2018 2019 Annual Report

OUR MISSION

To provide pathways to success, an exceptional learning experience, and a global outlook to meet student and employer needs.

FANSHAWE

Unlocking Potential

ANNUAL REPORT 2018/2019
FANSHAWE COLLEGE

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As Fanshawe approaches the final year of its 2017-2020 Strategic Plan, I am proud to say that the College is on track to fully realize, and in some areas surpass, its ambitious strategic goals. Notably, the College successfully met all six standards in the College Quality Assurance Audit Process and was awarded a Mature Effort—the highest rating possible.

Fanshawe's rigorous planning and operational processes have allowed for developing and implementing strategies that ensure continuous success on all fronts, from financial planning and resource allocation to the student experience. The College's outstanding performance and achievements are outlined in this report and reflected in its Key Performance Indicators. One of the main areas of strategic focus is the operationalization of the College's Innovation Village, as a new kind of community where the creativity of students and the wisdom of educators and mentors converge to advance innovation. In addition, the development of the College's Data and Digital Strategies will ensure that new initiatives are supported by integrated and state-of-the-art systems, as well as timely and high quality data.

Our community and industry partnerships have never been stronger. As a member of the "London Jobs Now" task force, announced by Mayor Ed Holder in the 2019 State of the City address, the College will play a key role in finding collaborative solutions for London's employment issue. It is also important to mention that Fanshawe's impact and contribution to exceptional education extends beyond the Canadian borders through global initiatives in Peru, Colombia and Brazil.

The Board of Governors is proud of Fanshawe's remarkable contributions to students' lives, the local economy, community wellbeing, and Ontario's post-secondary education system. We are looking forward to working with the senior leadership team to develop the next Strategic Mandate Agreement and new strategic goals for the 2020-2025 period. We are confident that the College is equipped to move towards its vision and mission faster and stronger than ever before!

Bruce Babcock
Chair, Board of Governors

Looking back at the past year, I am proud of the extraordinary achievements of Fanshawe College.

As an innovative workplace, our goal is to prepare students for 21st century jobs and careers by unlocking their potential, delivering dynamic programs and instilling in them the confidence needed to respond to future opportunities. And, based on our strong annual Key Performance Indicators, it is clear that we are succeeding. Fanshawe has surpassed provincial averages in multiple areas including student satisfaction, graduation, and employment rates. Our graduate employment rate of 87.6 per cent is ranked second among large colleges in Ontario, exceeding the provincial average.

Overall enrolment remains strong and the College continues to welcome a growing number of international students from 97 countries, representing 25.2 per cent annual growth in 2018/2019. In order to address the need for more educational space as enrolment grows, a new location in South London will open in fall 2019. In addition, our regional campuses continue to enhance access to education by offering flexible options that meet students' unique situations and learning needs.

In line with our pledge to provide students with a Signature Innovative Learning Experience and as one of the top 10 research colleges in Canada, Fanshawe is on track to operationalize its unique Innovation Village concept. In virtual and physical form, Innovation Village will be a place where technology and knowledge collide, where space and perspective converge, where students and the community collaborate to create new solutions that assist businesses of all sizes move from concept, to reality, to success.

Fanshawe remains committed to recognizing and meeting the unique needs of its diverse student and employee population. In 2018, the College developed its Indigenous Action Plan to increase Indigenous students' access to higher education, enhance community relationships and foster a greater understanding of Indigenous knowledge and ways of being.

Aligned with its ongoing commitment to community engagement and appreciation, Fanshawe participated in various community events, including hosting an afternoon celebration of Canadian music, food and Fanshawe pride at our downtown campus in conjunction with the 2019 Junos in London.

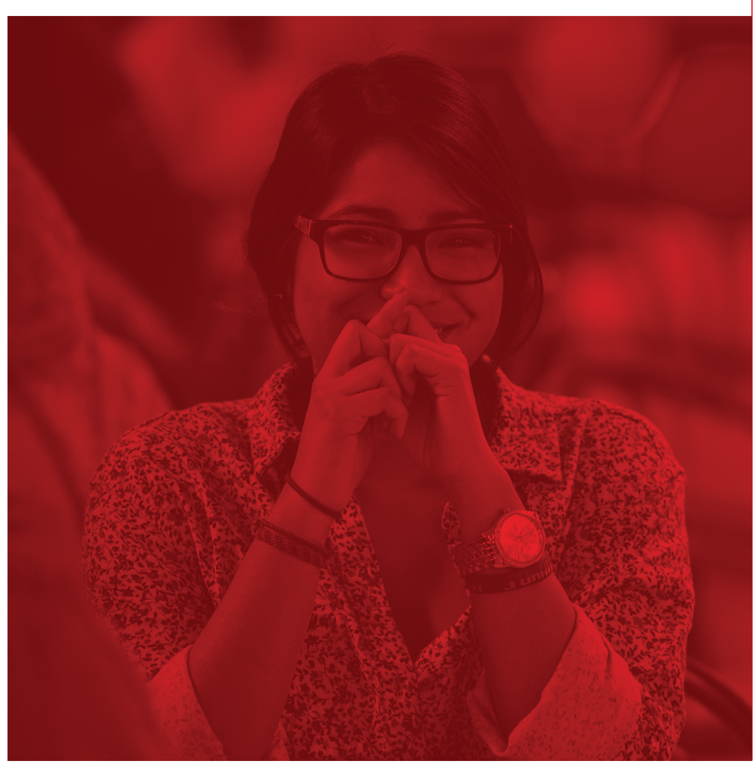
Fanshawe's Canadian Centre for Product Validation (CCPV) also hosted the Premier, Federal Minister of Agriculture, the Mayor and other elected officials from all three levels of government for the announcement of Maple Leaf's plan to invest $660 million in a new state-of-the-art production facility in London.

I would like to thank our incredible Fanshawe community for their commitment, passion and efforts. I am looking forward to working with them in another exciting year ahead!

Peter Devlin
President, Fanshawe College

SECTION A

Report on Previous Year's Goals



Challenges and Opportunities

The post-secondary education sector is constantly impacted by changes in the political, social, technological, and economic environments. Major political issues with potential impact on the sector include Canada's relations with China; amendments to Ontario's Employment Standards Act; Ontario's new Environment Plan; and recent changes in tuition, fees and OSAP policies. Uncertainty seems to be an overarching theme in the political environment, especially with the upcoming federal election and considerable policy changes at the provincial level. Entrepreneurship and clean technology continue to be priorities at the federal level while policies at the provincial level will remain focused on reducing the deficit. Economic trends at the municipal level are expected to be favourable for the College and its graduates.

Indigenous students continue to be underrepresented in colleges and the workforce. Therefore, improving Indigenous teaching and learning has been identified as a top priority for post-secondary institutions. Recent reports indicate that most colleges and universities have passed the planning stage and now face new challenges as they try to implement their strategies.

Financial resiliency, innovation, and partnerships will be among the main areas of focus for the College in the year ahead. Fanshawe continues to closely monitor environmental trends to ensure that it is proactive in addressing challenges and identifying and pursuing opportunities by adopting a comprehensive strategic management approach. The following sections provide updates on the College's strategic goals and objectives for the 2018/2019 period.

Goal 1: Enhance innovative practices for student learning

Commitment 1.1. Successfully meet the six standards in the College Quality Assurance Audit Process (CQAAP) in spring 2018.

Fanshawe completed the College Quality Assurance Audit Process (CQAAP) review in May 2018 with a two-day site visit. A panel of three external reviewers interviewed more than 100 participants and found Fanshawe's processes to be not only comprehensive, but exemplary. In addition to a number of commendations and affirmations that recognized the institutional commitment to a highly effective quality assurance system, the panel also identified five areas in need of improvement for which no plan of action had been articulated in the College's earlier self-study. Fanshawe successfully met all six standards in the College Quality Assurance Audit Process and was awarded a *Mature Effort* - the highest rating possible.

Commitment 1.2. Ensure all post-secondary programs provide at least five percent online delivery by spring 2020.

ELearning has been an area of focus and growth at the College. In the winter term of 2019, the College had 822 blended and 402 online course sections. The numbers represent a term-over-term increase of 45% in blended and 65% in online course deliveries from 2016/2017 (using the winter terms as a comparator index).

The College is developing an enterprise-level eLearning strategy, with specific focus on defining a more meaningful set of metrics to be used for establishing baselines and measuring advances towards this strategic commitment.

Commitment 1.3. Enhance the student first year experience through strategies that support transition into and through the College.

- The College is reviewing its Academic Advising model with key stakeholders to develop a holistic and coordinated advising approach focused on first year student advisement. The new frameworks will be implemented in the fall of 2019.

- The College will continue to advocate for and provide leadership on Universal Design for Learning (UDL) approaches to curriculum and service delivery in collaboration with school priorities.

- The College successfully launched a collaborative orientation day across all campuses in September 2017 to support students' social and academic transitions into college. Fanshawe will continue to review, assess and enhance the effectiveness of all components of the program with campus partners. For fall 2019, the focus will be on the engagement of upper year students to act as program mentors and to work with academic partners on options for lost curriculum time.

- The at-risk student protocol was enhanced by moving the communications to a trackable platform (Mailchimp) in partnership with Reputation and Brand Management. In addition to the email communication inviting students to access support, new multi-service drop-in sessions were held near the withdrawal date to offer supports and encourage students to re-register in future semesters. Two types of sessions were offered specifically for London campus to support domestic students and international students.

- Counselling and Accessibility Services launched a new Peer Support program to provide mental health support to students. Outreach activities such as Sidewalk Talks, Bell Let's Talk Day, Chill Lounge, and evening crisis support services have utilized these student leaders. Student feedback of the 2018/2019 pilot has been overwhelmingly positive.

- In collaboration with Reputation and Brand Management, Student Services continues to implement an awareness campaign aimed at all students, but targeted in social media and other communications to first year students. The campaign, branded "Here for You", will be adopted by all services areas. Website re-design, major building signage, social media, posters, handouts and other materials will be branded to be recognizable to students, and to inform them of the many supports they can access.

Commitment 1.4. Develop an Indigenous Strategy by fall 2018 that aligns with the Indigenous Educational Protocol for Colleges and Institutes.

After a series of consultations within the College and with Indigenous partners, Fanshawe has developed the Indigenous Action Plan. The Plan sets in place processes for increasing Indigenous students' access to the College's programs, improving Indigenous students' outcomes, enhancing community relationships, and fostering a greater understanding within the College environment of Indigenous knowledge and ways of being. The Indigenous Action Plan is the first step in the College's journey to continually increase Indigenous students' access to higher education, and the fulfilment of their study and career aspirations. Fanshawe College's approach to improving life opportunities for Indigenous students and communities is to embed accountabilities for the Indigenous agenda across the College. The Indigenous Action Plan's seven key areas, aligned with the Indigenous Education Protocol for Colleges and Institutes, include: governance, leadership and institutional support; involve and support Indigenous communities; engage Indigenous learners; enhance Indigenous student experiences; embrace Indigenous knowledge, teaching, learning and Indigenous curriculum development; and Indigenous staff development.

Commitment 1.5. Ensure all post-secondary students have a research or innovation experience as part of their program.

The skills required for the knowledge-based workplace include creativity, critical thinking, complex problem solving, communications, and resilience. The integration of research and innovation into the curriculum for all post-secondary programs creates the opportunity for these skills to be developed and fostered as part of the program-specific teaching and learning process. Methods used for integrating research and innovation into the curriculum include increasing research and innovation literacy; conducting individual, class, or capstone projects; and participating in sponsored research. Participating in cross-program projects and collaborating with multi-skilled teams allow students to approach and analyze problems from different perspectives.

Plans to integrate research and innovation in curricula have been developed in close collaboration with academic schools to ensure that the unique needs of each school and program are met. The Centre for Research and Innovation identifies funding opportunities; facilitates partnerships with industry, business, and the community; and supports faculty in developing their capacity to engage in research and innovation. The Centre also provides support in areas including proposal development; project management; financial management; and reporting of funded projects. Research activity at the program level will be tracked in the new Program Excellence Self-Assessment Survey (PRESS) that will be administered in fall 2019.

Commitment 1.6. Develop a digital strategy by fall 2018 inclusive of infrastructure, support systems, and educational delivery.

The College has developed a Digital Strategy, aimed at digitalizing teaching, learning, and research. More specifically, it aims to discover, beyond the College's current capabilities and practices, how it can ensure that its students graduate with a mastery in using digital tools for the industry in which they will work. It also aims to enhance pedagogical practices in order to impact student learning and the student experience. The strategy was presented to the Board at the February 2019 meeting.

Six high-level objectives were identified for this purpose. The intent behind these objectives was to: define digital skills that ought to be embedded into curriculum; adopt new digital teaching and learning practices and tools in the classroom; cultivate a culture of digital innovation; bridge the gaps in digital literacy; and acquire essential infrastructure, equipment and tools for this purpose.

Goal 2: Manage enrolment growth

Commitment 2.1. Grow enrolment by six percent over three years (with baseline of full-time post-secondary enrolments established 2016/2017).

As of January 31, 2019, the full-time post-secondary enrolment count is 42,046, which includes the spring 2018, fall 2018 and winter 2019 terms. This represents a year-over-year increase of 8.8%, exceeding the 2% target established by the Board for the President. The College has experienced 29.7% enrolment increase over the past four years, far surpassing the College's strategic growth targets (6% over three years beginning 2017/2018).

It should be noted that international enrolment growth far outstrips domestic enrolment growth, partly resulting from an intentional strategy of developing new programs that attract international students (2.0%, 0.7% and 1.3% domestic compared to 50.7%, 133.1%, and 204.8% international cumulative enrolment growth for 2016/2017, 2017/2018, and 2018/2019 respectively).

Commitment 2.2. Broaden flexible learning opportunities to enhance access for students.

The College is committed to providing students with flexible options that meet their unique learning needs with regard to time, geography, learning modality, and the stage in their lifelong learning journey. Detailed action plans for broadening flexible learning opportunities in the upcoming year were outlined in the College's Integrated Master Academic Priorities Plan (iMAPP) across five areas: online learning; modularized and accelerated delivery; geographic options; part-time admission, registration and continuing education; and access to post-secondary education. Examples of initiatives adopted to enhance flexible learning opportunities are presented below.

