

2026 / 2027

Annual Report on Strategic Plan Implementation



OUR ONE BIG GOAL

Guiding the learning journey of our students to ensure they are ready for work and life, today and tomorrow.



FANSHAWE

Transforming potential into impact

Land Acknowledgement

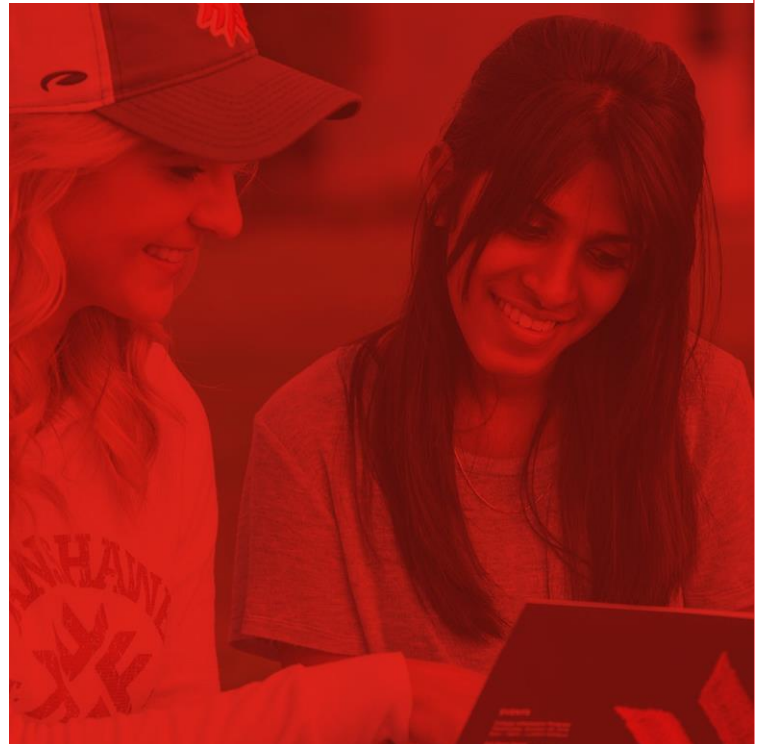
We acknowledge and honour the Anishinaabe, Haudenosaunee and Lenape people of Southwestern Ontario as the traditional owners and custodians of the lands and waterways where Fanshawe College is located. Further, we acknowledge the cultural diversity of all Indigenous peoples and pay respect to Elders past, present and future. We celebrate the continuous living cultures of the original inhabitants of Canada and acknowledge the important contributions Indigenous people have and continue to make in Canadian society. The College respects and acknowledges our Indigenous students, staff, Elders and Indigenous visitors who come from many nations.





SECTION A

Government Issues



A. Government Issues

The following section provides an overview of the government context within which the College will be operating as it develops operational and financial plans.

Federal Government

The federal government's priorities for the upcoming year include stabilizing immigration, investing in defence, clean energy, advanced technologies, and enhancing youth employment and student financial assistance.

Changes to Immigration Policies and Bill C-12

The Government of Canada is tightening immigration policies for international students¹, limiting new arrivals to 155,000 and extensions to 253,000 by 2026. Plans include reducing annual caps to 150,000 for 2027 and 2028.² Proposed legislation, Bill C-12, aims to enhance federal control over temporary residents and improve border security.³

Labour Market Alignment, Innovation, AI, and Industrial Policy Investments

The federal government is strengthening the potential link between postsecondary education and industrial policy through investments in areas like defence, clean energy, and advanced technology. Funding will go through targeted initiatives that align with labour market needs, emphasizing workforce development and innovation.⁴

Research Talent & Global Competition Strategy

The federal government is investing \$1.7 billion in attracting global researchers and high-skill talent. Postsecondary leaders, especially from universities, welcomed this investment. The government prioritizes innovation capacity over mass international enrolment, shifting the sector toward research and strategic talent pipelines rather than revenue-driven recruitment.⁵

Investing in Youth Employment and Expanding the Student Work Placement Program

The federal budget allocates over \$1.5 billion to boost youth employment, including \$635.2 million for 55,000 work-integrated learning placements via the Student Work Placement Program, \$594.7 million for 100,000 Canada Summer Jobs, and \$307.9 million for the Youth Employment and Skills Strategy for disadvantaged youth.⁶

Improving Access to Student Aid and Increasing Student Grants and Loans

The Government of Canada is extending student financial aid increases for another year. Full-time Canada Student Grants will rise from \$3,000 to \$4,200 annually, and Interest-free Canada

¹ <https://www.cbcnews.com/2026/01/year-in-review-what-changed-for-international-students-and-pgwp-holders-in-canada-in-2025-0165602.html>

² <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/2026-provincial-territorial-allocations-under-international-student-cap.html>

³ <https://openparliament.ca/bills/45-1/C-12/?tab=stage-report>

⁴ <https://policyoptions.irpp.org/2026/01/postsecondary-opportunities/>

⁵ <https://universityaffairs.ca/news/post-secondary-leaders-express-mixed-reactions-to-budget-2025/>

⁶ <https://www.canada.ca/en/employment-social-development/news/2025/11/minister-hajdu-highlights-budget-2025-investments-to-support-youth-employment.html>

Student Loans will increase from \$210 to \$300 per week. Proportional increases will be available for part-time students and those with disabilities or dependents.⁷

Housing and Transit Measures to Support Students

Canada is enhancing housing and transit policies to support students and community growth by expanding the \$55 billion Apartment Construction Loan Program and easing GST/HST rules for rental and student housing projects.⁸ Federal transit funding is also promoting high-density development within eight hundred metres of postsecondary institutions.⁹

Increasing Access to Postsecondary Education for First Nation Students

The Government of Canada is improving access to postsecondary education for First Nations students through the Postsecondary Student Support Program. It continues to support Inuit and Métis education with \$487.5 million over ten years and \$61.8 million ongoing. An additional \$50 million was announced for the first Inuit-led university in Arviat, Nunavut, in February 2026.¹⁰

Provincial Government

Ontario's policy shifts—spanning funding changes, OSAP adjustments, study-permit caps, governance centralization, and investments in trades, apprenticeships, STEM, and teaching—are collectively reshaping a more coordinated yet increasingly complex postsecondary system.

Increased College and University Funding — and Tuition Freeze Lifted

Ontario is investing \$6.4 billion over four years to enhance postsecondary education, boosting annual support to \$7 billion and adding 70,000 in-demand seats. A new tuition framework allows colleges and universities to increase domestic tuition by up to two percent annually for three years, followed by capping increases at two percent or the rate of inflation increases. To protect low-income students, the province is working with colleges and universities to enhance the Student Access Guarantee (SAG), which is financial aid institutions provide to students whose OSAP funding does not cover the costs of tuition, books, and mandatory fees.¹¹

Ontario Student Assistant Program (OSAP) grant share drops; loans rise

Starting in fall 2026, students eligible for OSAP will receive a maximum of 25 percent of their funding as grants, down from 85 percent. This shift towards more repayable loans raises concerns about increased debt and reduced accessibility to higher education, especially for low-income students and newcomers.¹²

Study Permit Caps Reshaping College Enrolment

Canada's 2026 study permit cap is 408,000 (including new students and extensions), of which 180,000 require a provincial or territorial attestation letter (PAL/TAL). Ontario will issue 104,780

⁷ <https://gazette.gc.ca/rp-pr/p2/2025/2025-04-09/html/sor-dors113-eng.html>

⁸ <https://www.canada.ca/en/revenue-agency/services/tax/businesses/topics/gst-hst-businesses/gst-hst-rebates/new-residential-rental-property-rebate.html>

⁹ <https://www.canada.ca/en/housing-infrastructure-communities/news/2024/07/backgrounder-federal-government-launches-the-canada-public-transit-fund-investing-in-public-transit-needs-across-canada.html>

¹⁰ <https://www.indigenouwatchdog.org/cta/call-to-action-11/>

¹¹ <https://news.ontario.ca/en/release/1007034/ontario-investing-64-billion-to-support-postsecondary-sectors-long-term-success-and-sustainability>

¹² <https://www.cbc.ca/news/canada/toronto/ontario-osap-cuts-student-reaction-9.7089245>

