



# A CLOSER LOOK

STRUCTURE FINANCE GROWTH





**SIR EDMUND WALKER**  
1848-1924

Appleby College opened in 1911, thanks to the vision and generosity of our Founders Sir Edmund Walker and his son-in-law John Guest. Sir Edmund was a leading Canadian businessman and philanthropist who was passionate about education. Today's Appleby College was shaped by his commitment to having a school that could make a great impact on society through its students. It was through his philanthropy that the initial 32-acre farm was purchased and the original School House (now Colley House) was built.



**JOHN GUEST**  
1873-1953

The school has never stopped evolving. Since the gift of the original farm we have added a chapel, classrooms, boarding houses, and sports facilities. The land area of the campus has expanded through a number of acquisitions and in 1973 we were given a gift of land in Temagami. The Appleby College you see today is a testament to the generosity of our Founders, and to the generosity of generations of parents and alumni.

# WE FIND MANY OF OUR ALUMNI, FAMILIES AND FRIENDS HAVE QUESTIONS ABOUT THE STRUCTURE AND FINANCES OF APPLEBY COLLEGE. THIS DOCUMENT SEEKS TO ANSWER SOME OF THESE QUESTIONS.

## Who owns Appleby College?

Appleby College is not owned by any individual or entity. Appleby was incorporated in 1911 as a not-for-profit organization by an Act of the Province of Ontario and is a registered charitable organization. Appleby is governed by a volunteer Board composed of alumni,

current and past parents, and business and community leaders. Our Governors ensure that Appleby remains focused on its mission. Unlike other private schools in our community, we have no shareholders or owners.

## Do fees cover the costs of running the College?

Over 90% of our revenues come from tuition. In 2015 fee income was \$34 million. The remaining revenues come from facility rentals, summer programmes, the Appleby College Foundation and donations from our parents, alumni, employees and friends. These revenues must cover operating expenses and offset investments in capital infrastructure.

Our largest operating expense is our investment in people, and reflects an educational philosophy grounded in outstanding teaching. We offer an enriching and innovative educational and co-curricular programme.

This is best achieved with low student to teacher ratios in the classroom, and exceptional faculty, supported by strong professional development. Each year, we must also invest in maintaining our facilities, technology, and equipment infrastructure. In fact, as a leader in innovation amongst independent schools, 6% of Appleby's total operating expense is technology-related with an average spend of \$2,500 per student. The level of such investment will vary from year to year depending on needs and funding and, to an extent, is donor dependent. In 2015 we invested \$3.3 million in capital expenditures, which included the final phase of the renovations to the Memorial Classroom Building.

## KEY 2015 FINANCIAL INFORMATION

### ANNUAL REVENUE



- Tuition **91%**
- Commercial Activities **5%**
- Donations **3%**
- Foundation Grant **1%**

### OPERATING EXPENSES



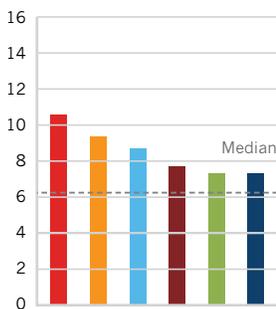
- Salaries and Benefits **62%**
- Financial Assistance **9%**
- Programme **8%**
- Facilities and Contract Services **14%**
- Other **7%**

### CAPITAL EXPENDITURES

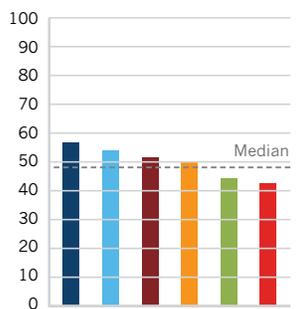


- Major Renovations (incl. Memorial Classroom Building final phase) **51%**
- Maintenance **38%**
- Technology and Programme **11%**