- The College is in the process of producing a comprehensive eLearning Strategy with tactical considerations, to be presented to the Executive Leadership Team for review.
- Regional Campuses have been exploring the possibility of modularizing other full-time post-secondary programs, based on best practices established in the modularized deliveries of the Early Childhood Education and Developmental Services Worker programs at the Norfolk/Simcoe campus.
- Modularized/compressed deliveries are being evaluated to quantify impact and to establish a replicable work plan for modularizing other continuing education programs.
- The Faculty of Access, Language and Regional Campuses (ALRC) has been exploring opportunities to expand availability of programming in rural and remote communities.
- As part of the realignment of the academic portfolios, oversight for part-time admissions/continuing education has been moved to the new Dean of Faculty of Business, Information Technology and Part-time Studies. The Dean, under direction of Senior Vice-President Academic, is currently developing a new Mature Learner strategy for the College.
- Access Studies, in partnership with Contact North, offers offsite synchronous deliveries of Personal Support Worker program in Kincardine, and has partnered with Saugeen First Nation and Cape Croker First Nation to deliver Project Management Specialist and Personal Support Worker programming in their communities.

Commitment 2.3. Implement, by winter 2018, a consolidated post-secondary program excellence lifecycle process in consideration of labour market need.

To maintain quality in academic programs, the College uses a comprehensive Program Excellence Model. It includes the Stage-Gate process for new program development as well as the Program Excellence Self Assessment Survey (PRESS) and Program Health Tool (PHT), which are used to assess programs on an annual basis. The Model also requires formal program reviews to be conducted every five years. Rigorous processes are followed to ensure that students' needs are met; program and course learning outcomes are achieved; the content of academic programs is current and relevant to meet labour market needs; the delivery format is effective; and that action plans include clear recommendations and detailed implementation guidelines.

As part of the full program lifecycle model, a Decision Balance Tool (DBT) was introduced in 2018 to address the revitalization and/or rationalization of existing programs. Programs are assessed based on 13 variables. Moving forward, the College will continue to identify and review programs with weak factors on an annual basis.

Goal 3: Optimize use of resources

Commitment 3.1. Develop a long-term data strategy by spring 2018.

The purpose of the College's Data Strategy, which has been completed, is to provide optimized access to College data and intelligence for employees to make more informed decisions and drive performance and innovation. The Strategy addresses six pillars: 'questions' (key challenges and business-critical questions that need to be addressed); 'data' (easy access to reliable and valid data to respond to key questions); 'analytics' (the ability to turn data into insights); 'technology' (essential infrastructure, equipment, and tools for data management and analytics); 'governance' (privacy, security, and other protocols in place); and 'people' (the right culture, competencies, and communication system). In the upcoming year, the College will introduce work teams and resources to execute on short-term activities associated with the Strategy.

Commitment 3.2. Complete a review, by fall 2018, to re-engineer the business planning and budgeting process.

A review of the business planning and budgeting process was successfully completed in fall 2018 and has resulted in a number of recommendations for phasing in over the next few business planning cycles. Approximately 20% of budget managers have adopted a zero-based budgeting exercise for the 2019/2020 business planning and budgeting cycle. This exercise will be completed across the College over the next few years. The Finance Department has also introduced a Capital Planning Committee. As of spring 2019, the committee is the single point of contact to address capital and non-reoccurring project needs. The Capital Planning Committee is responsible for determining multi-year capital priorities as well as prioritizing and approving investment ideas. In addition, a monthly financial close process has been implemented to generate timely financial statements as well as introducing a quarterly financial forecasting process.

Commitment 3.3. Complete an administrative process cost study by winter 2019.

A process cost study review will be conducted on the procurement process of administrative computers. The aim of the study is to review the existing administrative processes associated with the purchase option in comparison to the lease option, with specific focus on costs and process improvement aspects. Full life of asset costing and sustainability improvements are among factors included in the analysis. The process cost study will result in a recommendation for purchase or lease options for administrative computers over the next few years. Findings of this pilot project will be presented to the Senior Leadership Council (SLC) to determine whether it would be beneficial to continue with additional cost studies in the future.

Commitment 3.4. Develop an integrated infrastructure plan by 2019.

The purpose of the integrated infrastructure plan is to project the financial needs of the College in three particular areas: facilities, academic equipment, and IT lifecycle maintenance. Over the past year, considerable progress has been made in projecting the five-year capital needs of the facilities and IT areas. The College Facility Condition Index (FCI) is updated annually based on a rolling, five-year refresh, conducted by an external third party organization. This data informs the deferred maintenance budget reflected in the five-year capital plan. In the IT area, the life cycle needs of all student and non-student equipment are reviewed and incorporated into a five-year plan, which will be updated annually. These efforts have led to the allocation of capital funds to meet the year one needs in the current fiscal year. Different options are being evaluated to identify the best method to create a similar approach to use for the academic equipment. With the completion of the College Facility Master Plan refresh activity, which was focused on the areas comprising the i4C Hub, a third party organization will be engaged to lead the next College Master Plan refresh in the coming year.

Goal 4: Build sustainable sources of alternative revenue

Commitment 4.1. Create and operationalize a relevant corporate training solutions entity by fall 2018.

Building on the original internal business case analysis and the supporting consultant's report prepared by Deloitte LLP addressing revenue growth and market assumptions, Corporate Training Solutions (CTS) continues to expand and grow its current product, service and solutions portfolio across Southwestern Ontario. Main service areas include: business and leadership; health care; occupational health and safety; trades and technology; computer software and programming; licensing and certifications; compliance and regulation. The launch of a new regional sales and marketing plan is supported by structured and targeted business development activity.

Commitment 4.2. Complete an impact evaluation of the subsidiaries governance framework by spring 2019.

The Impact Evaluation Report on the subsidiaries governance framework is complete, inclusive of recommended options and implementation timelines, and has been approved by the Subsidiary Governance Task Force. The Subsidiary task force recommended and the Board of Governors endorsed, an indefinite suspension of establishing a holding company model for subsidiary activity.

Commitment 4.3. Increase revenue from domestic and international corporate training and business development by ten percent per year.

CTS financial forecasts project additional revenue growth, as for-profit and not-for-profit sector customers continue to engage CTS in career building and professional development deliveries. Growth in transportation training and licensing services has reached a sustainable level due to the addition of new training and certification deliveries such as the Ontario Ministry of Transportation, Fleet Certification, and Signing Authority approvals. As a result, CTS plans to improve current off-site training facilities for these services to accommodate the additional services and increased registrant volumes. CTS will follow a similar model for determining additional stand-alone delivery locations as business conditions warrant.

The Board of Directors for Fanshawe International Corporation (FIC) approved a reorganization and repurposing of the company in early 2019. FIC will concentrate on growing higher value off-shore consultancy and capacity building services in targeted international markets such as South America, India and Malaysia. FIC will explore and, where appropriate, establish partnerships with post-secondary academic and non-academic sectoral partners to support its global operations and deliveries.

Commitment 4.4. Develop a Foundation Plan mapped to College strategic priorities by fall 2017.

A new Foundation Strategic Plan was approved by the College’s Foundation Board in November 2017. The Plan aligns closely to the College’s strategic goals by supporting innovative practices for exceptional student learning; supporting the implementation and sustainability of College programs aligned to labour market needs and student demands; building and supporting the development of sustainable sources of alternative revenue; and supporting strategic capital priorities. Notably, the Plan commits the Foundation to embark upon a new multi-year giving campaign in support of cross-College innovation initiatives. Moreover, it lists a number of key, multi-year capital support commitments.

SECTION B

Analysis of College Operational Performance

Summary of Major College Achievements

A range of different strategic goals were realized and many initiatives were successfully implemented in 2018/2019. Selected achievements are presented below:

- Fanshawe successfully met all six standards in the College Quality Assurance Audit Process and was awarded a Mature Effort - the highest rating possible.

- Full-time post-secondary enrolment (42,046 as of January 31, 2019) increased by 8.8% compared to the previous year, exceeding the 2% target established by the Board for the President.

- In the winter term of 2019, the College had 822 blended and 402 online course sections. The numbers represent a term-over-term increase of 45% in blended and 65% in online course deliveries from 2016/2017 (using the winter terms as a comparator index).

- After a series of consultations within the College and with Indigenous partners, Fanshawe has developed the Indigenous Action Plan. The Plan sets in place processes for increasing Indigenous students' access to the College's programs, improving Indigenous students' outcomes, enhancing community relationships, and fostering a greater understanding within the College environment of Indigenous knowledge and ways of being.

- Fanshawe's Data Strategy is completed and the implementation phase will start in the coming year. The purpose of the Strategy is to support informed decision-making, drive performance, and foster innovation by providing employees with optimized access to College data and intelligence.

- The at-risk student protocol was enhanced by moving the communications to a trackable platform (Mailchimp) in partnership with Reputation and Brand Management. In addition to the email communication inviting students to access support, new multi-service drop-in sessions were held near the withdrawal date to offer supports and encourage students to re-register in future semesters.

- Counselling and Accessibility Services launched a new Peer Support program to provide mental health support to students. Outreach activities such as Sidewalk Talks, Bell Let's Talk Day, Chill Lounge, and evening crisis support services have utilized these student leaders. Student feedback of the 2018/2019 pilot has been overwhelmingly positive.

- As part of the full program lifecycle model, a Decision Balance Tool (DBT) was introduced in 2018 to address the revitalization and/or rationalization of existing programs.

- A review of the business planning and budgeting process was successfully completed. It resulted in a number of recommendations for phasing in over the next few business planning cycles.

- The College has developed a rolling five-year Capital Renewal Plan to continue addressing unfunded infrastructure renewal.

Objective Measures of Quality

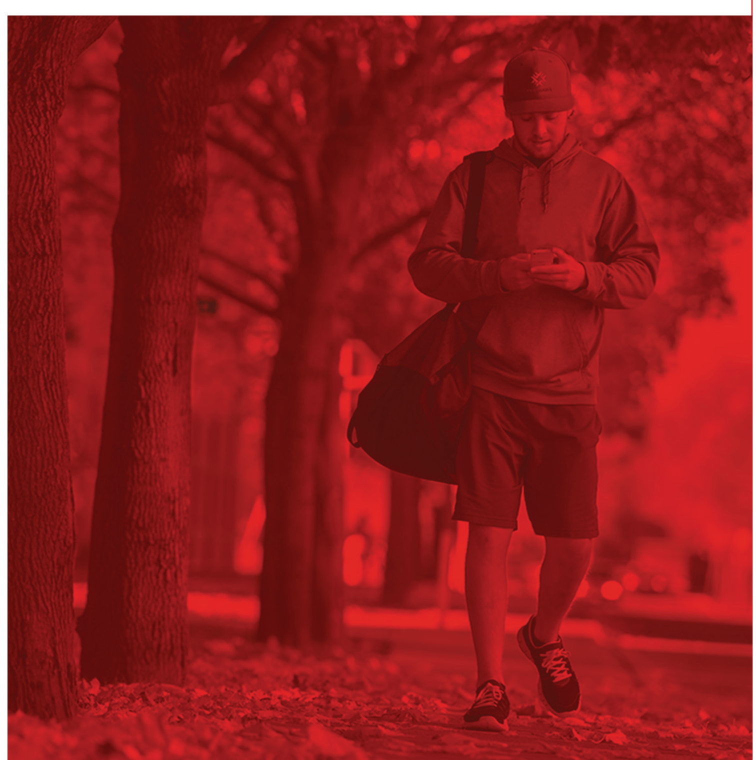
Ministry-mandated Key Performance Indicators (KPIs) continue to show that Fanshawe meets or exceeds many of the core provincial metrics. These include graduation rate; graduate satisfaction and employment rates; overall quality of learning resources and student experience; and quality of college services, facilities and equipment. A joint project of the College and Student Union, the confidential Student Feedback Survey, is administered each term to students. The majority of respondents continue to provide ‘good’ to ‘excellent’ ratings for faculty effectiveness.

Areas Meriting Increased Attention

Ontario colleges face financial challenges as both government funding and domestic tuition revenue are decreasing. To meet its strategic goals and remain financially sustainable, Fanshawe needs to continue to develop new programs; offer more flexible delivery options; develop pathways; pursue domestic and international partnerships; grow international and non-direct student recruitment; and seek alternative sources of revenue.

SECTION C

Analysis of College Financial Performance



The consolidated financial statements for The Fanshawe College of Applied Arts and Technology (“the College”) which are attached contain the consolidated results for the College, Fanshawe College Foundation (“the Foundation”), Fanshawe International Corporation (“FIC”), Canadian Centre for Product Validation Inc. (“CCPV”) and Hot Zone Training Consultants Inc. (“HZTC”). The separate financial statements for the Foundation, FIC, CCPV and HZTC are attached.

Fanshawe College Foundation

The Foundation was formed to support the growth of the College and the financial needs of its students. It has just finished its tenth year of operation. Support is provided to students through the provision of bursaries and scholarships. The College will receive support for capital improvements from time to time from the funds derived from fundraising campaigns. The Foundation had an increase in net assets of over $1.2M in the year driven primarily by the return on investments it holds from endowments. The Foundation provided Student assistance (bursaries and scholarships) of $1.2M in the year.

Fanshawe International Corporation (FIC)

FIC was formed to provide teaching and training activities outside of Canada using the expertise developed within the College. FIC recorded an increase in operating income for the year, ended March 31, 2019. FIC will pursue other collaboration agreements with targeted markets with a new marketing and outreach plan in 2019/2020.

Canadian Centre for Product Validation Inc. (CCPV)

CCPV was incorporated in February 2015 for the purpose of conducting developmental, performance and compliance testing for new or improved products in the areas of thermal, mechanical, electrical and environmental testing to support the College. CCPV began operations in 2016 and incurred a loss for the year ended march 31, 2019. CCPV continues to focus on financial sustainability.

Hot Zone Training Consultants Inc.

In July 2015, the College purchased Hot Zone Training Consultants Inc., an incorporated entity that operates as a safety training consulting organization. This wholly-owned subsidiary of the College is reporting a deficit, however it continues to maintain an operating surplus.

Fanshawe College (consolidated)

The College recorded a surplus of $30.4M for the year ended March 31, 2019 compared to $22.9M in 2018. Total revenues increased by $49.8M over the prior year while total expenditures increased by $42.3M. Key contributions driving the financial results are provided below. Charts for both revenue and expenditures covering the last six years are included in the section.

