Consolidated financial statements of
The Algonquin College of Applied Arts and Technology

March 31, 2018

Deloitte.

Deloitte LLP
1600 - 100 Queen Street
Ottawa ON K1P 5T8
Canada

Tel: 613-236-2442
Fax: 613-236-2195
www.deloitte.ca

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, 2018, and the consolidated statements of operations, changes in net assets, remeasurement gains and losses and cash flows 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, 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, 2018 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants

June 11, 2018

The Algonquin College of Applied Arts and Technology
Consolidated statement of financial position
As at March 31, 2018

	Notes	2018	2017
		$	$
Assets			
Current assets			
Cash		**55,203,492**	52,732,635
Short-term investments	3	**33,128,280**	29,905,672
Accounts receivable	4	**25,803,450**	17,916,669
Inventory	5	**1,543,971**	1,527,389
Prepaid expenses		**2,806,656**	2,152,820
		118,485,849	104,235,185
Investments	3	**33,376,750**	36,923,024
Endowment assets	7a	**26,020,415**	24,395,366
Capital assets	8	**288,608,409**	263,459,379
		466,491,423	429,012,954
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**29,030,424**	24,912,055
Accrued salaries and employee deductions payable		**10,008,613**	9,291,421
Algonquin College - Saudi Arabia	6a	**514,062**	1,104,896
Deferred revenue	9	**39,709,456**	32,256,264
Current portion of long-term debt	10a	**3,106,940**	2,927,055
		82,369,495	70,491,691
Long-term debt	10a	**45,167,804**	48,274,744
Interest rate swaps	10b	**5,731,931**	8,471,685
Vacation, sick leave and post-employment benefits	11	**18,978,843**	18,947,542
Deferred capital contributions	12	**161,727,635**	148,259,857
		313,975,708	294,445,519
Commitments and guarantees and contingencies	13		
Net assets (deficiency)			
Unrestricted		**1,000,000**	1,000,000
Investment in capital assets	14	**78,606,030**	64,959,723
Vacation, sick leave and post-employment benefits	11	**(18,978,843)**	(18,947,542)
Internally restricted	15	**73,185,763**	73,285,906
Endowment fund	7b	**26,020,415**	24,395,366
		159,833,365	144,693,453
Accumulated remeasurement losses		**(7,317,650)**	(10,126,018)
		152,515,715	134,567,435
		466,491,423	429,012,954

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Board

_____________ Chairman

_____________ Member

The Algonquin College of Applied Arts and Technology

Consolidated statement of operations
Year ended March 31, 2018

	Notes	2018	2017
		$	$
Revenue (Schedule A)			
Grants and reimbursements		**110,472,446**	110,609,003
Student tuition fees		**117,551,296**	112,767,523
Contract educational services		**38,331,944**	32,378,231
Ancillary Services (Schedule B)		**34,192,309**	35,118,208
Other		**19,807,635**	19,000,856
Amortization of deferred capital contributions	12	**6,972,816**	7,294,947
		327,328,446	317,168,768
Expenses			
Salaries and benefits		**177,731,830**	176,786,537
Building maintenance and utilities		**16,360,081**	18,355,903
Instructional supplies and equipment		**7,328,983**	7,677,877
Bursaries and other student aid		**9,938,157**	7,464,904
Investment loss - Algonquin College - Saudi Arabia		**2,349,966**	4,864,584
Interest		**817,103**	849,139
Amortization and write off of capital assets	14	**13,301,219**	13,957,649
Ancillary Services (Schedule B)		**26,905,411**	27,152,494
Other		**59,049,532**	54,273,403
		313,782,282	311,382,490
Change in vacation, sick leave and post-employment benefits liabilities	11	**31,301**	207,277
		313,813,583	311,589,767
Excess of revenue over expenses		**13,514,863**	5,579,001

The accompanying notes are an integral part of the consolidated financial statements.

