



# A Closer Look at Appleby College



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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.

The school has never stopped evolving. Since the gift of the original farm we have added 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 land at 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.

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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, 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 NOT COVER THE COSTS OF RUNNING THE COLLEGE?

Over 90% of our revenues come from tuition. In 2014 fee income was \$33 million. The remaining revenues come from facility rentals, summer programs, the Appleby College Foundation and donations from our parents, alumni, staff 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 program. This is best achieved with exceptional faculty, supported by strong professional development. Each year, Appleby must also invest in maintaining our facilities, technology and equipment infrastructure. The level of such investment will vary from year to year depending on needs and funding and, to some extent, is donor dependent. In 2014 we invested \$3.8 million in capital expenditures which included a major renovation of the Memorial Classroom Building.

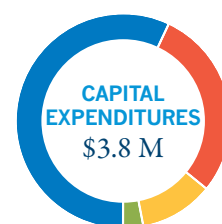
## Key Financial Information



- Tuition **93%**
- Commercial Activities **4%**
- Donations **2%**
- Foundation Grant **1%**



- Salaries and Benefits **65%**
- Financial Assistance **8%**
- Program **6%**
- Facilities and Contract Services **14%**
- Other **7%**



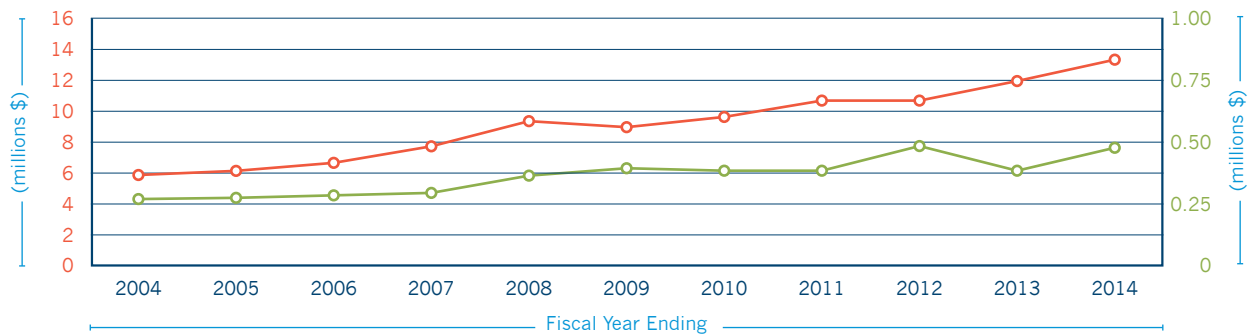
- Major Renovations **57%**
- Maintenance **29%**
- Equipment **11%**
- Furniture **3%**

## 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 just over \$13 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

○ Foundation Assets    ○ Grant to Appleby College



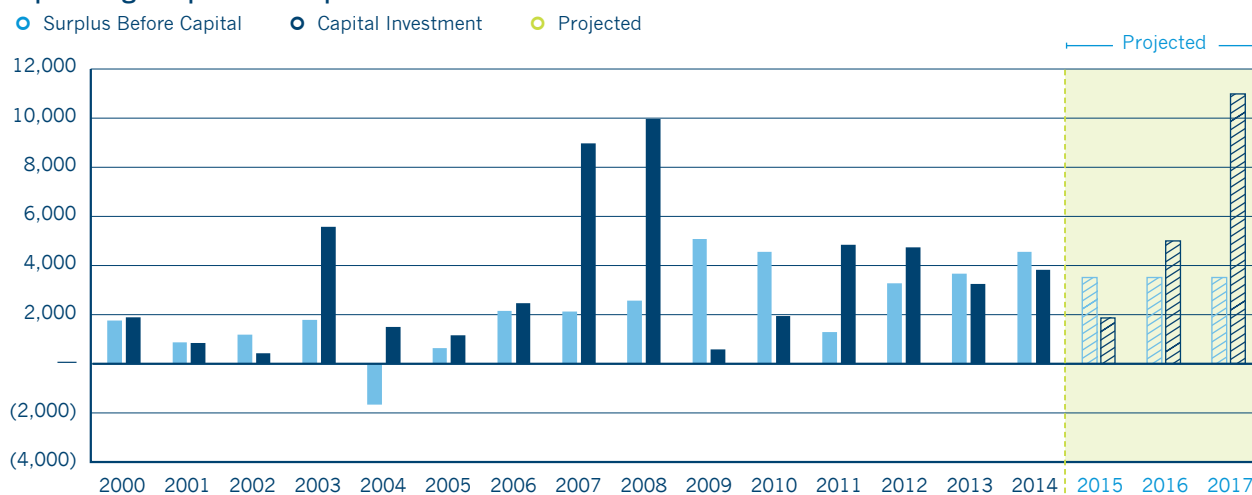
### Average Return on Investment (%)



## 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 major maintenance and renovations of existing facilities and new buildings or infrastructure. In fiscal 2014, operating surplus before capital amortization and financing costs was \$4.6 million. After capital and financing costs, we generated a \$2.2 million surplus of revenues over all expenses. These surpluses assist in paying down past debt and in building funds for future capital needs.

### Operating Surplus\* & Capital Investment



## WHAT IS APPLEBY DOING TO GENERATE ADDITIONAL SOURCES OF REVENUE?

Appleby relies on four major funding streams - 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 College 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 programs, and run a variety of well recognized day and residential summer programs 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 College.