PALs for 70,074 permits, a 42 percent drop from 2025, primarily for public institutions. Graduate students do not need PALs, but count towards the cap.¹³

Ontario's Bill 33: Centralization of Education Governance

The Ontario government has passed Bill 33, the Supporting Children and Students Act, which increases its authority over school boards and postsecondary institutions. Colleges are now required to disclose admissions criteria, and the government can regulate student fees by requiring institutions to provide fee information and implement opt-out mechanisms.¹⁴

Supporting Rewarding Careers in the Skilled Trades

Ontario is investing \$159.3 million over three years to strengthen skilled trades programs. This funding will expand the In-Class Enhancement Fund to create more training seats and cover classroom fees for Level 1 apprentices, to attract more people into skilled trades and support their training toward becoming certified journeypersons.¹⁵

Aligning Apprenticeships with Workforce Demand

Skilled Trades Ontario (STO) will manage in-house apprenticeship exams via the STO Portal starting February 1, 2026, to improve exam capacity and scheduling while providing onsite delivery at Training Delivery Agents (TDAs). STO is also assessing eighteen low-activity apprenticeship trades for potential transformation or inactivation.¹⁶

Investing in Science, Technology, Engineering and Mathematics

Ontario is investing \$750 million to support science, technology, engineering and mathematics (STEM) programs at colleges and universities, funding up to 20,500 seats per year. This initiative aims to build a skilled, made-in-Ontario talent pool.¹⁷

Expanding Ontario's Teaching Workforce

Ontario is investing \$55.8 million over two years to train 2,600 new English- and French-language teachers by 2027. This initiative aims to ensure a stable supply of qualified educators across the province, supporting improved student outcomes and long-term academic and career success.¹⁸

¹³ <https://www.canada.ca/en/immigration-refugees-citizenship/news/notices/2026-provincial-territorial-allocations-under-international-student-cap.html>

¹⁴ <https://www.ola.org/en/legislative-business/bills/parliament-44/session-1/bill-33>

¹⁵ <https://news.ontario.ca/en/release/1006609/ontario-investing-more-than-60-million-in-skilled-trades-apprentices>

¹⁶ <https://www.skilledtradesontario.ca/sto-initiates-review-of-18-apprenticeship-programs/>

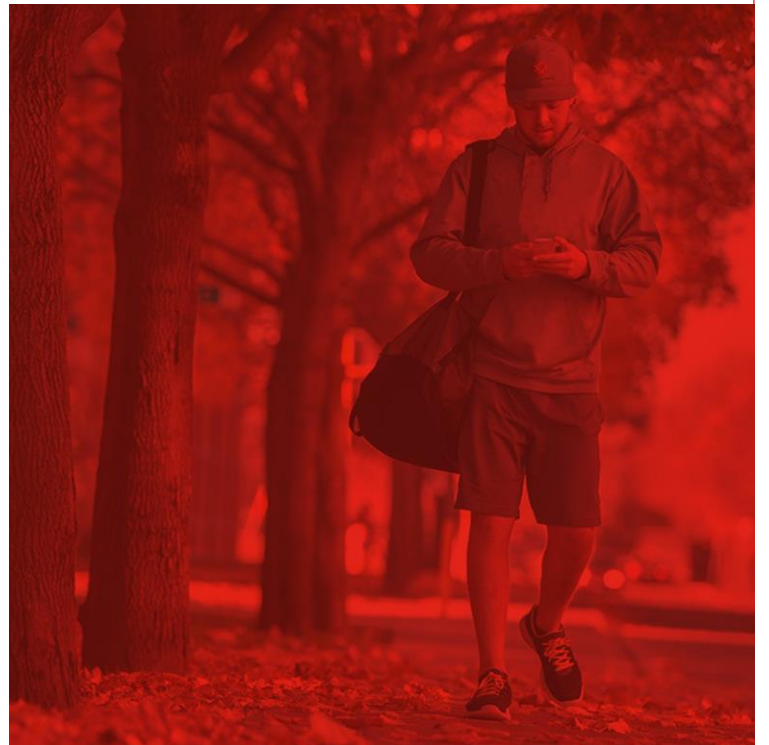
¹⁷ <https://www.cbc.ca/news/canada/toronto/ont-stem-funding-universities-colleges-1.7515730>

¹⁸ <https://budget.ontario.ca/2025/chapter-1b-economy.html#section-13>



SECTION B

Board Directions



B. Board Directions

The direction to the College from the Board of Governors is communicated through three separate Ends policies. Descriptions of these policies are below. Notably, all three of these policies are currently under review and will be updated by summer 2026.

Vision and Mission (A-05)

Policy A-05 articulates the Board approved Vision and Mission for the College. It currently includes the following statements: Vision: *Unlocking Potential*. Mission: *Provide pathways to success, an exceptional learning experience, and a global outlook to meet student and employer needs*. These vision and mission statements were first approved in 2013 and reconfirmed in 2019. The College updates the Board annually on both the outcomes of this policy through its Annual Report and the targets and milestones for the next fiscal year through the Annual Strategic Plan Implementation Report.

Fanshawe recently embarked upon a process of strategic renewal co-led by its Board of Governors and senior leadership. A new strategic direction was approved June 2025 but has yet to be formalized in this policy. Its new vision and mission, now referred to as our purpose and one big goal, respectively, are stated below.

Our purpose: *Transforming potential into impact*.

Our one big goal: *Guiding the learning journey of our students to ensure they are ready for work and life, today and tomorrow*.

Student Success (A-35)

This policy (effective 2021) defines student success through a variety of indicators that include the following: educational outcomes, student program progression, students' attainment of specific labour market skills and global perspectives, student participation in a Signature Innovative Learning Experience (SILEx), student introduction to a minimum of three of seven Job Skills for the Future in their programs, student satisfaction of usefulness of course/program in achieving educational goal(s), and student received value for financial investment in the course/program. The College updates the Board annually on the outcomes of this policy's criteria.

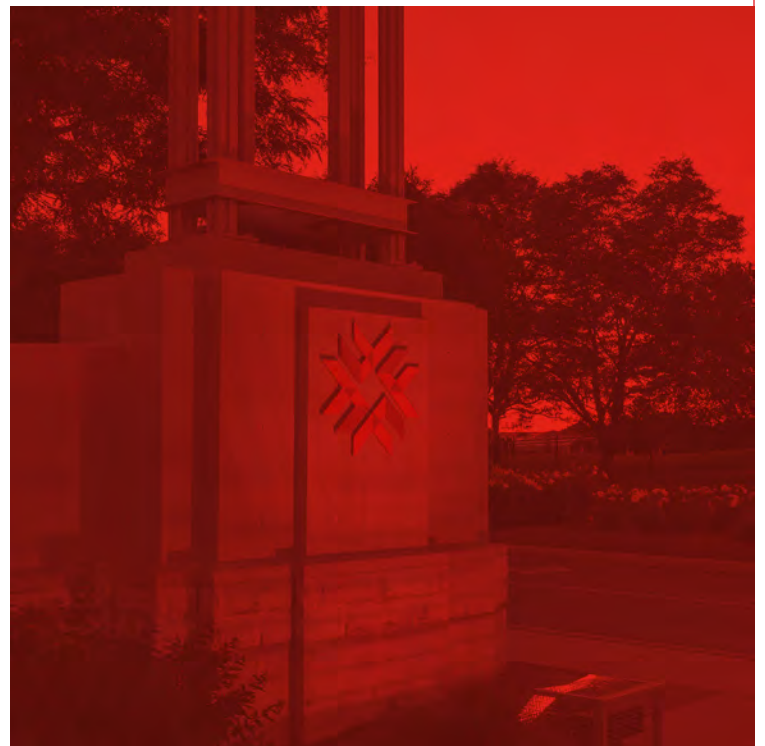
Meeting Labour Market Needs (A-40)

The Board's Meeting Labour Market Needs policy (effective 2020) affirms the College's commitment to provide graduates with the skills necessary to satisfy current and future labour market needs of the communities served by the College. In this policy, criteria include employment outcomes of graduates; "essential employability skills emphasized by employers, sought by graduates, and assigned by the Ministry"; and Board of Governor designated competencies relevant to the labour market. Communities served include regions in which the College operates and the provincial and national labour markets. The College updates the Board annually on the outcomes of this policy's criteria.