Revenue

Enrolment revenue – full time postsecondary enrolments increased year over year. The $41.5M increase in revenues is driven by rate increases as allowed by MTCU, a significant increase in International enrolments and a one-time deferral of tuition revenue from 2017/18 to 2018/19 due to a shift in the term end date in the winter 2018 semester. Enrolment trends reflecting domestic and international enrolments are included on the last page of this section for full time Post-Secondary as of November 1st count dates for the last 6 years.

Government grants – grant revenue increased by $3.6M in the year. This increase is driven by a one-time grant from the Ministry of $4M, partially offset by International Student Recovery Fee as a result of increased International enrolments.

Ancillary revenue – the increase of $1.2M in Ancillary revenue is due to rate increases as well as returning to normal volume after the 5-week labour disruption in the fall of 2017, which impacted 2017/2018 results.

Other revenue – this category increased by $3.5M over 2018 driven largely by an increase in amortization of deferred contributions in this fiscal year. This increase is the result of some large capital projects being completed, and therefore funding for these projects is now being amortized over the life of the assets. An impairment of an asset, which was tied to a funding source, has also resulted in additional amortization of deferred contributions.

Expenditures

Instructional services – expenditures that are directly involved with the learning process where there is an expectation of a positive financial contribution. These costs include, but are not limited to, academic programs funded by government and contract training funded by business and industry. There are a number of contributing factors for the increased cost of $24M. On April 1, 2018 Bill 148 came into effect requiring the College to pay non-full time Professors at comparable rates to full time professors, this was a significant increase to the Colleges teaching costs. In addition to higher rates, the College added full time faculty and academic staff positions influenced by the addition of new programs and by the increase in international enrolments. The comparatively higher increase is due to reduced costs in 2017/2018 as a result of the 5-week labour disruption.

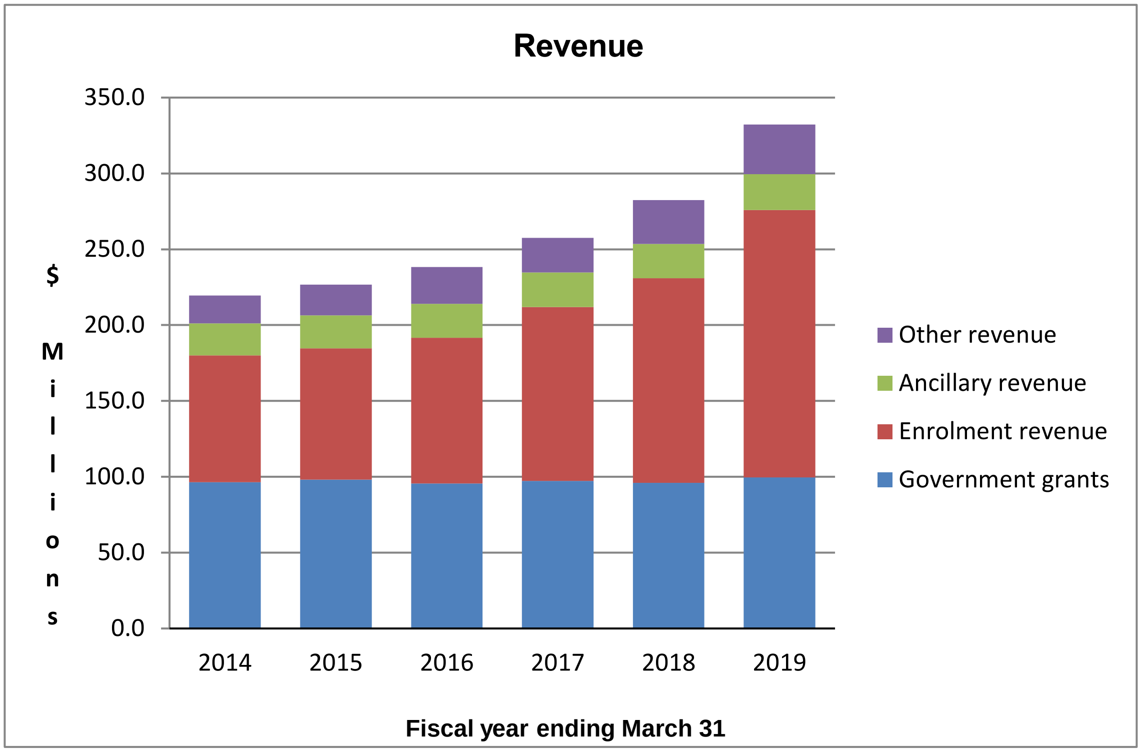
Student services – expenditures incurred to support the needs of students either in the learning process or in student life activities. Examples include the Registrar's Office, Counselling and Accessibility Services, and Athletics. The $2.4M increase in expenditures is attributable to costs that are partially offset by special purpose revenue. Growing overall enrolment numbers has also influenced student service costs over the past few years.

College services – expenditures incurred that primarily serve the needs of the College as a corporation. Examples include, but are not limited to, the Board of Governors, Development Office, Human Resources and Financial Services. Salary increases, commission payments for additional international enrolments and expanding corporate service requirements to support our expanded enrolment base have driven most of the $10.4M year over year cost increase. A one-time impairment loss is also included with the total cost of College Services in fiscal 2018/2019.

Instructional support services – expenditures incurred that primarily support Instructional Services and contribute to the learning process, which may or may not attract additional revenue. Examples include, but are not limited to, the Library, Research, and International Partnerships. There was a $2.4M increase to these costs, however some of the increase relates to returning to normal volume after the 5-week labour disruption in fall 2017.

Ancillary services – expenditures incurred that primarily user-pay services provided at competitive rates as a convenience to students, and in some cases the College. Examples include the College Stores, Residence operations, Canadian Centre for Product Validation (CCPV) and Parking Services. There was a nominal increase in this category of $170K.

Facility services – expenditures incurred that are primarily associated with providing a physical learning and working environment that is both safe and secure and complies with numerous codes and regulations. Examples include, but are not limited to facilities planning and development, maintenance, utilities, custodial services, and security. The cost increase of $3M over 2017/2018 reflects inflationary pressures, including increases in contract cleaning costs due to the significant increase in minimum wage effective January 2018, staff cost increases related to the collective agreement, as well as additional operating costs to support the new Downtown campus which opened in September 2018.


Revenue
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Fiscal year ending March 31
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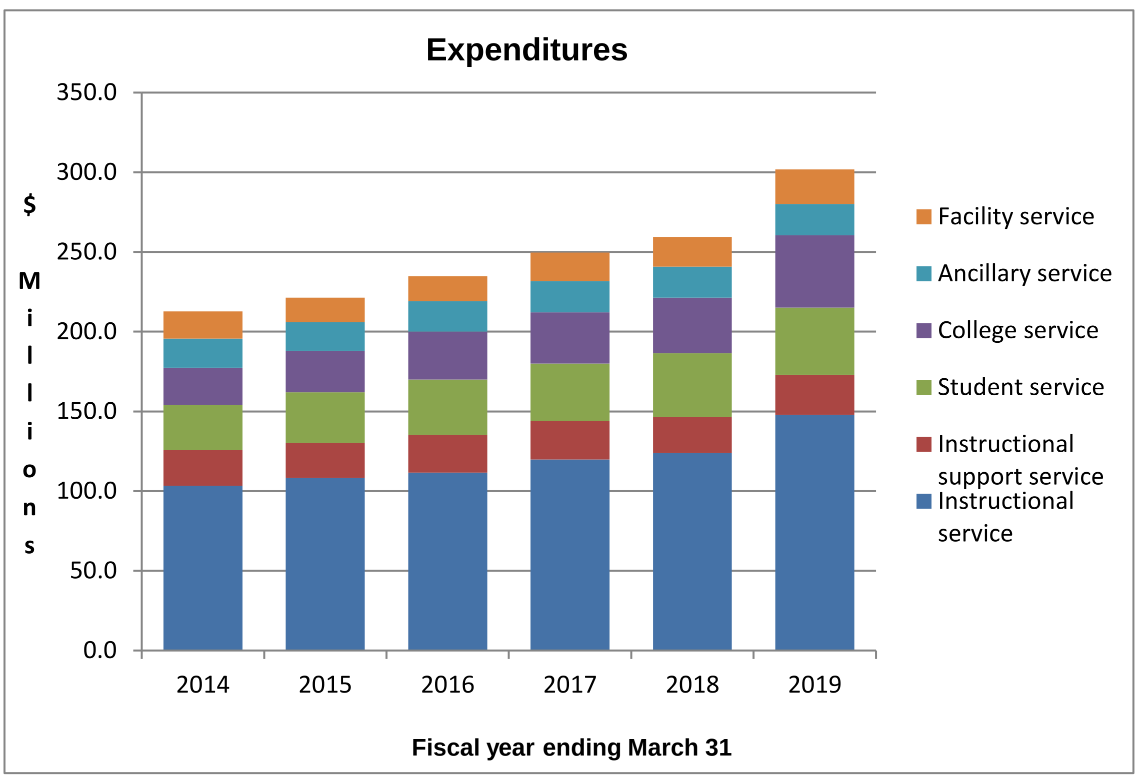
Ancillary revenue
Enrolment revenue
Government grants


Expenditures
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$ Millions
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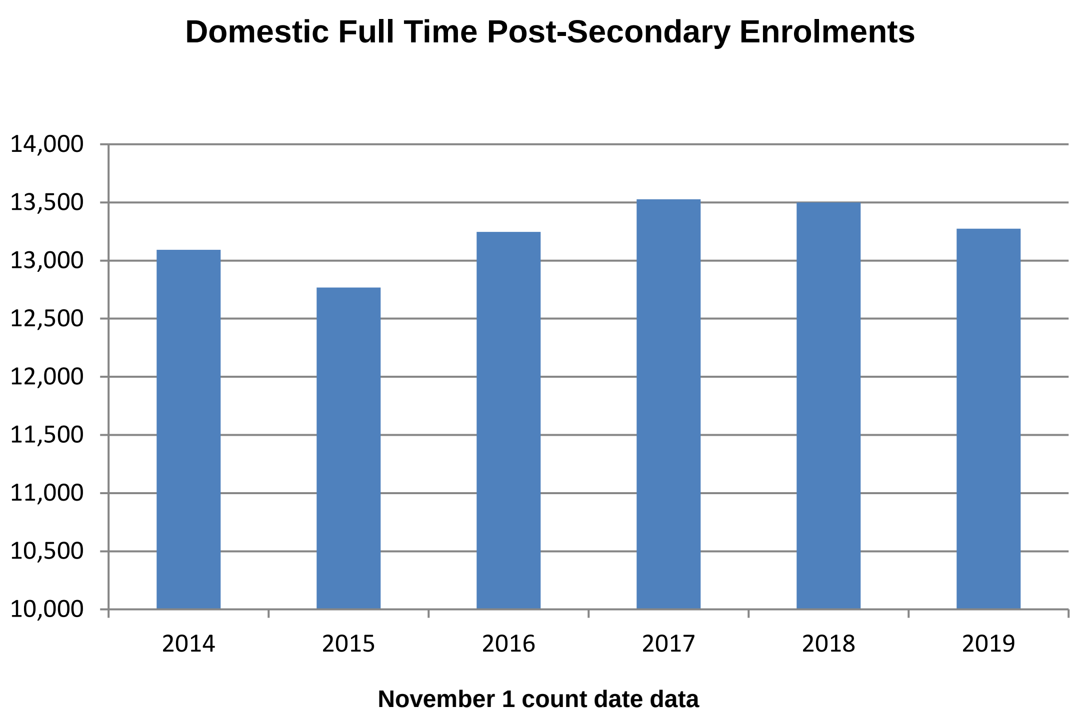
Fiscal year ending March 31
Facility service
Ancillary service
College service
Student service
Instructional support service
Instructional service


Domestic Full Time Post-Secondary Enrolments
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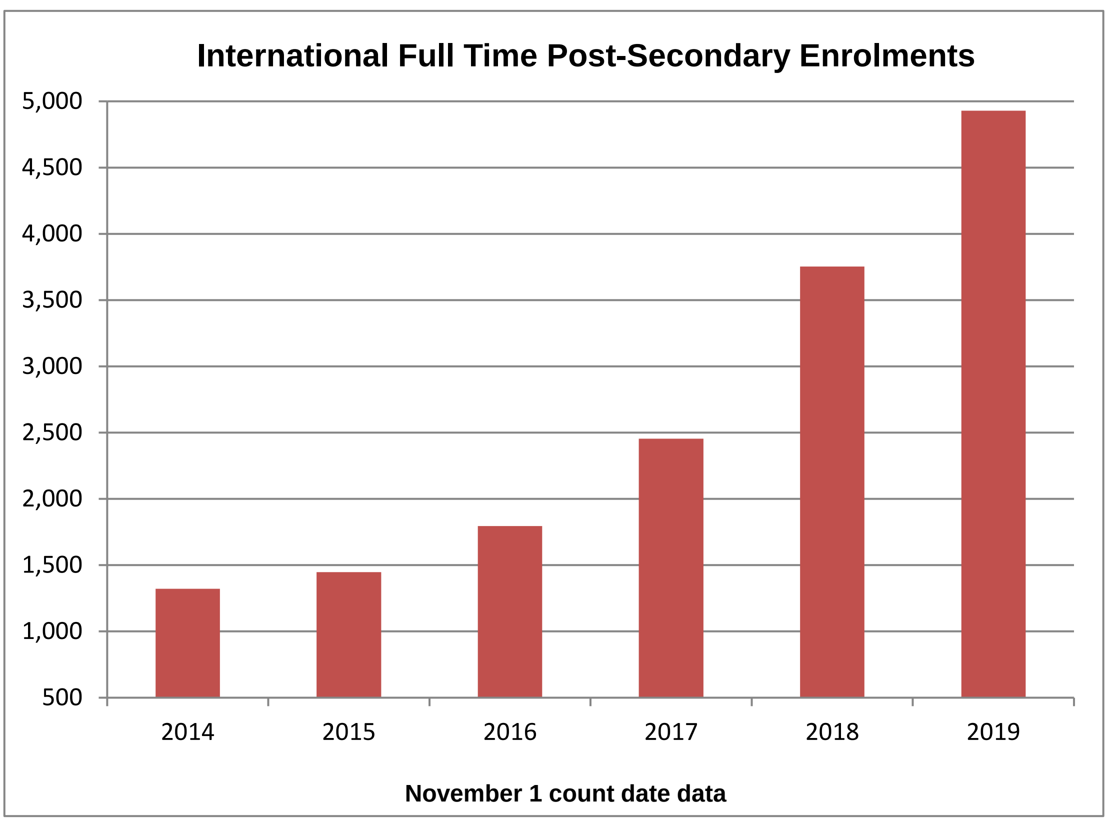
2019
November 1 count date data


International Full Time Post-Secondary Enrolments
5,000
4,500
4,000
3,500
3,000
2,500
2,000
1,500
1,000
500
2014
2015
2016
2017
2018
2019
November 1 count date data

SECTION D

Subsidiaries & Foundations

The financial statements for Fanshawe College Foundation, Fanshawe International Corporation, Canadian Centre for Product Validation Inc. and Hot Zone Training Consultants Inc. are included in the Consolidated Financial Statements for the College to be considered by the Board of Governors for approval in June, 2019.

