FANSHAWE

Annual Report

2023 2024

OUR MISSION

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

FANSHAWE

Unlocking Potential

Land Acknowledgement

We acknowledge and honour the Anishnaabe, Haudenoshaunee 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.

ANNUAL REPORT 2023/2024

FANSHAWE COLLEGE

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NOTE: Appendix E does not apply to Fanshawe College (Appendix E: Institutes of Technology and Advanced Learning (ITAL) Reports) so Appendix E is not included in this report.

“We remain dedicated to fostering innovation and driving forward-thinking initiatives that propel our community and the broader region towards a brighter future.”

I am delighted to present the 2023/24 Annual Report for Fanshawe College. What a dynamic year it's been! In the evolving landscape of academia and amidst a world in flux, our institution has showcased remarkable strength, adaptability, and innovation yet again.

Throughout this period of transformation, our community has come together with unwavering resolve, embracing change and seizing opportunities for growth. By fostering a culture of collaboration, and dismantling barriers, we have paved the way for exploration, experimentation, and, ultimately, progress.

In response to the evolving needs of students and the demands of the job market, we have redoubled our efforts to provide exceptional learning experiences and cultivate pathways to success. Moreover, we remain dedicated to fostering innovation and driving forward-thinking initiatives that propel our community and the broader region towards a brighter future.

As we reflect on the past year, we celebrate our significant milestones and achievements. One being the College’s pledge to integrate the United Nations’ Sustainable Development Goals (SDGs) into Fanshawe’s curriculum and operations by signing of the SDG Accord. With pillars grounded in partnerships, inclusivity, and capacity-building, we are poised to chart new territories of discovery and impact.

Financially sound and forward-looking, Fanshawe College continues to position itself as a leader in higher education. None of this would be possible without the dedication and passion of our faculty, staff, and leadership, including our President, Peter Devlin, whose guidance has been instrumental in steering our institution towards success.

On behalf of the Board of Governors, thank you to the Fanshawe team for working together to unlock potential. I would also like to thank the College’s alumni, generous donors, and community partners for their support and contributions that help to provide exceptional learning experiences for our students. As we look to the future, let us remain steadfast in our commitment to excellence, innovation, and above all, the well-being and success of our students. Together, we will continue to thrive and redefine the landscape of higher education for generations to come.

Warm Regards,

Terry Zavitz, Chair

Fanshawe College, Board of Governors

“By staying true to our values and embracing new strategies and measures, we will continue to chart a course forward that ensures the success of our students and meets the needs of our ever-changing world.”

Thank you Fanshawe!

As I reflect on the 2023/24 academic year, it's clear that we've continued to face a rapidly evolving landscape in education. Yet, with each challenge, we've discovered new opportunities to learn, grow, and innovate. Together, we've demonstrated remarkable flexibility, resilience and agility in navigating these changes, and I couldn't be prouder of our collective efforts.

Over the past year, we've embraced new areas of programming, innovative delivery models, and data-driven decision-making, all of which have significantly shaped both our educational offerings and their impact on the broader labour market. This commitment to adaptation has been central to our mission of providing exceptional learning experiences while meeting the evolving needs of our students and industry partners.

Our dedication to strengthening the student experience has remained steadfast, with a renewed focus on equity, diversity, and inclusion. Through collaborative efforts, we've advanced our understanding of what it means to create an environment where every individual feels valued, supported and empowered to succeed.

As we continue to navigate a rapidly changing world, our commitment to embracing change remains unwavering. We recognize that rethinking education considering global and societal transformations requires ongoing reflection, adaptation and collaboration. By staying true to our values and embracing new strategies and measures, we will continue to chart a course forward that ensures the success of our students and meets the needs of our ever-changing world.

As we look to the horizon, I'm filled with optimism and excitement for what lies ahead. Together, we will continue to create new pathways to success, foster exceptional learning experiences, and cultivate a global outlook that prepares our students for the challenges and opportunities of tomorrow.

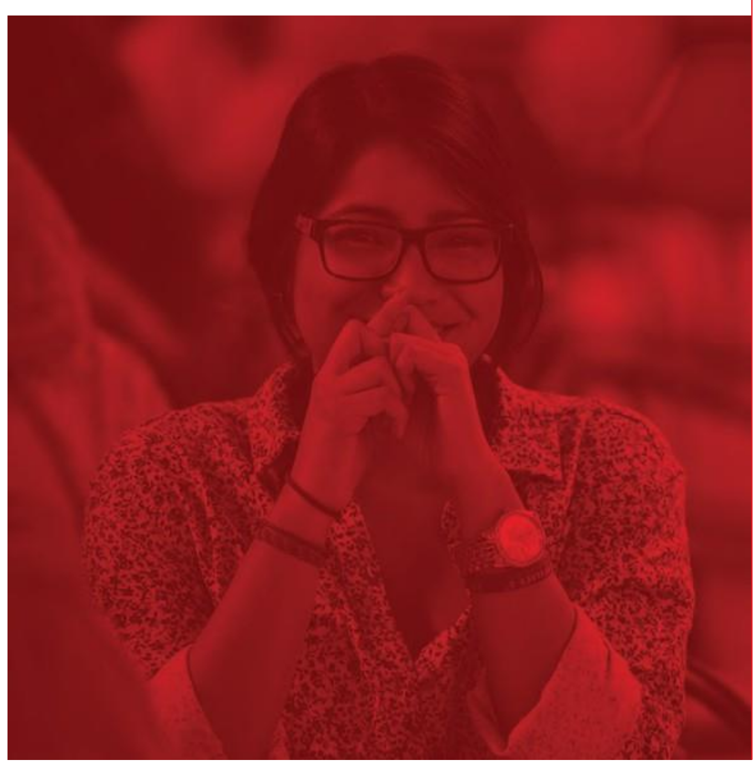
Thank you for your unwavering dedication and commitment to the mission and vision of Fanshawe College. I am confident that together, we will continue to achieve great things.

Respectfully,

Peter Devlin, President
Fanshawe College

SECTION A

Report on Previous Year's Goals



Challenges and Opportunities

In 2023/24, education underwent notable transformations propelled by technological advancements and the integration of Artificial Intelligence (AI). The College responded proactively by continuing flexible work arrangements and expanding part-time learning opportunities, aiming to enhance students' readiness with essential skills and knowledge. However, international student recruitment encountered hurdles, particularly regarding fraud and sustainability issues at some institutions. Concurrently, financial sustainability and student affordability continue to pose challenges within the higher education landscape. Recognizing the increasing importance of cybersecurity, the institution has taken steps to strengthen it. Throughout these higher education system changes, the College remained steadfast in its commitment to academic excellence, fostering student success, and advancing numerous strategic objectives and commitments during the 2023/24 period.

Goal 1: Enhancing innovative practices for exceptional student learning.

Commitment 1.1. Complete an evaluation of the Signature Innovative Learning Experience (SILEx) and Job Skills for the Future (JSF) initiatives and determine next steps for these initiatives by Winter 2025.

In Winter 2023, the Program Excellence Self-Assessment (PRESS) survey was conducted through which program teams identified their SILEx and JSFs. These initiatives were successfully implemented as they were led by faculty to support students' vocational learning outcomes. The College developed and initiated a project plan. It completed a comprehensive literature review and conducted consultations with faculty, academic administrators, Program Advisory Committees, students, and representatives from Student Services, Human Resources, and Corporate Strategy and Business Development. The purpose of these consultations was to collect feedback and recommendations from the College community for the evaluation and continuous improvement of the SILEx and JSF initiatives.

Commitment 1.2. Develop a Fanshawe Innovation and Open Assets Strategy that supports Innovation Village, supports cultural transformation toward a more innovative mindset, and connects with partners and funders outside of the institution by Fall 2022 and implement the approved plan by Winter 2025.

In January 2024, Innovation Village was inaugurated alongside the distribution of the Innovation and Open Assets Strategy. This strategy marks a significant step towards harnessing the collective talents of our students, faculty, and staff, focusing on the following five key innovation themes: Sustainability and Technology, Social and Healthcare, Business and Information Technology, Creative Industries, and Community Development. It is structured around five strategic priorities, namely: establishing an innovation ecosystem through strategic partnerships, positioning Innovation Village as a regional creative nucleus, fostering an Innovation Culture, expediting applied research and innovation, and cultivating an Open Assets Sharing Economy. In addition, an operational plan for Innovation Village was developed in collaboration with the steering committee and College leadership. This plan outlines provisions for designated departmental spaces within Innovation Village.

Concurrently, Innovation Village introduced two pivotal initiatives, including the Innovation Fund and the Catalyst cohort, aimed at nurturing solution-driven projects and tapping into the expertise of faculty and staff from various departments within the College. Following a stringent evaluation process, fifteen out of forty-one applications were selected.

Commitment 1.3. Strengthen the Fanshawe student experience through a cross-College vision, framework, and action plan, developed by Fall 2022.

The Student Experience Committee (SEC) developed a comprehensive framework, vision, and action plan for enhancing the student experience, consolidated into the Student Experience Report. Envisioned as supported by four pillars—learning and empowerment, relationships and connections, vibrant experiences, and wellness and wellbeing—the framework outlines broad outcomes. SEC has finalized core statements and outcomes for the four pillars and ways in which to measure these outcomes using current and newly submitted Fanshawe-only questions through the Ontario College Student Experience Survey (OCSES). Throughout 2023/24, there were monthly SEC meetings, supplemented by task team sessions, that drove the ongoing adaptation of priorities in response to student needs.

Commitment 1.4. Improve the sense of belonging among students and employees at Fanshawe, with an emphasis placed on improving experiences of equity-deserving students and employees. Develop measurement baselines and targets by Winter 2023 and evaluate performance by Winter 2025.

The College identified baselines for feelings of inclusion and belonging through an analysis of 2020 internal survey results, encompassing quantitative and qualitative data. To evaluate performance, student questions were added to the Ontario College Student Experience Survey (OCSES) as Fanshawe-only questions.

Commitment 1.4.1. Develop an Equity, Diversity, and Inclusion (EDI) strategic framework by Winter 2023 and begin implementing an action plan by Fall 2023.

The EDI and Anti-Oppression Task Force was formed in the Summer of 2022, comprising 30 College employees selected through an open invitation. Through its various working groups, the Task Force crafted an EDI strategic framework, unveiled at the President’s breakfast event in September 2023. The related action plan is currently in development.

Commitment 1.4.2. Implement a framework to enable Fanshawe employees to examine core policies, processes, and activities with an EDI and anti-oppression lens and to determine what changes are necessary in order to embrace inclusivity, by Winter 2025.

Led by the EDI Task Force, an initial EDI framework tool has been established and utilized to evaluate College policies. The tool poses a series of questions connected to whether the policy/process is trauma-informed and equity-competent.

Commitment 1.5. Develop a College Research Strategy that balances support to community partners to advance economic development with student and employee capacity building, by Winter 2023 and implement by Winter 2025.

The research strategy was developed by the end of 2022 and approved by the Executive Leadership Team (ELT) in February 2023. The College's Centre for Research and Innovation (CRI) identified four pillars to guide its strategy. These include partnerships, expertise, inclusivity, and capacity. The aim is to involve industry, organizations, and academic institutions to expand the impact of CRI. The Senior Vice-President Academic shared the strategy across Schools through roadshow updates, engaging faculty in discussions about opportunities. CRI integrated the strategy into its annual operational plan, aligning team members' performance goals accordingly, with quarterly updates on strategy activities.

Goal 2: Manage enrolment growth.

Commitment 2.1. Develop and begin to implement a long-term (5-10 year) Strategic Enrolment Management (SEM) plan focused on striking the appropriate balance of domestic and international enrolment.