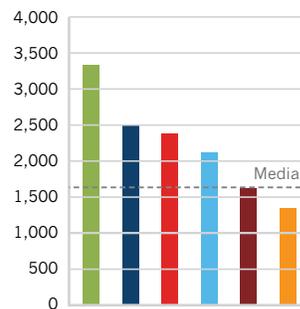
### STUDENT TO TEACHER RATIO



### TEACHING SALARIES as a % of the total salary budget



### TOTAL IT COSTS PER STUDENT (\$)



- LAKEFIELD COLLEGE
- APPLEBY COLLEGE
- TRINITY COLLEGE SCHOOL
- ST. ANDREW'S COLLEGE
- RIDLEY COLLEGE
- UPPER CANADA COLLEGE

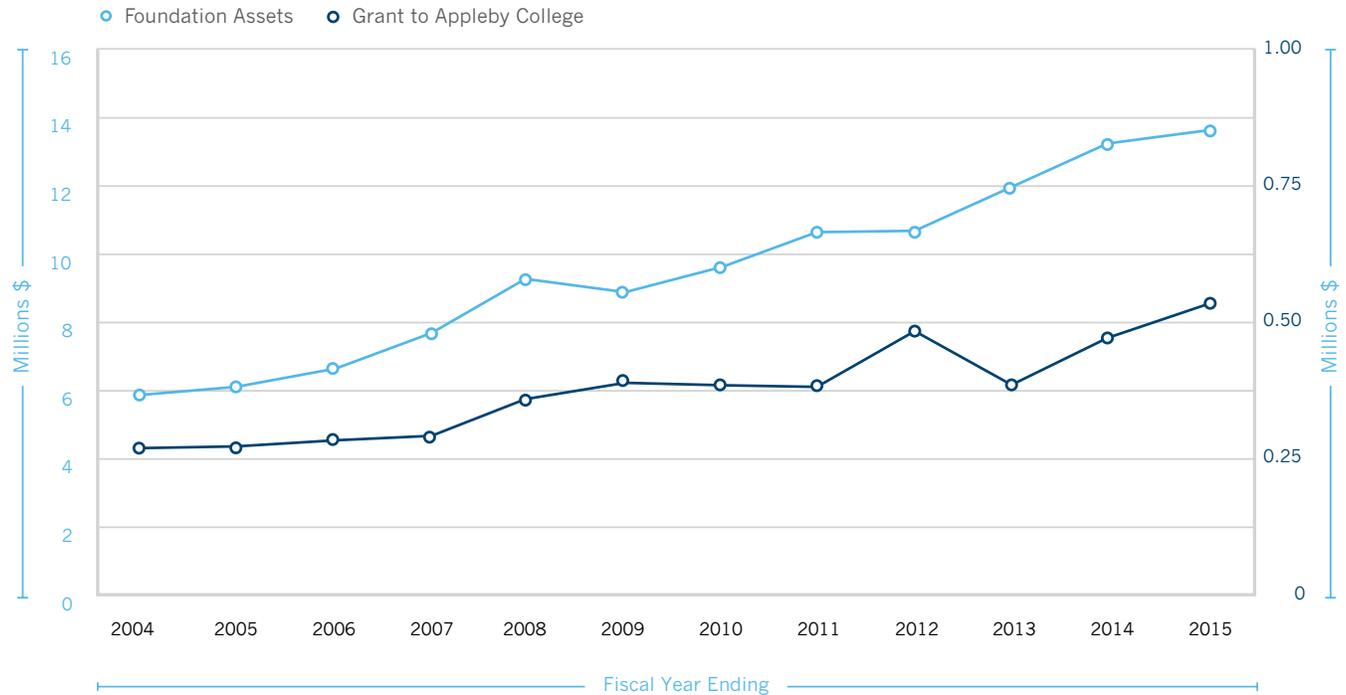
# What is the Appleby College Foundation?

In 1959 Appleby established a registered charitable foundation to hold and manage endowment funds. The Appleby College Foundation is a separate, legally-incorporated organization, and is governed by a volunteer Board of Trustees. Appleby's