SECTION E

Appendices

APPENDIX A

Strategic Mandate Agreement Report Back

Introduction

The 2017-20 Strategic Mandate Agreements (SMAs) between individual colleges and the Ministry of Training, Colleges and Universities outline the role colleges perform in Ontario's postsecondary education system and how they will build on institutional strengths to fulfil their mandate and support system-wide objectives and government priorities.

Each priority area in the 2017-20 SMAs includes system-wide and institution-specific metrics and targets.

The SMA Annual Report is used by the ministry to track progress on metric performance on an annual basis. The SMA Annual Report is also an opportunity for institutions to provide contextual information and a narrative associated with metric performance in the shared priority areas. Part 1. Overview introduces the institutional context for metric performance, overall and by priority area. Part 2. Data Workbook includes historical data and most recently available values for both system-wide and institution-specific metrics.

For more information on the Strategic Mandate Agreements, please visit the Ontario Government webpage.

Institutional Narrative

Provide a brief description of the overall institutional context for the 2017-18 Strategic Mandate Agreement metric results. **(max. 600 words)**

In recent years, Fanshawe College has experienced significant enrolment growth, advanced ambitious capital projects, furthered its research agenda, joined the prestigious Polytechnics Canada network, and has taken bold steps to continue to improve on its student experience. In the 2017/18, the College launched twelve new and innovative programs designed to meet the needs of the emerging labour market. These and other initiatives continue to positively impact the College’s annual results on the ministry-mandated KPI Satisfaction Surveys. In the most recent reporting year, Fanshawe surpassed most large colleges in multiple performance indicators, including the graduate employment rate (87.6%), graduate satisfaction rate (80.2%), employer satisfaction rate (94.2%), and student satisfaction rate (75.5%).

Specific initiatives are described in the following paragraphs.

The College remains committed to improving on its student experience through existing and new student initiatives, which include, but are not limited to: delivering financial aid literacy programs; providing mental health services; developing dedicated services for first-year students to improve on their retention rate; and applying Universal Design for Learning (UDL) principles in the classroom.

Access and equity remains an important priority for the College as evidenced by some of its new and ongoing initiatives. The College has recently developed an Indigenous Action Plan aligned with the Indigenous Education Protocol for Colleges and Institutes. The Plan will enable the College to strengthen its partnerships with Indigenous communities and to provide academic and non-academic programs and services that support their members. In addition, services are available for students with any type of accessibility need including 'non-visible' disabilities such as learning disabilities, medical conditions, and mental illness.

The College also continues to expand on its flexible learning opportunities through more part-time, weekend, accelerated, and online delivery program options. For example, the College has successfully piloted the MyPath initiative, which consists of programs that are highly-flexible, modular certificate programs designed for adult students seeking short-term, career-specific training options. The College also implemented the Part-Time Admissions and Registration Project, which is an admission/registration model for flexible and eLearning program offerings. The model also identifies best practices for inclusion in institutional policies, practices and procedures.

Supporting the career success of current students and alumni also continues to be of utmost importance to the College. The College continues to run programs (e.g., the Inspire program), workshops (e.g., the Rising Leaders, Career Closet, LEAP workshops), partnerships (e.g., with the College's First Nations Centre), conferences (e.g., Ignite Career Conference) and other services (e.g., career assessments, free headshot and resume critique) that are designed to positively impact the career success of students and alumni.

The culture of research and innovation is growing across the college, in both academic and non-academic areas. The integration of research or innovation components into the curriculum continues for all postsecondary programs. Since 2013, as part of the new program development process, academic areas have been asked to demonstrate that the curricula of proposed new programs include research and/or innovation components. A similar process is conducted during annual reviews for existing programs. As a result, newly developed programs and all those that have undergone reviews in the past five years have research and/or innovation components in their curricula. It is expected that most, if not all, programs will have research components by 2020.

Finally, the College has developed a Digital Strategy to explore new ways to evaluate the use of technology in providing students with optimal learning experiences and preparing them for employment now, and more importantly, in the future. The ultimate objective of this strategy is to enable and empower students, faculty, and staff to flourish in the digital age.

Priority Areas

Provide trends and key outcomes for the 2017-18 Strategic Mandate Agreement metrics included within each of the five priority areas. **(max. 200 words per priority area)**.

1. Student Experience

This priority area captures institutional strengths in improving student experience, outcomes and success, and recognizes institutions for measuring the broader learning environment, such as continuity of learning pathways, retention, student satisfaction, co-curricular activities and records, career preparedness and student services and supports.

Fanshawe College provides an exceptional student experience, as evidenced by its strong KPI student satisfaction results. The College has been able to achieve these results by offering a comprehensive suite of services to its diverse student population including students with disabilities, and first generation, international, and indigenous students. These services include, but are not limited to, the following: student advisement programs, international student services, counselling and accessibility services, library services, career services and financial aid services. The College also continues to work on its student wellness initiatives.

As an example, in its *2017-2020 Strategic Goals and Commitments*, the College made a commitment to *enhance the student first year experience through strategies that support transition into and through college.* This commitment ensures a focus on the first-year student experience from recruitment through to end of first year, and concentrates on issues such as barriers to student academic success, early alert of at-risk students, orientation and transition experience, career and academic advisement, and academic and social integration within the first year. Fanshawe also offers comprehensive orientation and transition programs, and now delivers an orientation day at the beginning of the term that is coordinated College-wide.

2. Innovation in Teaching and Learning Excellence

This priority area focuses on innovative efforts including pedagogical approaches, program delivery and student services that contribute to a highly skilled workforce and ensure positive student outcomes. It captures institutional strengths in delivering high-quality learning experiences such as experiential, entrepreneurial, personalized and digital learning, and student competencies that improve employability.

Fanshawe has been as the forefront of education, encouraging and supporting innovative pedagogical practices. Technology has played a central role in achieving this objective. The College regularly analyses its environment to identify technological changes that may have teaching, learning and service implications. The aim is to understand the relevance of emerging technologies at an early stage, the opportunities and risks they pose and how they can be incorporated into daily operations – in the classroom, through services and across facilities.

Recently, the College developed its Digital Strategy. This initiative is aimed at digitalizing teaching, learning, and research. More specifically, it aims to discover, beyond the College's current capabilities and practices, how it can ensure that its students graduate with a mastery in using digital tools for the industry in which they will work. It also aims to revolutionize pedagogical practices in order to impact student learning and the student experience. Fanshawe already engages in some of these activities. However, given the global shift that has resulted from the new digital revolution, the College has decided to implement a more deliberate and organizational-wide strategy that will enable it maintain its competitive advantage, stay relevant, and adequately prepare its students for the workforce.

3. Access and Equity

This priority area recognizes institutions for their efforts in improving postsecondary education equity and access, and for creating opportunities that can include multiple entrance pathways and flexible policies and programming, with the focus on students who, without interventions and support, might not otherwise participate in postsecondary education.

The College serves a diverse population including Indigenous students, first generation students as well as students with disabilities, and has developed various initiatives and plans to serve these students. Most notably, the College developed an Indigenous Strategy in 2017/18 that aligns with the Indigenous Education Protocol for Colleges and Institutes. Through learning and teaching, research and community engagement activities, the Indigenous Action Plan endeavors to support a College system where: equity exists between Indigenous peoples and other Canadians in all areas including education and employment attainment, life expectancy and quality of life; Indigenous and non-Indigenous peoples are respectful of each other's history, values, ways of being and aspirations, working towards addressing the legacies of the past; the College supports an engagement process built on mutual respect and understanding, and a commitment to meaningful actions; Fanshawe advances research, knowledge and awareness of Indigenous peoples, cultures and issues; the College recruits, supports and retains Indigenous students and staff; and, Indigenous student outcomes are a shared responsibility.

The College also provides services to its student population with disabilities. Services are available for students with any type of accessibility need including 'non-visible' disabilities such as learning disabilities, medical conditions, and mental illness.

4. Applied Research Excellence and Impact

This priority area captures institutional strengths in producing high-quality applied research on the continuum of fundamental and applied research through activity that further raises Ontario's profile as a globally recognized research and innovation hub.

To enhance innovative practices for exceptional student learning, the College has committed, amongst other things, to ensure that all its post-secondary students have a research or innovation experience as part of their programs. The College's Centre for Research and Innovation (CRI) provides assistance with identifying research opportunities with industry, business and community partners that enhance the student learning experience. It achieves this objective by: facilitating multi-disciplinary partnerships; developing partnerships with business, industry, community, and other educational/research institutions; and managing internal and external funding awards.

By providing all its postsecondary students with some form of research and/or innovation experience as part of their programs, the College hopes to cultivate key skills in its graduates that will enable them to succeed in and contribute to the labour market. Skill development will occur in a format that is relevant to students' fields of study and credentials.

It should also be noted that Fanshawe plays an active role with Polytechnics Canada. Research and Innovation continues to be a strong advocacy for this organization and membership with it allows the College to access federal funding agencies, share best practices with other members, and increase its network opportunities.

5. Innovation, Economic Development and Community Engagement

This priority area recognizes the unique role institutions play in contributing to their communities and to economic development, as well as to building dynamic partnerships with business, industry, community members and other colleges and universities. It focuses on regional clusters, customized training, entrepreneurial activities, jobs, community revitalization efforts, international collaborations, students, partnerships with Indigenous Institutes and a program mix that meets needs locally, regionally and beyond.

Through various initiatives, the College continues to contribute to the socio-economic development of its communities, and to build partnerships with business, industry, community members and other colleges and universities. Some of these initiatives are described below:

- SONAMI is the Southern Ontario Network for Advanced Manufacturing Innovation. This network consists of Fanshawe College, Niagara College, Sheridan College, Mohawk College, McMaster University, Conestoga College, and Lambton College. Funding that may be obtained as part of this initiative will be used for manufacturing-based applied research and innovation projects.
- AVIN is the Autonomous Vehicle Innovation Network, an Ontario initiative consisting of 5 Regional Technology Development Sites (RTDS). Fanshawe is part of the Southwestern Ontario RTDS, with a focus on vehicle cybersecurity and cross-border technologies.
- A Research Memorandum of Understanding has been developed to connect Fanshawe, St. Clair, Lambton, and Conestoga as a network of southern Ontario colleges. The agreement provides commitment to partnerships, support for each other, and sharing of

resources – physical and talent - to help meet the need of the business, industry and community partners within the region.

- Research and innovation activities have expanded to include international opportunities for collaborative research projects, simultaneous research and research exchanges.

Attestation

Fanshawe College confirms that all information being submitted to the ministry as part of the 2017-18 SMA annual report is accurate and has received approval from the College President.

Please complete the contact information below.

Institutional Contact Name:	Gary Lima
Telephone:	519-452-4462
Email:	glima@fanshawec.ca
Completion Date:	January 16, 2019
Website address for posting ministry approved report:	

Fanshawe College SMA2 Annual Report 2017-18 Part 2

System-Wide Metrics

ID	Priority Area	Metric Name	2014-15	2015-16	2016-17	2017-18
10	Student Experience	Overall student satisfaction rate	78.1%	78.8%	77.7%	75.5%
82	Student Experience	Student satisfaction with services	69.0%	68.5%	67.1%	64.8%
85	Student Experience	Student satisfaction with facilities	76.1%	76.0%	75.2%	76.2%
7	Innovation in Teaching and Learning Excellence	Graduation rate	70.8%	71.4%	70.4%	68.8%
13	Innovation in Teaching and Learning Excellence	Number of students in experiential learning programs	2,710	2,691	2,691	2,735
18	Innovation in Teaching and Learning Excellence	Total number of registrations in ministry-funded courses offered at institution in eLearning formats	5,010	11,877	16,322	17,840
19	Innovation in Teaching and Learning Excellence	Total number of ministry-funded courses offered at institution in eLearning formats	822	601	1,065	1,109
88	Innovation in Teaching and Learning Excellence	Total number of ministry-funded programs offered at institution in eLearning formats	30	37	31	33
9	Innovation in Teaching and Learning Excellence	Retention rate (Yr1 to Yr2)	83.0%	76.9%	72.3%	76.0%
81	Innovation in Teaching and Learning Excellence	Student satisfaction with knowledge and skills that will be useful in future career	86.8%	88.6%	88.1%	84.9%
86	Innovation in Teaching and Learning Excellence	Student satisfaction with learning experience	80.5%	81.9%	80.5%	76.3%
100	Access and Equity	Number of first generation students enrolled at institution	3,067	3,342	3,179	3,228
102	Access and Equity	Number of French-language students enrolled at institution	33	45	36	52
99	Access and Equity	Number of students with disabilities enrolled at institution	2,190	2,482	3,049	3,454
30	Access and Equity	Overall student satisfaction rate for students with disabilities	76.2%	77.5%	75.1%	71.3%
91	Access and Equity	Overall graduate satisfaction rate for students with disabilities	79.3%	80.9%	74.7%	76.1%
59	Access and Equity	Employment rate for students with disabilities	77.0%	80.2%	79.6%	78.9%
101	Access and Equity	Number of Indigenous students enrolled at institution	353	227	379	452
90	Access and Equity	Overall student satisfaction rate for Indigenous students	-	77.2%	76.0%	75.6%
31	Access and Equity	Overall graduate satisfaction rate for Indigenous students	-	83.9%	75.6%	84.0%
58	Access and Equity	Employment rate for Indigenous students	-	83.3%	80.0%	69.7%
37	Access and Equity	Share of OSAP recipients at an institution relative to its total number of eligible students	68.2%	71.6%	-	-
80	Access and Equity	Percentage of university graduates enrolled in college programs	11.5%	13.2%	16.0%	21.4%
79	Access and Equity	Percentage of college graduates enrolled in university programs	2.6%	2.0%	1.5%	1.6%
78	Applied Research Excellence and Impact	Number of externally funded applied research projects	8	16	8	13
77	Applied Research Excellence and Impact	Number of partnerships/collaborations with community/industry firms	36	44	38	28
12	Innovation, Economic Development and Community Engagement	Number of active Program Advisory Committees (PACs)	-	99	103	107
76	Innovation, Economic Development and Community Engagement	Number of employers engaged in Program Advisory Committees (PACs)	-	-	1,100	1,133
2	Innovation, Economic Development and Community Engagement	Graduate employment rate	87.7%	87.6%	87.0%	87.6%
3	Innovation, Economic Development and Community Engagement	Employer satisfaction rate	87.3%	96.0%	90.6%	94.2%
4	Innovation, Economic Development and Community Engagement	Proportion of graduates employed full-time*	66.2%	63.5%	58.9%	62.4%
5	Innovation, Economic Development and Community Engagement	Proportion of graduates employed full-time in a related or partially-related field*	48.4%	45.2%	42.9%	43.8%