The long-term SEM Plan was completed and then approved and endorsed by ELT and Senior Leadership Council (SLC) in the fall of 2023. A SEM Operating Committee and associated work teams have been established and are currently activating all elements of the Action Plan. With the recent cap on international students placed upon provinces by the federal government, some aspects of the SEM Plan were modified.

***Commitment 2.2. Maintain the enrolment of domestic students by staying within the corridor midpoint (equating to 17,200 weighted funding units) as defined in the Strategic Mandate Agreement (SMA) 2020-25*.**

Fanshawe's domestic enrolment funding corridor has a floor of 15,996 Weighted Funding Units (WFUs) and a ceiling of 17,716 WFUs. The midpoint is 17,200. Fanshawe's three-year average for the 2023/24 assessment year is 16,824, which is below the midpoint but above the corridor floor. There is an ongoing trend towards a decline in WFUs resulting from a decline in domestic enrolment, though the College is projected to remain in the corridor for the duration of the 2020-2025 Strategic Mandate Agreement (SMA3). Notably, enrolment funding via the SMA is based on a three-year average, two-year slip of enrolment in WFUs.

Commitment 2.2.1. Increase part-time post-secondary enrolment in each Faculty by 30 percent over 2021/22 baseline, by Winter 2025.

The 2023/24 academic cycle concluded with 1,500+ part-time post-secondary students registered in 9,600+ individual courses annually. The enrolment growth of part-time post-secondary students represents a 29 percent change from 2021/22. The College is focused on providing a robust lifelong learning ecosystem that aims to reduce barriers to education for mature learners, provides pathways to flexible credential completion and contributes to Fanshawe's culture of continuous innovation.

Commitment 2.2.2. Implement the Digital and eLearning Strategy to support enrolment growth, foster a culture of digital innovation that serves students/employees/partners, and advances digital teaching and learning excellence, by Winter 2025.

The Digital and eLearning Strategy encompasses forty-three actions divided among the following five clusters: teaching/learning, workplace readiness, digital infrastructure, environment and culture, and digital supports. As of March 2024, 70 percent of the initiatives were complete, and the remaining 30 percent are underway. Notably, highlights completed for 2023/24 include the launch of the Rapid Design Studio, the re-designed Student Online Learning Hub, program support for simulation and virtual reality adaption, and the coordination of digitally supported teaching and learning space in Innovation Village.

Commitment 2.3. Increase Indigenous student enrolment to represent 6 percent of Fanshawe's annual domestic student population by Fall 2025, supported by goals set in the Indigenous Action Plan (from 3.7 percent or 280 enrolments in Fall 2020 among Level 1).

As of Fall 2023, Indigenous students comprised 5.3 percent of the domestic first-year full-time post-secondary population. The Institute of Indigenous Learning played a crucial role through a holistic personalized student approach, helping Indigenous students in the application, confirmation, orientation, transition, and level one experience stages of their learning journey. Initiatives like the development of an Indigenous Academic framework and the hiring of Indigenous faculty to mentor and inspire the students helped to improve retention numbers. Partnerships with First Nation sponsors aid in student transitions, while reserved access seats in competitive programs further support Indigenous student access.

Commitment 2.4. Increase international term enrolments at Fanshawe by 50 percent (from baseline of 17,342 which includes Summer 2019, Fall 2019, and Winter 2020) over five years.

This Commitment is complete without a replacement currently. Reasons for success include expanded recruitment efforts, quick admissions turnaround times, diversity prioritization, pandemic-adapted processes, and new program development. Uncertainty lies in the incoming Immigration, Refugee, Citizenship of Canada (IRCC) International student's cap and Trusted Partner Framework, potentially reducing the international term enrolments by 50 percent and increasing visa processing time for incoming international students if the College does not secure trusted partner status.

Commitment 2.4.1. Implement the Global Engagement Framework including diversification of source recruitment countries, enhanced international student services and support, the launch of globally relevant programs, enhanced opportunities for student mobility, and professional development and resources to faculty and staff, by Winter 2025.

The College continued to advance the Global Engagement Framework in 2023/24. In the fall of 2023, 57 percent of level-one international students came from underrepresented markets (countries not including India). The College strategically diversifies among international students, with applications to India opening later than for the rest of the world. In 2023, it ranked 2nd in Canada and 30th globally among 137 post-secondary institutions participating in the I-Graduate survey, based on overall mean scores. There were six program ideas in the Stage-Gate process identified and recommended by the International Office, based on international student interest alongside labour market information. Professional development opportunities were provided to employees through the Hello World Cultural Showcase Series.

2.5. Increase the first-semester retention rate by 5 percent over three years (baseline 2021/22).

Retention rates show positive trends, with an overall level 1 rate of 84.6 percent for 2022/23, up from 79.4 percent in 2021/22. Domestic student retention rose slightly to 72.1 percent, while international student retention increased to 94.6 percent at the same time. A retention working group led by the Senior Vice-President Academic, composed of faculty, Fanshawe Student Union, and Academic Administrators, reviewed best practices and recommended initiatives such as targeted interventions, peer mentoring, and schedule/course reviews. A retention pilot launched in Fall 2023. Each of the five Faculties chose five programs to pilot retention interventions for a total of twenty-five programs. Faculties chose from a list of programs that had lower retention rates compared to the retention rate of the same credential (e.g., diploma program compared with an aggregate diploma retention rate). Program teams for these programs chose retention actions to pursue for 2023/24.

Goal 3: Optimize use of resources and enhance organizational capacity.

Commitment 3.1. Implement the ERP/integrated technological solutions project with a focus on a new Financial System, Human Resources Management System (HRMS), and Student Information System (SIS) by 2024/25 for Finance and HRMS and 2026/27 for SIS.

In 2023/24, Fanshawe One entered the end-to-end testing phase. This phase thoroughly assessed and addressed deficiencies in business processes, data reliability, and security.

Commitment 3.2. Complete the Data Strategy related to enrolment optimization, capital planning, full enterprise customer relationship management system integration, data literacy training, and knowledge mobilization, by Winter 2025.

Throughout 2023, a data strategy coordinating committee oversaw the achievement of milestones, leading to the disbandment of its working groups upon the completion of all priorities. Advanced analytics and the development of new dashboards were finalized to address recommendations from the SEM work and action plan. Additionally, a data literacy and knowledge mobilization strategy and work plan were established. In terms of Customer Relationship Management (CRM) milestones, the Governance Framework documentation and implementation were completed, while ERP-CRM Application Programming Interface (API) integration remained ongoing, encompassing phases such as organization setup, data mapping with ERP, migration of data, and implementation and integration.

Commitment 3.3. Complete a Campus Master Plan for Fanshawe, including each regional campus, which guides the long-term development and improvement of campus lands and buildings to achieve the strategic goals, academic plans, and operational objectives of the College – and to optimize stakeholder experience, by Winter 2023.

The final report for the Campus Development Plan was delivered to the ELT in February 2024 and Board of Governors in March 2024. Work also commenced on a subsequent planning exercise to explore detailed space requirements for new College priority initiatives. The Campus Development Plan provides a blueprint for the growth and development of all Fanshawe campuses for the next 0-3 years, 3-10 years, and 10-25 years.

Commitment 3.4. Address the recommendations and affirmations of the College Quality Assurance Audit Process (CQAAP) audit report by Winter 2025.

Following the completion of Fanshawe's successful College Quality Assurance Audit Process (CQAAP) in January 2023, the auditors, and the Ontario College Quality Assurance Service (OCQAS) provided a CQAAP Audit Report that included recommendations and affirmations (i.e., areas for continuous improvement identified in the self-study). This report was finalized and signed by both President Devlin and the OCQAS Board in June 2023. The College developed an action plan in Fall 2023 that identifies roles, responsibilities, and timelines for addressing the recommendations and affirmations. To provide support and follow-up, the College has scheduled regular check-ins with internal stakeholders who will lead various affirmations or recommendations.

Commitment 3.5. Strengthening Human Resource foundational policies and processes to build rigor and consistency in practices.

There was a change in the wording of this Commitment with the arrival of the new Vice-President of People and Culture. Since beginning her new role in 2023, the College's Vice-President, People and Culture conducted several stakeholder meetings using an informal approach to thoroughly grasp the strengths and opportunities within the organization. From these discussions, numerous key themes emerged, which were prioritized, delineating some for immediate attention and others necessitating long-term planning.

Commitment 3.6. Improve environmental and social sustainability at Fanshawe through cross-College efforts aligned with the UN Sustainable Development Goals (SDGs) by developing a 2023-2030 action plan with baseline measures by Summer 2023.

The College selected its top seven sustainable development goals using a mixed methods approach, analyzing various data sets. These goals align with the following UN objectives: Good Health and Well Being, Quality Education, Gender Equality, Decent Work and Economic Growth, Reduce Inequalities, Climate Change, and Partnerships. Four cornerstones—leadership and culture, operations, learning, research, innovation, and community engagement—were identified as the framework for the development of an action plan. In March 2024, ELT gave their approval to the Sustainability Action Plan. The plan was then shared with all members of the College during the Sustainable Development Goals (SDG) week. As a part of the SDG week, the College signed the SDG Accord, which demonstrates its commitment to the United Nations' SDGs.

Commitment 3.7. Complete a cybersecurity plan based on a recognized cybersecurity framework and achieve the 2022-2024-year targets identified in the plan.

In 2023/24, the College worked towards Phase 1 of its multi-year cybersecurity plan (2022-2025). The focus for this past year was the implementation of Multifactor Authentication (MFA), which all employees, students, and Board members are required to use for enhanced College security. The cybersecurity governance committee prioritized the development and implementation of the College's Incident Response Plan (IRP). The IRP is still in development. Cybersecurity awareness campaigns across the College are ongoing.

Collaboration within the research and education community remained strong this past year, with ongoing efforts to develop shared resources and provide training opportunities supporting privacy and security groups within higher education institutions. Recognizing the persistent threat of cyber-attacks, the College remains vigilant, benefiting from threat information sharing at both provincial and national levels through its membership in various associations and consortia.

Goal 4: Build sustainable, complementary sources of revenue.

Commitment 4.1. Increase annual revenues and net income proceeds from new and reoccurring labour market focused client services:

Commitment 4.1.1. Meet or exceed annual eligible revenue targets documented in SMA3.

The 2023/24 actual revenue exceeded the allowable target by $2.8M. This metric comprises aggregated revenue from private sector and not-for-profit sources reported by colleges through various College Financial Information System (CFIS) accounts, including Educational Services Contractual, Other Fees for Services, Public College – Private Partnerships, Operating Grant Revenue, and Cash Donations. The Ministry incorporated additional qualifying revenue sources, such as the School College Work Initiative (SCWI) and net revenue from public-private partnerships since the beginning of the Strategic Mandate Agreement (SMA3). It is based on a 3-year average using actuals from 2020/21, 2021/22, and 2022/23.

Commitment 4.1.2. Achieve a minimum annual 5 percent net profit margin (consolidated) for fee-for-service activities offered by Corporate Training Solutions and subsidiary business operations.

The consolidated net profit margin surpassed expectations. This success is due to the high net income from Corporate Training Solutions (CTS) and Fanshawe Global Corporation (FGC). CTS's results were primarily due to securing new large national funded opportunities, a three-year contract to provide the correctional officer basic training program for the Ontario Ministry of Solicitor General, and continued growth in transportation products. FGC offered new summer training programs in 2023/24. Hot Zone faced a deficit position due to underperforming sales yields to sales plan. An operational review of Hot Zone was conducted in March 2024 that identified efficiencies that need to be introduced in 2024/25.

