

Algoma University
Consolidated Financial Statements
For the year ended April 30, 2009

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Auditors' Report

**To the Board of Governors of
Algoma University**

We have audited the consolidated statement of financial position of Algoma University as at April 30, 2009 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the University's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the University as at April 30, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
August 31, 2009

Algoma University
Consolidated Statement of Financial Position

April 30

2009

2008

Assets

Current

Cash	\$ 547,203	\$ 1,746,098
Due from Algoma University Foundation (Note 8)	85,584	-
Accounts receivable - fees	563,833	513,062
Accounts receivable - grants	-	1,000,000
Accounts receivable - other	380,709	255,490
Inventory	3,947	3,983
Prepaid expenses	112,177	81,223

1,693,453 **3,599,856**

Long term investments

Investment in land, building and wholly owned subsidiary (Note 3)	1,000,000	4,343,668
-------------------------------------------------------------------	-----------	-----------

Capital assets (Note 2)

18,874,189 **18,482,132**

Deferred pension charge (Note 1)

1,914,517 **1,500,930**

\$ 23,482,159 **\$ 27,926,586**

Liabilities and Net Assets

Current

Revolving credit facility (Note 5)	\$ 250,000	\$ 250,000
Accounts payable and accrued liabilities	1,610,831	1,393,758
Fees received in advance	289,897	272,563
Deferred government grants and program revenue	1,002,012	1,769,216
Due to Algoma University Foundation (Note 8)	-	6,729
Current portion of long term debt (Note 5)	1,235,236	464,556

4,387,976 **4,156,822**

Long term debt (Note 5)

3,711,492 **4,908,011**

Deferred contributions related to capital assets

12,353,491 **13,195,161**

20,452,959 **22,259,994**

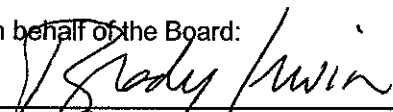
Net assets

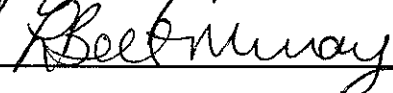
Invested in capital assets	1,573,970	(85,598)
Internally restricted (Note 4)	551,746	901,746
Unrestricted	903,484	4,850,444

3,029,200 **5,666,592**

\$ 23,482,159 **\$ 27,926,586**

On behalf of the Board:


_____ Chair


_____ Vice-Chair

Algoma University
Consolidated Statement of Changes in Net Assets

April 30	Invested in capital assets	Internally restricted	Unrestricted	Total 2009	Total 2008
Balance, beginning of year,	\$ (85,598)	\$ 901,746	\$ 4,850,444	\$ 5,666,592	\$ 5,100,864
Excess (deficiency) of revenue over expenses	-	-	(2,637,392)	(2,637,392)	565,728
Amortization of deferred capital contribution	533,613	-	(533,613)	-	-
Amortization of capital assets	(942,281)	-	942,281	-	-
Investment in capital assets	2,068,236	-	(2,068,236)	-	-
Internal restrictions	-	(350,000)	350,000	-	-
Transfer from internal restrictions	-	-	-	-	-
Balance, end of year	\$ 1,573,970	\$ 551,746	\$ 903,484	\$ 3,029,200	\$ 5,666,592

Algoma University
Consolidated Statement of Operations

April 30	2009	2008
Revenue		
Student fees	\$ 4,174,031	\$ 4,294,597
Government grants	10,797,509	7,442,179
Miscellaneous programs	249,168	383,124
Ancillary operations	1,744,549	1,634,387
Non-credit operations	887,524	1,028,130
Donations	153,334	20,000
Amortization of deferred capital contributions	533,613	417,742
	18,539,728	15,220,159
Expenses		
Salaries and benefits		
Academic	5,318,432	4,513,811
Non-academic	4,584,283	4,014,352
Library	213,985	154,929
Administration	1,577,032	1,230,543
Academic departments	63,973	37,974
Advertising and communications	1,019,540	465,251
Utilities	325,002	271,353
Repairs and maintenance	812,527	273,237
Student services	189,502	168,958
Municipal taxes	58,800	61,125
Insurance	44,264	38,144
Recruitment	79,254	37,327
Ancillary operations	1,567,403	1,488,482
Non-credit operations	1,021,490	1,061,029
Amortization of capital assets	942,281	837,916
	17,817,768	14,654,431
Excess of revenue over expenses from operations	721,960	565,728
Loss on write down of long term investments (Note 3)	(3,359,352)	-
Excess (deficiency) of revenue over expenses	(2,637,392)	565,728
Change in internal restrictions (Note 4)	-	(350,000)
Excess (deficiency) of revenue over expenses	\$ (2,637,392)	\$ 215,728