SECTION C

Progress Towards Achieving
College Goals



C. Progress Towards Achieving College Goals

The purpose of Section C is to demonstrate plans are in place for 2026/27 to advance the College's Strategic Focus Areas (Goals). Section C demonstrates how compliance with the monitoring criteria 1.1 in Board Policy D-05 will be achieved:

- (1.1) Each financial plan shall not fail to describe in a narrative form how financial resource allocations are aligned with the Board's Ends.

The following narrative describes how the College's new Strategic Plan will be translated across the College through its academic and alternative revenue generation priorities and its continued implementation of multi-year recommendations identified within its 2025 Enterprise-Wide Review Report.

Planning Context

Over the course of the past 18 months, Fanshawe took a thoughtful and collaborative approach to developing *Fanshawe 2035: Shaping our Future Together* (its Strategic Plan). Fanshawe's Strategic Plan centres around our learners, is future-focused, advances innovation and will deliver strong and meaningful impacts to our communities. We are truly shaping our future together.

As we look to the future, we recognize that rapid changes across political, economic, social, technological, and environmental landscapes are creating new opportunities for our sector to grow. These broader forces continue to shape learner expectations and industry needs, influence policy directions and guide how organizations must evolve. In developing our new Strategic Plan, we identified key external trends transforming postsecondary education that we need to respond to in order to remain competitive, continue to provide quality education, and guide the learning journey of our students in optimal ways. The most influential trends identified include: evolving student demand and labour market demand; AI and digital transformations; Truth and Reconciliation; sustainability; global relations; affordability; and financial challenges and resiliency.

Cascading from the College's new Focus Areas (Goals) are a series of aligned Actions. These high-level Actions have been interpreted into operational language in both the College's new Academic Plan (to 2029) and Alternative Revenue Generation Plan (to 2030). Academic Faculties and Alternative Revenue Generation Divisions of the College have further interpreted this direction into measurable activities within their 2026/27 Operating Plans. Moreover, Support areas of the College have developed 2026/27 Operating Plans that guarantee appropriate enablement support to the Academic Faculties and Alternative Revenue Generation Divisions to achieve their targets.

Underpinning the achievement of the aforementioned are nine separate Foundational Plans. Foundational Plans define the core principles, structures and operating models that guide Fanshawe's future. They informed the development of our new Strategic Plan and continue to be priorities that will be carried out in tandem with it. The following Foundational Plans highlight our commitment to Truth and Reconciliation, inclusion and anti-racism, and environmental and social sustainability, as well as help us realize our values, be financially resilient and future focused:

- Indigenous Action Plan
- Equity, Diversity, Inclusion Plan
- Sustainable Development Goals (SDGs) Action Plan
- Strategic Enrolment Management (SEM) Plan
- Campus Development Plan
- Collaborative Procurement and Vendor Management Plan
- People Plan
- IT Plan
- The College Budget

Focus Areas

The College's strategic and business planning efforts are now anchored by three interconnected areas of focus aligned to our vision of guiding the learning journey of our students to ensure they are ready for work and life, today and tomorrow.

Focus Area 1: Transforming the delivery of learning and services for an improved learning experience.

Through flexible learning options, personalized student supports, authentic system change, and innovative teaching, Fanshawe empowers students to customize their learning journey to fit their needs and to learn the skills needed to transform their potential into impact.

Focus Area 2: Evolving how we work for efficient, responsive, and sustainable operations.

With engaged employees working in an environment that allows for agility and supports sustainable practices, we are strengthening Fanshawe's financial resilience and empowering our people to be more collaborative with each other, our industry partners and our learners.

Focus Area 3: Making a difference for stronger contributions to our community and economy.

Through our collaborations with strategic partners and our employers, Fanshawe will strengthen our polytechnic education model for students and enhance our contribution to the economic and social development of communities.

Interpretation of the Focus Areas through the College's Academic Plan and its Alternative Revenue Generation Plan

Academic Plan

Focus Area 1 Priorities

- The College will develop and support flexible program delivery, including Part-time, Online, Modular, Stackable and Personalized Learning models, to empower students with choice and meet the needs of diverse learners seeking affordable and convenient delivery
- The College will leverage its existing Signature Innovative Learning Experience (SILEx), including Co-op and applied research, to intentionally grow program-specific

connections to community and industry and enhance engagement by students, faculty and employers

- The College will grow its clinical and community placement opportunities to support enrolment growth while also considering partners' workforce development needs
- The College will enable efficient, streamlined, and proactive student supports through its Student Experience Framework pillars: learning and empowerment; relationships and connections; vibrant experiences; wellness and wellbeing
- The College will drive student retention through flexible pathways, program fit and progression models
- The College will grow Indigenous student enrolment and retention through intentional supports
- The College will design and deliver Indigenous-led courses and programs for Indigenous students
- The College will prepare all students in priority programs for meaningful engagement with Indigenous populations through Indigenous-focused curriculum
- The College will adopt Universal Design for Learning (UDL) principles for accessible, inclusive and personalized learning
- The College will support students' ethical and responsible use of artificial intelligence (AI), and meet employer needs for AI-literate graduates
- The College will support faculty to fairly and transparently integrate AI into curriculum and assessment strategies
- The College will leverage extended reality (XR) innovations to enhance curriculum delivery or to realize learning outcomes

Focus Area 2 Priorities

- The College will support faculty's pedagogical and curricular expertise through Centre for Teaching and Learning supports, with a Scholarship of Teaching and Learning approach to advancing teaching practices
- The College will enhance program curricula by implementing program review, accreditation, and provincial Program Standard commitments
- The College will develop and employ new and enhanced metrics, scorecards, rubrics, and market analysis to improve accountability, flexibility and adaptability
- The College will engage in systematic space utilization and capital planning to support academic priorities

Focus Area 3 Priorities

- The College will strengthen reciprocal relationships with community and industry partners, engage program advisory committees (PACs) frequently to ensure programs are relevant to evolving community and labour market needs, and rationalize its program mix to focus on greatest impact
- The College will explore opportunities to grow apprenticeship programming to meet labour market needs and government priorities, support pathways that enhance learner's access to higher education, and collaborate with employers seeking workforce development training

Alternative Revenue Generation Plan (ARG)

The College's new ARG Plan has created a higher level of visibility, transparency, and accountability for alternative revenue generation at the College. The focus is multi-dimensional and includes activity Pillars tied to: Skills Training and Micro-credentials; Grant Funding and Government Programs; Employment Ontario (EO) Contracts and Workforce Programs; Applied Research and Innovation; and Donor Revenue and Sponsorships. With respect to skills training, micro-credentials and Employment Ontario contracts and workforce programs, a focus will be placed in 2026/27 on growing revenue by 10 percent with a contribution to overhead of 15 percent. Advancement activities in 2026/27 are planned to also increase philanthropic revenue by 10 percent. With respect to grant funding, the College will maintain a rolling grant funnel (idea – concept – proposal – funded) with 10 large-scale submissions and a target of a 45 percent success conversion rate.

Underpinning the success of these goals in 2026/27 are a number of cross-cutting supports. First, the College will create a Workforce Development and Alternative Revenue Council to oversee targets, risk, and alignment to the Ontario colleges' policy framework on entrepreneurial activities. The College will also move to the use of one integrated Customer Relationship Management (CRM) platform for employers/partners having a unified record where feasible. A centralized "Partner with Us" marketing campaign will be launched alongside the establishment of a skills development hub, aligned to Ontario's lifelong learning recommendations (short programs, redesigned continuing education, etc.). Finally, the College will develop and apply risk assessment and quality assurance frameworks for all entrepreneurial activities.

