

**The Students' Association of the
Algonquin College of Applied
Arts and Technology Corporation**

Financial Statements
For the year ended June 30, 2010

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Auditors' Report

**To the Board of Directors and Members of
The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation**

We have audited the statement of financial position of The Students' Association of the Algonquin College of Applied Arts and Technology Corporation as at June 30, 2010 and the statements of general fund operations and changes in fund balance, capital asset fund operations and changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the association as at June 30, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Ontario Corporations Act, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Collins Barrow Ottawa LLP

Chartered Accountants, Licensed Public Accountants

October 15, 2010

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Statement of Financial Position**

June 30

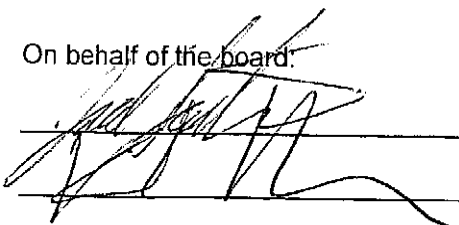
2010 2009

	General Fund	Capital Asset Fund	Total	Total
Assets				
Current				
Cash and short-term investment (Note 1)	\$ 603,195	\$ 5,138,158	\$ 5,741,353	\$ 4,096,917
Accounts receivable (Note 2)	186,182	-	186,182	159,273
Inventory	28,989	-	28,989	24,241
Prepaid expense	24,222	-	24,222	80,048
Assets under construction	97,907	-	97,907	-
	940,495	5,138,158	6,078,653	4,360,479
Capital assets (Note 3)	-	5,915,532	5,915,532	6,639,804
	\$ 940,495	\$ 11,053,690	\$ 11,994,185	\$ 11,000,283

Liabilities and Fund Balances

Current				
Accounts payable and accrued liabilities	\$ 335,948	\$ 25,988	\$ 361,936	\$ 346,535
Deferred revenue	78,008	-	78,008	81,678
Interest rate swap	-	412,112	412,112	521,367
Current portion of bank loans	-	617,323	617,323	581,664
	413,956	1,055,423	1,469,379	1,531,244
Athletics Scholarship Trust Fund (Note 4)	16,424	-	16,424	9,574
Bank loans (Note 5)	-	4,721,255	4,721,255	5,338,587
	430,380	5,776,678	6,207,058	6,879,405
Fund balances				
Unrestricted	510,115	-	510,115	422,862
Internally restricted for invested in capital assets	-	138,854	138,854	169,306
Internally restricted (Note 6)	-	5,138,158	5,138,158	3,528,710
	510,115	5,277,012	5,787,127	4,120,878
	\$ 940,495	\$ 11,053,690	\$ 11,994,185	\$ 11,000,283

On behalf of the board:



President

Vice-President

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Statement of General Fund Operations and
Changes in Fund Balance**

For the year ended June 30

2010

2009

	Budget	Actual	Actual
Revenue			
Sales			
Pub and food operation	\$ 793,225	\$ 738,705	\$ 745,197
Entertainment centre	-	-	18,903
Rotunda games	5,000	3,227	-
	798,225	741,932	764,100
Cost of sales	811,045	833,873	800,983
	(12,820)	(91,941)	(36,883)
Other			
Student activity fee	2,206,564	2,269,984	2,083,919
Athletics program (Schedule 2)	545,650	574,580	567,050
CSEP subsidy	89,832	172,868	173,090
Fitness centre	733,500	708,596	714,892
Investment income	35,000	5,095	27,998
Miscellaneous	500	1,126	97,502
	3,598,226	3,640,308	3,627,568
Expenses (Schedule 1)	3,355,092	3,352,161	3,257,861
	243,134	288,147	369,707
Other revenue and expenses (Schedule 2)	32,915	65,120	20,362
Excess of revenue over expenses for the year	276,049	353,267	390,069
Investment in capital assets	(2,500)	(1,865)	(3,782)
Interfund transfers			
To Capital Asset Fund - internally restricted (Note 6)	(264,149)	(264,149)	(362,580)
Net increase in fund balance for the year	<u>\$ 9,400</u>	87,253	23,707
Fund balance, beginning of year		422,862	399,155
Fund balance, end of year		<u>\$ 510,115</u>	<u>\$ 422,862</u>