* The methodology calculating metrics with ID#4 and #5 will be refined going forward to exclude people who did not provide their hours as working part-time and those who did not answer if their job is related to their program

Grey-out cells: data not available

Institution-Specific Metrics

#	Priority Area	Metric Name	Objective of Metric	Frequency	2013-14	2014-15	2015-16	2016-17	2017-18
1	Student Experience	Retention of Level 1 students	To measure retention rates of Level 1 students	Annual	76.0%	77.0%	76.0%	77.3%	75.9%
2	Student Experience	Proportion of operating expenditures used for student services	To measure expenditures on services to support students.	Annual	-	11.0%	14.0%	14.0%	15.0%
3	Student Experience	Ratings on six reputational factors from the UCAS survey: Affordable, Quality, Technology, Career, Social, and Teaching	To measure students' perceptions of the College on six key factors: affordability, quality, technology, career, social and teaching	Annual	-	Affordable = 6.56 Quality = 7.34 Technology = 7.20 Career = 7.49 Social = 8.37 Teaching = 7.34	Affordable = 6.64 Quality = 7.54 Technology = 7.35 Career = 7.68 Social = 8.34 Teaching = 7.54	Affordable = 6.59 Quality = 7.52 Technology = 7.35 Career = 7.72 Social = 8.30 Teaching = 7.78	-
4	Innovation in Teaching and Learning Excellence	Students' ratings of their professors' effectiveness in their courses on Fanshawe's Student Feedback Survey	To measure professors' effectiveness in the classroom.	Bi-annual	Fall = 4.56 Winter = 4.56	Fall = 4.40 Winter = 4.40	Fall = 4.38 Winter = 4.37	Fall = 4.56 Winter = 4.53	Fall = N/A Winter = 4.5
5	Innovation in Teaching and Learning Excellence	Proportion of programs with an experiential learning activity.	To measure experiential learning activities across College programs.	Annual	-	Info not available	-	92.0%	92.0%
6	Innovation in Teaching and Learning Excellence	Proportion of programs with entrepreneurship incorporated in their curriculum	To measure the degree to which the College is teaching enterpreneurial skills in curriculum.	Annual	-	Info not available	-	37.0%	37.0%
7	Innovation in Teaching and Learning Excellence	Proportion of programs with at least 5% online/blended course offerings.	To measure flexible learning options in curriculum.	Annual	-	Info not available	Info not available	Info not available	-
8	Access and Equity	Retention rates of Level 1 students from underrepresented groups (e.g. First Generation, Indigenous)	To measure retention rates of Level 1 students from underrepresented groups.	-	First Gen= 76% Indigenous = 67%	First Gen= 81% Indigenous = 69%	First Gen= 85% Indigenous = 72%	First Gen= 82% Indigenous = 67%	First Gen= 73.4% Indigenous = 68.5%
9	Applied Research Excellence and Impact	Number of internally-funded applied research projects	To measure internal involvement with research.	Annual	-	19	11	23	20
10	Applied Research Excellence and Impact	Number of external funding proposals submitted to the Center for Research and Innovation (CRI)	To measure involvement in research funded by external agencies.	Annual	-	24	38	21	25
11	Applied Research Excellence and Impact	Proportion of programs with faculty/students involved in applied research	To measure proportion of programs involved with research.	Annual	-	-	-	46.0%	46.0%
12	Innovation, Economic Development and Community Impact	The number of clients (e.g. students, youth) involved in the LEAP Junction (Campus Linked Accelerator)	To measure the number of clients involved in entrepreneurial activities through LEAP junction	Annual	-	-	63	55	100

- data not available

Appendix 1. Data inputs required for calculation of selected system-wide metrics

Metric ID	Metric Name	Data inputs - for calculating metrics	2016-17	2017-18
37	Share of OSAP recipients at a institution to its total number of eligible students	Total OSAP Award Recipients	8,967	10,299
37	Share of OSAP recipients at a institution to its total number of eligible students	Eligible Headcount Enrolment	12,630	12,711

Note: There was a change in the calculation methodology of the OSAP metric (ID#37) in 2017-18 reflecting students that were issued funding rather than qualified for awards.

Appendix 2. College Metrics - Dictionary					
ID	**Metric Name**	**Description**	**Source**	**Reporting Period**	**Notes**
10	**Overall student satisfaction rate**	Average percentage of college students who completed the survey and who responded to the four capstone questions that they were satisfied or very satisfied with their learning experience, support services, and educational resources	College Student Satisfaction Survey (CSSS)	Academic Year (survey year, current students)	Based on Q#13, Q#24, Q#39 and Q#49 of the survey. Students must be in semester two or above of their program. Excludes full-time students who are enrolled in their first semester of their program, including students with advanced standing, and part-time students who are not pursuing a certificate or diploma
82	**Student satisfaction with services**	Percentage of college students who completed the survey and who responded that they were satisfied or very satisfied with the overall quality of the services in the college	College Student Satisfaction Survey (CSSS)	Academic Year (survey year; current students)	Based on Q#39 "The overall quality of services in the college". Students must be in semester two or above of their program. Excludes full-time students who are enrolled in their first semester of their program, including students with advanced standing, and part-time students who are not pursuing a certificate or diploma
85	**Student satisfaction with facilities**	Percentage of college students who completed the survey and who responded that they were satisfied or very satisfied with the overall quality of facilities/resources in the college	College Student Satisfaction Survey (CSSS)	Academic Year (survey year; current students)	Based on Q#49 "The overall quality of facilities/resources in the college". The Students must be in semester two or above of their program. Excludes full-time students who are enrolled in their first semester of their program, including students with advanced standing, and part-time students who are not pursuing a certificate or diploma
7	**Graduation rate**	Percentage of students who entered a program of instruction in a particular enrolment reporting period and completed the program within the expected time period	College Graduation Rate Data Collections	Academic Year	Considers all entrants to a program who were enrolled as full-time at some point, including transfer-in students and excluding transfer-out students within the same institution. Includes only ministry-funded students, excludes preparatory programs and is not restricted to the Fall full-count headcount
13	**Number of students in experiential learning programs**	Total number of students who participated in one of the following Experiential Learning (EL) categories: Co-op Diploma Apprenticeship (CODA), co-op work placement (mandatory and non-mandatory), clinical placements, fieldwork, field placement/work placement, and mandatory degree work placement EL	Graduate Record file attached to the College Graduate Outcomes Survey (CGOS)	Academic Year	This metric is calculated based on the number of graduates but reflects their experience as students. Hence, the name of the metric refers to students.
18	**Total number of registrations in ministry-funded courses offered at institution in eLearning formats**	Total number of registrations in ministry-funded, eLearning courses, including fully online learning (asynchronous) and conferencing (synchronous) courses	Institutional data	Academic Year	Includes all Ontario and other college credentials, and courses with both Approved Program Sequence (APS) and MAESD codes
19	**Total number of ministry-funded courses offered at institution in eLearning formats**	Total number of ministry-funded, eLearning format courses, including fully online learning (asynchronous) courses and conferencing (synchronous) courses	Institutional data	Academic Year	Includes all Ontario and other college credentials, and courses with both Approved Program Sequence (APS) and MAESD codes
88	**Total number of ministry-funded programs offered at institution in eLearning formats**	Total number of ministry-funded, eLearning programs, including fully online learning (asynchronous) programs and conferencing (synchronous) programs	Institutional data	Academic Year	Includes all Ontario college credentials and other credentials, and courses with both Approved Program Sequence (APS) and MAESD codes
9	**Retention rate**	Year-over-year retention in multi-year programs based on November 1st full-time eligible for funding enrolment headcount. Calculated for Year 1 to Year 2	Institutional data	Academic Year	Multi-year programs are programs that report enrolment at least two times. Calculations include all students who were on work/co-op placements during the specified retention periods
81	**Student satisfaction with knowledge and skills**	Percentage of college students who completed the survey and who responded that they were satisfied or very satisfied that overall, their program was giving them knowledge and skills that will be useful in their future career	College Student Satisfaction Survey (CSSS)	Academic Year (survey year; current students)	Based on Q#13 "Overall, your program is giving you knowledge and skills that will be useful in your future career". Students must be in semester two or above of their program. Excludes full-time students who are enrolled in their first semester of their program, including students with advanced standing, and part-time students who are not pursuing a certificate or diploma

ID	Metric Name	Description	Source	Reporting Period	Notes
86	**Student satisfaction with learning experience**	Percentage of college students who completed the survey and who responded that they were satisfied or very satisfied with the overall quality of the learning experiences in this program	College Student Satisfaction Survey (CSSS)	Academic Year (survey year; current students)	Based on Q#24 "The overall quality of the learning experiences in this program". Students must be in semester two or above of their program. Excludes full-time students who are enrolled in their first semester of their program, including students with advanced standing, and part-time students who are not pursuing a certificate or diploma
100	**Number of first generation students enrolled at institution**	Total number of full-time first generation students enrolled at institution. Note: First generation student is a student whose parent(s)/guardian(s) has/have not attended a postsecondary institution. If a sibling of the student has attended a postsecondary institution, but the parent(s)/guardian(s) have not, the student is still considered a first generation student	Institutional data and ministry enrolment data	Academic year	First generation student is a student whose parent(s)/guardian(s) has/have not attended a postsecondary institution. If a sibling of the student has attended a postsecondary institution, but the parent(s)/guardian(s) have not, the student is still considered a first generation student
102	**Number of French-language students enrolled at institution**	Total number of full-time French-language students enrolled at institution	Institutional data and ministry enrolment data	Academic Year	A student is considered a French-language student if he or she meets at least one of the following criteria: His/her mother tongue is, or includes French (the student is a francophone); His/her language of correspondence with the institution is French; He/she was previously enrolled in a French-language education institution; and/or He/she was enrolled in a postsecondary program delivered at least partially in French
99	**Number of students with disabilities enrolled at institution**	Total number of students with disabilities (excluding apprentices)	Accessibility Fund for Students with Disabilities (AFSD) Report from the College Office for Students with Disabilities	Academic Year	Total number of students with disabilities (excluding apprentices) registered with the Office for Students with Disabilities
30	**Overall student satisfaction rate for students with disabilities**	The average percentage of students who self-identified as having a physical, intellectual, mental health or learning disability on the Student Satisfaction survey and who responded to the four capstone questions that they were satisfied or very satisfied	College Student Satisfaction Survey (CSSS)	Academic Year (survey year; current students)	
91	**Overall graduate satisfaction rate for students with disabilities**	Percentage of college graduates who self-identified as having a physical, intellectual, mental health or learning disability and were either 'very satisfied' or 'satisfied' with the usefulness of their college education in achieving their goals six months	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year; previous year graduates)	
59	**Employment rate for students with disabilities**	Percentage of college graduates who identified as having a physical, intellectual, mental health or learning disability on the survey in the labour force, who were employed six months after graduation	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year; previous year graduates)	
101	**Number of Indigenous students enrolled at institution**	Total number of full-time Indigenous students enrolled at institution	Institutional data and ministry enrolment data	Academic Year	Indigenous is a collective name for the original people of North America and their descendants. The Canadian Constitution, Constitution Act 1982, recognizes three groups of Indigenous peoples - Indians (First Nation), Métis and Inuit. These are three separate peoples with unique heritages, language, cultural practices and spiritual beliefs.
90	**Overall student satisfaction rate for Indigenous students**	The average percentage of students who self-identified as Indigenous on the College Student Satisfaction Survey and who responded to the four capstone questions that they were satisfied or very satisfied with their learning experiences, the college facilities/resources and services	College Student Satisfaction Survey (CSSS)	Academic Year (survey year; current students)	

ID	Metric Name	Description	Source	Reporting Period	Notes
31	**Overall graduate satisfaction rate for Indigenous students**	The percentage of college graduates who self-identified as Indigenous and were either 'very satisfied' or 'satisfied' with the usefulness of their college education in achieving their goals six months after graduation	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year; previous year graduates)	
58	**Employment rate for Indigenous students**	Percentage of college graduates who identified as Indigenous on the survey in the labour force, who were employed six months after graduation	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year; previous year graduates)	
37	**Share of OSAP recipients at an institution relative to its total number of eligible students**	Share of full-time OSAP recipients at an institution relative to its total number of full-time grant eligible enrolment.	Ministry OSAP records and enrolment data	Academic Year	The number of OSAP awards includes any student who has applied for full-time OSAP assistance and received funding from any federal or Ontario OSAP loan or grant program, and any student who applied using the stand-alone 30% Off Ontario Tuition grant application and was issued a 30% Off Ontario Tuition grant. FT enrolment is defined as a student taking at least 66 2/3 of a course load or 70% of student contact hours represents a full course load.
80	**Percentage of university graduates enrolled in college programs**	Derived from Q75: The education you completed before entering this program.	College Student Satisfaction Survey (CSSS)	Academic Year (survey year; current students)	The metric does not focus on the program level; aggregate data is used to avoid small program sizes
79	**Percentage of college graduates enrolled in university programs**	Derived from Q2: During [reference week], were you attending a college, a university or other institution?	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year; previous year graduates	The metric does not focus on the program level; aggregate data is used to avoid small program sizes
78	**Number of externally funded applied research projects**	Total number of applied research projects that received funding from industry and government	Institutional data	Academic Year	Includes all applied research projects funded by industry, provincial and federal government and other external sources in the reporting year
77	**Number of partnerships/collaborations with community/industry firms**	Total number of active partnerships and collaborations with community and industry firms	Institutional data	Academic Year	Includes all active partnerships and collaborations with community and industry in the reporting year
12	**Number of active Program Advisory Committees (PACs)**	Total number of active PACs that meet on a regular basis (as determined by the College's Board of Governors)	Institutional data	Academic Year	Includes all active PACs in the reporting period
76	**Number of employers engaged in Program Advisory Committees (PACs)**	Total number of employers who are engaged in College's PACs	Institutional data	Academic Year	Includes all members in all active PACs in the reporting period
2	**Graduate employment rate**	Percentage of college graduates in the labour force, who were employed six months after graduation	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year, previous year graduates)	The labour force includes persons who are employed, or not employed but looking for a job or those not employed but who had accepted a job to start shortly
3	**Employer satisfaction rate**	Percentage of those employers who hired college graduates and were satisfied or very satisfied with their employees' overall college preparation, six months after graduation	Employer Satisfaction Survey (ESS)	Academic Year (survey year; previous year graduates)	
4	**Proportion of graduates employed full-time**	Percentage of college graduates in the labour force, who were employed full-time, six months after graduation	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year; previous year graduates)	Graduate employment rates are based on the number of respondents who were employed part-time and/or full-time divided by the total number of respondents in the labour force. The labour force includes persons who are employed, or not employed but looking for a job.
5	**Proportion of graduates employed full-time in a related or partially-related field**	Percentage of college graduates in the labour force, who were employed full-time in a field related or partially related to their program six months after graduation	College Graduate Outcomes Survey (CGOS)	Academic Year (survey year; previous year graduates)	Metric is based on the number of graduates employed in a job that is fully or partially related to their program of study, divided by all graduates in the labour force (including those who may not have indicated the relatedness of their job). The labour force includes persons who are employed, or not employed but looking for a job.