Advancement of the Enterprise-Wide Review Recommendations

In fall 2024 the College applied and was successful in receiving \$500,000 from the Ministry of Colleges, Universities, Research Excellence and Security (MCURES) to conduct an enterprise-wide efficiency review. MCURES identified five areas of focus for external consultants to review: governance, administrative and student services, academic programming, physical assets and facilities, collaborative procurement opportunities, and revenue generating opportunities. A final report with recommendations was completed March 31, 2025. Since then, the College has been actively implementing recommendations that have included: significant program and staffing reductions; inventorying and sale of assets; improvements to its Strategic Enrolment Management planning; and integration of its alternative revenue generation activities. In 2026/27, the College will continue to sell assets where feasible, make process improvements with respect to SEM, and advance its multi-year Alternative Revenue Generation Plan. Additionally, during this period will be the development and early-stage implementation by the College of an Enterprise IT Strategy and Procurement and Vendor Management Plan.



SECTION D

Financial Planning/Financial Condition



D. Financial Planning/Financial Condition (Policy D-05, D-10)

D.1 Introduction

The financial projection (Schedule A on the following page) reflects a deficit position of \$11.0 million for 2027 and projected surplus of \$0.3 million and \$3.7 million for 2028 and 2029 respectively, as measured with the accounting principles used in reporting the College's financial statements and consistent with the Board's financial planning policy (Board Policy D-05). These projections include the anticipated operating results of the College subsidiary organization, Fanshawe Global Corporation.

The budget development process over the three-year planning horizon focuses on the allocation of enrolments as a result of the Federal government's decision on capping international study permit applications, alignment of resources to allow new capital investment and business initiatives to support the College's Strategic Goals. Continued emphasis on financial sustainability, enhancing innovation, developing sustainable operating efficiencies and domestic enrolment growth through new program development and implementation that will carry forward into future years.

As announced by the Ministry, the tuition freeze will be lifted effective September 2026, allowing institutions to implement modest, regulated increases. Fanshawe has assumed domestic tuition rate increases of 2% annually beginning in 2026/27 through 2028/29 academic years, consistent with current Ministry guidance. Fanshawe leadership and the Board have approved an international tuition rate increase of 3% for 2026/27, and this rate increase is assumed for the following two academic years.

Domestic enrolments are projected to decline by approximately 1.7% in 2027 compared to 2026 results, reflecting program suspensions and capacity adjustments in response to the decline in international enrolment. This projected decrease also reflects the timing of the enrolment plan, which was finalized prior to the availability of Winter term results. Actual Winter enrolment has exceeded plan, indicating that the 2027 projection may be conservative. The decline is expected to be temporary, with enrolment projected to recover to approximately 4.0% annual growth in both 2028 and 2029, supported by population growth and continued alignment with labour market demand.

The College has established a Strategic Enrolment Management (SEM) Committee to support enrolment stabilization and growth, including maintaining enrolment within the funded corridor under the Strategic Mandate Agreement (SMA).

International enrolments are projected to decline by 59.6% in 2027, driven by federal policy changes, including caps on international study permits. Enrolments are expected to continue declining by 19.2% in 2028 and stabilize in 2029, reflecting the transition to a lower, steady-state level of international activity. The College's Private Public Partnership (PPP) in Toronto, concluded in 2026. No further PPP enrolment or related activity has been reflected in the financial plan.

Combined enrolment is projected to decline by approximately 20% in 2027, followed by stabilization in 2028 and a return to modest growth of 3.4% by 2029, driven by domestic enrolment growth.

D. Financial Planning/Financial Condition (Policy D-05, D-10)

The allocation of resources aimed at achieving the Board's ENDS policies regarding student success and meeting labour market needs are presented in two schedules in Appendix F. As indicated in these schedules, 75% of total operating expenditures excluding ancillary expenditures support student success while approximately 63% of total operating expenditures excluding ancillary expenditures, are directly related to meeting labour market needs. In addition, the budget distribution by organization capturing the revenue and expenses for the subsidiary corporation is included in a separate schedule.

Schedule A

		in \$000's		Annual		Annual Forecast			
		2025	2026	Budget	2027	2028	2029		
ref		(Note 1)	(Note 4)		(Note 4)	(Note 4)			
a)	Expendable Net Assets [Note 2] (opening balance)	111,735	142,939	125,992		98,650	97,863		
	Revenue								
b)	Government Grants	97,783	107,032	151,391	41.4%	151,778	0.3%	154,123	1.5%
c)	Enrolment Revenue	361,019	213,346	133,976	(37.2%)	129,760	(3.1%)	135,637	4.5%
d)	Restricted Contributions (Revenue)	2,629	2,250	2,250	0.0%	2,250	0.0%	2,250	0.0%
e)	Investment Income	14,831	10,325	10,369	0.4%	9,332	(10.0%)	9,332	0.0%
f)	Amortization of Deferred Capital Contributions	12,176	12,151	12,582	3.5%	13,211	5.0%	13,343	1.0%
g)	Other Revenue	12,985	13,575	10,839	(20.2%)	11,802	8.9%	13,238	12.2%
h)	Ancillary Revenue	24,640	23,257	22,812	(1.9%)	23,305	2.2%	24,017	3.1%
		526,063	381,936	344,218	(9.9%)	341,438	(0.8%)	351,940	3.1%
	Expenditure								
i)	Instructional Services	248,517	198,900	173,853	(12.6%)	171,189	(1.5%)	177,532	3.7%
j)	Instructional Support Services	40,440	43,596	39,136	(10.2%)	37,103	(5.2%)	37,646	1.5%
k)	Student Services	64,274	56,288	44,094	(21.7%)	40,452	(8.3%)	40,645	0.5%
l)	College Services	70,656	60,489	54,884	(9.3%)	49,889	(9.1%)	49,035	(1.7%)
m)	Facility Services	30,178	28,741	28,910	0.6%	28,163	(2.6%)	28,823	2.3%
n)	Ancillary Services	18,330	15,339	14,310	(6.7%)	14,346	0.2%	14,566	1.5%
		472,395	403,352	355,187	(11.9%)	341,141	(4.0%)	348,245	2.1%
o)	Operating Surplus (Deficit)	53,668	(21,416)	(10,969)		297		3,695	
p)	Change in net assets invested in capital assets	(22,502)	4,470	(16,373)		(1,084)		8,093	
q)	Internally Restricted transfer	37							
r)	Expendable Net Assets [Note 2] (closing balance)	142,939	125,992	98,650		97,863		109,650	
s)	Investment in Capital Assets	250,443	272,945	314,581		284,848		285,933	
t)	Accumulated Net Assets [Note 3]	362,178	415,885	413,231		382,711		395,583	

Notes

- 1 as per audited Consolidated Financial Statements
- 2 includes Unrestricted Net Assets and Internally Restricted Net Assets
- 3 includes Unrestricted Net Assets, Internally Restricted Net Assets, and Investment in Capital Assets
- 4 projected Consolidated Financial Statements

D. Financial Planning/Financial Condition (Policy D-05, D-10)

D.2 Financial Projections

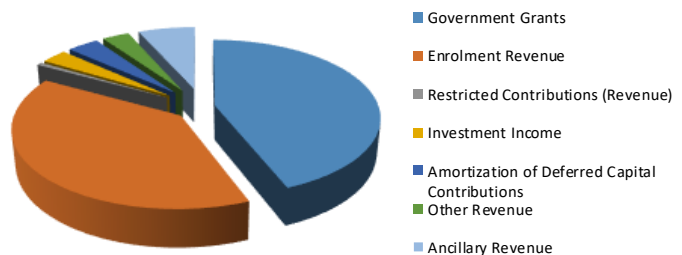
NOTES: (using reference in Schedule A on the preceding page)

a) Expendable net assets (opening balance)

Expendable net assets is defined as the unrestricted net assets plus the internally restricted net assets as projected to be presented on the consolidated financial statements in each fiscal year.

Operating Revenue (\$ '000's)

b) Government Grants	151,391	44.0%
c) Enrolment Revenue	133,976	38.9%
d) Restricted Contributions (Revenue)	2,250	0.7%
e) Investment Income	10,369	3.0%
f) Amortization of Deferred Capital Contribution	12,582	3.7%
g) Other Revenue	10,839	3.1%
h) Ancillary Revenue	22,812	6.6%
Total revenue	344,218	



b) Government Grants - Includes funding received from Provincial, Municipal, and Federal governments, such as base operating grants, apprenticeship funding based on provincial training agreements, and government-sponsored programs (e.g., Get SET, Employment Services, Accessibility Funding). For certain special-purpose grants in 2027, estimates have been used due to limited program detail available at the time of budget development. The projected increase in Government Grants of 41.4% from 2026 is primarily attributable to enhancements under the updated funding model announced by the Ministry in February 2026.

c) Enrolment Revenue - Includes all fees collected from students, including tuition and related ancillary fees. The domestic tuition freeze, in place since 2019/20, was lifted effective for September 1, 2026. As a result, 2% annual increases have been assumed beginning in 2026/27 academic year. Total domestic tuition revenue is projected to decrease by 1.2%, driven by a combination of reduced enrolment and the rate increase.