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

Algoma University
Consolidated Statement of Cash Flows

For the year ended April 30

2009

2008

Cash flows from operating activities

Excess (deficiency) of revenues over expenses	\$ (2,637,392)	\$ 565,728
Items not involving cash		
Amortization of capital assets	942,281	837,916
Write down of investment in Windsor Park Retirement Residence Inc.	3,359,352	-
Amortization of deferred contributions	(533,613)	(417,742)
	<u>1,130,628</u>	<u>985,902</u>

Changes in non-cash working capital balances

Accounts receivable - fees	(50,771)	(22,757)
Accounts receivable - grants	1,000,000	(1,000,000)
Accounts receivable - other	(125,219)	(92,088)
Inventories	36	3,299
Prepaid expenses	(30,954)	6,462
Deferred pension charge	(413,587)	(401,087)
Accounts payable and accrued liabilities	217,074	89,702
Due to/from Algoma University College Foundation	(92,313)	(31,656)
Fees received in advance	17,334	994
Deferred government grants and program revenue	(767,204)	513,849
Revolving credit facility	-	100,000
	<u>885,024</u>	<u>152,620</u>

Cash flows from investing activities

Purchase of capital assets	(1,334,339)	(96,081)
Due from wholly owned subsidiary	(15,684)	(169,200)
Deferred capital contribution	(308,057)	1,731,679
	<u>(1,658,080)</u>	<u>1,466,398</u>

Cash flows from financing activities

Net decrease in long term debt	(425,839)	(453,961)
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Increase (decrease) in cash and equivalents

(1,198,895) 1,165,057

Cash and cash equivalents, beginning of year

1,746,098 581,041

Cash and cash equivalents, end of year

\$ 547,203 \$ 1,746,098

Algoma University

Summary of Significant Accounting Policies

April 30, 2009

Nature of Operations	Algoma University is a provincially funded university offering educational programs and upgrading to the accessing communities.
Basis of Consolidation	<p>The consolidated financial statements include the operations of the Northern Ontario Research, Development, Ideas and Knowledge Institute (Nordik Research Institute), an entity controlled by Algoma University whose purpose is to operate a research institute to promote more vibrant, caring and sustainable communities through research, dialogue, analysis and reflection dedicated to the practice of holistic community development. Also included are the operations of the Coalition for Algoma Passenger Trains (CAPT), an entity controlled by Algoma University whose purpose is to foster and promote passenger rail service for the Algoma District and surrounding regions that supports the economy and community health of the region.</p> <p>These financial statements do not reflect the assets, liabilities and results of operations of the various student organizations, Algoma University Foundation or Windsor Park Retirement Residence Inc. (a wholly owned subsidiary).</p>
Tuition Fees	Tuition fees for courses which are offered substantially after the fiscal year end are deferred.
Inventories	Inventories are valued at the lower of cost or net realizable value, with cost being determined substantially on a first-in, first-out basis.
Revenue Recognition	The university follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
Use of Estimates	The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Specifically, estimates related to rate of return on assets used in valuing the future pension benefit obligation are affected by the uncertainty of predictions concerning future events. Should the underlying assumptions change, the estimated pension benefit obligation disclosed in notes to the financial statements may change by a material amount.

Algoma University

Summary of Significant Accounting Policies

April 30, 2009

Capital Assets

Capital assets are recorded at cost, except for art work which is recorded at fair value at the date of contribution, being appraised value. Amortization, based on the estimated useful life of the asset, is provided by the straight line basis over the following periods:

Buildings	-	40 years
Furniture and equipment	-	5 years
Library books	-	5 years
Parking lot	-	15 years
Computer software system	-	5 years

Construction in progress is capitalized as work is completed. Upon completion of the projects, capitalized construction in progress costs are transferred to the various categories of capital assets and will be amortized on a basis consistent with similar assets.

Pension Expense

The university maintains a defined benefit plan covering the faculty and management staff. Contributions to the pension plan are made in accordance with the Pension Commission of Ontario actuarial requirements.

Salaries and benefits include the pension plan expense, which is calculated at the cost provided in exchange for the employee's service rendered during the year. The amount charged or credited to operations is based on amounts determined by the university's actuary using the projected benefit method pro-rated on services and management's best estimates.