Commitment 4.2. Operationalize a public-private partnership with the International Language Academy of Canada consistent with the terms of the Ministry and Board approved contract and business case.

The level 1 enrolment intake and annual total net revenue targets were surpassed. Expected level 1 enrolment was 2,069; the actual was 3,034. The budgeted annual total net revenue was $5.4M; the actual was $8.5M. The success is attributed to the strong program suite that was launched. In Fall 2023, the Palliative Care program's first intake commenced, while three new programs, including Early Childhood Education, Regulatory Affairs and Quality Operations, and Retirement Residence Management, launched in Winter 2024. A Quality Assurance Review in June 2023 confirmed that both the College and International Language Academy of Canada (ILAC) met all seven standards of quality assurance.

Commitment 4.3. Increase annualized cash donations to $5M in 2024/25.

The Foundation achieved $7.7M in giving for the 2023/24 fiscal year. A few major gift highlights are worthy of mention. The College received $2.3M in income from the Joyce Family Foundation endowment which is being used to establish a suite of bursaries for domestic students across all campuses enrolled in two, three, and four year programs (ranging from $3,000 to $9,000 per student). The Canerector Foundation gave $500,000 for merit-based awards ($100,000 per year for five years) available to all students enrolled in the Donald J. Smith School of Building Technology. Students receive $2,000 per year for every year they are enrolled in their program. These new donations reinforce similar and ongoing donation streams from recent years inclusive of the Don Roussy Fund for existing students experiencing significant hardship and the Schulich Builders Program which provides scholarships to students enrolling in an eligible, full-time skilled trades program. Perhaps most exciting of all, the College received its highest major gift, $5M from Diane Blake, to establish a first-of-its-kind Canadian college-based Centre of Excellence for Extended Reality (XR) in Health Care. The Foundation also benefited from pledge payments recorded from previous years, annual giving, net income from the annual Fanshawe Golf Tournament, on-line needs-based campaigns, and affinity revenue through its partnership with TD Insurance.

Commitment 4.4. Create readiness to optimize revenue generation opportunities across all of the College's out-facing, fee-for-service units, by fully implementing the Advanced Business and Industry Solutions (ABIS) plan by Fall 2024.

The Customer Relationship Management (CRM) plan for ABIS entities is in progress. In 2023/24, governance framework documentation was completed. The ABIS Steering Committee created a matrix to identify and rate strategic partners; the purpose of this tool is to identify top partners with whom the College aims to build strong relationships. A customer service standard was also developed for ABIS entities. A branding and marketing program, including the "Partner with Fanshawe" marketing plan for 2023/24 and a new employer-facing website, launched in November 2023.

SECTION B

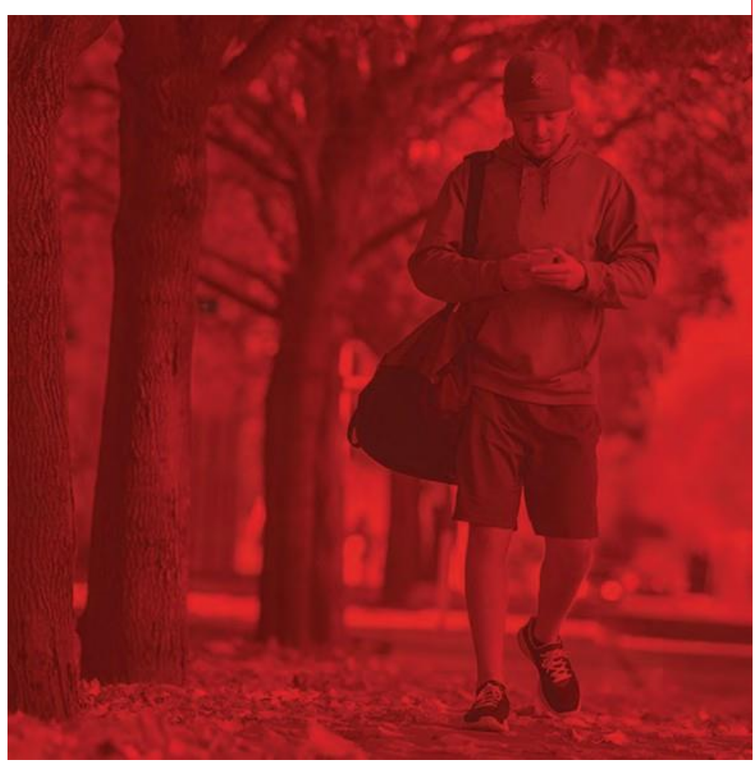
Analysis of College Operational Performance

Summary of Major College Achievements

- Over 40,000 students from Ontario and over 100 countries attended Fanshawe last year, including 1,200 new students who registered at ILAC, Fanshawe's trusted partner in Toronto.
- Fanshawe received generous donations, including $5 million from Diane Blake for the Diane Blake Centre of Excellence for Extended Reality in Healthcare and $2 million from London’s Crich family for the Don Crich Skilled Trades Accelerator.
- Ten students were awarded the inaugural Schulich Builders Scholarships for Skilled Trades, a program committing over $3 million annually to address labor shortages and promote skilled trades in Canada.
- Notable student achievements include Katie Rice from Ingersoll, ON, winning her second consecutive Women's provincial gold medal at the OCAA Cross Country Championships. Additionally, Fanshawe's Business Marketing students secured third place in the 2023 Scotiabank Vanier Case Competition in Montreal, Quebec.
- Faculty members also garnered accolades: Karen Harley received the prestigious Peter Mews Award from the Charlottetown Festival, while others received awards for excellence in education and innovation.
- The College expanded its academic offerings with the introduction of 13 new programs.
- Fanshawe prioritizes diversity, equity, and inclusion, evident through initiatives like the Institute of Indigenous Learning's programs and the launch of the Equity, Diversity, and Inclusion Framework and Office.
- In terms of infrastructure and innovation, the grand opening of Innovation Village marked a significant milestone. Since, many individual faculty and multi-disciplinary teams have accessed College funds earmarked for innovative project work, whilst leveraging the Village's labs and equipment.
- Fanshawe's commitment to sustainability and community engagement is evident through partnerships with organizations like the London Chamber of Commerce and Goodwill Industries, earning recognition as the 2023 Community Partner of the Year.
- Internationally, Fanshawe Global engaged in educational initiatives, hosting Brazilian teachers for professional development in London and launching the Empowerment Through Skills program in Tanzania.

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 Global Corporation ("FGC"), and Hot Zone Training Consultants Inc. ("HZTC"). The separate financial statements for the Foundation, FGC 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. Support is provided to students through the provision of bursaries and scholarships. The College receives support for capital improvements from time to time from the funds derived from fundraising campaigns. The Foundation had an increase in net assets of $5.1M due to favorable market conditions resulting in an increase of endowments of $3.5M as well as $2.2M in donations towards endowments, partially offset by the award disbursements of $0.7M. The Foundation provided Student assistance (bursaries and scholarships) of $1.6M in the year.

Fanshawe Global Corporation (FGC)

FGC was formed to provide teaching and training activities outside of Canada using the expertise developed within the College. FGC generated an incremental revenue in contract services of $323K for the end year ended March 31, 2024 compared to the prior year. Net Income of the corporation increased to $210K, an increase of 187% from the prior year due to increased efforts on pursuing new businesses after recovery from the global pandemic.

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. The wholly owned entity recorded a decrease in revenue of $228K for the end year ended March 31, 2024 compared to the prior year. This decrease was due to delayed business development activities and longer lead time on the recruitment of a new manager. A one-time write-off of obsolete inventory contributed towards the net deficit of the corporation of $154K.

Fanshawe College (consolidated)

The College recorded a surplus of $80.5M for the year ended March 31, 2024 compared to $43.8M in the prior year. Total revenue increased by $125.1M from the prior year. The increase was primarily driven by the higher than planned increase in international enrolments and a full year of operation of the Public Private Partnership (PPP). The college also experienced higher interest rates and favorable market conditions resulted in higher investment income. Additionally, parking revenue increased as the College returned to pre-pandemic levels. Total operating expenditures also increased by $88.5M to support increased enrolments, including the PPP. Charts for both revenue and expenditure covering the last six years are included at the end of section C.

Revenue

***Enrolment Revenue* –** International Full time postsecondary enrolments increased year over year. The $109M (41%) increase in revenues was driven by higher than planned increase in international enrolments including a full year of operations of our PPP as well as an increase in the international tuition rates. 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 decreased by $865K (1%) in the year. The decrease was largely due to higher International Student Recovery driven by increased international enrolments.

Ancillary revenue – Ancillary revenue increased by $3.2M (15%) due to returning to pre-pandemic levels of parking demand and available capacity in the Residence. Residence rates were also increased in the year.

Other revenue – Other revenue increased by $12.5M (40%) which was mainly due to higher than planned investment income driven by higher interest rates and favorable market conditions. A transfer to another banking institution provided higher yields on our bank balance and a resultant increase in the bank balance driven by a higher surplus. Another driver for the increase was a write-off on international receipts that were unable to be refunded after multiple attempts.

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 businesses and industries. The main contributor for the increased costs of $53.5M (29%) was driven by increased teaching costs, instructional supplies and contracted service fees paid to the public private partner to support enrolment growth and new programming, as well as economic increases and the repeal of Bill 124 wage-cap law.

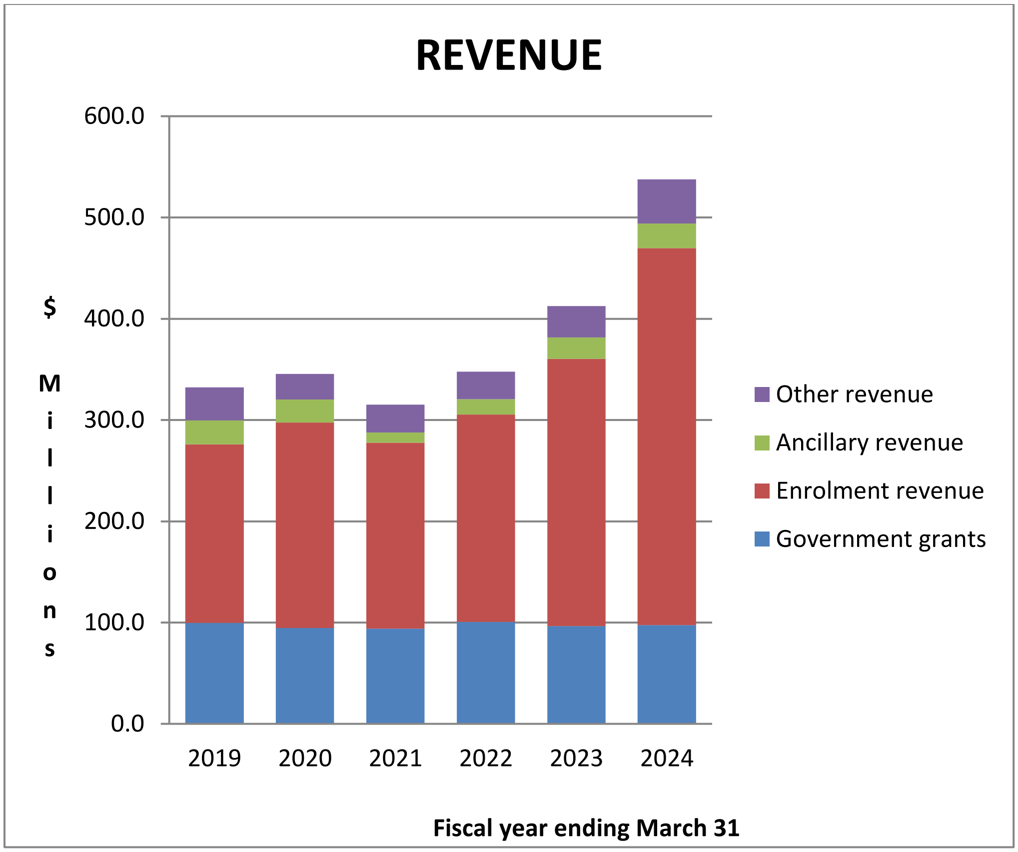
***Instructional Support Services* –** Expenditures incurred that primarily support Instructional Services and contribute to the learning process, which may or may not attract additional revenue. Examples include, but are not limited to, the Library, Research and International Partnerships. There was a $3.7M (12%) increase to these costs, due to higher enrolments, which directly affected the cost of student labs, as well as economic increases and the repeal of Bill 124 wage-cap law.