APPENDIX B

Audited Financial Statements

Consolidated Financial Statements of

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year Ended March 31, 2019

Consolidated Financial Statements

March 31, 2019

Independent auditor's report

To the Board of Governors of The Fanshawe College of Applied Arts and Technology

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of The Fanshawe College of Applied Arts and Technology and its subsidiaries (together, the Entity) as at March 31, 2019 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

What we have audited
The Entity's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2019;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in net assets for the year then ended;
- the consolidated statement of cash flows for the year then ended;
- the consolidated statement of remeasurement gains and losses for the year then ended; and
- the notes to the consolidated financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence
We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
465 Richmond Street, Suite 400, London, Ontario, Canada N6A 5P4
T: +1 519 640 8000, F: +1 519 640 8015

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario
June 27, 2019

Consolidated Statement of Financial Position

As at March 31, 2019, with comparative figures for 2018

	2019	2018
Assets		
Current assets		
Cash and cash equivalents	$ 110,179,575	$ 40,590,178
Short term investments greater than 90 days	-	15,002,342
Accounts receivable (Note 3)	16,570,447	21,938,349
Grants receivable	8,503,484	6,874,854
Inventories	3,115,901	2,892,254
Prepaid expenses	116,955	68,187
Current portion of Student fee receivable (Note 4)	586,691	565,756
Current portion of Student Union receivable (Note 5)	177,482	166,474
	139,250,535	88,098,394
Student fee receivable (Note 4)	20,797,380	21,384,071
Student Union receivable (Note 5)	2,149,381	2,326,863
Investments (Note 6)	97,366,946	97,193,202
Capital assets (Notes 7, 9 and 10)	369,326,376	356,468,382
Intangible assets (Note 8)	454,081	756,801
	$ 629,344,699	$ 566,227,713
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	$ 29,101,697	$ 28,535,439
Accrued vacation pay	10,043,457	9,692,104
Deferred revenue	96,219,450	76,213,782
Capital lease obligations (Note 9)	5,806	17,585
Current portion of bank loans (Note 10)	2,579,899	2,445,081
	137,950,309	116,903,991
Bank loans (Note 10)	51,547,097	54,101,890
Derivative financial instruments	3,017,991	3,249,158
Post-employment benefits and compensated absences (Note 11)	7,174,962	7,192,209
Capital lease obligations (Note 9)	16,546	22,352
	61,756,596	64,565,609
Deferred contributions		
Restricted contributions (Note 12)	15,655,577	13,825,824
Capital assets (Note 13)	201,250,547	191,792,359
	216,906,124	205,618,183
Net assets		
Investment in capital assets (Note 14)	137,637,413	132,532,277
Endowments	23,993,207	22,852,601
Internally restricted (Note 15)	40,685,453	24,528,068
Unrestricted	13,185,131	4,074,229
Accumulated remeasurement loss	(2,769,534)	(4,847,245)
	212,731,670	179,139,930
Commitments (Notes 16 and 17)		
Contingencies (Note 18 and 19)		
Contractual rights (Note 20)		
	$ 629,344,699	$ 566,227,713

See accompanying notes to consolidated financial statements.

Consolidated Statement of Operations

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
Revenue		
Enrollment revenue	$ 176,346,504	$ 134,860,641
Government grants	99,615,003	96,032,715
Ancillary revenue	23,706,345	22,518,429
Other revenue		
Amortization of deferred contributions related to capital assets (Note 13)	11,099,280	9,517,928
Impairment of deferred contributions related to capital assets (Note 13)	2,506,350	-
Investment income	5,248,307	8,521,229
Restricted contributions	2,770,591	1,867,352
Miscellaneous	10,901,451	9,064,346
	332,193,831	282,382,640
Expenditures		
Instructional service	147,870,910	123,928,833
College service	45,267,906	34,832,223
Student service	42,181,548	39,831,332
Instructional support service	25,058,840	22,687,560
Facility service	21,660,202	18,619,176
Ancillary service	19,781,002	19,609,256
(Schedule 1)	301,820,408	259,508,380
Excess of revenue over expenditures	$ 30,373,423	$ 22,874,260

See accompanying notes to consolidated financial statements.

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2019, with comparative figures for 2018

	Investment in Capital Assets	Endowments	Internally Restricted	Unrestricted	Accumulated Remeasurement Loss	2019 Total
Balance, beginning of year	$ 132,532,277	$ 22,852,601	$ 24,528,068	$ 4,074,229	$ (4,847,245)	$ 179,139,930
Excess (deficiency) of revenue over expenditures (Note 14)	(11,178,285)	-	-	41,551,708	-	30,373,423
Unrealized gains attributable to:						
Investments	-	-	-	-	1,846,544	1,846,544
Derivative financial instruments	-	-	-	-	231,167	231,167
Endowments						
Donations	-	167,939	-	-	-	167,939
Return on investment	-	1,587,306	-	-	-	1,587,306
Awards	-	(639,146)	-	-	-	(639,146)
Net transfers from the College and Foundation	-	24,507	-	-	-	24,507
Internally restricted						
Deferred expenditures	-	-	32,066,402	(32,066,402)	-	-
Interfund transfer	-	-	(15,909,017)	15,909,017	-	-
Net change in investment in capital assets (Note 14)	16,283,421	-	-	(16,283,421)	-	-
Balance, end of year	$ 137,637,413	$ 23,993,207	$ 40,685,453	$ 13,185,131	$ (2,769,534)	$ 212,731,670

See accompanying notes to consolidated financial statements.

	Investment in Capital Assets	Endowments	Internally Restricted	Unrestricted	Accumulated Remeasurement Loss	2018 Total
Balance, beginning of year	$ 120,951,998	$ 22,191,900	$ 29,151,283	$ (11,843,515)	$ (1,214,459)	$ 159,237,207
Excess (deficiency) of revenue over expenditures (Note 14)	(8,674,761)	-	-	31,549,021	-	22,874,260
Unrealized (losses) gains attributable to:						
Investments	-	-	-	-	(5,105,046)	(5,105,046)
Derivative financial instruments	-	-	-	-	1,472,260	1,472,260
Endowments						
Donations	-	374,836	-	-	-	374,836
Return on investment	-	819,810	-	-	-	819,810
Awards	-	(573,721)	-	-	-	(573,721)
Net transfers from the College and Foundation	-	39,776	-	-	-	39,776
Internally restricted						
Deferred expenditures	-	-	2,950,000	(2,950,000)	-	-
Interfund transfer	-	-	(7,573,215)	7,573,215	-	-
Net transfers to the College	-	-	-	548	-	548
Net change in investment in capital assets (Note 14)	20,255,040	-	-	(20,255,040)	-	-
Balance, end of year	$ 132,532,277	$ 22,852,601	$ 24,528,068	$ 4,074,229	$ (4,847,245)	$ 179,139,930

See accompanying notes to consolidated financial statements.

Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
Cash provided by (used in):		
Cash flows from operating activities		
Excess of revenue over expenditures	$ 30,373,423	$ 22,874,260
Change in non-cash working capital items (Note 21)	24,390,136	11,717,113
Items not involving cash:		
Amortization of capital assets	20,197,844	18,192,689
Impairment of capital assets	4,598,581	-
Gain on disposal of capital assets	(12,510)	-
Amortization of intangible assets	302,720	302,719
Amortization of deferred contributions related to capital assets	(11,099,280)	(9,517,928)
Impairment of deferred contributions related to capital assets	(2,506,350)	-
Net increase in deferred contributions related to restricted contributions	1,829,753	1,412,280
Decrease in post employment benefits and compensated absences	(17,247)	(541,464)
	68,057,070	44,439,669
Cash flows from investing activities		
Short term investments greater than 90 days	15,002,342	(6,001,765)
Long term investments	1,672,800	(8,042,224)
Increase in internally restricted net assets	-	548
	16,675,142	(14,043,441)
Cash flows from capital activities		
Increase in deferred contributions related to capital assets	23,063,818	24,855,146
Additions to capital assets	(37,662,189)	(46,568,034)
Proceeds from sale of capital assets	20,280	-
(Repayment) advancement of capital lease obligation	(17,585)	12,198
(Repayment) advancement of bank loans	(2,253,501)	5,348,485
	(16,849,177)	(16,352,205)
Cash flows from financing activities		
Repayments from Student Union	166,474	156,148
Repayment of bank loans	(166,474)	(156,148)
Decrease (increase) in student fee receivable	565,756	(3,902,835)
Net increase in endowments	1,140,606	660,701
	1,706,362	(3,242,134)
Increase in cash and cash equivalents	69,589,397	10,801,889
Cash and cash equivalents, beginning of year	40,590,178	29,788,289
Cash and cash equivalents, end of year	$ 110,179,575	$ 40,590,178

See accompanying notes to consolidated financial statements.

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2019, with comparative figures for 2018

		2019		2018
Balance, beginning of year	$	(4,847,245)	$	(1,214,459)
Unrealized gains (losses) attributable to:				
Investments		1,846,544		(5,105,046)
Derivative financial instrument-interest rate swap		231,167		1,472,260
Net remeasurement gain (loss) for the year		2,077,711		(3,632,786)
Balance, end of year	$	(2,769,534)	$	(4,847,245)

See accompanying notes to consolidated financial statements.

The Fanshawe College of Applied Arts and Technology ("the College") is an incorporated entity that provides quality education and learning for employment to its communities. The College is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

1. Significant accounting policies:

(a) General:

The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPO's").

The consolidated financial statements reflect the operations of the College and its wholly owned subsidiaries Fanshawe College Foundation, Fanshawe International Corporation, Canadian Centre for Product Validation Inc. and Hot Zone Training Consultants Inc.

(b) Revenue recognition:

The College follows the deferral method of accounting for contributions, which include donations and government grants.

Under the Ontario Colleges of Applied Arts and Technology Act, the College is funded by the Ministry of Training, Colleges and Universities ("MTCU"). Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

Revenue from student fees, ancillary operations and other revenue is recognized when the services are provided or the products are sold.

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.

Externally restricted contributions other than endowment contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred, and when expended, are amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Deferred restricted contributions represent unspent donations for bursaries and scholarships, programs and other purposes. Deferred contributions related to capital assets represent the unamortized amount of donations and grants received for the purchase of capital assets.

Endowment contributions, having externally imposed restrictions requiring that the principal be maintained intact, are recognized as direct increases in endowment net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Restricted investment income that must be maintained as an endowment is credited to net assets. Unrestricted investment income is recognized as revenue when earned.

Materials and services donated to the College are recognized as restricted contributions in the year received and are recorded at their fair value.

(c) Inventories:

Inventories are stated at the lower of cost and net realizable value.

(d) Financial instruments:

The College recognizes its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

Financial assets and financial liabilities are initially recognized at cost and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the College's designation of such instruments. Settlement date accounting is used.

Fair Value

This category includes instruments quoted in an active market.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the Statement of Remeasurement Gains and Losses until they are realized, when they are transferred to the Statement of Operations.

Transaction costs related to financial instruments in the fair value category are expensed as incurred.

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the Statement of Operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the Statement of Operations.

Amortized Cost

This category includes accounts receivable, grants receivable, student fee receivable, Student Union receivable, accounts payable and accrued liabilities, capital lease obligations and bank loans. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the Statement of Operations.

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

Buildings occupied and equipment used by the former Ontario Vocational Centre, London were donated to the College as of September 1, 1967 by the Ontario Department of Works and Education and have been recorded at the original capital cost incurred by those departments. Land donated to the College by the Department of Public Works has been recorded at the nominal value of $6. Subsequent additions to capital assets have been recorded at cost.

Capital assets are amortized on a straight line basis using the following estimated useful lives:

Buildings	40 years
Site improvements	10 years
Furniture and equipment	5 years
Library books	15 years

The College utilizes the ½ year rule when amortizing capital assets in the year of acquisition.

(f) Intangible assets:

Intangible assets are recorded at cost at the date of acquisition. When an intangible asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

Intangible assets are amortized on a straight line basis using the following estimated useful lives:

Goodwill	5 years
Future value of customer lists	5 years

The College utilizes the ½ year rule when amortizing intangible assets in the year of acquisition.

(g) Cost allocation:

Expenditures are recorded on the accrual basis and allocated among academic programs on the basis of direct charges wherever possible and otherwise on the basis of full time equivalent students or teaching contact hours.

(h) Vacation pay:

Vacation pay is accrued, as entitlement is earned.

(i) Retirement and post-employment benefits and compensated absences:

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

(i) The costs of post-employment future benefits are actuarially determined using management's best estimate of health care costs, disability recovery rates and discount rates. Adjustments to these costs arising from changes in estimates and experience gains and losses are amortized to income over the estimated average remaining service life of the employee groups on a straight line basis.