The assets of the plan are determined at market values. Pension expense includes amortization of experience gains and losses. These amounts are being amortized over the expected average remaining service life of plan participants.

The university also maintains a defined contribution plan covering the faculty, management and staff.

Cost Allocation

Only costs which can be identified with departments are allocated. Unidentifiable costs are included with general and administrative expenditures.

Algoma University

Summary of Significant Accounting Policies

April 30, 2009

New Accounting Pronouncements

Recent accounting pronouncements that have been issued but are not yet effective, and have a potential implication for the university, are as follows:

a) **Financial Statement Concepts**

CICA Handbook Section 1000, Financial Statement Concepts has been amended to focus on the capitalization of costs that truly meet the definition of an asset and de-emphasizes the matching principle. The revised requirements are effective for interim and annual financial statements for fiscal years beginning on or after October 1, 2008. The university is currently evaluating the impact of the adoption of this change on the disclosure within its financial statements.

b) **Financial Statement Presentation by Not For Profit Organizations**

Section 4400 has been amended for the treatment of net assets invested in capital assets and for the presentation of revenues and expenses. The new standard is effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2009. The university is currently assessing the impact of the new standard.

Algoma University

Summary of Significant Accounting Policies

April 30, 2009

Financial Instruments

The university classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired. The university's accounting policy for each category is as follows:

Held for trading

Financial instruments are classified under this category if they are:

- (i) acquired principally for the purpose of selling or repurchasing in the near term;
- (ii) part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking;
- (iii) a derivative, except for a derivative that is a financial guarantee contract or a designated effective hedging instrument; or
- (iv) designated at fair value using the fair value option ("FVO")

Financial instruments cannot be transferred into or out of the held for trading category after inception. For designation at fair value using the FVO option, reliable fair values must be readily available.

Financial instruments included in this category are cash and bank. These instruments are carried on the balance sheet at fair value with changes in fair value recognized in the Statement of Operations. Transaction costs related to instruments classified as held for trading are expensed as incurred.

Loans and receivables

Loans and receivables are non-derivative financial assets resulting from the delivery of cash or other assets by a lender to a borrower in return for a promise to repay on a specified date or dates, or on demand. They arise principally through the provision of goods and services to customers, but also incorporate other types of contractual monetary assets. These financial instruments are initially recognized at fair value and subsequently carried at amortized cost, using the effective interest rate method, less any provision for impairment. Transaction costs related to loans and receivables are included in the amount initially recognized. Accounts receivable, grants receivable, and related party balances have been classified as loans and receivables.

Other financial liabilities

Other financial liabilities includes all financial liabilities other than those classified as held for trading and comprises accounts payable, accrued liabilities, revolving credit facility and long term debt. These instruments are initially recognized at fair value including direct and incremental transaction costs. They are subsequently measured at amortized cost using the effective interest rate method.

Unless otherwise noted, it is management's opinion that the university is not exposed to significant interest, currency or credit risk arising from these financial instruments.

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

1. Pension plans

Defined benefit pension plan

The university maintains a defined benefit plan covering the faculty and management staff. Actuarial reports, which were based on projections of employee's compensation levels to the time of retirement, indicate the net assets available to provide for benefits, and the present value of accrued pension benefits at June 30, are as follows:

	2009	2008
Asset, at market value	\$ 15,879,000	\$ 17,840,000
Pension benefit obligation	19,848,000	17,713,000
Plan surplus (deficit)	\$ (3,969,000)	\$ 127,000

The pension benefit obligation was determined at June 30, 2009 by rolling forward pension benefit obligation as at July 1, 2008, the date of the latest actuarial valuation, with adjustments for interest, current service costs and benefit payments.

The plan assets at June 30 consist of the following asset categories:

	2009	2008
Canadian equities	44 %	43 %
Foreign equities	23 %	21 %
Fixed income	31 %	35 %
Cash and short term deposits	2 %	1 %
	100 %	100 %

The pension expense for the year ended April 30, 2009 was determined by prorating the pension expense for the years ended June 30, 2009 and 2008. The pension expense amounts totaled \$140,667 (2008 - \$145,667) and is included in salaries and benefits on the statement of operations. Employer contributions paid and payable during the year were \$546,254 (2008 - \$546,754).

The discount rate used is 5.50% (2008 - 6.00%), the estimated rate of salary increases used is 4.00% (2008 - 4.00%) and the estimated rate of return on assets used is 6.5% (2008 - 6.5%).