The Algonquin College of Applied Arts and Technology

Consolidated statement of changes in net assets

Year ended March 31, 2018

	Notes	Unrestricted	Investment in capital assets	Vacation, sick leave and post-employment benefits	Internally restricted	Endowment fund	2018	2017
		$	$ (Note 14)	$ (Note 11)	$ (Note 15)	$ (Note 7)	$	$
Net assets (deficiency), beginning of year		1,000,000	64,959,723	(18,947,542)	73,285,906	24,395,366	144,693,453	137,514,835
Excess of revenue over expenses		13,514,863	—	—	—	—	13,514,863	5,579,001
Change in vacation, sick leave and post-employment benefits liabilities	11	31,301	—	(31,301)	—	—	—	—
Internally imposed restrictions		100,143	—	—	(100,143)	—	—	—
Net change in investment in capital assets	14	(13,646,307)	13,646,307	—	—	—	—	—
Endowment contributions and investment income	7	—	—	—	—	1,625,049	1,625,049	1,599,617
Net assets (deficiency), end of year		1,000,000	78,606,030	(18,978,843)	73,185,763	26,020,415	159,833,365	144,693,453

The accompanying notes are an integral part of the consolidated financial statements.

	2018	2017
	$	$
Accumulated remeasurement losses, beginning of year	**(10,126,018)**	(11,170,680)
Unrealized gains attributable to:		
Fair value decline in investments	**(1,585,719)**	(1,095,133)
Realized losses/(gains)	**1,654,333**	—
Interest rate swaps	**2,739,754**	2,139,795
	2,808,368	1,044,662
Accumulated remeasurement losses, end of year	**(7,317,650)**	(10,126,018)

The accompanying notes are an integral part of the consolidated financial statements.

The Algonquin College of Applied Arts and Technology

Consolidated statement of cash flows

Year ended March 31, 2018

	Notes	2018	2017
		$	$
Operating activities			
Excess of revenue over expenses		**13,514,863**	5,579,001
Items not affecting cash			
Amortization of capital assets		**13,287,769**	13,810,533
Write off of capital assets		**13,450**	147,116
Amortization and adjustment of deferred capital contributions	12	**(7,314,579)**	(7,294,947)
Investment loss Algonquin College Saudi Arabia		**2,342,397**	4,864,584
Foreign currency translation adjustment - Saudi Arabia		**—**	(36,120)
Change in vacation, sick leave and post-employment benefits liabilities	11	**31,301**	207,277
		21,875,201	17,277,444
Changes in non-cash operating working capital items	17	**3,731,554**	17,330,644
		25,606,755	34,608,088
Financing activities			
Principal repayments of long-term debt		**(2,927,055)**	(2,757,888)
Disposal of investments		**41,491,961**	39,468,669
Purchases of investments		**(41,099,681)**	(32,337,978)
Net Contributions to Endowment Fund		**1,761,274**	1,431,158
		(773,501)	5,803,961
Capital activities			
Capital asset additions	14	**(38,119,214)**	(20,295,842)
Capital contributions received	12	**20,451,322**	9,108,715
		(17,667,892)	(11,187,127)
Investing activities			
Investment (liability) in Algonquin College - Saudi Arabia		**(2,933,230)**	(3,428,555)
Disposal of endowed assets		**17,786,208**	16,963,319
Purchases of endowed assets		**(19,547,483)**	(18,394,477)
		(4,694,505)	(4,859,713)
Increase in cash and cash equivalents		**2,470,857**	24,365,209
Cash and cash equivalents, beginning of year		**52,732,635**	28,367,426
Cash and cash equivalents, end of year		**55,203,492**	52,732,635
Interest paid in the year		**2,967,754**	3,153,380

The accompanying notes are an integral part of the consolidated financial statements.

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.

2. Significant accounting policies (continued)

(b) Revenue (continued)

(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.

(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.

2. Significant accounting policies (continued)

(d) Financial instruments (continued)

(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.

(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.

2. Significant accounting policies (continued)

(g) Capital assets (continued)

(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
Parking lots	10 years
Computers and equipment	5 years
Automotive equipment	5 years
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 $33,128,280 ($29,905,672 in 2017) consist entirely of fixed income securities that will be maturing within a year. Long-term investments consist of the following:

	2018	2017
	$	$
Fixed income securities	**31,985,303**	35,555,506
Equity	**1,391,447**	1,367,518
	33,376,750	36,923,024

The College's fixed income securities have effective interest rates ranging from 0.75% to 5.68% and maturity dates ranging from April 2018 to December 2021 (0.75% to 4.25% and maturity dates ranging from April 2017 to December 2021 in 2017).