(ii) The costs of the multi-employer defined benefit pension are the employer's contributions due to the plan in the period.

(iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate and salary escalation, employee's use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

(iv) The discount rate used in the determination of the above mentioned liabilities is equal to the College's internal rate of borrowing.

(j) Liabilities for contaminated sites:

A contaminated site is a site at which substances occur in concentrations that exceed the maximum acceptable amounts under an environmental standard. Sites that are currently in productive use are only considered a contaminated site if an unexpected event results in contamination. A liability for remediation of contaminated sites is recognized when the College is directly responsible or accepts responsibility; it is expected that future economic benefits will be given up; and a reasonable estimate of the amount can be made. The liability includes all costs directly attributable to remediation activities including post remediation operations, maintenance and monitoring. The liability is recorded net of any expected recoveries.

The College does not have any liabilities for contaminated sites.

(k) Measurement uncertainty:

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. Areas of key estimation include determination of the allowance for doubtful accounts, derivative financial instruments and the actuarial estimation of post-employment benefits and compensated absence liabilities as outlined in Note 11.

2. Financial instrument classification:

The following tables provide fair value and cost information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below:

	2019		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	$ 110,179,575	$ -	$ 110,179,575
Accounts receivable	-	16,570,447	16,570,447
Grants receivable	-	8,503,484	8,503,484
Student fee receivable	-	21,384,071	21,384,071
Student Union receivable	-	2,326,863	2,326,863
Investments	97,366,946	-	97,366,946
Accounts payable and accrued liabilities	-	29,101,697	29,101,697
Capital lease obligation	-	22,352	22,352
Bank loans	-	54,126,996	54,126,996
Derivative financial instruments	3,017,991	-	3,017,991
	$ 210,564,512	$ 132,035,910	$ 342,600,422

	2018		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	$ 40,590,178	$ -	$ 40,590,178
Short term investments greater than 90 days	15,002,342	-	15,002,342
Accounts receivable	-	21,938,349	21,938,349
Grants receivable	-	6,874,854	6,874,854
Student fee receivable	-	21,949,827	21,949,827
Student Union receivable	-	2,493,337	2,493,337
Investments	97,193,202	-	97,193,202
Accounts payable and accrued liabilities	-	28,535,439	28,535,439
Capital lease obligation	-	39,937	39,937
Bank loans	-	56,546,971	56,546,971
Derivative financial instruments	3,249,158	-	3,249,158
	$ 156,034,880	$ 138,378,714	$ 294,413,594

The amortized cost of accounts receivable, grants receivable and accounts payable and accrued liabilities approximate fair value because of their short terms to maturity. The student fee receivable, Student Union receivable, capital lease obligations and bank loans have an insignificant interest rate differential, therefore, recording at fair value is unnecessary.

The following tables provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;

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).

	2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 110,179,575	$ -	$ -	$ 110,179,575
Investments	-	97,366,946	-	97,366,946
Derivative financial instruments	-	-	3,017,991	3,017,991
	$ 110,179,575	$ 97,366,946	$ 3,017,991	$ 210,564,512

	2018			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 40,590,178	$ -	$ -	$ 40,590,178
Short term investments greater than 90 days	15,002,342	-	-	15,002,342
Investments	-	97,193,202	-	97,193,202
Derivative financial instruments	-	-	3,249,158	3,249,158
	$ 55,592,520	$ 97,193,202	$ 3,249,158	$ 156,034,880

There were no transfers between Level 1 and Level 2 for the year ended March 31, 2019 and March 31, 2018. There were also no transfers in or out of Level 3.

3. Accounts receivable:

Includes a balance owing from the Student Union for March 2019 expenditures of $289,294 (2018- $652,510).

4. Student fee receivable:

The receivable represents the student's share in support of the construction costs related to the Wellness Centre located on the London campus.

Principal repayments are due in accordance to the amortization schedule relating to the long term debt identified in Note 10. The following is a summary of the total amount receivable from the London campus students:

		2019		2018
Loan receivable, negotiated with the London Campus Student Union, from London campus students with an effective fixed interest rate of 3.65% repayable over 25 years. No specific security has been received.	$	21,384,071	$	21,949,827
		21,384,071		21,949,827
Less current portion		586,691		565,756
	$	20,797,380	$	21,384,071

Principal repayments required during the next 5 years are as follows:

2020	$	586,691
2021		608,400
2022		630,912
2023		654,257
2024		678,467

5. Student Union receivable:

The receivable represents the Student Union's share in support of the construction costs related to the student centre located on the London campus.

Principal repayments are due in accordance to the amortization schedule relating to the long term debt identified in Note 10. The following is a summary of the total amount receivable from the Student Union:

		2019		2018
Loan receivable from the London Campus Student Union with an effective fixed interest rate of 7.17% repayable over 25 years. No specific security has been received.	$	2,326,863	$	2,493,337
Less current portion		177,482		166,474
	$	2,149,381	$	2,326,863

Principal repayments required during the next 5 years are as follows:

2020	177,482
2021	189,218
2022	201,729
2023	215,068
2024	229,288

6. Investments:

The estimated fair and book values, held directly and indirectly through pooled funds, as at March 31 were:

	2019		2018	
	Estimated Fair Value	Book Value	Estimated Fair Value	Book Value
Bonds	$ 73,213,659	$ 72,965,204	$ -	$ -
Held through pooled funds:				
Bonds	10,411,628	10,266,797	42,804,570	43,163,461
Canadian equities	6,739,073	7,024,010	26,361,905	27,670,064
Global equities	6,628,526	6,468,006	25,808,463	26,240,268
Money market/short term	374,060	374,060	2,218,264	2,218,264
	$ 97,366,946	$ 97,098,077	$ 97,193,202	$ 99,292,057

7. Capital assets:

	2019		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 7,262,945	$ -	$ 7,262,945
Buildings	464,064,079	135,038,575	329,025,504
Construction in progress	88,234	-	88,234
Site Improvements	28,355,190	22,704,050	5,651,140
Furniture and equipment	176,696,460	152,472,428	24,224,032
Library books	6,524,108	3,449,587	3,074,521
	$ 682,991,016	$ 313,664,640	$ 369,326,376

	2018		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 7,262,945	$ -	$ 7,262,945
Buildings	385,531,235	120,270,886	265,260,349
Construction in progress	53,657,046	-	53,657,046
Site Improvements	24,919,358	22,238,331	2,681,027
Furniture and equipment	168,515,208	144,071,409	24,443,799
Library books	6,549,003	3,385,787	3,163,216
	$ 646,434,795	$ 289,966,413	$ 356,468,382

Included is an impairment of the CCPV building in the amount of $4,598,581 (2018-$0).

8. Intangible assets:

Due to the acquisition of Hot Zone Training Consultants Inc. in July 2015, and as a result of the College's consolidation process, intangible assets were recorded and as at March 31 were:

	2019		
	Cost	Accumulated Amortization	Net Book Value
Goodwill	$ 814,599	$ 570,219	$ 244,380
Future value of customer lists	699,000	489,299	209,701
	$ 1,513,599	$ 1,059,518	$ 454,081

	2018		
	Cost	Accumulated Amortization	Net Book Value
Goodwill	$ 814,599	$ 407,299	$ 407,300
Future value of customer lists	699,000	349,499	349,501
	$ 1,513,599	$ 756,798	$ 756,801

9. Capital lease obligations:

	2019	2018
Equipment lease contract, repayable in monthly installments of $515 including an effective fixed interest rate of 1.90%. The lease is repayable over 5 year and one-half years and matures December 2022. The lease is secured by specific equipment.	$ 22,352	$ 28,049
Equipment lease contract, repayable in monthly installments of $1,505 including an effective fixed interest rate of 0.82%. The lease was repayable over 2 years and matured December 2018. The lease was secured by specific equipment.	-	11,888
	22,352	39,937
Less current portion	5,806	17,585
	$ 16,546	$ 22,352

Principal payments required in each of the next 4 years are as follows:

2020	$	5,806
2021		5,917
2022		6,030
2023		4,599

10. Bank loans:

The debt noted below is structured with fixed repayment terms which will retire the debt over an agreed period of time. The College is not in violation of any covenants as at March 31, 2019 and it is the intent of the College to repay the debt in accordance with the repayment schedules.

		2019		2018
Term loan with a notional amount of $22,225,090 and an effective fixed interest rate of 3.65%. The loan is repayable over 25 years and matures July 2042. No specific security has been pledged.	$	21,384,071	$	21,949,827
Term loan with a notional amount of $20,000,000 and an effective fixed interest rate of 5.49%. The loan is repayable over 30 years and matures February 2040. No specific security has been pledged.		16,934,728		17,354,153
Term loan with a notional amount of $10,000,000 and an effective fixed interest rate of 6.46%, facilitated through a SWAP agreement. The loan is repayable over 25 years. The SWAP agreement matures May 2028. No specific security has been pledged.		5,534,650		5,968,941
Term loan with a notional amount of $7,500,000 and an effective fixed interest rate of 6.58%, facilitated through a SWAP agreement. The loan is repayable over 25 years. The SWAP agreement matures November 2028. No specific security has been pledged.		4,343,898		4,658,966
Term loan with a notional amount of $10,000,000 and an effective fixed interest rate of 6.05%, facilitated through a SWAP agreement. The loan is repayable over 25 years. The SWAP agreement matures September 2024. No specific security has been pledged.		3,577,679		4,113,560

Term loan with a notional amount of $4,000,000 and an effective fixed interest rate of 7.17%, facilitated through a SWAP agreement. The loan is repayable over 25 years. The SWAP agreement matures January 2029. No specific security has been pledged.	2,326,863	2,493,337
Term loan with a notional amount of $28,298 and an effective fixed interest rate of 7.49%. The loan is repayable over 6 years and matures July 2023. The loan is secured by a vehicle.	25,107	-
Term loan with a notional amount of $47,903 and an effective fixed interest rate of 4.99%. The loan was repayable over 6 years and matured February 2019. The loan was secured by a vehicle.	-	8,187
	54,126,996	56,546,971
Less current portion	2,579,899	2,445,081
	$ 51,547,097	$ 54,101,890

Principal payments required in each of the next 5 years are as follows:

2020	$ 2,579,899
2021	2,726,333
2022	2,881,419
2023	3,045,677
2024	3,215,036

11. Post-employment benefits and compensated absences:

	2019				
	Vesting sick leave	Non-vesting sick leave	Post-employment benefits	WSIB post-employment benefits	Total liability
Accrued employee future benefits obligations	$ 499,000	$ 5,716,000	$ 1,760,000	$ 323,962	$ 8,298,962
Value of plan assets	-	-	(325,000)	-	(325,000)
Unamortized actuarial gain (loss)	160,000	(1,017,000)	58,000	-	(799,000)
Total liability	$ 659,000	$ 4,699,000	$ 1,493,000	$ 323,962	$ 7,174,962

	2018				
	Vesting sick leave	Non-vesting sick leave	Post-employment benefits	WSIB post-employment benefits	Total liability
Accrued employee future benefits obligations	$ 689,000	$ 5,496,000	$ 1,693,000	$ 270,209	$ 8,148,209
Value of plan assets	-	-	(375,000)	-	(375,000)
Unamortized actuarial gain (loss)	77,000	(735,000)	77,000	-	(581,000)
Total liability	$ 766,000	$ 4,761,000	$ 1,395,000	$ 270,209	$ 7,192,209

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology ("CAAT") pension plan, a multi-employer plan, described below.

Retirement Benefits

CAAT Pension Plan

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), a multi-employer jointly-sponsored defined benefit plan for public colleges in Ontario and other employers. The College makes contributions to the Plan equal to those of employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. 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, 2019 indicated an actuarial surplus of $2.6 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of $15,522,464 (2018-$13,625,942), which has been included in the Statement of Operations.

Post-employment benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employee's tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council ("the Council").

The major actuarial assumptions employed for the valuations are as follows:

(a) Discount rate

The present value as at March 31, 2019 of the future benefits was determined using a discount rate of 2.2% (2018-2.6%).

(b) Drug costs

Drug costs increased 8.0% per annum for fiscal 2019 (2018-8.0%) grading down to 4.0% in 2040 (2018-4.0% in 2034).

(c) Hospital and other medical

Hospital and other medical costs increased 4.0% per annum for fiscal 2019 (2018-4.0%).

(d) Dental costs

Dental costs increased 4.0% per annum for fiscal 2019 (2018-4.0%).

Compensated absences

Vesting sick leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the Council.

Non-vesting sick leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the Council.

The assumptions used in the valuation of vesting and non-vesting sick leave are the College's best estimates of expected rates of:

	2019	2018
Wage and salary escalation		
Support staff	1.5%	1.5%
Academic	2.0%	2.0%
Discount rate	2.2%	2.6%

The probability that the employee will use more sick days than the annual entitlement and the excess number of sick days used over the annual entitlement are within ranges of 0% to 23.7% and 0.0 to 46.1 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

12. Deferred restricted contributions:

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2019	2018
Balance, beginning of year	$ 13,825,824	$ 12,413,544
Add amounts received during the year	20,581,298	19,984,934
Less amounts disbursed in the year	(18,751,545)	(18,572,654)
Balance, end of year	$ 15,655,577	$ 13,825,824

Deferred contributions are comprised of:

	2019	2018
Student activity fees	$ 6,939,864	$ 6,424,213
Fundraising campaigns	5,402,761	4,290,836
Bursaries and scholarships	1,202,507	982,750
Employee stability fund	551,666	536,935
Alumni activities	233,215	313,184
Other	1,325,564	1,277,906
	$ 15,655,577	$ 13,825,824

13. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the Statement of Operations. Changes in the deferred capital contributions balances are as follows:

	2019	2018
Balance, beginning of year	$ 191,792,359	$ 176,455,141
Add contributions received for capital projects	23,063,818	24,855,146
Less amortization of deferred capital contributions	(11,099,280)	(9,517,928)
Less impairment of deferred capital contributions	(2,506,350)	-
Balance, end of year	$ 201,250,547	$ 191,792,359

Associated with the impairment of the CCPV building in the amount of $4,598,581 (2018-$0) as disclosed in Note 7, Deferred capital contributions were also impaired by $2,506,350 (2018-$0).