The cumulative difference between the amounts expensed and the funding contributions has been reflected on the statement of financial position as a deferred pension charge. The difference between the plan deficit of (\$3,969,000) and the deferred pension charge of \$1,914,517 is due to unamortized net actuarial losses.

Defined contribution pension plan

Faculty and management staff are eligible to participate in a defined contribution pension plan. Employer contributions totaled \$248,177 for 2009 (\$201,906 - 2008) and were fully expensed.

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

2. Capital assets

	2009		2008	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 371,816	\$ -	\$ 371,816	\$ -
Library books	645,303	645,303	645,303	645,303
Buildings	24,090,038	7,171,331	24,090,038	6,569,080
Furniture and equipment	4,732,188	4,076,867	4,105,019	3,786,055
Parking lot	500,989	318,587	500,989	285,188
Artwork	54,593	-	54,593	-
Computer software system	79,095	15,819	-	-
Construction in progress (parking lots)	628,074	-	-	-
	\$ 31,102,096	\$ 12,227,907	\$ 29,767,758	\$ 11,285,626
Net book value		\$ 18,874,189		\$ 18,482,132

3. Long term investments

Windsor Park Retirement Residence Inc. (WPRR Inc.) is a wholly owned subsidiary controlled by the University. WPRR Inc. which is involved in the operation of a retirement residence is incorporated under the laws of the Province of Ontario. The company is a not-for-profit organization under the Income Tax Act and accordingly is exempt from income taxes provided certain criteria are maintained on an ongoing basis.

The investment in WPRR Inc. is as follows:

	2009	2008
Investment in land and buildings located at 601 and 617 Queen Street East, Sault Ste. Marie, Ontario	\$ 3,926,550	\$ 3,926,550
Capital stock (1 common share)	1	1
Contributed capital assets transferred to WPRR Inc.	112,007	112,007
Due from WPRR Inc.	320,794	305,110
	4,359,352	4,343,668
Loss on write down of investment in WPRR Inc.	(3,359,352)	-
	\$ 1,000,000	\$ 4,343,668

The investment in WPRR Inc. was originally recorded based on appraised value of the land and building, and the cost of contributed capital assets. Each year, the change in the due from WPRR Inc. account was added to the investment. During the current year, it was determined that the investment in WPRR Inc. was impaired and the investment was written down. The current economic conditions and their effect on the local real estate market were considered in determining the amount of the loss on the write down.

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

3. Long term investments (continued)

The summary financial statements for WPRR Inc. for the non-coterminous years ended September 30, 2008 and 2007 are as follows:

Balance Sheet:

	As at September 30	
	2008	2007
Assets	\$ 79,684	\$ 116,108
Liabilities	\$ 479,954	\$ 358,849
Deferred contributions related to capital assets	59,998	75,163
Common share	1	1
Deficit	(460,269)	(317,905)
	\$ 79,684	\$ 116,108

Statement of Operations:

	For the year ended September 30	
	2008	2007
Revenue	\$ 1,190,904	\$ 1,095,966
Expenses	1,333,268	1,280,514
Loss	(142,364)	(184,548)
Deficit, beginning of year	(317,905)	(133,357)
Deficit, end of year	\$ (460,269)	\$ (317,905)

Cash Flows:

	For the year ended September 30,	
	2008	2007
Cash flows from operating activities	\$ (32,827)	\$ (20,404)
Cash flows from financing activities	-	-
Increase in cash	(32,827)	(20,404)
Cash, beginning of year	17,124	37,528
Cash, end of year	\$ (15,703)	\$ 17,124

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

3. Long term investments (continued)

Summary of Significant Accounting Policies:

Revenue recognition WPRR Inc. recognizes revenue as it is earned through the rental of residential rooms. Revenue from ancillary services are recognized upon delivery of the services provided.

Capital assets WPRR Inc. capital assets are recorded at cost. Amortization is provided on a diminishing-balance basis at the following annual rates:

Furniture and equipment	-	20%
Computers	-	45%-55%
China, cutlery and other	-	100%

In the year of acquisition, capital assets are amortized at one-half of the above rates.

Going concern The company's continuing ability to operate as a going concern is wholly dependent upon its ability to raise capital. These financial statements have been prepared on the assumption that the company will continue to realize upon its assets and discharge its liabilities in the normal course of its business and therefore assumes that the company will be able to raise sufficient capital to allow it to continue its business. These assumptions are considered reasonable under the present circumstances, however should additional capital not be forthcoming, these assumptions may be incorrect and an alternative basis of presentation would be more appropriate.