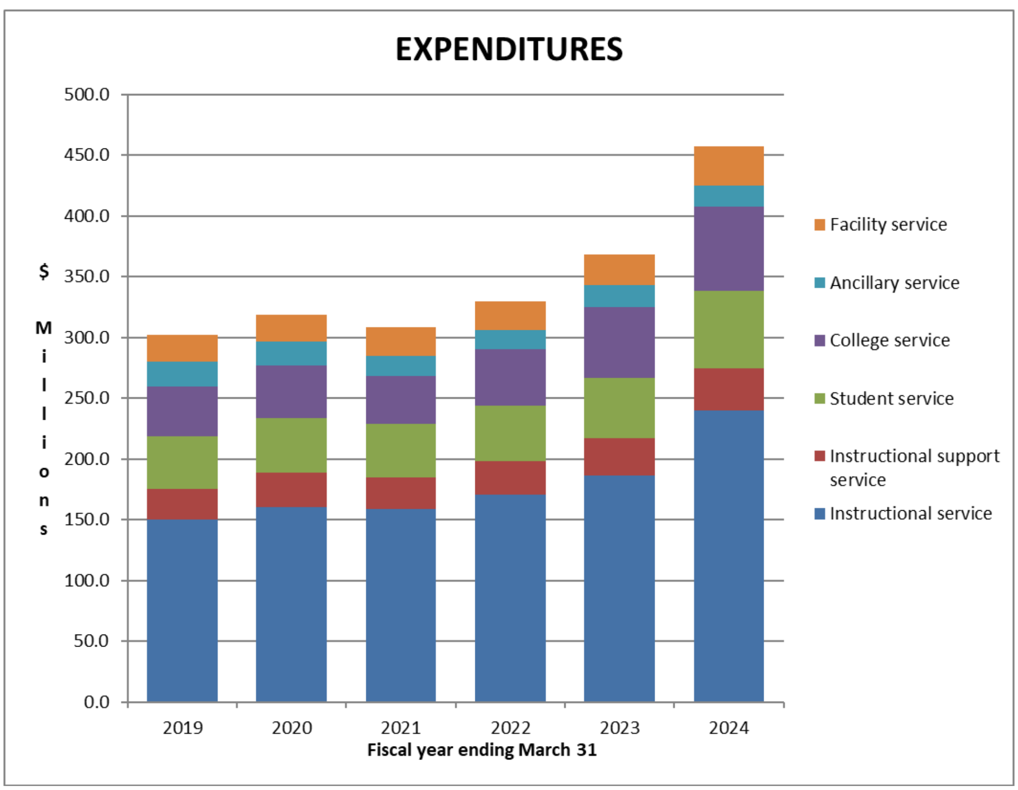
Student Services – Expenditures incurred to support the needs of students either in the learning process or in student life activities. Examples include, the Registrar's Office, Counselling and Accessibility Services and Athletics. The $14.7M (30%) increase in expenditures is the result of economic increases, increased supports for Indigenous learners, increased student work study, additional staffing to support overall growth and increased international health insurance premiums due to international enrolment growth.

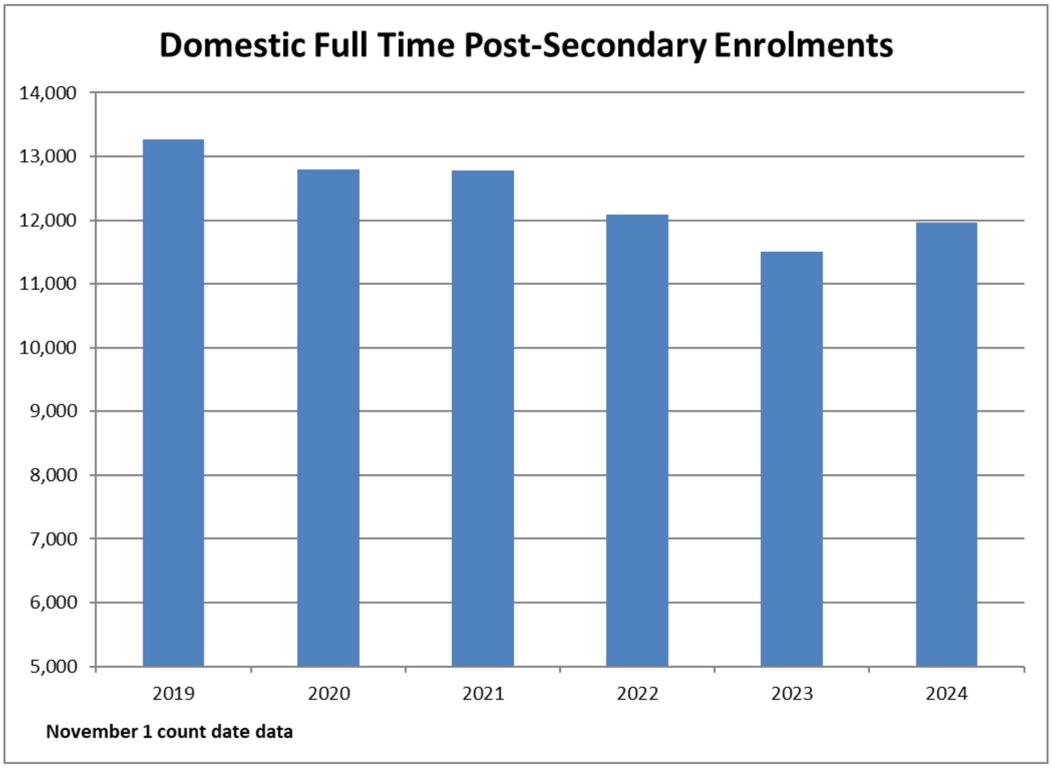
College Services **–** Expenditures incurred that primarily serve the needs of the College as a corporation. Examples include, but are not limited to, the Board of Governors, Development Office, Human Resources, Marketing and Finance. The $11.0M (19%) increase in expenditures was due to economic increases, an increase in commissions for recruitment of international students, due to planned growth and an increase in support towards our marketing strategy to achieve Domestic targets.

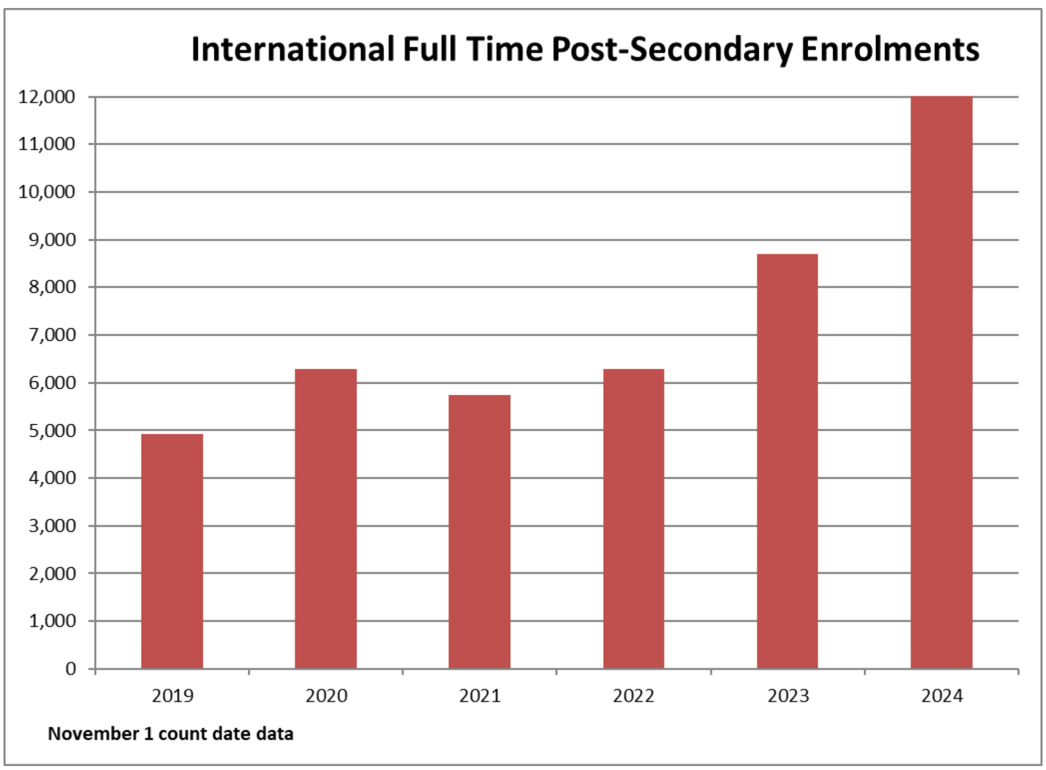
Ancillary Services **–** Expenditures incurred that primarily refer to user-pay services provided at competitive rates as a convenience to students, and in some cases the College. Examples include the College Stores, Residence operations and Parking Services. The decrease in costs of $800K (4%) reflects a one-time project in residence that occurred in the prior year and is offset by economic increases.

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 $6.5M (25%) over the prior year reflects economic increases, increased investment in our maintenance plan, deferral of minor projects from 2022/23 to 2023/24 as well as increased expenditures tied to reconfiguration of spaces to accommodate new staff and hybrid work.