14. Investment in capital assets:

(a) Investment in capital assets is calculated as follows:

		2019	2018
Capital assets		$ 369,326,376	$ 356,468,382
Amounts financed by:	Student fee receivable	21,384,071	21,949,827
	Deferred contributions	(201,250,547)	(191,792,359)
	Capital lease obligations	(22,352)	(39,937)
	Bank loans	(51,800,135)	(54,053,636)
		$ 137,637,413	$ 132,532,277

(b) Change in net assets invested in capital assets is calculated as follows:

	2019	2018
Excess of expenditures over revenue:		
Amortization of deferred contributions related to capital assets	$ 11,099,280	$ 9,517,928
Impairment of deferred contributions related to capital assets	2,506,350	-
Amortization of capital assets	(20,197,844)	(18,192,689)
Impairment of capital assets	(4,598,581)	-
Gain on disposal of capital assets	12,510	-
	$ (11,178,285)	$ (8,674,761)

Net change in investment in capital assets:			
Additions to capital assets		$ 37,662,189	$ 46,568,034
Amount financed by:	Student fee receivable	(565,756)	3,902,835
	Proceeds on disposal of capital assets	(20,280)	-
	Deferred contributions	(23,063,818)	(24,855,146)
	Capital lease obligations	17,585	(12,198)
	Bank loans	2,253,501	(5,348,485)
		$ 16,283,421	$ 20,255,040

15. Internally restricted net assets:

Internally restricted net assets represent funds set aside for future expenditures. Details of the internally restricted net asset balances are as follows. These internally restricted net assets will be used in part to fund future commitments disclosed in Note 17, Commitments.

	2019	2018
Deferred capital expenditures	$ 39,713,168	$ 23,333,900
Deferred operating expenditures	972,285	1,194,168
Balance, end of year	$ 40,685,453	$ 24,528,068

16. Operating leases:

The College leases premises and equipment. The remaining aggregate minimum rental payments under operating leases for the next 5 years are as follows:

2020	$ 924,970
2021	1,267,922
2022	1,273,532
2023	1,267,502
2024	1,280,110

17. Commitments:

As at March 31, 2019, outstanding capital asset commitments approximate $5,813,881 (2018- $22,812,690) primarily relating to the construction and expansion of various facilities. The internally restricted net assets in Note 15, Internally restricted net assets, will be used to fund these future commitments.

18. Contingencies:

In the normal course of operations there are outstanding claims against the College, primarily as a result of grievances filed under the provisions of the collective agreements between the College and The Ontario Public Services Employees Union ("OPSEU"). The amount of these claims is not determinable at this time, and accordingly losses, if any, as a result of these claims will be expensed in the period in which the claims are known.

19. Contingent assets:

The College is a defendant in a number of legal proceedings arising in the normal course of business. The College has insurance to recover any possible legal settlement. The future receipt of these assets is dependent on the outcome of the contingent liability occurring. Contingent assets are not recorded in the consolidated financial statements.

20. Contractual rights:

Estimated amounts from contracts which will be received or receivable in each of the next five years and thereafter are as follows:

2020	$	899,355
2021		981,608
2022		932,881
2023		739,014
2024		60,154
Thereafter		5,400,000
March 31, 2019	$	9,013,012
March 31, 2018	$	9,979,650

21. Supplemental cash flow information:

		2019		2018
Change in non-cash working capital items:				
Accounts receivable	$	5,367,902	$	(323,209)
Grants receivable		(1,628,630)		(3,796,866)
Inventories		(223,647)		(143,402)
Prepaid expenses		(48,768)		90,018
Accounts payable and accrued liabilities		566,258		1,651,441
Accrued vacation pay		351,353		491,622
Deferred revenue		20,005,668		13,747,509
	$	24,390,136	$	11,717,113

During the year, the following cash amounts were received (paid):

		2019		2018
Interest revenue	$	6,713,192	$	4,880,510
Interest expense		(2,793,885)		(2,655,958)

22. Financial instrument risk management:

Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash and cash equivalents and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to $100,000 (2018-$100,000).

The maximum exposure to investment credit risk is the amount of the investments as shown in Note 6.

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections. The amounts outstanding as at March 31, 2019 and March 31, 2018 were as follows:

			2019			
			Past Due			
	Total	Current	1-30 days	31-60 days	61-90 days	91+ days
Student receivables	$10,258,745	$ 6,705,762	$2,166,228	$ 41,957	$ 714,114	$ 630,684
Other receivables	8,641,330	4,786,462	683,023	104,453	36,786	3,030,606
Gross receivables	18,900,075	11,492,224	2,849,251	146,410	750,900	3,661,290
Less: impairment allowances	(2,329,628)	-	-	-	-	(2,329,628)
Net receivables	$16,570,447	$ 11,492,224	$2,849,251	$ 146,410	$ 750,900	$ 1,331,662

			2018			
			Past Due			
	Total	Current	1-30 days	31-60 days	61-90 days	91+ days
Student receivables	$15,453,960	$ 13,101,988	$ 284,723	$1,013,195	$ 180,334	$ 873,720
Other receivables	8,771,149	5,359,315	514,955	32,249	167,856	2,696,774
Gross receivables	24,225,109	18,461,303	799,678	1,045,444	348,190	3,570,494
Less: impairment allowances	(2,286,760)	-	-	-	-	(2,286,760)
Net receivables	$21,938,349	$ 18,461,303	$ 799,678	$1,045,444	$ 348,190	$ 1,283,734

Other receivables includes Collections receivables and year end financial statement reclassification balances.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

Since it is the College's intent to make payments on the bank loans until maturity, it is not cost effective to determine the fair value of the debt. The fair value of investments included in Note 6 is based on quoted market prices.

The College's investment policy recognizes the investment guidelines issued by MTCU. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk.

Currency risk

Currency risk relates to the risk of operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency rates occur.

The College does not have any material transactions or directly hold financial instruments denominated in foreign currencies.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its capital lease obligation and bank loans.

The College mitigates interest rate risk on its capital lease obligation through a fixed interest rate (Note 9) and on its bank loans through derivative financial instruments which replace the variable rates inherent in the bank loans for a fixed rate (Note 10). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the capital lease obligation and bank loans.

Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets.

The College does not have any material transactions or directly hold financial instruments subject to equity risk.

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near term if unexpected cash outflows arise. The following tables set out the contractual maturities (representing undiscounted contractual cash flows of financial liabilities):

	2019			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable and accrued liabilities	$ 29,101,697	$ -	$ -	$ -
Capital lease obligation	2,890	2,916	16,546	-
Bank loans	1,272,167	1,307,732	11,868,465	39,678,632
	$ 30,376,754	$ 1,310,648	$ 11,885,011	$ 39,678,632

	2018			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable and accrued liabilities	$ 28,535,439	$ -	$ -	$ -
Capital lease obligations	10,760	6,825	22,352	-
Bank loans	1,206,168	1,238,913	11,210,454	42,891,436
	$ 29,752,367	$ 1,245,738	$ 11,232,806	$ 42,891,436

There have been no significant changes from the previous year in the exposure to all risk categories or policies, procedures and methods used to measure the risk.

23. Capital management:

The College's objectives when managing capital are to develop and maintain a financial model and a capital expenditure process which supports the strategic directions of the College, and safeguards the College's ability to continue to provide benefits to the community.

Capital at the College is comprised of net assets. In order to maintain or adjust the capital structure, the College must obtain additional funding.

Endowment contributions have externally imposed restrictions requiring that the principal be maintained intact.

24. Comparative figures:

Certain comparative figures have been reclassified to conform to the current year's presentation.

Year ended March 31, 2019, with comparative figures for 2018

	2019	2018
Expenditures		
Salaries and benefits	$ 180,773,643	$ 155,437,194
Contract services	25,103,037	21,472,566
Other operating costs	21,948,807	19,235,903
Amortization expense	20,500,564	18,495,408
Utilities and maintenance	19,240,412	17,559,139
Operating supplies	12,386,789	11,597,019
Ancillary cost of sales	8,473,753	8,103,036
Student assistance	6,000,937	4,951,724
Impairment of capital assets	4,598,581	-
Loan interest	2,793,885	2,656,391
	$ 301,820,408	$ 259,508,380

APPENDIX C

KPI Performance Report

Thousands of students, graduates, and employers across the province are surveyed every year to collect data pertaining to quality and accountability measures for graduate employment outcomes, graduate satisfaction, employer satisfaction, and student satisfaction. This section presents the 2017/2018 results, the most recent data available before the submission of this document. This information was not included in the 2017/2018 Annual Report due to the delays caused by the labour disruption in the fall term of 2017.

Results of three surveys are included in this report – the KPI Student Satisfaction Survey, the KPI Graduate Satisfaction Survey and the KPI Employer Satisfaction Survey. While the KPI Student Satisfaction Survey results are based on ratings from 2017/2018 students, the KPI Graduate and Employer Satisfaction Surveys are based on responses from 2016/2017 graduates and their employers respectively. Satisfaction ratings for 2017/2018 graduates will be collected six months after they graduate and will be included in the next Performance Report, released by the Ministry annually.

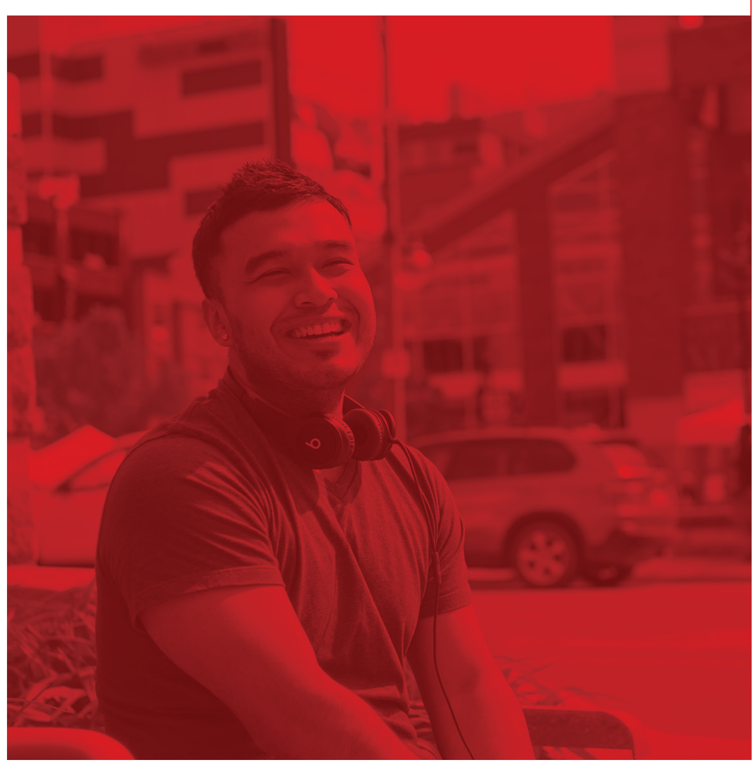
Fanshawe's KPI graduation rate, which is based on 2017/2018 graduates, was 68.8%. Findings reveal that 87.6% of 2016/2017 graduates found jobs within six months of graduation. This result remains ahead of the provincial average of 85.7%.

Other key findings include:

- 94.2% of employers were satisfied with the quality of educational preparation of Fanshawe graduates, which is above the provincial average of 92.5%.
- Six months after graduation, 80.2% of Fanshawe College graduates reported that they were satisfied with the usefulness of their postsecondary education in achieving their post-graduate goals, which is above the provincial average of 79.5%.
- 75.5% of all full-time Fanshawe College students, surveyed in their second semester and beyond, reported that they were satisfied or very satisfied with the overall quality of services, programming, and resources available to them, which is above the provincial average of 73.4%. The results are based on the following data:
    - 84.9% of students were satisfied with the knowledge and skills developed for their future career, which is above the provincial average of 84.4%.
    - 76.3% of students were satisfied with their learning experience, which is above the provincial average of 75.5%.
    - 76.2% of students were satisfied with the quality of Fanshawe's facilities and resources, which is above the provincial average of 72.6%.
    - 64.8% of students were satisfied with the quality of Fanshawe's services, which is above the provincial average of 61.1%.

APPENDIX D

Summary of Advertising and Marketing Complaints Received



Fanshawe College is filing a nil report.

Nature of Complaint	Date Received	How Resolved/addressed	Date Resolution Communicated to Student	# of working days to Resolve

Total number of complaints: **nil**

Average number of working days to resolution: **n/a**

APPENDIX F

List of Governors

Board of Governors 2018-19

Name	Board Position	Appointment Start	Appointment End	Term
Ms. Tammie Ashton	External - LGIC Appointment	18-Sep-01	21-Aug-31	1
Ms. Arien Aubertin	Student Governor	18-Sep-01	19-Aug-31	1
Mr. M. Bruce Babcock	External - Chair	13-Sep-01	19-Aug-31	2
Mr. Paul Cocker	External - LGIC Appointment	16-Sep-01	19-Aug-31	1
Mr. Peter Devlin	College President (Ex-Officio)	13-Sep-03		
Mr. Brad Duncan	External - First Vice-Chair	16-Sep-01	19-Aug-31	1
Ms. Lori Higgs	External	13-Sep-01	19-Aug-31	2
Ms. Patricia Hoffer	External - First Vice-Chair	14-Sep-01	20-Aug-31	2
Mr. George Kerhoulas	External	18-Sep-01	21-Aug-31	1
Mr. Kapil Lakhotia	External - LGIC Appointment	15-Sep-01	21-Aug-31	2
Mr. Alex Lau	External - LGIC Appointment	14-Sep-01	20-Aug-31	2
Mr. John Leitch	External	13-Sep-01	19-Aug-31	2
Dr. Stephen McClatchie	External	16-Sep-01	19-Aug-31	1
Ms. Michele Martin	External	17-Sep-01	20-Aug-31	1
Mr. Paul Meahan	Academic Staff Member	17-Sep-01	20-Aug-31	2
Ms. Lauren Monteith	Support Staff Representative	17-Sep-01	20-Aug-31	1
Ms. Michelle Quintyn	External - LGIC Appointment	14-Sep-01	20-Aug-31	2
Mr. Dave Schwartz	Administrative Staff Representative	16-Sep-01	19-Aug-31	1
Mr. Robert Siskind	External	13-Sep-01	19-Aug-31	2

STRATEGIC GOALS

To help direct and focus the time, energy, and resources of the College, strategic goals have been identified:

1. Enhance innovative practices for exceptional student learning.
2. Manage enrolment growth.
3. Optimize use of resources.
4. Build sustainable sources of alternative revenue.