International tuition rates increased by 3.0% for the 2026/27 academic year based on market analysis and are assumed to increase at a similar rate in subsequent years. However, total international tuition revenue is projected to decrease by 53.8%, reflecting a significant decline in international enrolment.

Total post-secondary enrolment revenue is projected to decline by approximately 33.9% in 2027 compared to the prior year, driven primarily by a 59.6% decrease in international enrolment, partially offset by a modest 1.7% decline in domestic enrolment. Overall enrolment is expected to stabilize in 2028 and return to modest growth, thereafter,

D. Financial Planning/Financial Condition (Policy D-05, D-10)

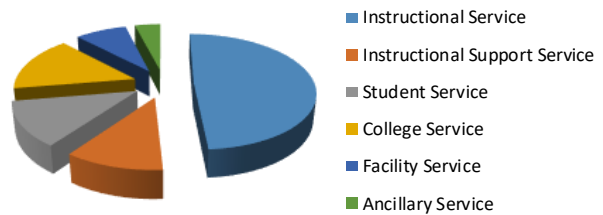
supported by domestic enrolment growth. These projections reflect the wind-down of the Public Private Partnership (PPP), with no enrolment or related activity included beyond 2026.

- d) **Restricted Contributions** – Includes donations paid out as bursaries or awards to students in the year. All revenue in this category has a direct student expenditure offset and does not contribute to operations of the College.
- e) **Investment Income** - Includes interest earnings from bank accounts and long-term investments, as well as gains or losses on the sale or transfer of investments. Investment income is projected to remain consistent with prior year levels. While operating deficits are expected to place pressure on cash balances, this impact is anticipated to be largely offset by lower planned capital spending over the forecast period, resulting in relatively stable average cash and investment balances.
- f) **Amortization of Deferred Capital Contributions** - The College recognizes revenues from grants and donations received for capital projects over the same timeframe that it amortizes the costs of those projects. The projected values are based on the existing grants and donations that have already been received by the College or commitments from granting bodies with respect to specific capital projects.
- g) **Other Revenue** - The College earns other revenues from a variety of sources, including domestic and international contract training, rental income, donations, and sales of course-related products. Other revenue is projected to decline by approximately 20% in 2027 compared to 2026, primarily due to lower anticipated recognition of international student credit balances compared to the prior year. Donation revenue is inherently unpredictable; therefore, only confirmed donations are included in the budget, with additional contributions typically recognized throughout the year. These incremental revenues are generally offset by corresponding disbursements. Over the forecast period, most revenue streams are expected to grow in line with inflation. Contract services revenue is projected to increase by approximately 15%–20% over the next two fiscal years, aligning with the College’s strategic focus on alternative revenue generation.
- h) **Ancillary Revenue** – The College operates a range of ancillary services, including Retail Services, Parking, and Student Residences. Ancillary revenue is projected to decline by approximately 1.9%, primarily driven by reduced retail activity and more conservative parking revenue assumptions associated with the decline in international enrolment. While residence fees are increasing for the 2026/27 academic year, this growth is not sufficient to fully offset the anticipated declines in retail and parking activity. In future forecast years, ancillary revenues are expected to increase in line with inflation and changes in enrolment levels.

D. Financial Planning/Financial Condition (Policy D-05, D-10)

Operating Expenditures (\$ '000's)

i) Instructional Service	173,853	48.9%
j) Instructional Support Service	39,136	11.0%
k) Student Service	44,094	12.4%
l) College Service	54,884	15.5%
m) Facility Service	28,910	8.1%
n) Ancillary Service	14,310	4.0%
	<u>355,187</u>	



- i) Instructional Services** – services that are directly involved with the learning process where there is an expectation of a positive financial contribution. Services include academic programs funded by the government and tuition fees as well as contract training funded by the businesses and industry partners. The 12.6% decrease in instructional services costs compared to 2026 is driven by decreased teaching costs and direct instructional supplies required to support declined overall enrolment.
- j) Instructional Support Services** – services that support Instructional Services and contribute to the student learning experience, which may or may not generate additional revenue. These supports include the Library, student labs, and research activities. Costs are projected to decrease by approximately 10.2% compared to 2026, primarily driven by lower enrolment levels, which reduce demand for these services. Additional cost containment measures, including workforce reductions, have further contributed to the overall reduction.
- k) Student Services** – services that primarily support the needs of students either with the learning process or with student life. Services include the Office of the Registrar, Counselling and Accessibility Services and Athletics. The 21.7% decrease in costs is the result of declining international enrolments which impact the cost of the international student health plan directly, as well as a reduction of operating costs, including workforce reductions, required to support a reduced student population.

The proposed budget complies with Board Policy D-05, which requires that expenditures contributing to the learning process (Instructional Services, Instructional Support Services, and Student Services) must total at least 70% of the College's total expenditure excluding Ancillary Services.

- l) College Services** – services that primarily support the needs of the College as a corporation include the Board of Governors, Marketing, Human Resources, and Finance. Costs are projected to decrease by 9.3% compared to 2026, due to a couple factors, one being international agent commissions are expected to decline in line with reduced international enrolment, further contributing to the overall decrease. This reduction is complemented by broader cost containment measures and staffing adjustments across administrative functions.

D. Financial Planning/Financial Condition (Policy D-05, D-10)

- m) Facility Services** – services that support the provision of a safe, secure, and compliant physical environment for education and training include facilities planning and development, maintenance, utilities, custodial services, and security. Costs are projected to increase by approximately 0.6% compared to 2026, primarily driven by ongoing inflationary pressures in areas such as utilities and contracted services which are tied to the campus footprint. The increase also reflects a change in the parking operating model, whereby ground maintenance of parking lots has been transferred from the Parking Office to Facilities Operations. These increases are partially offset by cost containment measures, including staffing reductions and continued efforts to manage discretionary spending across facilities operations.
- n) Ancillary Services** – Services that provide user-pay offerings at competitive rates, primarily for the convenience of students and, in some cases, the College, include the Bookstore, Residence, and Parking Services. Costs are projected to decrease by approximately 6.7% compared to 2026, primarily reflecting lower cost of goods sold in Retail Services in line with reduced revenue expectations. Further savings are anticipated from cost containment initiatives and staffing adjustments across ancillary operations. The decrease also reflects a change in the Parking Office operating model, with ground maintenance costs reallocated to Facilities Operations. These reductions are partially offset by ongoing inflationary pressures and broader economic cost increases.

The proposed budget complies with Board Policy D-05, which stipulates that ancillary expenses shall not exceed ancillary revenues.

o) Operating Surplus (Deficit)

The College is forecasting a deficit position in 2027 of \$11.0 million. The College projects an operating surplus of \$0.3 million and \$3.7 million in 2028 and 2029 respectively. The College will continue to monitor our future financial outlook as new developments and information become available.

p) Change in net assets invested in capital assets

The following table presents the detail to support the change in net assets invested in capital assets as presented with the financial projections on Schedule A. This table shows the impact of non-cash items on the operating surplus and the net change in investment in capital assets.