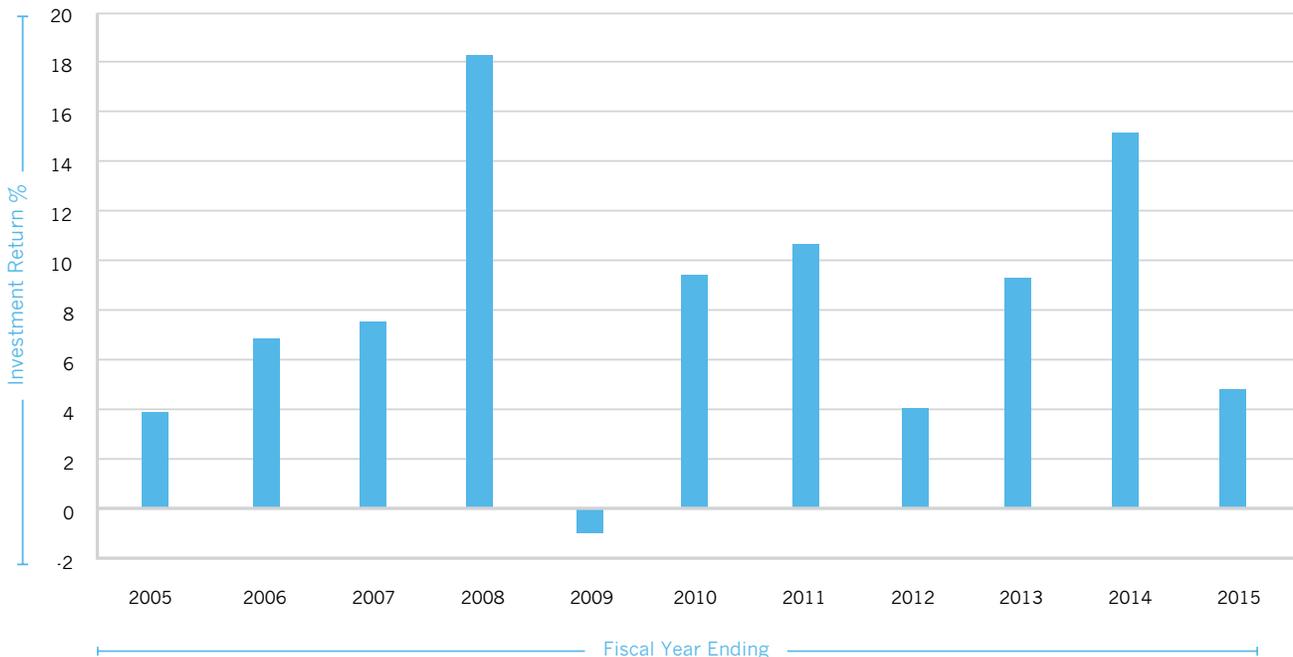
endowment is currently \$13.8 million. These funds have accumulated from a combination of gifts made specifically for endowment, and earnings from the careful investment of these assets. Some of the funds held by the Foundation are restricted for specific

uses (usually named scholarships). The Foundation currently disburses 4.5% of its funds to the College each year. Annual growth of the endowment has averaged 9% over the past decade.

## APPLEBY COLLEGE FOUNDATION



## AVERAGE RETURN ON INVESTMENT (%)



## Why does Appleby maintain an operating surplus?

Appleby operates in an efficient and prudent financial manner, employing best business practices. Our annual budgets are set with a view to the longer term and we plan for operating surpluses to fund capital initiatives.

These initiatives include ongoing maintenance, renovations of existing facilities and new buildings or infrastructure. In fiscal 2015, operating surplus before capital amortization and financing costs was \$4 million.

After financing costs, we generated a \$2.6 million surplus of revenues over all expenses. These surpluses assist in funding current capital requirements, paying down past debt and in building funds for future capital needs.

## What is Appleby doing to generate additional sources of revenue?

Appleby relies on four major funding streams: tuition fees, commercial activities, Foundation grants, and donations.