4. Accounts receivable

	2018	2017
	$	$
Government of Ontario	**9,351,097**	1,682,393
Harmonized Sales Tax receivable	**1,304,558**	1,715,280
Trade	**4,418,478**	3,376,738
Students	**6,397,090**	7,074,519
Other	**5,995,992**	6,359,027
Allowance for doubtful accounts	**(1,663,765)**	(2,291,288)
	25,803,450	17,916,669

Details on due dates for receivables are as follows:

					2018
	0-30 days	**31-60 days**	**61-90 days**	**Over 90 days**	**Total**
	$	**$**	**$**	**$**	**$**
Government of Ontario	**9,351,097**	**—**	**—**	**—**	**9,351,097**
Harmonized Sales Tax receivable	**1,304,558**	**—**	**—**	**—**	**1,304,558**
Trade	**3,323,366**	**538,012**	**217,770**	**339,330**	**4,418,478**
Students	**383,110**	**3,895,904**	**—**	**2,118,076**	**6,397,090**
Other	**5,979,542**	**3,032**	**1,016**	**12,402**	**5,995,992**
Allowance for doubtful accounts	**(65,129)**	**(662,304)**	**—**	**(936,332)**	**(1,663,765)**
	20,276,544	**3,774,644**	**218,786**	**1,533,476**	**25,803,450**

					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

5. Inventory

	2018	2017
	$	$
Bookstore	**1,221,525**	1,226,838
Food services	**281,620**	258,870
Publishing centre	**21,649**	21,417
Hospitality	**19,177**	20,264
	1,543,971	1,527,389

The amount of inventory expensed during the year is $13,597,598 ($14,264,568 in 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 to Algonquin College -Saudi Arabia is without defined terms of repayment and is non-interest bearing.

	2018	2017
	$	$
Investment, beginning of year	**(1,104,896)**	213,959
Net loss for the year	**(2,342,397)**	(4,864,584)
Contribution of capital	**3,447,293**	3,509,609
Foreign currency translation adjustment	**—**	36,120
Investment (liability) before the undernoted	**—**	(1,104,896)
Due to Algonquin College - Saudi Arabia as at March 31	**(514,062)**	—
Net investment (liability), end of year	**(514,062)**	(1,104,896)

As at August 31, 2016, Algonquin College - Saudi Arabia terminated the relationship with the Colleges of Excellence in Saudi Arabia. A final settlement agreement was reached in February 2018, and the amount due to Algonquin College - Saudi Arabia represents the remaining value due to the Colleges of Excellence in Saudi Arabia.

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 flow as at and for the year ended March 31, 2018 is as follows:

	2018	2017
	$	$
Financial position		
Assets	**514,062**	5,186,581
Liabilities	**514,062**	6,291,477
Deficit		
Foreign currency translation adjustment	**—**	(157,421)
Shareholders' equity (deficiency)	**—**	(947,475)
	—	(1,104,896)
	514,062	5,186,581
Results of operations		
Revenue	**—**	2,496,445
Expenses	**2,342,397**	7,361,029
Net loss	**(2,342,397)**	(4,864,584)
Cash flows		
Operating activities	**(3,021,003)**	(3,199,963)
Capital activities	**—**	(144,465)
Financing activities	**2,933,230**	2,236,718
Net cash outflow	**(87,773)**	(1,107,710)

(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 $762,214 ($816,596 in 2017), which includes salaries and benefits of $585,476 ($672,741 in 2017) and operating costs of $176,739 ($143,855 in 2017). These expenses are recorded in the College's consolidated financial statements, and are not recorded as expenses in the Foundation's financial statements.