4. Net assets internally restricted

The following balances represent net assets set aside by the Board of Governors for the specific purpose of:

	<u>2009</u>	<u>2008</u>
Operating	<u>\$ 551,746</u>	<u>\$ 901,746</u>

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

5. Long term debt

	2009	2008
Scotiabank student centre loan, repayable \$4,167 monthly plus interest at 4.55%, secured by property and general security agreement, maturing April 2010 ¹	\$ 800,000	\$ 850,000
Scotiabank building renovation loan, repayable \$12,500 plus interest at prime, secured by property and general security agreement, maturing April 2011	300,000	450,000
Scotiabank consolidated loan, repayable \$33,873 monthly including interest at 4.50%, secured by property and general security agreement, maturing December 2010 ²	3,653,918	3,890,127
Bank of Montreal 3.87% residence loan, repayable \$149 monthly including interest at 3.87%, maturing November 2010	3,020	4,662
Bank of Montreal parking lot loan, repayable \$2,222 monthly plus interest at 3.87%, maturing December 2014	151,111	177,778
First Mutual capital lease, repayable \$927 monthly including interest at 4.01%, secured by equipment, maturing January 2013	38,679	-
	4,946,728	5,372,567
Less current portion	1,235,236	464,556
	\$ 3,711,492	\$ 4,908,011

Interest on long term debt during the year amounted to \$192,432 (2008 - \$220,253).

¹ The principal payments required for 2010 above includes the entire balance of the Scotiabank student centre loan of \$800,000 as the loan is maturing within the next fiscal year and has not been refinanced as of April 30, 2009.

² The above loan was consolidated in during the 2007 fiscal year. Had the consolidation not occurred the four individual loans would have had balances as follows:

Residence loan 1	\$ 684,404
Residence loan 2	1,501,887
Residence loan 3	536,772
West wing loan	930,855
	\$ 3,653,918

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

5. Long term debt (continued)

Principal payments required on long term debt for the next five years and thereafter, assuming refinancing under similar terms, are as follows:

Year	Amount
2010	\$ 1,235,236
2011	446,588
2012	307,566
2013	317,626
2014	322,408
Thereafter	<u>2,317,304</u>
	<u>\$ 4,946,728</u>

The university has a revolving demand credit facility in the amount of \$300,000 obtained to finance renovations of the building and operations of Windsor Park Retirement Residence Inc. The facility bears interest at prime minus .5%, advances and principal payments are due in multiples of \$50,000. The balance available at April 30, 2009 is \$50,000.

The university has an operating line of credit due on demand in the amount of \$1,250,000 available. The facility bears interest at the bank's prime lending rate minus .5% with advances made in multiples of \$25,000. As at April 30, 2009, the entire facility was available to the university.

6. Contingent liabilities

The university is a member of the Canadian Universities Reciprocal Insurance Exchange ("CURIE"). CURIE is a pooling of property damage and public liability insurance risks of its members. All members pay annual deposit premiums, which are actuarially determined and are subject to further assessment in the event members' premiums are insufficient to cover losses and expenses. No assessment has been made for the year ended April 30, 2009.

The university is involved with pending litigation and claims which arise in the normal course of operations. In the opinion of the administration, a liability that may arise from such contingencies would not have a significant adverse effect on the financial statements of the university. Losses, if any, arising from these matters will be accounted for in the year in which they are resolved.

7. Trust funds

The university administers approximately \$22,000 of funds provided from donations. These funds are available to students as emergency loans.

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

8. Algoma University Foundation

Algoma University has representation on the Board of Directors and shares management personnel with Algoma University Foundation ("the foundation"). The foundation is engaged in fundraising and related activities for the purpose of providing scholarships to the students of the university and other funding to the university. The foundation is a registered charity under the Income Tax Act. The financial information below for Algoma University Foundation is not included in the consolidated financial statements presenting the assets, liabilities and results of operations for Algoma University.

The summary financial statements for Algoma University Foundation for the years ended April 30, 2009 and April 30, 2008 are as follows:

	2009	2008
Balance Sheet:		
Assets	\$ 2,824,095	\$ 2,887,702
Liabilities	\$ 133,158	\$ 54,977
Net assets	2,690,937	2,832,725
	\$ 2,824,095	\$ 2,887,702
Statement of Operations:		
Revenue	\$ 325,347	\$ 383,648
Expenses	320,485	290,941
Excess of revenue over expenses	\$ 4,862	\$ 92,707
Cash Flows:		
Cash flows from operating activities	\$ 108,987	\$ 119,603
Cash flows from investing activities	(361,283)	(90,777)
Increase (decrease) in cash	(252,296)	28,826
Cash, beginning of year	275,891	247,065
Cash, end of year	\$ 23,595	\$ 275,891

Included in assets above are other assets consisting of artwork totaling \$355,000 which are recorded at fair value at the date of contribution, being the appraised value. An appraisal has not been obtained in recent years.