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Statement of Capital Asset Fund Operations and
Changes in Fund Balance**

For the year ended June 30	2010		2009	
	Capital Invested	Internally Restricted	Total	Total
Revenue				
Student fees	\$ -	\$ 2,965,216	\$ 2,965,216	\$ 2,757,581
Interest and other	-	14,329	14,329	15,024
Gain on sale of capital assets	-	48	48	3,485
	-	2,979,593	2,979,593	2,776,090
Expenses				
Amortization	951,888	-	951,888	1,148,507
Contributions to Algonquin College of Applied Arts and Technology Corporation	-	495,180	495,180	551,340
Loan interest and related costs	328,798	-	328,798	347,758
Unrealized loss (gain) on interest rate swaps	(109,255)	-	(109,255)	292,453
	1,171,431	495,180	1,666,611	2,340,058
Excess (deficiency) of revenue over expenses for the year	(1,171,431)	2,484,413	1,312,982	436,032
Investment in capital assets				
From Capital Asset Fund				
- internally restricted (Note 6)	1,139,114	(1,139,114)	-	-
From Operating Fund	1,865	-	1,865	3,782
Interfund transfers from General Fund	-	264,149	264,149	362,580
Increase (decrease) in fund balance for the year	(30,452)	1,609,448	1,578,996	802,394
Fund balance, beginning of year	169,306	3,528,710	3,698,016	2,895,622
Fund balance, end of year	\$ 138,854	\$ 5,138,158	\$ 5,277,012	\$ 3,698,016

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Statement of Cash Flows**

For the year ended June 30

2010

2009

Cash flows from operating activities

Excess of revenue over expense for the year from general fund	\$ 353,267	\$ 390,069
Adjustments for:		
Loan interest and related costs	(328,798)	(347,758)
Net contribution to student services grant fund	(495,180)	(551,340)
	<u>(470,711)</u>	<u>(509,029)</u>

Changes in non-cash working capital items

Accounts receivable	(26,909)	191,624
GST receivable	-	220,184
Inventory	(4,748)	(7,418)
Prepaid expenses	55,826	(31,360)
Accounts payable and accrued liabilities	15,401	66,422
Deferred revenue	(3,670)	17,267
	<u>(434,811)</u>	<u>(52,310)</u>

Cash flows from investing activities and financing activities

Deficiency of revenue over expenses for the year from the capital asset fund	1,312,982	436,032
Adjustments for:		
Amortization of capital assets	951,888	1,148,507
Loan interest and related costs	328,798	347,758
Fair value adjustment of interest rate swaps	(109,255)	292,453
Net contribution to student services grant fund	495,180	551,340
Assets under construction	(97,907)	-
Contributions to Athletics Scholarship Trust Fund	12,350	14,332
Disbursements from Athletics Scholarship Trust Fund	(5,500)	(13,000)
Capital asset additions	(227,616)	(213,385)
Loan repayments	(581,673)	(548,068)
	<u>2,079,247</u>	<u>2,015,969</u>

Increase in cash during the year 1,644,436 1,963,659

Cash and short-term investments, beginning of year 4,096,917 2,133,258

Cash and short-term investments, end of year \$ 5,741,353 \$ 4,096,917

Additional Information:

Interest paid \$ 354,420 \$ 372,489

The Students' Association of the Algonquin College of Applied Arts and Technology Corporation

Summary of Significant Accounting Policies

June 30, 2010

Nature of Business

The association's mission is to create an environment at Algonquin College that inspires a passion for student success. The association is a not-for-profit organization and is exempt from corporate income taxes. The association was incorporated without share capital under the laws of Ontario.