6. Controlled entities (continued)

(b) Algonquin College Foundation (continued)

During the year, the College received $2,596,490 ($2,088,706 in 2017) from the Foundation consisting of:

	2018	2017
	$	$
Endowed contributions	1,026,150	535,313
Deferred capital contributions	21,410	255,261
Other restricted contributions	1,548,930	1,298,132
	2,596,490	2,088,706

The summarized assets, liabilities and results of operations for the Foundation for the year ended March 31, 2018 is as follows:

	2018	2017
	$	$
Financial position		
Total assets	408,862	340,059
Liabilities and fund balances		
Due to Algonquin College	150,985	14,380
Deferred revenue	23,935	—
Fund balances	233,942	325,679
Total liabilities and fund balances	408,862	340,059
Results of operations		
Revenue	2,773,165	2,237,512
Expenses	2,864,902	2,215,849
Excess of revenue over expenses	(91,737)	21,663
Cash flow		
Operating activities	69,301	16,448
Net cash inflow	69,301	16,448

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

	2018	2017
	$	$
Endowed investments		
Cash equivalents	**2,741,493**	1,548,310
Bonds	**7,458,927**	6,521,153
Equities	**15,819,995**	16,325,903
	26,020,415	24,395,366

Cost

	2018	2017
	$	$
Endowed investments		
Cash equivalents	**2,739,600**	1,548,277
Bonds	**7,523,892**	6,478,732
Equities	**13,637,882**	14,113,090
	23,901,374	22,140,099

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 1.80% to 7.35% and maturity dates ranging from September 2018 to December 2048 (1.25% to 7.77% and maturity dates ranging from June 2017 to December 2048 in 2017).

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.

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:

	2018	2017
	$	$
Opening balance	24,395,366	22,795,749
Contributions	1,091,262	587,116
Realized investment income	1,602,978	1,742,764
Distributions	(932,966)	(898,722)
Net contribution to Endowment Fund	1,761,274	1,431,158
Change in unrealized gains (losses) due to changes in fair value of endowment assets	(136,225)	168,459
Net change in Endowment Fund	1,625,049	1,599,617
Ending balance	26,020,415	24,395,366

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 $202,390 ($201,408 in 2017), 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 $185,596 ($179,724 in 2017); and
- 5% of new major gifts, which amounts to $16,714 ($21,684 in 2017).
- 8% of new capital campaign donations, which amounts to $80 (nil in 2017).

As at March 31, 2018, the Endowment Fund / Assets included a balance of $4,213,486 ($3,543,476 in 2017) which represents the cumulative realized investment income in excess of amounts distributed. The changes during the year are as follows:

	2018	2017
	$	$
Amount available for future distribution, beginning of year	3,543,474	2,699,434
Realized investment income	1,602,978	1,742,764
Amount distributed	(932,966)	(898,722)
Amount available for future distribution, end of year	4,213,486	3,543,476

8. Capital assets

			2018
	Cost	**Accumulated amortization**	**Net book value**
	$	**$**	**$**
Land	**6,895,284**	**—**	**6,895,284**
Buildings	**320,040,687**	**107,142,479**	**212,898,208**
Assets under development	**49,249,281**	**—**	**49,249,281**
Site improvements	**28,518,814**	**16,909,536**	**11,609,278**
Parking lots	**926,213**	**673,529**	**252,684**
Computers and equipment	**57,515,512**	**49,954,822**	**7,560,690**
Automotive equipment	**355,249**	**212,265**	**142,984**
	463,501,040	**174,892,631**	**288,608,409**

			2017
	Cost	Accumulated amortization	Net book value
	$	$	$
Land	6,895,284	—	6,895,284
Buildings	320,043,687	99,679,248	220,364,439
Assets under development	15,505,504	—	15,505,504
Site improvements	26,560,480	14,494,226	12,066,254
Parking lots	926,211	580,707	345,504
Computers and equipment	60,027,028	51,847,188	8,179,840
Automotive equipment	312,773	210,219	102,554
	430,270,967	166,811,588	263,459,379

Assets under development are comprised of construction in progress and software under development. The construction of the DARE District accounts for $35,908,023 ($6,617,657 in 2017) of total recorded assets under development.

9. Deferred revenue

Details of the year-end balance are as follows:

	2018	2017
	$	$
Student tuition fees	**28,667,604**	24,175,073
Grant and reimbursements	**2,849,243**	665,143
Contract education services	**3,200,231**	1,855,816
Student aid	**1,277,632**	1,224,551
Miscellaneous projects	**3,714,746**	4,335,681
	39,709,456	32,256,264

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

9. Deferred revenue (continued)

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.