REVENUE
600.0
500.0
400.0
300.0
200.0
100.0
0.0
$ Millions
2019
2020
2021
2022
2023
2024
Fiscal year ending March 31
Other revenue
Ancillary revenue
Enrolment revenue
Government grants

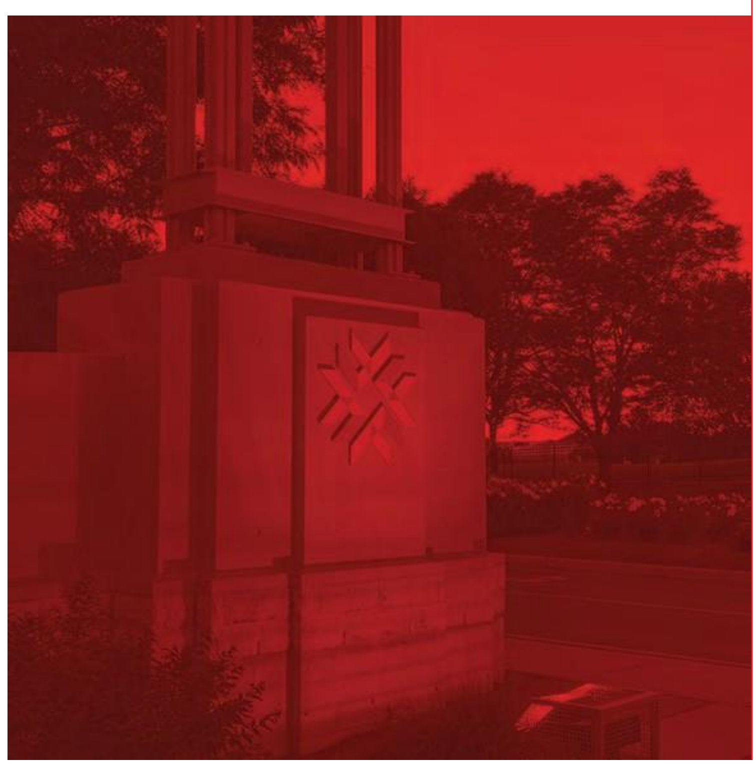

EXPENDITURES
500.0
450.0
400.0
350.0
300.0
250.0
200.0
150.0
100.0
50.0
0.0
$ Millions
2019
2020
2021
2022
2023
2024
Fiscal year ending March 31
Facility service
Ancillary service
College service
Student service
Instructional support service
Instructional service


Domestic Full Time Post-Secondary Enrolments
14,000
13,000
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
2019
2020
2021
2022
2023
2024
November 1 count date data


International Full Time Post-Secondary Enrolments
12,000
11,000
10,000
9,000
8,000
7,000
6,000
5,000
4,000
3,000
2,000
1,000
0
2019
2020
2021
2022
2023
2024
November 1 count date data

SECTION D

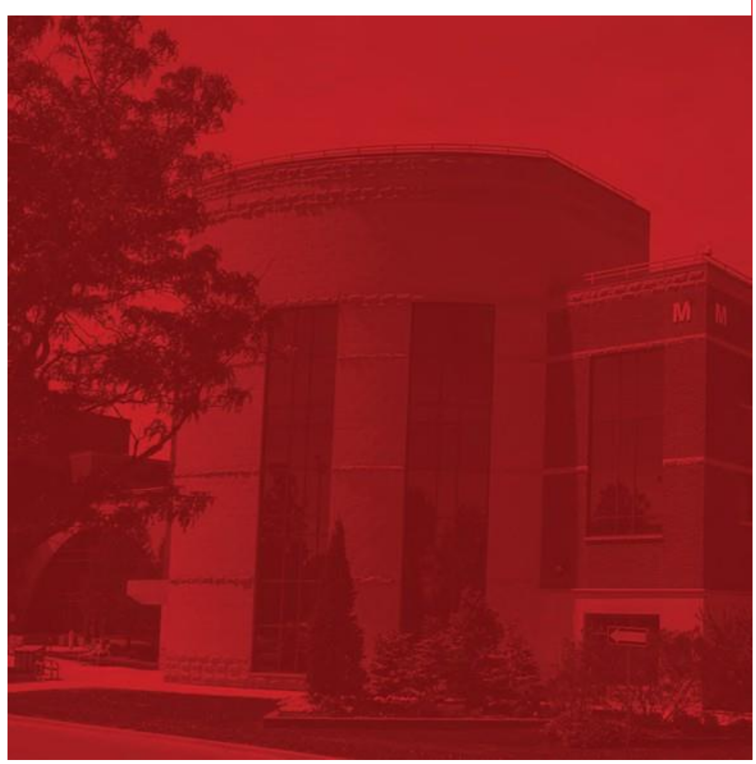
Subsidiaries & Foundations



The financial statements for Fanshawe College Foundation, Fanshawe Global Corporation and Hot Zone Training Consultants Inc. are included in the Consolidated Financial Statements for the College included in Appendix B.

APPENDIX A

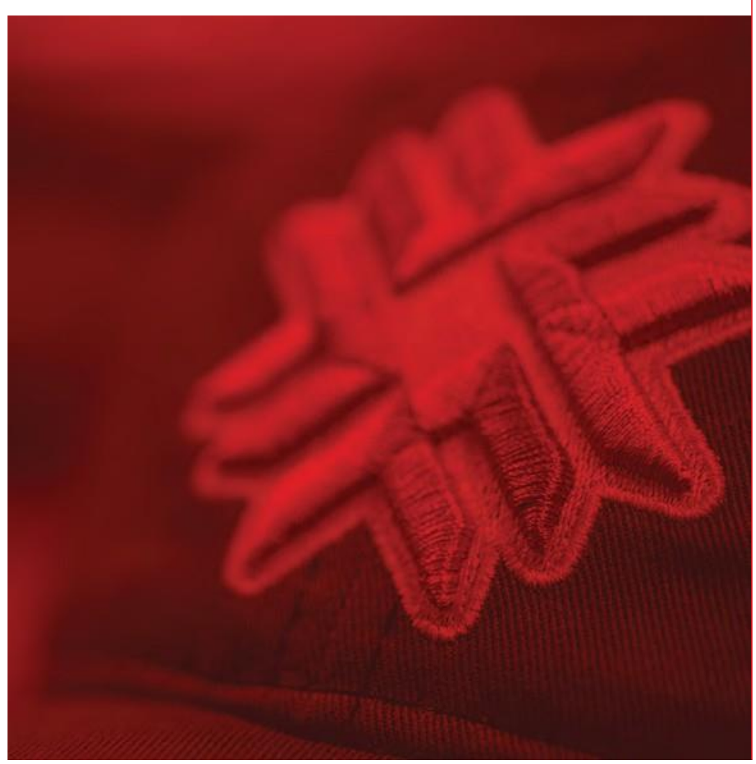
Strategic Mandate Agreement Report Back



Click here for the most recent SMA report, which is posted on the Ministry of Colleges and Universities website.

APPENDIX B

Audited Financial Statements



Consolidated Financial Statements of

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

And Independent Auditors' Report thereon

Year Ended March 31, 2024

Consolidated Financial Statements

March 31, 2024

KPMG LLP
140 Fullarton Street, Suite 1400
London, ON N6A 5P2
Canada
Telephone 519 672 4880
Fax 519 672 5684

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the consolidated financial statements of the Fanshawe College of Applied Arts and Technology (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2024
- 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 remeasurement gains and losses
- the consolidated statement of cash flows for the year then ended
- and notes and schedule to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2024, and its consolidated results of operations, its consolidated changes in net assets, its consolidated remeasurement gains and losses and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 Financial Statements***" section of our auditor's report.

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

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

Other Information

Management is responsible for the other information. Other information comprises:

- the information, other than the financial statements and the auditor’s report thereon, included in the “Annual Report”.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information, other than the financial statements and the auditor’s report thereon, included in the “Annual Report” as at the date of this auditor’s report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 the 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Canada

June 11, 2024

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of The Fanshawe College of Applied Arts and Technology (the “College”) are the responsibility of management and have been approved by the Board of Governors (the “Board”).

The consolidated financial statements have been prepared by management in accordance with Canadian public sector accounting standards including the 4200 series of standards applicable to government not for-profit organizations. Where alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Consolidated financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the consolidated financial statements are presented fairly, in all material respects.

The College maintains systems of internal accounting and administrative controls of high quality, consistent with reasonable cost. Such systems are designed to provide reasonable assurance that the financial information is relevant, reliable and accurate and that the College’s assets are appropriately accounted for and adequately safeguarded.

The College’s insurance liabilities have been reviewed by management in consultation with its broker. There are no material liabilities in either fact or contingency as at the date of this report.

The Board is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the consolidated financial statements. The Board carries out this responsibility principally through its Audit Committee (the “Committee”).

The Committee is appointed by the Board, and includes within its ranks eight Board members. The Committee meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the consolidated financial statements and the external auditor’s report. The Committee reports its findings to the Board for consideration when approving the consolidated financial statements. The Committee also considers, for review and approval by the Board, the engagement or re-appointment of the external auditors.

The consolidated financial statements have been audited by KPMG LLP, the external auditors, in accordance with Canadian generally accepted auditing standards, on behalf of the Board. KPMG LLP has full and free access to the Committee.

Peter Devlin
President

June 13, 2024
Date

Jenny Ruz
Vice President, Finance & Administration

June 12, 2024
Date

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

As at March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets		
Cash (Note 3)	$ 280,499,149	$ 262,152,115
Accounts receivable (Note 5 and 23)	17,266,088	12,802,739
Grants receivable	6,239,897	6,070,463
Inventories	1,654,575	1,911,527
Prepaid expenses	12,081,055	8,926,857
Current portion of student fee receivable (Note 6)	703,572	678,467
Current portion of student union receivable (Note 7)	244,450	229,289
Current portion of long term receivable (Note 8)	4,400	4,400
	318,693,186	292,775,857
Student fee receivable (Note 6)	17,521,772	18,225,344
Student union receivable (Note 7)	1,069,627	1,314,077
Long term receivable (Note 8)	22,000	26,400
Investments (Note 9)	143,510,163	137,657,910
Capital assets (Note 11)	461,543,273	421,645,088
	$ 942,360,021	$ 871,644,676
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	$ 38,477,121	$ 39,582,427
Accrued vacation pay	13,274,933	11,974,923
Deferred revenue	231,725,313	241,738,550
Current portion of bank loans (Note 12)	3,010,766	3,215,039
	286,488,133	296,510,939
Bank loans (Note 12)	36,667,864	39,678,629
Deferred derivative liability (Note 4)	304,820	573,951
Post-employment benefits and compensated absences (Note 13)	9,002,800	8,791,500
Asset retirement obligation (Note 10)	15,724,213	21,529,612
	61,699,697	70,573,692
Deferred contributions		
Restricted contributions (Note 14)	18,497,445	17,991,665
Capital assets (Note 15)	190,960,630	189,174,619
	209,458,075	207,166,284
Net assets (deficit)		
Investment in capital assets (Note 16)	250,443,433	210,023,976
Endowments	32,269,442	27,212,637
Internally restricted (Note 17)	93,975,999	131,009,097
Unrestricted	17,759,421	(59,393,990)
Accumulated remeasurement loss	(9,734,179)	(11,457,959)
	384,714,116	297,393,761
Commitments (Notes 18 and 19)		
Contingencies (Note 20)		
Contractual rights (Note 21)		
	$ 942,360,021	$ 871,644,676

See accompanying notes to consolidated financial statements.

On behalf of the Board of Governors:

Terry Zavitz
Chair, Board of Governors

Peter Devlin
President

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue		
Enrollment revenue	$ 372,320,575	$ 263,755,385
Government grants	97,497,075	96,631,513
Ancillary revenue	24,217,398	21,059,969
Other revenue		
Investment income	15,019,361	6,013,120
Miscellaneous	14,786,309	11,703,406
Amortization of deferred contributions related to capital assets (Note 15)	11,741,951	11,412,716
Restricted contributions	2,012,159	1,883,871
	537,594,828	412,459,980
Expenditures		
Instructional service	239,961,483	186,489,874
College service	68,819,320	57,871,649
Student service	64,231,098	49,540,061
Instructional support service	34,439,434	30,737,584
Facility service	32,025,496	25,551,953
Ancillary service	17,611,837	18,420,974
(Schedule 1)	457,088,668	368,612,095
Excess of revenue over expenditures	$ 80,506,160	$ 43,847,885

See accompanying notes to consolidated financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

	Investment in Capital Assets	Endowments	Internally Restricted	Unrestricted	Accumulated Remeasurement Loss	2024 Total
Balance, beginning of year	$ 210,023,976	$ 27,212,637	$ 131,009,097	$ (59,393,990)	$ (11,457,959)	$ 297,393,761
Excess (deficiency) of revenue over expenditures (Note 16)	(13,277,239)	-	-	93,783,399	-	80,506,160
Unrealized gains attributable to:						
Investments	-	-	-	-	1,454,650	1,454,650
Deferred derivative liability	-	-	-	-	269,130	269,130
Endowments						
Donations	-	2,257,155	-	-	-	2,257,155
Investment income	-	1,166,374	-	-	-	1,166,374
Net gain	-	2,369,540	-	-	-	2,369,540
Awards	-	(736,180)	-	-	-	(736,180)
Net transfers from the College and Foundation	-	(84)	-	-	-	(84)
Internally restricted						
Deferred expenditures	-	-	17,203,909	(17,203,909)	-	-
Interfund transfer	-	-	(54,237,007)	54,237,007	-	-
Net transfers to the College	-	-	-	33,610	-	33,610
Net change in investment in capital assets (Note 16)	53,696,696	-	-	(53,696,696)	-	-
Balance, end of year	$ 250,443,433	$ 32,269,442	$ 93,975,999	$ 17,759,421	$ (9,734,179)	$ 384,714,116

See accompanying notes to consolidated financial statements.