Changes in Accounting Standards

The Canadian Institute of Chartered Accountants (CICA) has revised certain Canadian generally accepted accounting principles for not-for-profit organizations as set out in CICA Handbook Section 4400, Financial Statement Presentation by Not-For-Profit Organizations. These revisions relate to presentation and disclosure standards and hence have no impact on the association's net financial position or its results of operations. In addition, the CICA has issued a new standard, CICA Handbook Section 4470, Disclosure of Allocated Expenses by Not-For-Profit Organizations.

These sections are effective for fiscal periods commencing on or after January 1, 2009, and, accordingly, the association has adopted these changes for the June 30, 2010 fiscal year's financial statements. The effects on the association's financial statement presentation and disclosure of adopting these changes are set out below. These changes in disclosure and presentation standards are required on a retrospective basis and comparative amounts have been reclassified on a similar basis where practicable.

The changes impacted the following:

Presentation of Gross Revenues and Expenses

The potential impact on the association's Statement of Operations is the requirement to present and recognize revenues and expenses on a gross basis when an organization is acting as a principal in transactions and on a net basis when an organization is acting in an agency capacity. There was no impact of adopting this change since the association's presentation was consistent with these new standards in the current and prior fiscal year.

Fund Balance Invested in Capital Assets

The impact on the association's financial statements relate to the presentation of the association's Statement of Financial Position and Statement of Changes in Fund Balances whereby the requirement to treat fund balances invested in capital assets as a separate component of fund balances is no longer required but rather can be presented as a category of internally restricted fund balances when the organization chooses to do so.

Since the association has chosen to do so, amounts previously presented as fund balances invested in capital assets are unchanged but are now categorized as internally restricted fund balances.

The Students' Association of the Algonquin College of Applied Arts and Technology Corporation

Summary of Significant Accounting Policies

June 30, 2010

Changes in Accounting Standards (continued)

Statement of Cash Flows

Effective July 1, 2009, the association has adopted CICA Handbook Section 1540, Cash Flow, which has been revised to include not-for-profit organizations. The impact of the change is disclosure of additional information regarding interest paid.

Presentation of Allocated Expenses

This change establishes disclosure standards for an organization that chooses to classify some or all of its expenses by functional category and allocates expenses to a number of functions to which the expenses relate. These disclosures include the association's policy for the allocation of general support expenses to other functions including the nature of the expenses being allocated, the basis on which such allocations have been made and the amounts allocated.

Fund Accounting

The association follows the restricted fund method of accounting for contributions.

The General Fund accounts for the association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the association's capital assets and student centre renovation and expansion campaign.

Financial Instruments

The accounting standards for financial instruments require that all financial assets and financial liabilities be classified according to their characteristics, management's intentions, or the choice of category in certain circumstances. When initially recognized, all financial assets and financial liabilities are recorded at fair value. In subsequent periods, financial assets and financial liabilities will be measured at fair value, except for those financial instruments with long-term maturities and for which the association has the intent and ability to hold these financial instruments to maturity which will be measured at amortized cost using the effective interest rate method. Gains or losses arising from a change in the fair value of a financial asset or financial liability are recognized in operations as they occur.

The Students' Association of the Algonquin College of Applied Arts and Technology Corporation

Summary of Significant Accounting Policies

June 30, 2010

Financial Instruments (continued)

CICA Handbook Section 3862, Financial Instruments - Disclosures and CICA Handbook Section 3863 Financial Instruments - Presentation replaced CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation for certain entities. Sections 3862 and 3863 revised and enhanced the disclosure requirements, and carried forward unchanged the presentation requirements. These new Sections would provide additional information to enable users of the financial statements to evaluate the significance of financial instruments for an entity's financial position and performance, the nature and extent of risks arising from financial instruments to which the entity is exposed, and how the entity manages those risks. The adoption of Sections 3862 and 3863 is optional for not-for-profit organizations. As a result, the association has opted to continue to disclose and present financial instruments under the CICA Handbook Section 3861, Financial Instruments - Disclosure and Presentation in these financial statements instead of the more onerous CICA Handbook Sections 3862 and 3863.

The association's financial instruments consist of cash and short-term investments, accounts receivable, accounts payable, accrued liabilities and bank loans.