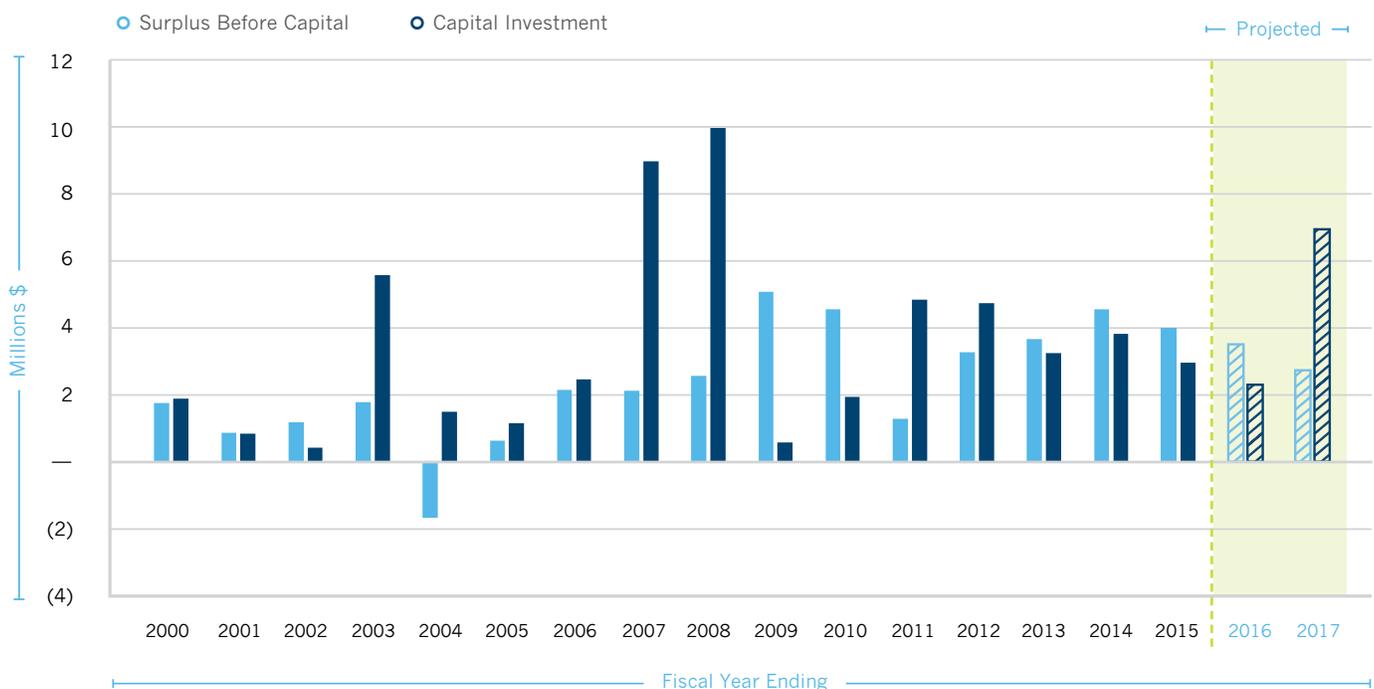
Our fee revenue is limited by our optimal enrollment of approximately 750 students. Raising tuition fees much above inflation impacts our affordability, which narrows the diversity of our applicant pool. We believe in the value of an Appleby education and want to ensure it is accessible to exceptional students, regardless of financial status. In light of this, we're expanding our financial aid programme.

Income from commercial activities has been growing. We rent facilities when not required for school programmes, and run a variety of well-recognized day and residential summer programmes for local and international youth. This growth, however, is limited by facility capacity.

Grants from endowed funds in The Appleby College Foundation now provide Appleby approximately \$500,000 per year. These grants are funded by earnings from invested endowment funds. Gifts for endowment will ensure the Foundation grows and so these grants will grow.

Donations are a very important source of funding for Appleby. We have benefited greatly from the generosity of our community in the past. Yet this support has come from a relatively small proportion of our alumni and parents. This is an area where we seek to improve engagement and understanding that philanthropy is vital to the continued success of Appleby.