	Investment in Capital Assets	Endowments	Internally Restricted	Unrestricted	Accumulated Remeasurement Loss	2023 Total
Balance, beginning of year	$ 180,600,195	$ 27,281,521	$ 138,952,367	$ (81,774,897)	$ (11,246,085)	253,813,101
Excess (deficiency) of revenue over expenditures (Note 16)	(11,562,906)	-	-	55,410,791	-	43,847,885
Unrealized gains (losses) attributable to:						
Investments	-	-	-	-	(806,261)	(806,261)
Deferred derivative liability	-	-	-	-	594,387	594,387
Endowments						
Donations	-	129,913	-	-	-	129,913
Investment income	-	1,036,094	-	-	-	1,036,094
Net loss	-	(729,833)	-	-	-	(729,833)
Awards	-	(505,066)	-	-	-	(505,066)
Net transfers from the College and Foundation	-	8	-	-	-	8
Internally restricted						
Deferred expenditures	-	-	20,179,058	(20,179,058)	-	-
Interfund transfer	-	-	(28,122,328)	28,122,328	-	-
Net transfers to the College	-	-	-	13,533	-	13,533
Net change in investment in capital assets (Note 16)	40,986,687	-	-	(40,986,687)	-	-
Balance, end of year	210,023,976	27,212,637	131,009,097	(59,393,990)	(11,457,959)	297,393,761

See accompanying notes to consolidated financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Cash flows from operating activities		
Excess of revenue over expenditures	$ 80,506,160	$ 43,847,885
Change in non-cash working capital items (Note 22)	(17,348,562)	54,292,027
Items not involving cash:		
Amortization of capital assets	25,123,994	23,068,979
Gain on disposal of capital assets	(104,804)	(93,357)
Amortization of deferred contributions related to capital assets	(11,741,951)	(11,412,716)
Net increase in deferred contributions related to restricted contributions	505,780	779,564
Increase in post employment benefits and compensated absences	211,300	1,316,343
	77,151,917	111,798,725
Cash flows from investing activities		
Long term investments, net	(4,397,603)	356,193
Increase in internally restricted net assets	33,610	13,533
	(4,363,993)	369,726
Cash flows from capital activities		
Additions to deferred contributions related to capital assets	13,527,962	10,945,338
Additions to capital assets	(70,827,579)	(49,849,030)
Proceeds from sale of capital assets	104,804	93,357
Repayment of capital loans	(2,985,749)	(2,830,608)
	(60,180,562)	(41,640,943)
Cash flows from financing activities		
Repayments from student union	229,289	215,068
Repayment of bank loans	(229,289)	(215,068)
Repayment of student fee receivable	678,467	654,257
Repayment of long term receivable	4,400	4,400
Endowments		
Donations	2,257,155	129,913
Investment income	1,166,374	1,036,094
Net gain (loss)	2,369,540	(729,833)
Awards	(736,180)	(505,066)
Net transfers from the College and Foundation	(84)	8
	5,739,672	589,773
Increase in cash	18,347,034	71,117,281
Cash, beginning of year	262,152,115	191,034,834
Cash, end of year	$ 280,499,149	$ 262,152,115

See accompanying notes to consolidated financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Balance, beginning of year	$ (11,457,959)	$ (11,246,085)
Unrealized (losses) gains attributable to:		
Investments	1,454,650	(806,261)
Deferred derivative liability-interest rate swap	269,130	594,387
Net remeasurement loss for the year	1,723,780	(211,874)
Balance, end of year	$ (9,734,179)	$ (11,457,959)

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 Global Corporation, 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 Colleges and Universities ("MCU"). 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 enrollment, ancillary operations and other revenue is recognized when the services are provided or the products are sold as the College satisfied a performance obligation by providing the promised goods or services

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.

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

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.

<u>Fair Value</u>

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.

1. Significant accounting policies (continued):

(d) Financial instruments (continued):

Fair Value (continued)

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, long term receivable, accounts payable and accrued liabilities, capital lease obligation 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) Derivative financial instrument:

Derivative financial instruments are utilized by the College in the economic management of its interest rate exposure. The College does not enter into derivative financial instruments for trading or speculative purposes. The College uses interest rate swap agreements to economically manage the floating interest rate of a portion of the debt portfolio and the related overall cost of borrowing.

(f) 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.

1. Significant accounting policies (continued):

(f) Capital assets (continued):

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	30-40 years
Building improvements	15 years
Site improvements	10 years
Leasehold improvements	Term of the lease
Furniture and equipment	5 years
Information technology equipment	3 years

The College utilizes the ½ year rule when amortizing capital 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.

1. Significant accounting policies (continued):

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

(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 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 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 13.

(l) Asset retirement obligation:

An asset retirement obligation is recognized when, as at the financial reporting date, all of the following criteria are met:

1. Significant accounting policies (continued):

(l) Asset retirement obligation (continued):

- There is a legal obligation to incur retirement costs in relation to a tangible capital asset;
- The past transaction or event giving rise to the liability has occurred;
- It is expected that future economic benefits will be given up; and
- A reasonable estimate of the amount can be made.

The liability for closure of operational sites and post-closure has been recognized based on estimated future expenses. An additional liability for the removal of asbestos and other hazardous materials in several of the buildings owned by the College has also been recognized based on estimated future expenses on closure of the site and post-closure care.

The recognition of a liability resulted in an accompanying increase to the respective tangible capital assets. The increase to the tangible capital assets is being amortized in accordance with the accounting policies outlined in section 1(f).

In addition, the College's implementation of PS3280 Asset Retirement Obligations has resulted in the requirement for management to make estimates regarding the useful lives of affected tangible capital assets and the expected retirement costs, as well as the timing and duration of these retirement costs.

2. Changes in accounting policy:

PS 3400 – Revenue

On April 1, 2023, Fanshawe College adopted Public Sector Accounting Standard PS 3400 – Revenue. The new accounting standard establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. As at March 31, 2024, Fanshawe College determined that the adoption of this new standard did not have an impact on the amounts presented in the financial statements.

3. Cash:

Includes a balance held in trust by Campus Living Centres Inc. for residence management purposes of $10,951,611 (2023-$6,123,340).

4. 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:

4. Financial instrument classification (continued):

	2024		
	Fair Value	Amortized Cost	Total
Cash	$ 280,499,149	$ -	$ 280,499,149
Accounts receivable	-	17,266,088	17,266,088
Grants receivable	-	6,239,897	6,239,897
Student fee receivable	-	18,225,344	18,225,344
Student union receivable	-	1,314,077	1,314,077
Long term receivable	-	26,400	26,400
Investments	143,510,163	-	143,510,163
Accounts payable and accrued liabilities	-	38,477,121	38,477,121
Bank loans	-	39,678,630	39,678,630
Deferred derivative liability	304,820	-	304,820
	$ 424,314,132	$ 121,227,557	$ 545,541,689

	2023		
	Fair Value	Amortized Cost	Total
Cash	$ 262,152,115	$ -	$ 262,152,115
Accounts receivable	-	12,802,739	12,802,739
Grants receivable	-	6,070,463	6,070,463
Student fee receivable	-	18,903,811	18,903,811
Student union receivable	-	1,543,366	1,543,366
Long term receivable	-	30,800	30,800
Investments	137,657,910	-	137,657,910
Accounts payable and accrued liabilities	-	39,582,427	39,582,427
Bank loans	-	42,893,668	42,893,668
Deferred derivative liability	573,951	-	573,951
	$ 400,383,976	$ 121,827,274	$ 522,211,250

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, long term receivable, capital lease obligation and bank loans have an insignificant interest rate differential, therefore, recording at fair value is unnecessary.

The College entered into interest rate swap agreements in a prior year to economically manage the floating interest rate of term loans (Note 12). Under the terms of the interest rate swap agreements, the College has contracted with the counterparty to pay a fixed rate of interest, while receiving interest at a variable rate to be set monthly based on the term loan rates during the year. The fair value of the interest rate swap agreements are recorded as a deferred derivative liability on the consolidated statement of financial position.

4. Financial instrument classification (continued):

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).

	2024			
	Level 1	Level 2	Level 3	Total
Cash	$ 280,499,149	$ -	$ -	$ 280,499,149
Investments	-	143,510,163	-	143,510,163
Deferred derivative liability	-	-	304,820	304,820
	$ 280,499,149	$ 143,510,163	$ 304,820	$ 424,314,132

	2023			
	Level 1	Level 2	Level 3	Total
Cash	$ 262,152,115	$ -	$ -	$ 262,152,115
Investments	-	137,657,910	-	137,657,910
Deferred derivative liability	-	-	573,951	573,951
	$ 262,152,115	$ 137,657,910	$ 573,951	$ 400,383,976

There were no transfers between Level 1 and Level 2 for the year ended March 31, 2024 and March 31, 2023. There were also no transfers in or out of Level 3.

5. Accounts receivable:

Includes a balance owing from the Student Union for March 2024 expenditures of $132,565 (2023- $746,816).

6. 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.

6. Student fee receivable (continued):

Principal repayments are due in accordance to the amortization schedule relating to the long term debt identified in Note 12. The following is a summary of the total amount receivable from the London campus students:

	2024	2023
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.	$ 18,225,344	$ 18,903,811
	18,225,344	18,903,811
Less current portion	703,572	678,467
	$ 17,521,772	$ 18,225,344

Principal repayments required during the next five years and thereafter are as follows:

2025	$ 703,572
2026	729,606
2027	756,603
2028	784,600
2029	813,632
Thereafter	14,437,331
	$ 18,225,344

7. 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 12. The following is a summary of the total amount receivable from the Student Union:

7. Student union receivable (continued):

		2024		2023
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.	$	1,314,077	$	1,543,366
		1,314,077		1,543,366
Less current portion		244,450		229,289
	$	1,069,627	$	1,314,077

Principal repayments required during the next five years and thereafter are as follows:

2025	$	244,450
2026		260,614
2027		277,846
2028		296,219
2029		234,948
	$	1,314,077

8. Long term receivable:

The receivable represents the balance owing from Campus Living Centres Inc. for severance costs paid by the College to the former residence manager's staff.