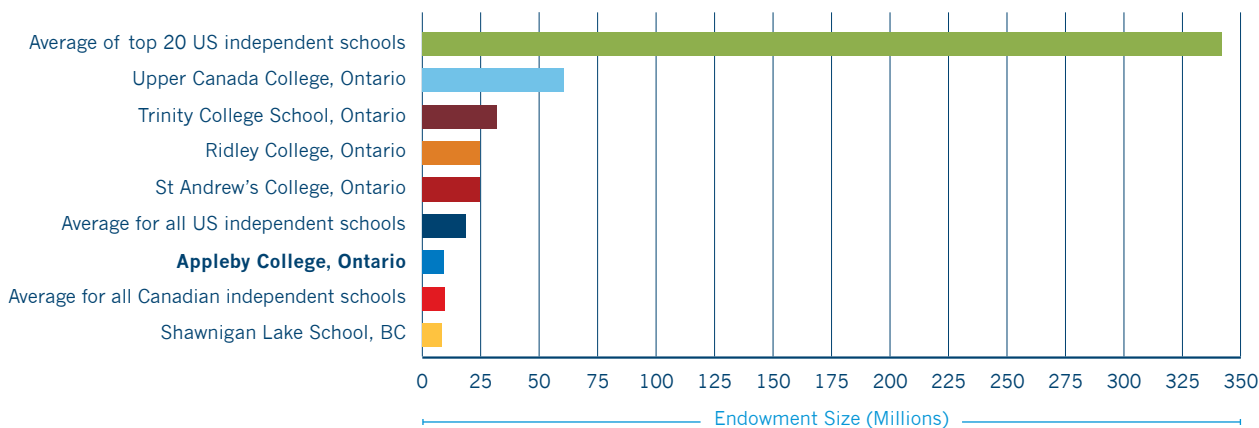
### WHY DOES APPLEBY NEED PHILANTHROPIC SUPPORT?

By many measures we are prosperous. We operate well maintained buildings on the beautiful lakeshore campus, generate revenues annually of \$35 million and have an endowment of \$13 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, new turf field and additional performance space. 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

\*2013 Endowment numbers listed in CAD\$



## WHY IS FINANCIAL AID FOR STUDENTS IMPORTANT?

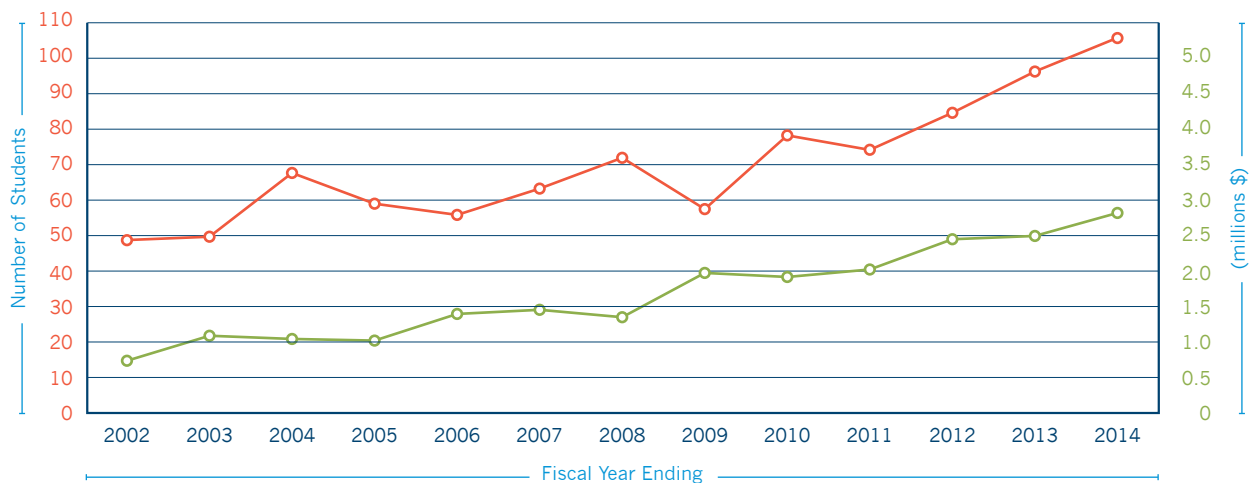
We believe it is part of our mission to make an Appleby education available to outstanding students from diverse socioeconomic and cultural backgrounds. We work hard to identify students who would benefit from an Appleby education and who would contribute to school life. Providing financial aid to those 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 or 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 programs. Our needs-based Centennial Scholars programme offers exceptional students the full costs 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

○ Number of Students Receiving Financial Assistance    ○ Financial Assistance Expenditure



# 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 house built
- Appleby College granted charitable status by Act of Provincial Parliament

## 1920s

- Covered rink officially opens
- First meeting of the Women's Association founded by Lady Baillie
- Chapel completed and dedicated

## 1930s

- Appleby School Travel Club tours Europe
- John Guest, First Headmaster retires
- Percival Wickens appointed Headmaster
- The Rev. John Bell appointed Headmaster

## 1940s

- Memorial Classroom Building (centre block) officially opens
- 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
- Edward R. Larson appointed as Headmaster
- 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

- Alexis Troubetzkoy appointed as Headmaster
- Day boys significantly 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
- Guy McLean appointed as Headmaster

## 1990s

- First Gala Auction
- Appleby becomes coeducational and welcomes first female students
- Appleby launches the e.school program
- 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

## 2010s

- Appleby College celebrates Centenary
- Centennial Scholar Programme launched
- Innes van Nostrand appointed Principal
- Refurbished Memorial Classroom Building opens