### OPERATING SURPLUS & CAPITAL INVESTMENT



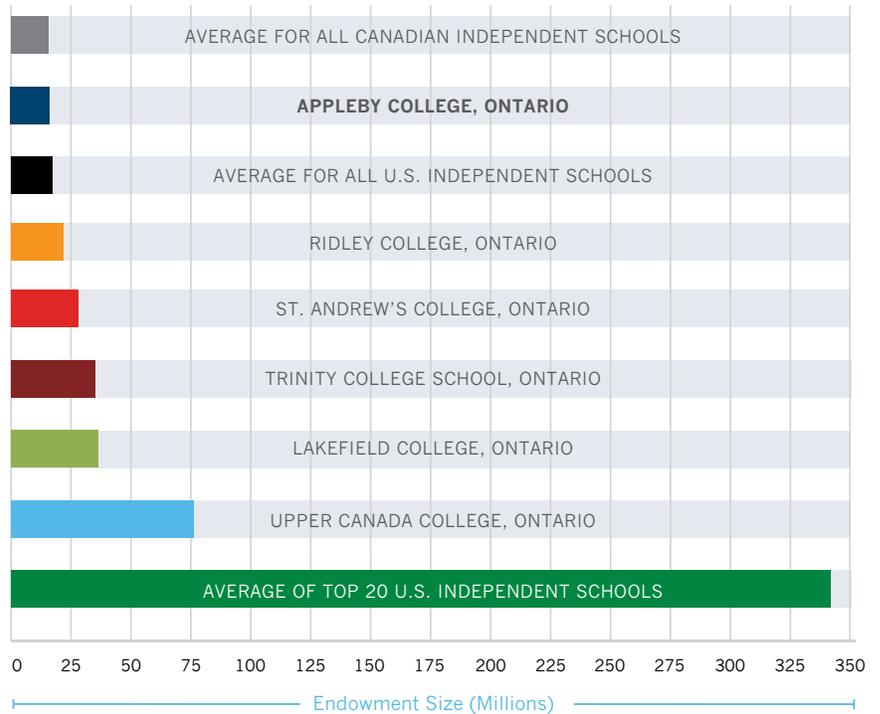
# Why does Appleby need philanthropic support?

By many measures we are prosperous. We operate well-maintained buildings on the beautiful lakeshore campus, generate revenues annually of \$37 million and have an endowment of \$14 million. This endowment contributes to the total revenue of Appleby College, but it is well below that of peer schools nationally and internationally.

A world-class education requires exceptional faculty, programmes and facilities, and there is always more we wish to offer our students. We have a long-range plan for campus development, great ambitions for our financial aid programme and are constantly developing our educational programme. We have an immediate need to add significantly to our indoor athletics space, including a whole school assembly area, and additional performance space. The new athletics and performing arts spaces will add approximately 40% to the floor area of the school (excluding residences), three gyms including a 1,000-seat auditorium, and a 300-plus seat performing arts centre with an atrium for receptions, exhibitions and other gatherings. The cost of these plans exceed what we can afford with our current funding model. To achieve these aspirations we require philanthropic support.

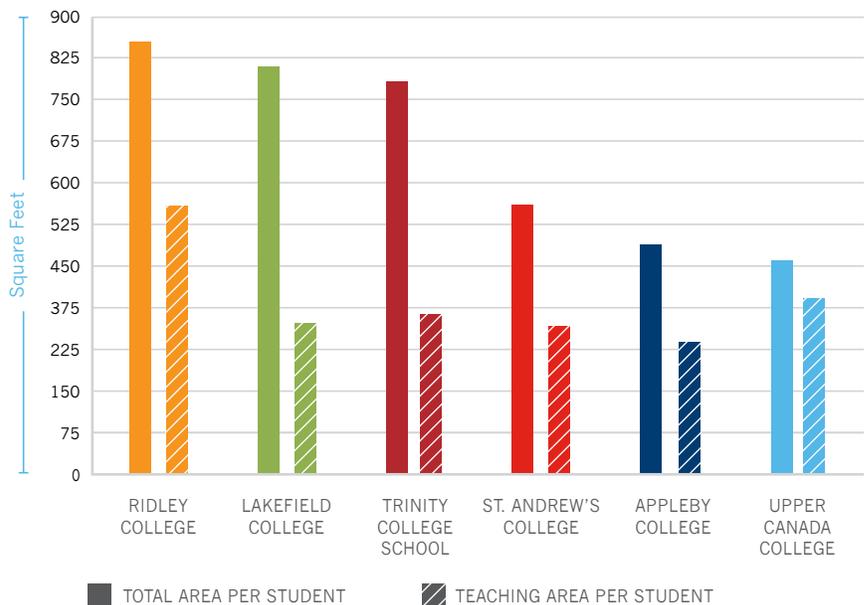
## INDEPENDENT SCHOOL ENDOWMENT SIZE

\* 2014 Endowment numbers listed in CAD\$



## TOTAL AREA PER STUDENT VS TEACHING AREA PER STUDENT

(June 2014)