Algoma University
Notes to Consolidated Financial Statements

April 30, 2009

9. Comparative figures

Comparative figures have been restated where necessary to conform to the presentation adopted during the fiscal year.

10. Capital disclosure

The university considers its capital to be its net assets, restricted and unrestricted. Its restricted net assets consist of amounts for future expansion and amounts invested in capital assets. The university's objectives when managing its capital are to safeguard its ability to continue as a going concern, to continue to provide services to the university community and to allow for future expansion. Annual budgets are developed and compared to actual results as the year unfolds to ensure the organization's capital is maintained at an appropriate level.



BDO Dunwoody LLP
Chartered Accountants
and Advisors

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Auditors' Comments on Supplementary Financial Information

**To the Board of Governors of
Algoma University**

The audited consolidated financial statements of the Algoma University as at April 30, 2009 and our report thereon dated August 31, 2009 are presented in the preceding section of this annual report. The financial information presented hereinafter was derived from the accounting records tested by us as part of the auditing procedures followed in our examination of the financial statements and, in our opinion, it is fairly presented in all material respects in relation to the financial statements taken as a whole.

BDO Dunwoody LLP

Chartered Accountants, Licensed Public Accountants

Sault Ste. Marie, Ontario
August 31, 2009

Algoma University
Schedule of Consolidated Ancillary Operations

For the year ended April 30, 2009	George Leach Centre	Varsity	Other Ancillary Services	Residence	Parking Lot	Student Bar	Student Centre	Windsor Park	Nordik Research Institute	Total
Revenue	\$ 465,109	\$ 59,197	\$ 36,957	\$ 527,064	\$ 119,988	\$ 77,977	\$ 37,632	\$ 150,850	\$ 269,775	\$ 1,744,549
Expenses										
Cost of sales	-	-	-	-	-	45,559	-	-	-	45,559
Salaries and benefits	300,985	13,000	-	196,011	75,169	42,682	-	-	41,266	669,113
Utilities	42,409	-	-	87,977	-	-	-	-	-	130,386
Maintenance	33,176	-	-	9,243	2,051	-	-	-	-	44,470
Interest	-	-	-	127,064	6,616	-	37,632	-	-	171,312
Other operating expenses	82,162	112,689	-	21,568	7,678	8,066	-	43,334	207,066	482,563
Program transfer recovery	-	(46,000)	-	-	-	-	-	-	-	(46,000)
Bad debt expense	-	-	-	-	-	-	-	70,000	-	70,000
	458,732	79,689	-	441,863	91,514	96,307	37,632	113,334	248,332	1,567,403
Excess (deficiency) of revenue over expenses	\$ 6,377	\$ (20,492)	\$ 36,957	\$ 85,201	\$ 28,474	\$ (18,330)	\$ -	\$ 37,516	\$ 21,443	\$ 177,146
For the year ended April 30 2008										
Excess (deficiency) of revenue over expenses	\$ (17,048)	\$ (49,842)	\$ 75,252	\$ 88,708	\$ 28,876	\$ (21,420)	\$ -	\$ 77,467	\$ (36,088)	\$ 145,905

Algoma University
Schedule of Consolidated Non-credit Operations

For the year ended April 30, 2009	Research	Masters of Science	Algoma Off Campus	ESL	CESD	Social Work Collaborative	Total
Revenue	\$ 332,679	\$ 222,085	\$ 84,751	\$ 149,936	\$ 83,044	\$ 15,029	\$ 887,524
Expenses							
Salaries and benefits	46,813	70,025	141,611	88,709	14	-	347,172
Other operating expenses	286,707	203,362	20,911	74,588	73,721	15,029	674,318
	333,520	273,387	162,522	163,297	73,735	15,029	1,021,490
Excess (deficiency) of revenue over expenses	\$ (841)	\$ (51,302)	\$ (77,771)	\$ (13,361)	\$ 9,309	\$ -	\$ (133,966)
For the year ended April 30 2008							
Excess (deficiency) of revenue over expenses	\$ -	\$ (33,871)	\$ (14,815)	\$ 15,787	\$ -	\$ -	\$ (32,899)