	2025	2026	2027	2028	2029
Amortization of deferred capital contributions	(12,175,639)	(12,151,000)	(12,581,798)	(13,210,888)	(13,342,996)
Amortization of capital assets	26,766,133	29,871,000	31,410,928	31,599,391	32,010,186
Gain on disposal of capital assets	(42,159)				
Additions to capital assets	(46,048,875)	(22,417,517)	(40,189,000)	(24,649,000)	(16,126,000)
Amounts financed by: deferred contributions	11,564,611	11,076,000	7,016,000	6,316,000	6,316,000
student fees receivable	703,571	756,603	784,600	813,632	843,738
proceeds on disposal of CA	72,340				
ARO Re-evaluation	(575,592)				
bank loans	(2,766,316)	(2,665,029)	(2,813,876)	(1,953,581)	(1,607,821)
Change in net assets invested in capital assets	(22,501,926)	4,470,057	(16,373,146)	(1,084,446)	8,093,107

D. Financial Planning/Financial Condition (Policy D-05, D-10)

r) Expendable net assets (closing balance)

The impact to the opening balance of expendable net assets with the current year operating surplus (deficit) and the change in net assets invested in capital assets is shown on this line on Schedule A with the closing balance of expendable net assets.

s) Investment in Capital Assets

As a result of the change in net assets invested in capital assets from line o) above, the investment in capital assets on the consolidated financial statements has changed as projected on this line on Schedule A.

	2025	2026	2027	2028	2029
Investment in capital assets (opening balance)	250,443,424	272,945,350	268,475,293	284,848,439	285,932,886
Change in net assets invested in capital assets	22,501,926	(4,470,057)	16,373,146	1,084,446	(8,093,107)
Investment in capital assets (closing balance)	272,945,350	268,475,293	284,848,439	285,932,886	277,839,779

t) Accumulated Net Assets

The balance of Accumulated Net Assets is the sum of the College's Unrestricted Net Assets and the Internally Restricted Net Assets and the Investment in Capital Assets as presented on the consolidated financial statements.

D. Financial Planning/Financial Condition (Policy D-05, D-10)

D.3 Risks

Forward-looking operating budgets are subject to risks and uncertainties and are based on several business assumptions. The College strives to maintain a balanced approach with respect to projecting financial information. The following describes the risks associated with the 2027 operating budget.

- 1) **Operating Grants** - The College estimates that the Base Operating Grant (including the performance-based component) will account for approximately 34% of total operating revenues. While a portion of this funding is contingent on performance outcomes, the associated risk is considered low, as the College has consistently achieved strong results across the performance metrics over the past three years. Operating grant funding is also dependent on maintaining enrolment above the corridor floor, measured in weighted funding units (WFUs). As part of recent updates to the funding model, the Ministry reset the corridor midpoint to align with 2024/25 results, which has increased the corridor floor. Corridor funding is assessed based on either a three-year average, two-year slip or the most recent year's enrolment (whichever is higher). The College's projected WFUs remain above the revised corridor floor and therefore overall risk is low.
- 2) **Enrolment Targets** - The 2027 financial projections reflect revenues based on the best available enrolment projections. There are uncertainties regarding enrolment levels, and some targets may be under-achieved while others may exceed. The 2027 budget includes international revenues (both post-secondary and EAP) totaling \$57.3 million.
- 3) **Other Revenue Targets** - Revenue estimates are included the 2027 financial projections. There is a potential risk that not all revenue will materialize as budgeted. Revenues involving higher levels of risk include contract training and miscellaneous revenues, however inability to secure these revenue sources would result in a decrease in operating expenses and therefore overall risk is low.
- 4) **Government Programs** - Confirmations of projected revenues related to several government sponsored programs (e.g. GetSET, Employment Services) have largely been confirmed. Due to the delayed finalization of the budget, some smaller grants have not been confirmed and there is some risk that these revenues may not materialize as expected. The College will implement cost containment initiatives if there is a shortage in government funding for these types of programs.
- 5) **Salary Costs** - The Academic Collective Agreement is in place through September 30, 2027, and the Support Staff Collective Agreement extends through August 31, 2028. The College has incorporated salary escalation assumptions into the financial plan for the 2027 fiscal year and beyond. There is a risk that future negotiations, arbitration outcomes, or benefit cost increases may exceed these assumptions. In addition, there is a risk that staffing reductions may not be achieved at the pace assumed due to operational requirements or enrolment variability. While these factors could result in salary costs exceeding budget, the College continues to actively manage workforce levels through planning strategies. Based on current information, the overall risk is assessed as low.

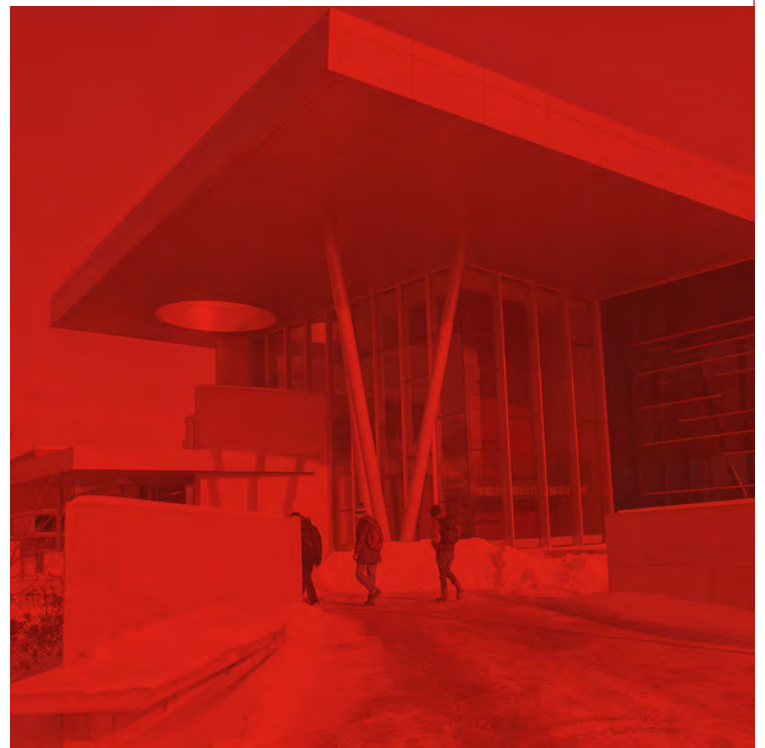
D. Financial Planning/Financial Condition (Policy D-05, D-10)

- 6) **Actuarial Estimates** - The value of post-employment benefits and compensated absences as presented on the College's consolidated financial statements are based on actuarial estimates performed annually. There has been no attempt to estimate the changes to these balances and their impact with the financial projections presented on Schedule A.



SECTION E

Capital Planning



E. Capital Planning (Policy D-12)

E.1 Introduction

To ensure Fanshawe's facilities are well maintained and meet the needs of evolving learning and working environments, the College's capital development program continues to respond to pressure for capacity to support the academic programming and service delivery necessary to achieve the College's Strategic Goals. For the next several years the management of service disruptions and the risks associated with the College's Capital Plan will continue to be important elements of the College's activities.

Schedule A Capital Plan Summary (in '000s)

Apr-26

	Board Approved Budget	Prior	2027	2028	2029	TOTAL
Campus Energy Centre	59,565	54,362	5,203	-	-	59,565
<i>source of funding: working capital</i>						
Enterprise Resource Planning System	52,760	27,857	10,030	11,115	3,758	52,760
<i>source of funding: working capital</i>						
Stand Alone BScN Program	8,347	4,377	3,970	-	-	8,347
<i>source of funding: working capital</i>						
Centre of Excellence in Immersive Technologies Simulation for Workplace Safety	9,056	1,801	4,665	1,528	1,062	9,056
<i>source of funding: WSIB</i>						
Total	129,728	88,397	23,868	12,643	4,820	129,728

Funding Sources:

College Working Capital - As shown in past financial monitoring reports, financial health indicators used by the province demonstrate that Fanshawe College has a healthy balance sheet. Both liquidity measures and debt measures exceed industry benchmarks, our working capital can be drawn down to meet the Colleges capital needs when necessary.

Other Contributions – The College has secured a contribution from The Workplace Safety and Insurance Board (WSIB) in the amount of \$20M to create the WSIB Centre of Excellence in Immersive Technologies Simulation for Public Safety. A portion of this funding will be used to support the capital development of the Centre, while the remaining funds will be allocated to support ongoing operations of the lab.