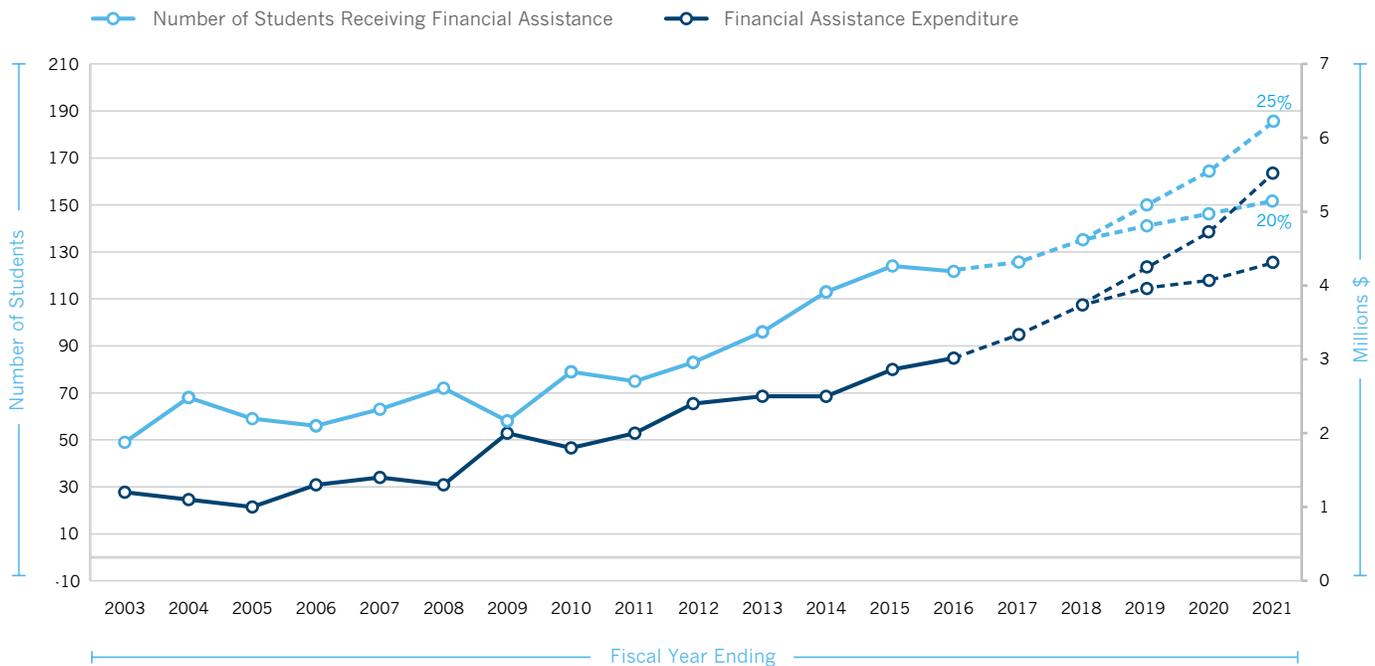
# Why is financial aid for students important?

We believe it is part of our mission to make an Appleby education available to outstanding students from diverse socioeconomic and cultural backgrounds. We work hard to identify students who would benefit from an Appleby education and who would contribute to school life. Providing financial aid to those children, benefits them, their families, and the entire school community.

Financial aid allows us to bring exceptional students to Appleby. It allows us to admit great scholars, virtuoso musicians and gifted athletes. Financial aid allows us to create a wonderfully diverse and talented community which is of benefit to all our students. Appleby offers a combination of needs-based bursaries, merit scholarships and loan programmes. In addition, our needs-based Centennial Scholars programme provides funding that covers the full cost of attending Appleby.