Cash and short-term investments, accounts receivable, accounts payable and accrued liabilities are carried at cost which is equivalent to their fair values given their short-term maturities, unless otherwise noted.

Bank loans are carried at amortized cost using the effective interest rate method given their long-term maturities and the association's intent and ability to hold this financial instrument to maturity, unless otherwise noted.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values, unless otherwise noted.

Derivative Accounting

The association has entered into interest rate swap contracts in order to minimize its exposure to variable interest rates on their bank loans. Interest rate swap contracts are recorded on the statement of financial position at fair value as provided by the lender. All changes in their fair value are recorded as revenue or expense of the capital fund.

Financial Risk Management

The association manages its investment portfolio in order to maximize earned interest income and invests in low risk investments.

Inventory

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

The Students' Association of the Algonquin College of Applied Arts and Technology Corporation

Summary of Significant Accounting Policies

June 30, 2010

Capital Assets

Purchases of capital assets are recorded at cost.

Amortization of the Student Centre - Woodroffe is provided on a 13 year, straight-line basis.

Amortization of the Sports field - Woodroffe is provided on a 21 year, straight-line basis.

Amortization of all other capital assets is provided on the straight-line basis at an annual rate of 20%.

All amortization is recorded in the Capital Asset Fund.

The amount of assets fully amortized by the end of the year are deducted from capital assets cost and accumulated amortization.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Sales from pub and food operations, entertainment centre, fitness centre and athletics are recorded in the general fund when earned. Student activity fees are recorded in either the general fund or the capital asset fund when earned.

Investment income earned on resources related to the association's capital assets and student centre renovation and expansion campaign is recognized as revenue of the Capital Asset Fund. Other investment income is recognized as revenue of the General Fund when earned.

Allocation of Expenses

The association discloses its expenses by program. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The association also incurs a number of general support expenses that are common to the administration of the association and each of its programs.

The association allocates its general and administrative expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. During the budget process, administrative staff estimates how much time they would spend on each program. The cost is then calculated based on the budgeted salary amounts and incorporated into the budget. Actual allocations are based on budgeted figures and are not adjusted for actual costs.

The Students' Association of the Algonquin College of Applied Arts and Technology Corporation

Summary of Significant Accounting Policies

June 30, 2010

Future Changes in Accounting Standards

The CICA has announced that all Canadian reporting entities, subject to certain exceptions which include not-for-profit organizations, will adopt International Financial Reporting Standards (IFRS) as Canadian generally accepted accounting principles for years beginning on or after January 1, 2011. The association, at its option, may adopt IFRS if it so chooses.

The CICA has also announced that effective January 1, 2012 Canadian private sector not-for-profit organizations (i.e. those not controlled by government entities) will have a new financial reporting framework and that early adoption will be permitted.

For organization's that do not adopt IFRS but rather adopt the new not-for-profit standards the existing not-for-profit accounting standards will remain, supplemented by the new private entity standards. The new private entity standards include recognition, measurement and presentation simplification in many areas as well as reduced required disclosures in the financial statements whereas IFRS would require to some extent different and expanded recognition, measurement, presentation and disclosure standards.

The association expects to adopt the new not-for profit standards and further expects that there will be no material impact on the association's financial statements of doing so.

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Notes to Financial Statements**

June 30, 2010

1. Cash and Short-Term Investment

The association's bank accounts are held at three chartered banks and earn interest at nominal rates.

	2010	2009
Capital Asset Fund		
Building reserve	\$ 758,783	\$ 593,466
Capital equipment reserve	95,842	141,190
Capital renewal contribution	547,326	460,079
Student services grant reserve	-	495,180
Sports field reserve	37	2,495
Campus development reserve	3,736,170	1,836,300
	5,138,158	3,528,710
General Fund	603,195	568,207
	\$ 5,741,353	\$ 4,096,917

The association has a credit facility available of \$200,000 which has an outstanding balance of nil at June 30, 2010. This facility is secured by an assignment of marketable securities.

2. Accounts Receivable

Approximately 93% (2009 - 97%) of accounts receivable is due from the Algonquin College of Applied Arts and Technology Corporation.