E. Capital Planning (Policy D-12)

Project Risks

- 1) **Economic Conditions:** Fluctuations in the broader economy, such as recessions, inflation, tariffs or changes in interest rates, can impact construction costs. These economic factors can influence the feasibility and timing of capital projects.
- 2) **Geopolitical Conditions:** Fluctuations in construction material prices, labour availability, or changes in demand for construction services, can influence project costs and timelines. Supply chain disruptions, geopolitical tensions, or industry-specific factors may also affect market conditions, impacting the college's ability to control project outcomes.
- 3) **Financing:** The capital plan references several different sources of financing. Some of these sources carry more risks than others which place additional pressure on existing working capital. Fanshawe will track the funding available and monitor the resources throughout the project.
- 4) **Cost Estimates:** There is an inherent risk of significant cost variances, both favourable and unfavourable as projects contain cost estimates. Project cost estimates are refined during project planning and as projects become better defined the quality of the cost estimate increases. Although many capital projects continue to carry cost estimates prepared by third parties, there is a risk of unforeseen costs and underestimating the extent of work necessary which may exceed planned contingency amounts.
- 5) **Regulatory Requirements:** Capital projects that include a financial arrangement as set out in the Minister's Binding Policy Directive on Banking, Investments and Borrowing are contingent upon Section 28 approval from the Ministry of Colleges and Universities.

Infrastructure Reinvestment

Background

Insufficient funding to address Deferred Capital Renewal (DCR) continues to be a challenge across the College sector. As a result, many institutions, including Fanshawe College, have accumulated a backlog of infrastructure renewal needs.

In 2012, Ontario colleges implemented a sector wide capital planning and facilities management program to improve the forecasting, modelling, and monitoring of campus facility conditions. In 2022 through a competitive process led by the Ontario Education Collaborative Marketplace (OECM) the system chosen was SLAM CAP (Roth IAMS) which integrates industry standard cost modelling and lifecycle data, enabling more accurate capital planning and long-term asset management.

Each year, condition assessments are completed on approximately 20% of the College's facility portfolio to determine whether building systems are deteriorating faster, slower, or generally consistent with expected lifecycle patterns. These findings are incorporated into SLAM CAP to refine predictive models and strengthen long term planning accuracy.

Since 2017, Ontario colleges and universities have worked together to align reporting practices. Ontario colleges have also established an Asset Management Subcommittee, which meets monthly to standardize and validate deferred capital renewal and maintenance data across the sector. Fanshawe has been an active participant from the beginning. As part of its role, the Subcommittee prepares and submits annual building level condition summaries to the Ministry of Infrastructure.

E. Capital Planning (Policy D-12)

Current State

In 2025, Fanshawe completed the third iteration of its second five-year cycle of facility condition assessments, covering 20% of the College’s facility portfolio. A cross-functional internal team meets regularly to validate assessment findings and refine the College’s rolling three-year priority plan. Lower priority items are intentionally scheduled for later years. While SLAM CAP provides visibility into more than 20 years of lifecycle forecasts, a three-year planning horizon has proven more effective than a five-year model given the volatility of priorities in future years.

As shown in Table 1, the College’s infrastructure renewal needs are expected to reach \$81.2 million by 2028, including \$64.1 million in Primary Systems and \$17.1 million in Other Systems.

Recommended Action Year	Primary Systems	Other Systems	Total
2026	\$24.7	\$2.6	\$27.4
2027	\$19.2	\$3.0	\$22.1
2028	\$20.2	\$11.5	\$31.7
3-Year Total	\$64.1	\$17.1	\$81.2

Table 1: Deferred Capital Renewal and Maintenance (in millions)

The 10 Year Forecast in Figure 1 shows that an additional \$283.0 million will be required between 2030 and 2036.

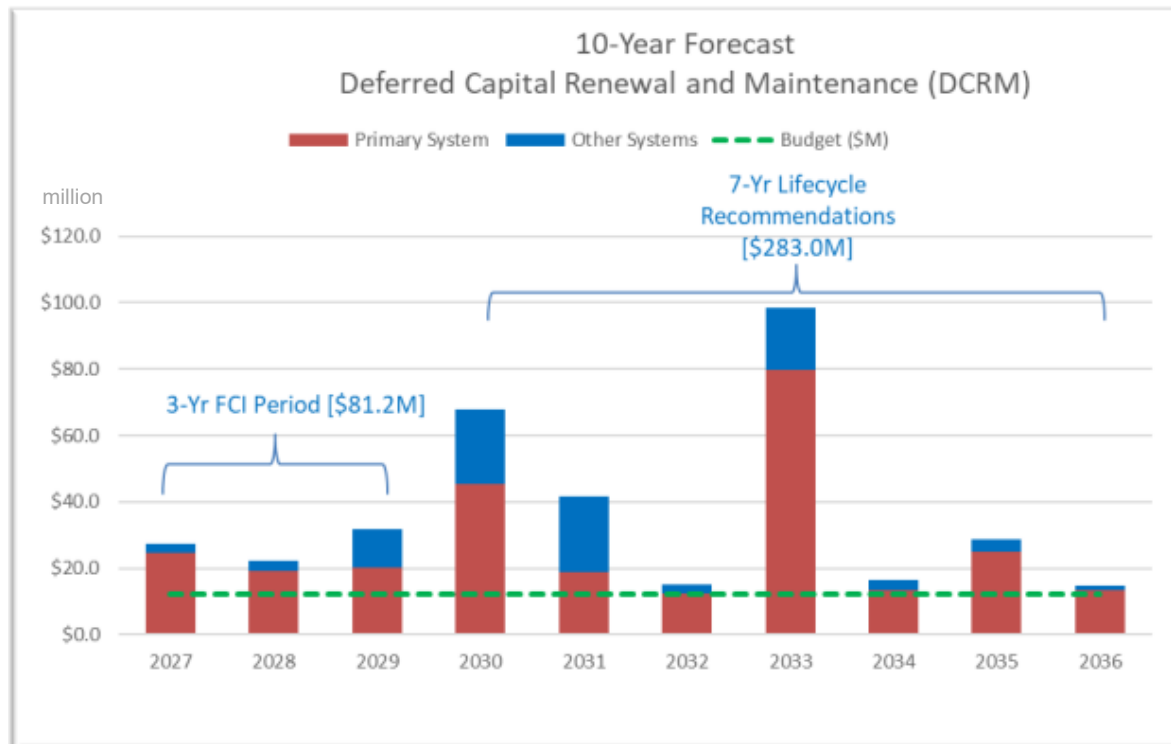


Figure 1: 10-Year DCRM Forecast

E. Capital Planning (Policy D-12)

The Deferred Capital Renewal and Maintenance Plan ranks renewal needs for both Primary and Other Systems using a multi-variate prioritization methodology that considers risk severity, likelihood of failure, and additional key factors. This approach ensures that limited funding is directed to the most mission critical requirements.

Infrastructure Reinvestment Funding Plan				\$ 000's
	2026	2027	2028	2029
College	1,988	7,500	7,500	7,500
Provincial Facilities Renewal Program	4,635	4,635	4,635	4,635
Total	6,623	12,135	12,135	12,135

Where feasible, the College incorporates capital renewal work into planned academic and service renovations to help reduce the overall backlog. Recent examples include the Nursing Lab renovation in D Building, the Lecture Theatre and Classroom upgrades in R1 Building, and the Rapid Transit Infrastructure Renewal project along Oxford Street.

The Facilities Condition Index (FCI)—an industry standard metric for evaluating and monitoring facility condition—represents the ratio of deferred renewal needs to a facility’s Current Replacement Value (CRV) for the current and subsequent two years. Sector-wide FCI rating categories are illustrated in Figure 2. As a result of disciplined planning and project execution, Fanshawe achieved an FCI of 4.7% in 2025, placing the College in the “Excellent/Good” category within the Ontario college system.



Figure 2: FCI Rating Scale

Risk

Although Fanshawe currently maintains a strong facility condition rating, annual funding levels remain insufficient to sustain this performance. The current annual allocation of \$12.1 million -consisting of \$7.5 million from the College and \$4.6 million from the Provincial Facilities Renewal Program - will, if unchanged, result in the College’s FCI deteriorating to 27.2% by 2035, placing facilities in the “Fair/Poor” category. Maintaining a “Good/Fair” FCI of 10% requires \$30.5 million annually.

Of the College’s forty buildings, thirteen are now more than 40 years old. Many building systems in these facilities will reach or exceed their theoretical service life within the next decade. As these systems age out, renewal requirements are expected to increase sharply, particularly where systems continue to function only through significant ongoing maintenance (refer to forecasted spikes in 2029 and 2032 in Figure 1).