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:

	2018	2017
	$	$
Residence I building loan, bearing interest at prime plus 1.00% maturing in 2025, with average monthly payments of $96,635	**6,491,133**	7,112,420
Residence II building loan, bearing interest at prime plus 0.25% maturing in 2027, with average monthly payments of $122,832	**9,775,126**	10,545,502
Residence III building loan, bearing interest at prime plus 0.25% maturing in 2029, with monthly payment of $126,755	**11,051,055**	11,756,035
Police and Public Safety Institute loan, bearing interest at prime plus 1.00%, maturing in 2025, with monthly payments of $67,833	**2,415,196**	2,650,138
Student Commons loan (Ontario Financing Authority), bearing interest interest at 4.008%, maturing in 2037, with semi-annual payments of $678,301	**18,542,234**	19,137,704
	48,274,744	51,201,799
Less: current portion	**(3,106,940)**	(2,927,055)
	45,167,804	48,274,744

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

(a) Long-term debt (continued)

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

2019	3,106,940
2020	3,298,244
2021	3,501,708
2022	3,718,123
2023	3,948,332
Thereafter	30,701,397
	48,274,744

(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 $5,731,931 ($8,471,685 in 2017).

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, 2018 indicated an actuarial surplus of $2.3 billion ($1.6 billion in 2017).

Contributions to the Plan made during the year by the College on behalf of its employees amounted to $14,477,678 ($14,658,392 in 2017) 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, 2017 and was extrapolated for accounting purposes to March 31, 2018.

11. Employee benefits plans (continued)

(b) Post-employment benefits (continued)

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

	2018	2017
	%	%
Discount rate	**2.6%**	2.0%
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	**8.0% in 2018 decreasing to 4.0% by 2034**	8.25% in 2017 decreasing to 4.0% by 2034
Medical premium escalation	**6.8% in 2018 decreasing to 4.0% by 2034**	6.98% in 2017 decreasing to 4.0% by 2034
Expected return on assets	**2.0% per annum**	1.3% per annum

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

	2018	2017
	$	$
Post-employment benefits	**2,812,535**	3,125,899
Vacation	**10,488,308**	9,975,643
Sick leave	**5,678,000**	5,846,000
	18,978,843	18,947,542

The employee future benefit liability change for the year ended March 31, 2018 is an increase of $31,301 (Increase of $207,277 in 2017). This amount is comprised of:

	2018	2017
	$	$
Current year service cost	**183,000**	356,000
Interest expense on accrued benefit obligation	**136,000**	116,000
Amortization of actuarial loss	**30,000**	(30,000)
Benefit payments made by the College during the year	**(317,699)**	(234,723)
	31,301	207,277

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, and all pledges have now been received. Total cumulative contributions received up to March 31, 2018 amounted to $675,744 ($675,744 in 2017).

In 2008, the Foundation launched building campaigns to raise $7 million for the construction of the Algonquin Centre for Construction Excellence (ACCE), $2.5 million for the expansion of the Pembroke campus, and $1 million for the expansion of the Perth campus. The unused portion of contributions received for Pembroke and Perth will be used as construction continues on these projects. No further contributions will be allocated to ACCE as the project exceeded its fundraising target. Total cumulative contributions received up to March 31, 2018 amounted to $9,639,966 ($9,599,375 in 2017).

In 2017, the Algonquin College Foundation launched a campaign to raise $2 million for the construction of the DARE District, for which construction began in 2017 and is scheduled to be substantially complete by April 2018. Total net cumulative contributions received up to March 31, 2018 amounted to $75,970 ($25,000 in 2017).