Repayments are due in accordance with the agreement negotiated with Campus Living Centres Inc. The following is a summary of the total amount receivable:

		2024		2023
Long term receivable, negotiated with Campus Living Centre Inc., with an effective fixed interest rate of 0% repayable over 10 years. No specific security has been received.	$	26,400	$	30,800
		26,400		30,800
Less current portion		4,400		4,400
	$	22,000	$	26,400

8. Long term receivable (continued):

Repayments required during the next five years and thereafter are as follows:

2025	$	4,400
2026		4,400
2027		4,400
2028		4,400
2029		4,400
Thereafter		4,400
	$	26,400

9. Investments:

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

	2024		2023	
	Estimated Fair Value	Book Value	Estimated Fair Value	Book Value
Bonds	$ 110,753,961	$ 120,183,318	$ 108,455,631	$ 119,339,638
Held through pooled funds:				
Bonds	13,024,625	14,493,606	12,192,455	13,600,082
Global equities	9,602,182	6,068,691	8,111,619	6,222,307
Canadian equities	10,128,243	9,853,815	8,897,350	9,271,008
Money market/short term	1,152	1,152	855	855
	$ 143,510,163	$ 150,600,582	$ 137,657,910	$ 148,433,890

10. Asset retirement obligation:

The College's asset retirement obligation consists of several obligations as follows:

a) Underground storage tanks and X-ray machine obligation

The College owns a number of storage tanks and X-ray machines. The liability for the closure or removal of the items and has been recognized under PS 3280 – Asset Retirement Obligation. The costs were based upon the presently known obligations that will exist at the estimated year of closure or removal upon the useful life. Due to the immateriality of the liability associated with these obligations, these costs were recorded to opening net assets in the previous year.

10. Asset retirement obligation (continued):

b) Owned Buildings obligation

The College owns and operates several buildings that are known to have asbestos and other potentially hazardous materials which represents a health concern upon demolition of the building and there is a legal obligation to remove it. Following the adoption of PS 3280 – Asset Retirement Obligations, the College recognized an obligation relating to the removal and post-removal care of the asbestos and potentially hazardous materials in these buildings as estimated at April 1, 2022. The buildings have various remaining estimated useful lives ranging from 7 to 39 years. Estimated costs have not been discounted as the College is unable to reasonably estimate when this liability may be paid. The recognition of asset retirement obligations involved an accompanying increase to the buildings capital assets and the restatement of prior year numbers in fiscal 2023.

c) Leasehold obligation

The College has several leased buildings. Through the reassessment process, the College recognized an obligation relating to the leaseholds. As part of the remeasurement exercise an adjustment was made to the estimated obligation.

d) Changes to the asset retirement obligation are as follows:

	Building	Leaseholds	2024
Opening Balance	$ 21,529,612	$ -	$ 21,529,612
Adjustment to estimated obligation	(5,920,010)	114,611	(5,805,399)
Closing Balance (as reassessed)	$ 15,609,602	$ 114,611	$ 15,724,213

11. Capital assets:

	2024		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 8,318,250	$ -	$ 8,318,250
Buildings	469,302,891	191,134,743	278,168,148
Buildings, construction in progress	17,711,670	-	17,711,670
Building improvements	84,285,666	8,913,767	75,371,899
Building improvements, construction in progress	35,465,922	-	35,465,922
Site improvements	33,469,637	26,875,982	6,593,655
Site improvements, construction in progress	33,226	-	33,226
Leasehold improvements	7,332,469	5,355,120	1,977,349
Furniture and equipment	62,383,198	53,727,305	8,655,893
Information technology equipment	11,913,942	7,091,479	4,822,463
Software and ERP, construction in progress	15,019,755	-	15,019,755
Asset retirement obligation, buildings	15,257,140	5,900,441	9,356,699
Asset retirement obligation, leasehold improvements	114,611	66,266	48,345
	$ 760,608,377	$ 299,065,103	$ 461,543,274

	2023		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 8,318,250	$ -	$ 8,318,250
Buildings	469,302,891	179,963,963	289,338,928
Buildings, construction in progress	14,746,182	-	14,746,182
Building improvements	35,581,318	4,665,570	30,915,748
Building improvements, construction in progress	35,670,127	-	35,670,127
Site improvements	31,754,476	25,829,343	5,925,133
Leasehold improvements	7,177,354	3,930,559	3,246,795
Furniture and equipment	187,274,782	178,954,283	8,320,499
Furniture and equipment, construction in progress	33,505	-	33,505
Information technology equipment	9,174,252	4,401,915	4,772,337
Software and ERP, construction in progress	4,526,465	-	4,526,465
Asset retirement obligation, buildings	21,177,150	5,346,031	15,831,119
	$ 824,736,752	$ 403,091,664	$ 421,645,088

11. Capital assets (continued):

Construction in progress relates to a number of capital projects which are underway, but are not completed, as at March 31. No amortization has been recorded.

During the year, the College wrote off $128,637,028 of Furniture & Equipment. The write-off of Furniture & Equipment will remove dated, non-serviceable, fully amortized, and obsolete assets from the College's accounting records.

12. Bank and term 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, 2024 and it is the intent of the College to repay the debt in accordance with the repayment schedules.

	2024	2023
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 in blended quarterly payments of $339,810 and matures July 2042. No specific security has been pledged.	$ 18,225,344	$ 18,903,811
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 in blended quarterly payments of $340,908 and matures February 2040. No specific security has been pledged.	14,457,558	15,008,438
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 in blended monthly payments of $67,251. The SWAP agreement matures May 2028. No specific security has been pledged.	2,889,618	3,488,835

12. Bank and term loans (continued):

	2024	2023
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 in blended monthly payments of $51,041. The SWAP agreement matures November 2028. No specific security has been pledged.	2,417,298	2,854,803
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 in blended monthly payments of $63,526. The SWAP agreement matures September 2024. No specific security has been pledged.	374,734	1,092,182
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 in blended monthly payments of $26,809. The SWAP agreement matures January 2029. No specific security has been pledged.	1,314,078	1,543,366
Term loan with a notional amount of $28,298 and an effective fixed interest rate of 7.49%. The loan is repayable over 5 years in blended monthly payments of $567 and matures July 2023. The loan is secured by a vehicle.	-	2,233
	39,678,630	42,893,668
Less current portion	3,010,766	3,215,039
	$ 36,667,864	$ 39,678,629

12. Bank and term loans (continued):

Principal payments required in each of the next five years and thereafter are as follows:

2025	$	3,010,766
2026		2,785,036
2027		2,942,875
2028		3,110,095
2029		2,188,529
Thereafter		25,641,329
	$	39,678,630

13. Post-employment benefits and compensated absences:

2024	Vesting sick leave	Non-vesting sick leave	Post-employment benefits	WSIB post-employment benefits	Total liability
Accrued employee future benefits obligations	$ 267,000	$ 10,122,000	$ 2,011,000	$ 1,800,800	$ 14,200,800
Value of plan assets	-	-	(482,000)	-	(482,000)
Unamortized actuarial gain (loss)	(63,000)	(4,639,000)	(14,000)	-	(4,716,000)
Total liability	$ 204,000	$ 5,483,000	$ 1,515,000	$ 1,800,800	$ 9,002,800

2023	Vesting sick leave	Non-vesting sick leave	Post-employment benefits	WSIB post-employment benefits	Total liability
Accrued employee future benefits obligations	$ 231,000	$ 8,485,000	$ 1,906,000	$ 1,993,500	$ 12,615,500
Value of plan assets	-	-	(456,000)	-	(456,000)
Unamortized actuarial gain (loss)	(51,000)	(3,326,000)	9,000	-	(3,368,000)
Total liability	$ 180,000	$ 5,159,000	$ 1,459,000	$ 1,993,500	$ 8,791,500

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

13. Post-employment benefits and compensated absences (continued):

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 across Canada. 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, 2024 indicated an actuarial surplus on a going concern basis of $4.9 billion (2023-$4.7 billion). The College made contributions to the Plan and its associated retirement compensation arrangement of $20,531,841 (2023-$17,784,654), 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, 2024 of the future benefits was determined using a discount rate of 3.5% (2023 - 3.4%).

(b) Medical costs

Medical costs increased 6.16% per annum for fiscal 2024 (2023-6.16%) grading down to 4.0% in 2040 (2023 -4.0% in 2040).

(c) Dental costs

Dental costs increased 4.0% per annum for fiscal 2024 (2023-4.0%).

13. Post-employment benefits and compensated absences (continued):

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:

	2024	2023
Wage and salary escalation		
Support staff	1.0%	1.0%
Academic	1.0%	1.0%
Discount rate	3.5%	3.4%

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 23.5% and 0.0 to 54.0 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

14. 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:

	2024	2023
Balance, beginning of year	$ 17,991,665	$ 17,212,101
Add amounts received during the year	26,337,073	20,180,597
Less amounts disbursed in the year	(25,831,293)	(19,401,033)
Balance, end of year	$ 18,497,445	$ 17,991,665

Deferred contributions are comprised of:

	2024	2023
Student activity fees	$ 6,008,874	$ 7,141,217
Fundraising campaigns	6,360,979	5,610,466
Bursaries and scholarships	2,467,889	2,261,728
Employee stability fund	654,315	608,354
Alumni activities	1,175,717	826,802
Other	1,829,671	1,543,098
	$ 18,497,445	$ 17,991,665

15. 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:

	2024	2023
Balance, beginning of year	$ 189,174,619	$ 189,641,997
Add contributions received for capital projects	13,527,962	10,945,338
Less amortization of deferred capital contributions	(11,741,951)	(11,412,716)
Balance, end of year	$ 190,960,630	$ 189,174,619

16. Investment in capital assets:

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

		2024	2023
Capital assets		$ 461,543,273	$ 421,645,088
Amounts financed by:	Student fee receivable	18,225,344	18,903,811
	Deferred contributions	(190,960,630)	(189,174,619)
	Bank loans	(38,364,554)	(41,350,304)
		$ 250,443,433	$ 210,023,976

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

		2024	2023
Excess of expenditures over revenue:			
Amortization of deferred contributions related to capital assets		$ 11,741,951	$ 11,412,716
Amortization of capital assets		(25,123,994)	(23,068,979)
Gain (loss) on disposal of capital assets		104,804	93,357
		$ (13,277,239)	$ (11,562,906)
Net change in investment in capital assets:			
Additions to capital assets		$ 70,827,579	$ 49,849,030
Change in asset retirement obligation		(5,805,399)	-
Amount financed by:	Student fee receivable	(678,467)	(654,257)
	Proceeds on disposal of capital assets	(104,804)	(93,357)
	Deferred contributions	(13,527,962)	(10,945,338)
	Bank loans	2,985,749	2,830,609
		$ 53,696,696	$ 40,986,687

17. 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 19, Commitments.

17. Internally restricted net assets (continued):

	2024	2023
Deferred capital expenditures	$ 90,390,605	$ 128,211,472
Deferred operating expenditures	3,585,394	2,797,625
Balance, end of year	$ 93,975,999	$ 131,009,097

18. Operating leases:

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

2025	1,830,802
2026	492,661
2027	352,346
2028	338,688
2029	106,726
Thereafter	1,294,298
	$ 4,415,521

19. Commitments:

As at March 31, 2024, outstanding capital asset commitments approximate $31,352,452 (2023- $82,569,372) primarily relating to the construction and expansion of various facilities. The internally restricted net assets in Note 17, Internally restricted net assets, will be used to fund these future commitments.

20. 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. The College has insurance to recover any possible legal settlements.

21. Contractual rights:

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

2025	$	871,080
2026		763,594
2027		768,934
2028		68,215
2029		4,400
Thereafter		5,404,400
March 31, 2024	$	7,880,623

22. Supplemental cash flow information:

		2024		2023
Change in non-cash working capital items:				
Accounts receivable	$	(4,463,349)	$	1,181,363
Grants receivable		(169,434)		(2,009,652)
Inventories		256,952		211,583
Prepaid expenses		(3,154,198)		(3,320,928)
Accounts payable and accrued liabilities		(1,105,306)		6,261,361
Accrued vacation pay		1,300,010		(169,996)
Deferred revenue		(10,013,237)		52,138,296
	$	(17,348,562)	$	54,292,027

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

		2024		2023
Interest revenue	$	19,629,137	$	11,397,951
Interest expense		(2,006,118)		(2,202,762)

23. 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 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 (2023-$100,000).

The maximum exposure to investment credit risk is the amount of the investments as shown in Note 9.