Another emerging risk is the condition of Fanshawe’s private roadways and parking surfaces. Many of these assets are approaching end of life, with approximately \$18 million in surface renewals recommended by 2035. To support this planning, the College has commissioned a dedicated strategic assessment to help prioritize roadway and surface renewal needs.

E. Capital Planning (Policy D-12)

Fanshawe will continue to mitigate the impacts of deferred infrastructure renewal by integrating capital renewal components into future renovation and construction projects where feasible. In addition, the College—together with all Ontario colleges—will continue to advocate for increased and sustainable infrastructure funding from government to support long term asset renewal requirements.



SECTION F

Appendices



F. Appendices

F.1 Resources allocated to Student Success

Group Name	Budget in \$000's
Academic Services	\$ 6,128
Business Development & Strategic Support	\$ 1,787
Center for Research & Innovation	\$ 3,098
Centre for Equity, Diversity & Inclusion	\$ 1,120
Employment & Student Entrepreneurial Services	\$ 3,707
Facilities Management & Community Safety	\$ 10
Faculty of Arts and Language, Regional Campuses, and Continuing Education	\$ 40,335
Faculty of Business & Hospitality	\$ 33,055
Faculty of Health, Community Studies, Nursing & Public Safety	\$ 40,946
Faculty of Science, Trades, Technology, and Design	\$ 44,752
Finance	\$ 6,707
Information Technology Services	\$ 19,201
Institute of Indigenous Learning	\$ 2,189
Library Learning Commons	\$ 5,067
Office of the Registrar	\$ 15,157
Recruitment, Marketing and Brand Experience	\$ 2,278
Student Experience	\$ 4,483
Student Wellbeing, Accessibility, and Belonging	\$ 4,646
Human Resources	\$ 1,411
Centrally Held Costs	\$ 20,387
Fanschawe Global Corporation	\$ 620
Total Investment allocated to Student Success	\$ 257,083

F. Appendices

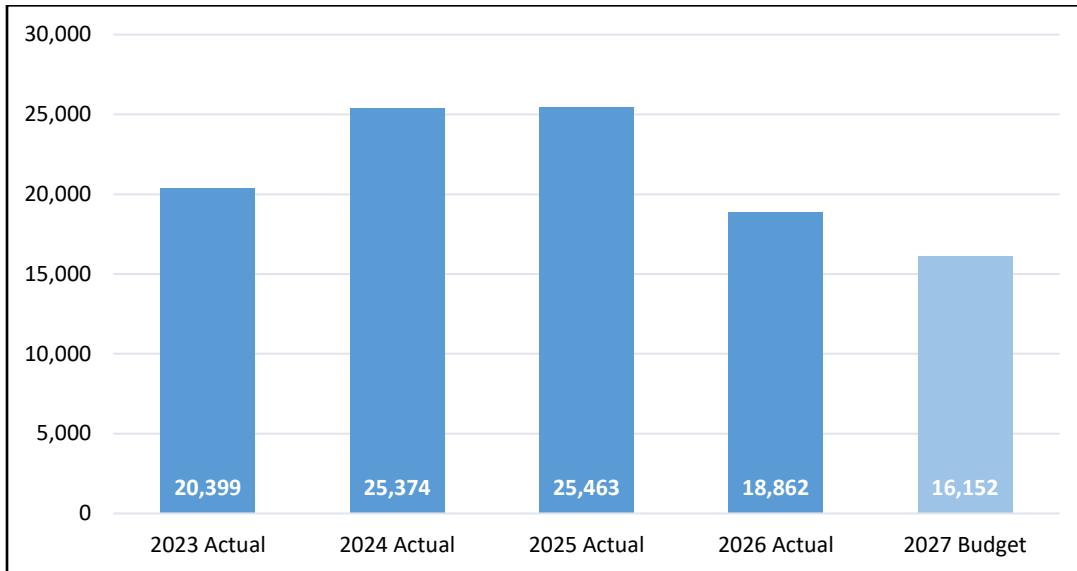
F.2 Resources allocated to Meeting Labour Market Needs

Group Name	Budget in \$ 000's
Academic Services	\$ 6,126
Business Development & Strategic Support	\$ 1,787
Center for Research & Innovation	\$ 3,098
Employment & Student Entrepreneurial Services	\$ 2,438
Faculty of Arts and Language, Regional Campuses, and Continuing Education	\$ 38,632
Faculty of Business & Hospitality	\$ 33,055
Faculty of Health, Community Studies, Nursing & Public Safety	\$ 40,946
Faculty of Science, Trades, Technology, and Design	\$ 44,751
Fanschawe Global Corporation	\$ 620
Finance	\$ 276
Human Resources	\$ 1,411
Information Technology Services	\$ 19,201
Library Learning Commons	\$ 4,557
Office of the Registrar	\$ 89
Centrally Held Costs	\$ 15,681
Student Wellbeing, Accessibility, and Belonging	\$ 320
Total Investment to Meet Labour Market Needs	\$ 212,989

F. Appendices

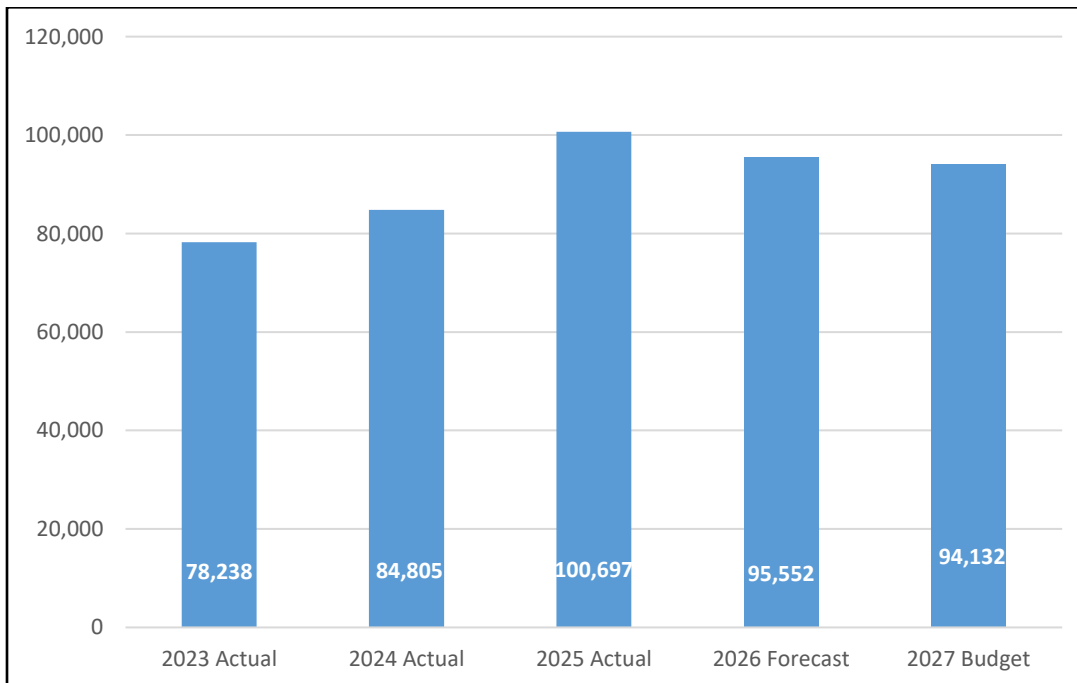
F.3 Enrolments

a) Full-Time Postsecondary Enrolments*



*includes Domestic and International Fall term enrolments only at all locations

b) Apprenticeship Training Days



F. Appendices

F.4 Organizational Summary

ORGANIZATIONAL DISTRIBUTION

2027 Budgets in \$ 000's

	Fanshawe Global Corporation	Fanshawe College	Total
Revenue	\$ 1,215	\$ 343,003	\$ 344,218
Expenses	<u>\$ 857</u>	<u>\$ 354,330</u>	<u>\$ 355,187</u>
Surplus (Deficit)	<u>\$ 358</u>	<u>(\$ 11,327)</u>	<u>(\$ 10,969)</u>

Note: Subsidiary budget is draft until approved by individual Board