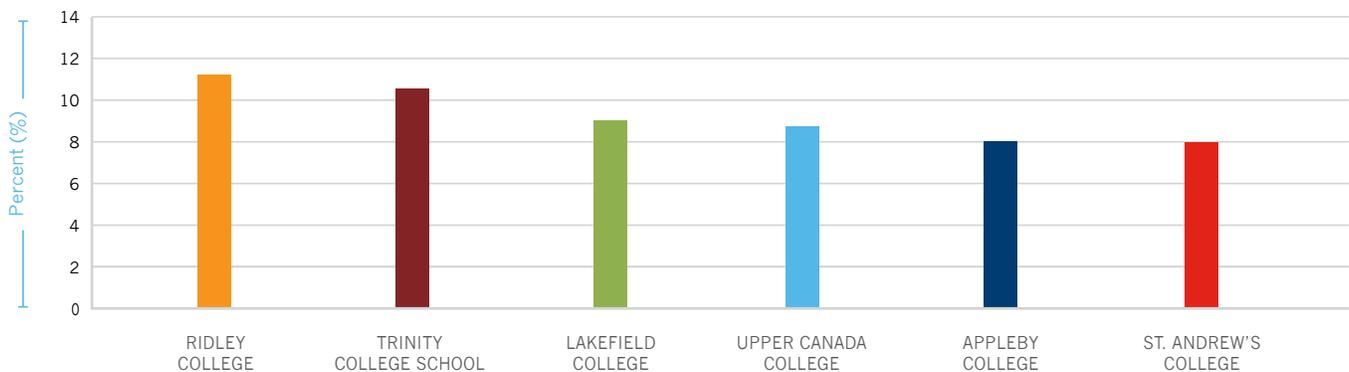
Compared to other leading independent schools, Appleby College funds less of its financial assistance from philanthropy. This is a consequence of our relatively small endowment and lower levels of gift support. It is our goal for an increasing proportion of financial assistance to come from donations and endowment.

## FINANCIAL ASSISTANCE



## FINANCIAL AID AS A % OF OPERATING EXPENSES

2014 Results Represented



# A TIMELINE OF INNOVATION

## 1910s

- First 29 students admitted to Appleby School
- School House opens (now Colley House)
- Headmaster's Residence built (now the Principal's Residence)
- Powell's House built
- Appleby College granted charitable status by Act of Provincial Parliament

## 1920s

- Covered rink officially opens
- First meeting of the Women's Association (now Parents' Association) founded by Lady Baillie
- Chapel completed and dedicated
- The Old Boys' Association (now Alumni Association) is founded

## 1930s

- Appleby School Travel Club tours Europe
- First dramatic performance in French
- Original gates to the school constructed
- Annual carol services introduced

## 1940s

- Memorial Classroom Building (centre block) officially opens
- Appleby School renamed Appleby College
- Woodworking shop installed in the basement of the original Powell's House
- School House named Colley House

## 1950s

- Optimates Club established
- Chapel Choir travels to England for Queen Elizabeth's coronation
- Official ceremony for Memorial Entrance to classroom building
- The Appleby College Foundation established and incorporated

## 1960s

- New (Walker) House officially opened
- John Guest Dining Hall is dedicated
- *Appleby Quarterly* magazine is launched

## 1970s

- J.S. Gairdner Arena officially opens
- Library and science wing built
- Appleby is given an 11-acre Northern Campus at Lake Temagami by the McLaughlin Family

## 1980s

- Day boys outnumber boarders (203 to 184) for the first time
- Appleby College Diploma introduced
- Official naming ceremony of the Library after Raymond Massey
- Nicholas Court (renamed the Nicholas Arts Centre) officially opens

## 1990s

- First Gala Auction
- Appleby becomes co-educational and welcomes first female students
- Appleby launches the e.school programme
- New Powell's House officially opens
- Willis Hall officially opens

## 2000s

- Appleby hosts the 33rd International Round Square Conference
- John Guest Student Commons built; Samuel Academic Resource Centre and Schlesinger Dining Hall open
- Appleby introduces the Appleby College Diploma with Distinction in Global Leadership
- Appleby recognized as a Top 100 Employer

## 2010s

- Appleby College celebrates Centenary
- Centennial Scholars Programme launched
- Refurbished Memorial Classroom Building opens

## LOOKING AHEAD...

We look forward to implementing the school's master campus plan with the introduction of new athletics and performing arts spaces.