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Notes to Financial Statements**

June 30, 2010

3. Capital Assets

	2010			2009		
	Cost	Accumulated Amortization	Net Book Value	Cost	Accumulated Amortization	Net Book Value
Student activity equipment	\$ 5,647	\$ 1,886	\$ 3,761	\$ 3,782	\$ 756	\$ 3,026
Student centres	9,438,689	3,985,139	5,453,550	9,559,226	3,535,195	6,024,031
Capital equipment	854,748	396,527	458,221	1,679,344	1,066,597	612,747
	\$ 10,299,084	\$ 4,383,552	\$ 5,915,532	\$ 11,242,352	\$ 4,602,548	\$ 6,639,804

Additions for the year were as follows:

	2010	2009
Capital equipment	\$ 174,535	\$ 127,916
Student activity equipment	1,865	3,782
Student Centre - Woodroffe	51,216	81,687
	\$ 227,616	\$ 213,385

Fully amortized assets written off during the current fiscal year amount to \$1,170,883 (2009 - \$3,035,390).

4. Athletics Scholarship Trust Fund

	2010	2009
Balance, beginning of year	\$ 9,574	\$ 8,242
Contributions during the year	12,350	14,200
Interest revenue	-	132
Scholarship disbursements	(5,500)	(13,000)
Balance, end of year	\$ 16,424	\$ 9,574

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Notes to Financial Statements**

June 30, 2010

5. Bank Loans

	2010	2009
Loan payable to CIBC - due January 15, 2021, bearing interest based upon floating CAD-BA-CDOR plus applicable margins, repayable in monthly installments by floating rate payments of principal and interest, guaranteed by student activity fees	\$ 3,862,394	\$ 4,120,737
Loan payable to Bank of Montreal- due May 30, 2012, bearing interest based upon floating CAD-BA-CDOR plus applicable margins, repayable in monthly installments by floating rate payments of principal and interest, guaranteed by the Algonquin College of Applied Arts and Technology Corporation	<u>1,476,184</u>	<u>1,799,514</u>
	5,338,578	5,920,251
Less: Current portion	<u>(617,323)</u>	<u>(581,664)</u>
	<u>\$ 4,721,255</u>	<u>\$ 5,338,587</u>

The association has entered into an interest rate swap contract to convert interest on the loan payable to Bank of Montreal from a floating rate to a fixed rate of 6.16% until May 1, 2012.

The association has also entered into interest rate swap contract to convert interest on the loan payable to CIBC from a floating rate to a fixed rate of 5.72% until January 15, 2021. Either the bank or the association may terminate this arrangement in November 2010 and November 2015. The association has also purchased a series of options to provide the association with the right to reduce the loan principal balance by the lesser of \$100,000 or the balance of the loan principal on each January 15th.

Principal loan repayments over the next five years and thereafter are as follows:

2011	\$ 617,323
2012	1,421,930
2013	306,570
2014	324,573
2015	343,633
Thereafter	<u>2,324,549</u>
	<u>\$ 5,338,578</u>

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Notes to Financial Statements**

June 30, 2010

6. Capital Asset Fund - Internally Restricted

Within the Capital Asset Fund, the association has designated six internally restricted reserves.

Building Reserve Fund:

A portion of the activity fee of full-time students and a fee to continuing education students per instructional hour is allocated directly to the reserve. Disbursements from the reserve relate to the construction of the Student Centre - Woodroffe and interest accrued on a loan payable.

Capital Equipment Reserve Fund:

The purpose of the capital equipment reserve fund is to fund the purchase of new capital assets other than the student centre renovations. The board of directors approved fiscal policy amendments calling for annual appropriations from the General Fund to the reserve to be a minimum of 1% of the year's gross operating revenue.

Capital Renewal Contribution Reserve Fund:

The purpose of the capital renewal contribution reserve fund is for the replacement and renewal of capital assets not covered by the Building Reserve Fund or the Capital Equipment Reserve Fund. Annual appropriations from the General Fund to the reserve will range from 1% to 3% of total student centre renovation costs.