12. Deferred capital contributions (continued)

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

	2018	2017
	$	$
Balance, beginning of year	**148,259,857**	146,123,835
Less amortization of deferred capital contributions	**(6,972,816)**	(7,294,947)
Amounts relating to a decrease in deferred capital contributions less prior year over contribution to deferred capital relating to Algonquin Centre for Construction Excellence	**(341,763)**	—
	140,945,278	138,828,888
Add capital contributions received		
Industry and Individual contributions		
Automotive Technology Trades Centre	**—**	2,500
Algonquin Centre for Construction Excellence	**—**	128,607
Pembroke campus relocation	**20,360**	96,957
Perth campus expansion	**—**	2,400
DARE District	**50,970**	25,000
Smart apartment	**—**	183,212
Welding Lab	**75,000**	—
Government contributions		
Other capital projects	**1,142,281**	545,352
Apprenticeship Enhancement Fund	**2,442,480**	2,198,015
Facilities renewal	**1,462,482**	1,437,518
Post Secondary Institutions Strategic Investment Fund	**15,057,749**	4,489,154
Contributions from the Students' Association	**200,000**	—
Contributions received before donated equipment	**20,451,322**	9,108,715
Donated equipment	**331,035**	322,254
	20,782,357	9,430,969
Balance, end of year	**161,727,635**	148,259,857

	2018	2017
	$	$
Unused deferred capital contributions at end of year		
Post Secondary Institutions Strategic Investment Fund	**—**	962,000
Used deferred capital contributions at end of year	**161,727,635**	147,297,857
Balance, end of year	**161,727,635**	148,259,857

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:

	$
2019	1,278,798
2020	1,177,519
2021	876,359
	3,332,676

Letters of credit

The College is contingently liable under letters of credit amounting to $653,506 ($502,517 in 2017), which have been issued in the normal course of business.

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.

14. Investment in capital assets

The investment in capital assets consists of the following:

	2018	2017
	$	$
Capital assets	**288,608,409**	263,459,379
Less: amounts financed by		
Deferred capital contributions - used (Note 12)	**(161,727,635)**	(147,297,857)
Long term debt	**(48,274,744)**	(51,201,799)
	78,606,030	64,959,723

14. Investment in capital assets (continued)

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

	2018	2017
	$	$
Capital asset additions		
Total additions	38,450,249	20,618,096
Less		
Donated equipment	(331,035)	(322,254)
Additions net of donated equipment	38,119,214	20,295,842
Less		
Building/construction in progress financed with donations	(146,330)	(255,464)
Building/construction in progress financed with contributions from the Students' Association	(200,000)	—
Other capital assets financed with capital contributions	(21,066,992)	(7,891,251)
Capital assets purchased with College funds	16,705,892	12,149,127
External financing and other		
Decrease in long-term debt	2,927,055	2,757,888
Amortization of defered capital contributions	6,972,816	7,294,947
Amortization of capital assets	(13,287,769)	(13,810,533)
Write-off of capital assets	(13,450)	(147,116)
Amounts relating to a decrease in deferred capital Contributions over contribution related to Algonquin Centre for Construction Excellence	341,763	—
Net change in investment in capital assets	13,646,307	8,244,313

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.

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:

	2018	2017
	$	$
Appropriations	**100,000**	100,000
Specific reserves		
Other projects and initiatives	**27,215,092**	25,524,645
Ancillary services reserve fund	**5,208,589**	4,872,917
Contingency reserve fund	**8,890,000**	8,471,000
Employment stabilization funds	**569,893**	551,842
Reserve fund		
Future capital expansion	**31,202,189**	33,765,502
Balance, end of year	**73,185,763**	73,285,906

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, 2018, a 1% increase in nominal interest rates would result in a decline of investments of approximately $970,843 ($1,108,612 in 2017) and an appreciation of the interest rate swap's fair value of approximately $1,510,759 ($1,923,279 in 2017). Conversely, a 1% decrease in nominal interest rates would result in an increase of investments of approximately $1,004,018 ($1,123,356 in 2017), and a decrease of the interest rate swap's fair value of approximately $1,613,622 ($2,068,459 in 2017). 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, 2018, a 5% increase in price would result in an increase of endowment assets of approximately $791,000 ($816,295 in 2017).

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.

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, 2018:

	Net book value	2019	2020	2021 and after
	$	$	$	$
Accounts payable and accrued liabilities	29,030,424	29,030,424	—	—
Accrued salaries and employee deduction payable	10,008,613	10,008,613	—	—
Long-term debt	48,274,744	3,106,940	3,298,244	41,869,559
Interest rate swaps	5,731,931	—	—	5,731,931
	93,045,712	42,145,977	3,298,244	47,601,490

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).

