9,291,421	9,291,421	-	-
Long-term debt	51,201,799	2,927,055	3,106,940	45,167,804
Interest rate swaps	8,471,685	-	-	8,471,685
	93,876,960	37,130,531	3,106,940	53,639,489

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, 2017

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 consolidated statement of financial position, classified using the fair value hierarchy described above:

				2017
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	52,732,635	-	-	52,732,635
Short-term investments	-	29,905,672	-	29,905,672
Long-term investments	1,367,518	35,555,506	-	36,923,024
Endowment assets	17,874,213	6,521,153	-	24,395,366
Interest rate swaps	-	8,471,685	-	8,471,685
	71,974,366	80,454,016	-	152,428,382

				2016
	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
Cash	28,367,426	-	-	28,367,426
Short-term investments	-	39,274,361	-	39,274,361
Long-term investments	1,284,354	34,495,805	-	35,780,159
Endowment assets	14,048,507	8,747,242	-	22,795,749
Interest rate swaps	-	10,611,480	-	10,611,480
	43,700,287	93,128,888	-	136,829,175

17. Changes in non-cash operating working capital items

	2017	2016
	\$	\$
Decrease (increase) in accounts receivable	5,065,683	(4,308,550)
Decrease in inventory	224,124	221,647
Decrease (increase) in prepaid expenses	846,852	(96,302)
Increase in accounts payable and accrued liabilities	5,349,255	1,794,635
Increase in accrued salaries and employee deduction payable	1,322,741	1,630,709
Increase in deferred revenue	4,521,989	2,246,897
	17,330,644	1,489,036

18. 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, 2017

	2017	2016
	\$	\$
Grants and reimbursements:		
Post secondary activity	103,789,301	103,697,888
Apprentice programs	5,464,063	5,262,164
Special bursaries	1,355,639	1,698,026
	110,609,003	110,658,078
Student tuition fees:		
Full-time post secondary	89,928,299	81,475,027
Full-time non-funded	1,397,109	1,633,705
Part-time	12,022,464	11,312,317
Adult training	1,203,050	1,185,438
Student information technology and mobile computing fees	8,216,601	9,135,510
	112,767,523	104,741,997
Contract educational services:		
Provincially funded programs	17,498,662	17,426,355
International programs	1,032,784	954,340
Corporate and other programs	13,846,785	13,601,195
	32,378,231	31,981,890
Ancillary operations (Schedule B)	35,118,208	35,616,376
Other:		
Early Learning Centre	997,681	974,464
Student ancillary fees	6,281,475	6,034,363
Investment income	2,267,896	1,232,571
Foreign currency translation adjustment	36,120	(66,104)
Miscellaneous	9,417,684	8,948,715
	19,000,856	17,124,009
Amortization of deferred capital contributions (Note 12)	7,294,947	7,784,343
Total revenue	317,168,768	307,906,693

The Algonquin College of Applied Arts and Technology

Supplementary information - Ancillary operations summary - Schedule B
as at March 31, 2017

							2017	
	Gross revenue	Internal revenue	Net revenue	Expenses	Internal expenses	Net expenses	Contribution including internal transactions	Contribution net of internal transactions
	\$	\$	\$	\$	\$	\$	\$	\$
Food services	10,137,355	(493,538)	9,643,817	9,510,554	(493,538)	9,017,016	626,801	626,801
Bookstore	15,473,958	(4,138,670)	11,335,288	14,864,086	(3,975,553)	10,888,533	609,872	446,755
Parking and lockers	4,752,550	(459,243)	4,293,307	1,329,414	(128,462)	1,200,952	3,423,136	3,092,355
Publishing centre	1,746,363	(1,606,248)	140,115	1,597,085	(1,468,947)	128,138	149,278	11,977
Residence	9,525,526	-	9,525,526	7,892,208	-	7,892,208	1,633,318	1,633,318
Director's office	180,155	-	180,155	(328,592)	-	(328,592)	508,747	508,747
Overhead allocation	-	-	-	-	(1,645,760)	(1,645,760)	-	1,645,760
Total	41,815,907	(6,697,699)	35,118,208	34,864,755	(7,712,261)	27,152,494	6,951,152	7,965,714

							2016	
	Gross revenue	Internal revenue	Net revenue	Expenses	Internal expenses	Net expenses	Contribution including internal transactions	Contribution net of internal transactions
	\$	\$	\$	\$	\$	\$	\$	\$
Food services	10,028,242	(515,179)	9,513,063	9,517,140	(515,179)	9,001,961	511,102	511,102
Bookstore	15,707,903	(3,534,453)	12,173,450	14,623,094	(3,290,359)	11,332,735	1,084,809	840,715
Parking and lockers	4,669,481	(471,745)	4,197,736	1,361,680	(137,567)	1,224,113	3,307,801	2,973,623
Publishing centre	1,785,302	(1,596,302)	189,000	1,478,065	(1,321,590)	156,475	307,237	32,525
Residence	9,429,517	-	9,429,517	7,802,439	-	7,802,439	1,627,078	1,627,078
Director's office	113,610	-	113,610	987,641	-	987,641	(874,031)	(874,031)
Overhead allocation	-	-	-	-	(1,739,805)	(1,739,805)	-	1,739,805
Total	41,734,055	(6,117,679)	35,616,376	35,770,059	(7,004,500)	28,765,559	5,963,996	6,850,817

See accompanying notes to the financial statements.