Student Services Grant Reserve:

The student services grant reserve fund was established during the year ended June 30, 2005. The purpose of this reserve is to enable the college to maintain and improve student services. The reserve is no longer receiving contributions from the student activity fees and the board has approved the allocation for the remaining balance of the fund.

Campus Development Reserve:

The campus development reserve fund was established during the year ended June 30, 2009. The purpose of this reserve is to enable the association to build (develop) facilities at all three college locations. A portion of annual student activity fees are contributed to the reserve (\$60 per full time student and \$30 per part time student) per semester.

Sports Field Reserve Fund:

The sports field reserve fund was established during the year ended June 30, 2005. The purpose of this reserve is to service the bank loan used to finance the construction of the new sports field. A designated portion of student activity fees are contributed to the reserve up to a maximum of \$477,960 per year.

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Notes to Financial Statements**

June 30, 2010

6. Capital Asset Fund - Internally Restricted (continued)

	2010		2009					
	Building Reserve	Capital Equipment	Capital Renewal	Student Services Grant	Campus Development Reserve	Sports Field	Total	Total
Balance, beginning of year	\$ 593,466	\$ 141,190	\$ 460,079	\$ 495,180	\$ 1,836,300	\$ 2,495	\$ 3,528,710	\$ 2,049,530
Excess (deficiency) of revenue over expenses for the year	598,253	48	3,462	(495,180)	1,899,870	477,960	2,484,413	2,224,750
Investment in capital assets	(425,436)	(174,545)	(51,215)	-	-	(487,918)	(1,139,114)	(1,108,150)
Transfer from General Fund	-	129,149	135,000	-	-	-	264,149	362,580
Interfund transfers	(7,500)	-	-	-	-	7,500	-	-
Balance, end of year	\$ 758,783	\$ 95,842	\$ 547,326	\$ -	\$ 3,736,170	\$ 37	\$ 5,138,158	\$ 3,528,710
Investment in capital assets consists of:								
Capital asset purchases	\$ -	\$ 174,545	\$ 51,215	\$ -	\$ -	\$ -	\$ 225,760	\$ 209,602
Add payments towards loan	425,436	-	-	-	-	487,918	913,354	898,548
	\$ 425,436	\$ 174,545	\$ 51,215	\$ -	\$ -	\$ 487,918	\$ 1,139,114	\$ 1,108,150

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Notes to Financial Statements**

June 30, 2010

7. Net Expenses

The following expenses are net of ancillary revenues as indicated.

	2010	2009
Campus programming revenues	\$ 10,437	\$ 10,220
Front-line services revenues	8,845	8,343
Newspaper revenues	32,184	18,531
	\$ 51,466	\$ 37,094

8. Allocation of Expenses

General and administrative expenses of \$614,981 (2009 - \$726,394) have been allocated as follows:

	2010	2009
Cost of sales	\$ 86,301	\$ 81,336
Front of line services	50,688	47,640
Marketing	(17,352)	(40,104)
Newspaper	10,048	8,512
Campus programming	11,688	7,836
Athletics	178,840	228,042
Fitness centre	172,584	198,960
Pembroke operations	72,384	71,100
Other revenues and expenses	49,800	123,072
	\$ 614,981	\$ 726,394

9. Economic Interest

The association has an economic interest in Algonquin College of Applied Arts and Technology Corporation, over which it does not have control or significant influence. The College solicits student activity fees on behalf of the association and substantially all of the funds solicited are transferred each year.

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Notes to Financial Statements**

June 30, 2010

10. Budget Amounts

The budget amounts are unaudited and were prepared by management in accordance with the executive limitations approved by the association's board of directors.

11. Capital Disclosures

The association manages the capital structure and makes adjustments to it in light of changes in the economic conditions and the risk characteristics of the underlying assets. The Board of Directors does not establish quantitative return on capital criteria; but rather promotes year over year sustainable surpluses in order to maintain operations. The organization is not subject to any external capital requirements.