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:

				2018
	Level 1	**Level 2**	**Level 3**	**Total**
	$	**$**	**$**	**$**
Cash	**55,203,492**	**—**	**—**	**55,203,492**
Short-term investments	**—**	**33,128,280**	**—**	**33,128,280**
Long-term investments	**1,433,527**	**31,943,223**	**—**	**33,376,750**
Endowment assets	**18,561,488**	**7,458,927**	**—**	**26,020,415**
Interest rate swaps	**—**	**5,731,931**	**—**	**5,731,931**
	75,198,507	**78,262,361**	**—**	**153,460,868**

				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

17. Changes in non-cash operating working capital items

	2018	2017
	$	$
Decrease (increase) in accounts receivable	**(7,886,781)**	5,065,683
Decrease (increase) in inventory	**(16,582)**	224,124
Decrease (increase) in prepaid expenses	**(653,836)**	846,852
Increase in accounts payable and accrued liabilities	**4,118,369**	5,349,255
Increase in accrued salaries and employee deduction payable	**717,192**	1,322,741
Increase in deferred revenue	**7,453,192**	4,521,989
	3,731,554	17,330,644

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
Schedule A – Supplementary information - Revenue
Year ended March 31, 2018

	Notes	2018	2017
		$	$
Grants and reimbursements			
Post secondary activity		**104,061,145**	103,789,301
Apprentice programs		**4,677,139**	5,464,063
Special bursaries		**1,734,162**	1,355,639
		110,472,446	110,609,003
Student tuition fees			
Full-time post secondary		**95,946,275**	89,928,299
Full-time non-funded		**1,801,425**	1,397,109
Part-time		**12,010,021**	12,022,464
Adult training		**890,707**	1,203,050
Student information technology fees		**6,902,868**	8,216,601
		117,551,296	112,767,523
Contract educational services			
Provincially funded programs		**19,975,766**	17,498,662
International programs		**1,767,199**	1,032,784
Corporate and other programs		**16,588,979**	13,846,785
		38,331,944	32,378,231
Ancillary operations (Schedule B)		**34,192,309**	35,118,208
Other			
Early Learning Centre		**1,009,719**	997,681
Student ancillary fees		**5,647,688**	6,281,475
Investment income		**759,832**	2,267,896
Foreign currency translation adjustment		**—**	36,120
Miscellaneous		**12,390,396**	9,417,684
		19,807,635	19,000,856
Amortization of deferred capital contributions	12	**6,972,816**	7,294,947
Total revenue		**327,328,446**	317,168,768

The accompanying notes are an integral part of the consolidated financial statements.

2018

	Gross revenue	**Internal revenue**	**Net revenue**	**Expenses**	**Internal expenses**	**Net expenses**	**Contribution including internal transactions**	**Contribution net of internal transactions**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
Food services	**9,218,559**	**(533,136)**	**8,685,423**	**9,470,800**	**(533,136)**	**8,937,664**	**(252,241)**	**(252,241)**
Bookstore	**14,347,373**	**(3,814,433)**	**10,532,940**	**13,774,973**	**(3,814,433)**	**9,960,540**	**572,400**	**572,400**
Parking and lockers	**4,796,805**	**(462,390)**	**4,334,415**	**1,379,587**	**(132,986)**	**1,246,601**	**3,417,218**	**3,087,814**
Publishing centre	**1,698,248**	**(1,609,301)**	**88,947**	**1,468,452**	**(1,391,541)**	**76,911**	**229,796**	**12,036**
Residence	**10,382,807**	**—**	**10,382,807**	**7,786,937**	**—**	**7,786,937**	**2,595,870**	**2,595,870**
Director’s office	**167,777**	**—**	**167,777**	**612,658**	**—**	**612,658**	**(444,881)**	**(444,881)**
Overhead allocation	**—**	**—**	**—**	**—**	**(1,715,900)**	**(1,715,900)**	**—**	**1,715,900**
Total	**40,611,569**	**(6,419,260)**	**34,192,309**	**34,493,407**	**(7,587,996)**	**26,905,411**	**6,118,162**	**7,286,898**

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

The accompanying notes are an integral part of the consolidated financial statements.