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, 2024 and March 31, 2023 were as follows:

			2024			
			Past Due			
	Total	Current	1-30 days	31-60 days	61-90 days	91+ days
Student receivables	$ 9,846,164	1,784,100	$ 6,841,270	$ 71,106	$ 334,804	$ 814,884
Other receivables	10,741,365	4,689,546	640,077	237,576	82,531	5,091,635
Gross receivables	20,587,529	6,473,646	7,481,346	308,682	417,336	5,906,519
Less: impairment allowances	(3,321,441)	-	-	-	-	(3,321,441)
Net receivables	$ 17,266,088	$ 6,473,646	$ 7,481,346	$ 308,682	$ 417,336	$ 2,585,078

			2023			
			Past Due			
	Total	Current	1-30 days	31-60 days	61-90 days	91+ days
Student receivables	$ 9,495,113	$ 1,572,054	$ 5,926,489	$ 40,316	$ 283,450	$ 1,672,804
Other receivables	7,592,037	2,403,665	394,555	293,986	96,158	4,403,673
Gross receivables	17,087,150	3,975,719	6,321,044	334,302	379,608	6,076,477
Less: impairment allowances	(4,284,411)	-	-	-	-	(4,284,411)
Net receivables	$ 12,802,739	$ 3,975,719	$ 6,321,044	$ 334,302	$ 379,608	$ 1,792,066

Other receivables include Collections receivables and year-end financial statement reclassification balances, for example, credit balances on the student accounts receivable sub ledger.

23. Risk management (continued):

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 9 is based on quoted market prices.

The College's investment policy recognizes the investment guidelines issued by MCU. The investment 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 bank loans.

The College mitigates interest rate risk on its bank loans through derivative financial instruments which replace the variable rates inherent in the bank loans for a fixed rate (Note 12). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the capital lease obligation and bank loans.

23. Risk management (continued):

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):

	2024			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable and accrued liabilities	$ 38,477,121	$ -	$ -	$ -
Bank loans	1,673,507	1,337,259	11,026,535	25,641,329
	$ 40,150,628	$ 1,337,259	$ 11,026,535	$ 25,641,329

	2023			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable and accrued liabilities	$ 39,582,427	$ -	$ -	$ -
Bank loans	1,584,050	1,630,989	11,848,711	27,829,857
	$ 41,166,477	$ 1,630,989	$ 11,848,711	$ 27,829,857

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.

24. 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.

25. Public private partnership:

The College entered into a ten year agreement with ILAC International College Ltd. ("ILAC"), a private college located in Toronto, Ontario to deliver programming as stipulated within the agreement commencing September 2022. The agreement allows for revenues to be earned by the College encompassing tuition, ancillary fees and certain commissions. Revenue and related expenses paid to the private partner have been reflected within the consolidated statement of operations on a gross basis as the College is acting as a principal in these transactions.

26. Subsequent event:

On January 22, 2024, the Government of Canada (the "Government") announced a cap on international student permit applications for a period of two years, resulting in a reduction of approximately 35% of approved study permits from 2023 across the country. At the end of 2024, the Government will re-assess the number of new study permits that will be processed in 2025.

In addition, as a result of these policy changes, international students at public-private partnership campuses in Ontario will no longer be eligible for post-graduate work permits, which affects the sustainability of these partnerships.

A significant portion of the College's tuition revenues is derived from international students and the College is assessing the impact of this announcement on its ability to earn revenue from international students.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Analysis of Expenditures

Schedule 1

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Expenditures		
Salaries and benefits	$ 250,120,759	$ 215,908,240
Contract services	75,996,203	41,931,830
Other operating costs	38,935,010	32,373,664
Utilities and maintenance	30,736,299	27,814,760
Amortization expense	25,123,994	23,068,979
Operating supplies	20,587,747	14,894,479
Student assistance	7,664,295	4,621,968
Ancillary cost of sales	5,918,243	5,795,413
Loan interest	2,006,118	2,202,762
	$ 457,088,668	$ 368,612,095

APPENDIX C

KPI Performance Report

Thousands of students, graduates, and employers across the province are surveyed every year to collect data about quality and accountability measures for graduate employment outcomes, graduate satisfaction, employer satisfaction, and student quality assessment.

The 2022/23 KPI Graduate and Employer Satisfaction Survey refers to graduates from the 2021/22 academic year. Graduates were asked for permission to contact their employers, who were then surveyed. Employers were asked about their satisfaction with specific skills displayed by the graduates they had hired.

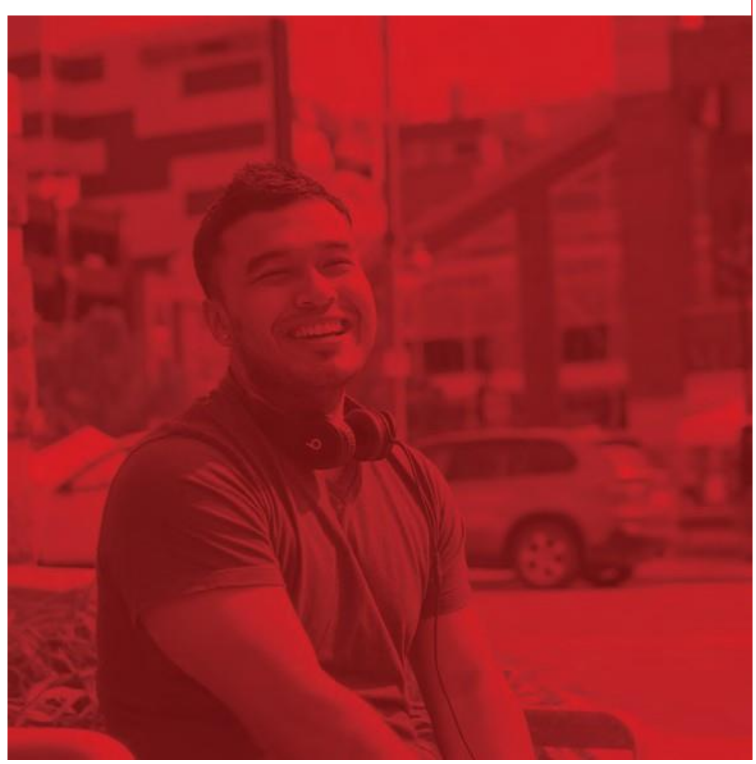
The Ontario College Student Experience Survey (OCSES) is a system-level replacement for the discontinued KPI Student Satisfaction Survey. OCSES questions ask participants to rate their agreement with statements, whereas the KPI Student Satisfaction Survey asked participants to rate their satisfaction. The questions were changed with the aim to obtain more truthful answers about quality. 2022/23 OCSES provides baseline measures for the College. Scores are a mean score out of 5.0.

Key findings from these surveys include the following:

- Fanshawe's KPI graduation rate for 2022/23 was 66.4 percent, higher than the rate for the past two years.
- Fanshawe’s graduates are successful in finding employment after graduation. The College’s KPI employment rate continues to be higher than the provincial rate. 89.7 percent of Fanshawe graduates were employed six months after graduation, whereas the system’s rate was 85.8 percent.
- 68 percent of graduates are working in a field related to their program; the comparable system rate is 69 percent.
- 81 percent of employers are satisfied with graduates’ job skills.
- 88 percent of employers are satisfied with graduates’ ability to recognize and respectively respond to intercultural issues in the workplace.
- 93 percent of employers are satisfied with graduates’ computer skills.
- Among graduates, 87 percent are satisfied with their critical thinking skills and 87 percent are satisfied with their problem-solving skills. Employers’ satisfaction with these skills is 77 percent and 80 percent, respectively.
- Employers are satisfied with College graduates’ overall college preparation for the type of work they are doing (93 percent).
- Students’ ratings of their Work Integrated Learning experiences were consistent and positive (mean scores mostly 4.0).
- Students agreed with OCSES statements on the effectiveness of the College’s Equity, Diversity and Inclusion initiative and the accessibility of student mental health and well-being programs, resources, and supports (mean scores were 4.2 and 4.1, respectively, out of 5).

APPENDIX D

Summary of Advertising and Marketing Complaints Received



Fanshawe College is filing a nil report.

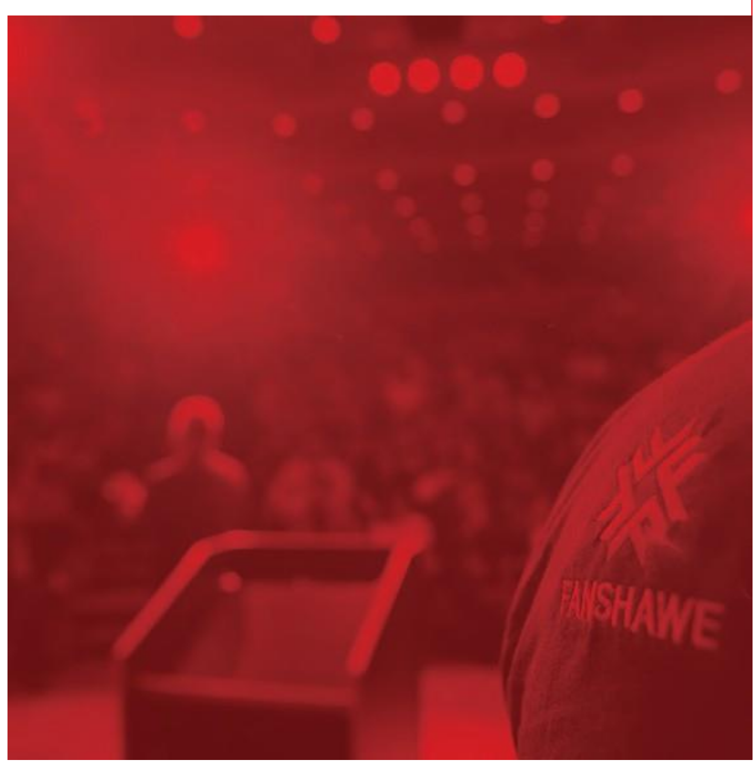
Nature of Complaint	Date received	How resolved/addressed	Date resolution communicated to student	# of working days to resolve

Total number of complaints: **nil**

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

APPENDIX F

List of Governors



List of Governors 2023/24

Name	Board Position	Term Start	Term End	Term
Tim Anderson	Academic Staff Representative	01-Sep-23	31-Aug-26	1
Mojdeh Cox	External	01-Sep-22	31-Aug-25	1
Peter Devlin	College President (Ex-Officio)	03-Sep-13		
Courtney Ecker	Administrative Staff Representative	01-Sep-22	31-Aug-25	1
Laura Elliot	External	01-Sep-22	31-Aug-25	1
Mihad Fahmy	External	01-Sep-22	31-Aug-25	1
Brian Foster	External	01-Sep-21	31-Aug-24	1
Michael Geraghty	LGIC Appointment – First Vice-Chair	01-Sep-21	31-Aug-24	1
Sandy Jansen	External – Second Vice-Chair	01-Sep-21	31-Aug-24	1
Denise Luksys	Support Staff Representative	01-Sep-23	31-Aug-26	1
Larry MacKinnon	External	01-Sep-21	31-Aug-24	1
Brad Nelson	External	01-Sep-22	31-Aug-25	1
Louise Poole	External	01-Sep-19	31-Aug-25	2
David Ross	External	01-Sep-23	31-Aug-26	1
Eric Weniger	LGIC Appointment	01-Sep-21	31-Aug-24	1
Terry Zavitz	LGIC Appointment – Chair	01-Sep-21	31-Aug-24	1

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 and enhance organizational capacity.
4. Build sustainable, complementary sources of revenue.