12. Subsequent Event

The association has been approved for a \$30,000,000 instalment loan to build a \$52,000,000 Student Commons (the balance of \$22,000,000 will be contributed by the college as college services will also be housed in the building). Construction is expected to begin during the 2011 fiscal year. The loan will be repaid over 25 years at a rate of prime plus 1.35%. Payments on the loan will begin no later than November 1, 2012.

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Schedule 1 - Expenses**

For the year ended June 30

2010

2009

	Budget	Actual	Actual
Athletic program (Schedule 2)	\$ 1,234,117	\$ 1,149,211	\$ 1,288,494
Board members' governance expense	185,432	158,031	134,941
Campus programming - net (Note 7)	258,217	257,607	232,604
CKDJ	4,000	3,515	1,363
Clubs, field trips and special grants	71,420	63,429	63,594
Faculty recognition	8,835	6,525	8,498
Fitness centre	606,720	616,231	632,751
Front-line services - net (Note 7)	48,950	45,878	44,167
General and administrative (Schedule 2)	341,706	386,064	331,989
Graduation	74,000	81,779	68,171
Marketing	223,611	168,489	150,602
Newspaper - net (Note 7)	45,801	30,825	29,221
Ombudsperson service	64,467	63,213	62,638
Peer tutoring and support centre	20,671	11,450	11,159
Transit bus strike	-	-	40,000
Pembroke operations	121,184	114,330	109,991
Perth operations	45,961	45,584	47,678
SA bursary	-	150,000	-
	\$ 3,355,092	\$ 3,352,161	\$ 3,257,861

**The Students' Association of the Algonquin College of
Applied Arts and Technology Corporation
Schedule 2 - Revenue and Expenses**

For the year ended June 30	2010		2009
	Budget	Actual	Actual
Athletic program revenue and expenses			
Revenue			
College funding	\$ 200,000	\$ 200,000	\$ 200,000
Field rentals	260,000	307,254	290,150
Gym rentals	40,000	28,179	24,081
Other athletic fees	45,650	39,147	52,819
	<u>545,650</u>	<u>574,580</u>	<u>567,050</u>
Expenses			
Air supported structure	225,872	202,198	197,995
General and administrative	486,538	479,939	529,425
Intramurals	115,600	106,008	106,928
Varsity	406,107	361,066	454,146
	<u>1,234,117</u>	<u>1,149,211</u>	<u>1,288,494</u>
Deficiency of revenue over expenses for the year	<u>\$ (688,467)</u>	<u>\$ (574,631)</u>	<u>\$ (721,444)</u>
General and administrative expenses			
Health and safety	\$ -	\$ 2,584	\$ -
Insurance	12,272	11,574	12,316
Interest and bank charges	18,000	19,838	19,282
Miscellaneous	12,000	13,632	11,664
Office supplies and postage	20,500	15,323	16,132
Printing	9,939	3,905	7,469
Professional development	22,912	18,946	11,660
Professional fees	6,500	14,895	32,802
Repairs and maintenance	7,900	12,863	7,503
Salaries and benefits	826,661	859,336	914,340
Telephone	3,500	4,489	2,301
Transportation and travel	2,000	1,958	2,146
Workers' compensation	14,500	21,702	20,768
	<u>956,684</u>	<u>1,001,045</u>	<u>1,058,383</u>
Allocation of administrative support	<u>(614,978)</u>	<u>(614,981)</u>	<u>(726,394)</u>
	<u>\$ 341,706</u>	<u>\$ 386,064</u>	<u>\$ 331,989</u>

**The Students' Association of the Algonquin College of Applied Arts
and Technology Corporation
Schedule 2 - Revenue and Expenses**

For the year ended June 30

2010

2009

	Budget	Actual	Actual
Other revenue and expenses			
Income tax service	\$ 1,675	\$ 2,207	\$ 1,917
CSEP	66,836	98,607	129,394
Rental and other income	14,200	14,106	12,123
Allocation of administrative support	(49,796)	(49,800)	(123,072)
	\$ 32,915	\$ 65,120	\$ 20,362