Fleming College

BOARD OF GOVERNORS PUBLIC MEETING
Wednesday, May 29, 2013
3:30 p.m.
Scholfield Boardroom – Brealey Room #5920
Peterborough, ON

2010-2015 Strategic Priorities

1. Achieving Excellence in Student Learning
2. Providing Superior Services and Facilities
3. Leading in Sustainability
4. Growing with Positive Results
5. Building Community Success
6. Developing the Fleming Working Environment

Highlighted item(s) are flagged as a generative discussion opportunity.

Est. Time	Item	*A = Approve R = Receive I = Information*
	1. Call to Order	
)	**2. Welcome and Introduction of Guests**	
2 min)	**3. Agenda** - modifications / additions / deletions; motion to approve as circulated or amended	Pgs 1-2
)	**4. Conflict of Interest Declaration**	
)	**5. Unanimous Consent Agenda** *The following items/recommendations have been identified as part of the consent agenda for the public meeting of the Board; Governors are encouraged to call the President/Board Chair/Board Secretary in advance of the meeting if there are questions about a listed consent agenda item.* **ITEMS:** *(enclosed)* A 5.1 Minutes of the May 1, 2013 public meeting of the Board R 5.2 Activities of the Board Committees for the month of May 2013 R 5.3 Correspondence for the months of April/May 2013	Pgs 3-10
10 min	**6. Fleming College 2012-2013 Annual Report** *(enclosed)*	Pgs 11-32
10 min	**7. Reports** I 7.1 Board Chair * Added I 7.2 a) President * Added b) College Activity * * Reports will be emailed to Governors in advance of the meeting. I 7.3 Liaison Governor: President's Advisory Council, meeting held May 16, 2013 I 7.4 "Connecting with Our Communities" *This is a roundtable opportunity for Governors to comment on events they have attended and/or debrief on a recent event.*	*Information*
5 min	**8. Business Arising from Previous Meetings** I 8.1 KTTC Construction Progress Report *(enclosed)*	Pgs 33-35
60 min	**9. New Business / Board Decision Items**	
	A 9.1 New Program: Welding & Fabrication Technician *(enclosed)*	Pgs 36-37
	A 9.2 Community Awards *(enclosed)*	Pgs 38-39
	I 9.3 Enrolment ** Added	
	I 9.4 KPI Results ** Added	

** Documents will be emailed to Governors in advance of the meeting.

10. Other Business ***(includes items removed from the Consent Agenda)***

11. Adjournment approx. 5:00 p.m.

Fleming College

Public Meeting – May 29, 2013
Agenda Item 5

UNANIMOUS CONSENT AGENDA

SOURCE

- Board Policy 1-102L, *Guidelines for the Consent Agenda*

Action Required • for Information • for Consultation and/or Discussion • for Approval (motion required)	**THAT the Board of Governors of Sir Sandford Fleming College, by unanimous consent,** ***approve* the** **5.1 minutes of the May 1, 2013 public meeting of the Board;** **and *receive, for information*, the** **5.2 Report on the Activities of the Board Committees for the month of May 2013** **5.3 Correspondence listed on the Index of Correspondence for the months of April/May 2013,** **as circulated.**
Prepared by	Board Office

Fleming College

BOARD OF GOVERNORS
Public *(Open Session)* Meeting
Wednesday, May 1, 2013
Scholfield Boardroom, Brealey Room #5920
Peterborough, ON

M I N U T E S

Present: Mr. Astell, Mr. Degeer, Mr. Gulston, Ms. Kerrigan, Ms. Kloosterman, Mr. Mackle, Ms. Maki, Ms. Merrett, Mr. Nesbitt, Ms. Ross, Ms. Skill, Mr. Stanford, Ms. Sutcliffe-Geens, and Dr. Tilly for the Board.

Ms. McFadden.

Regrets: Dr. Dockstator, Mr. McLean, Mr. Sexton.

Senior Administration: Mr. Baker, Ms. Crook, Mr. Harvey, Mr. Meadwell, Ms. Pawley-Boyd, Mr. Van Parys.

Guests: Ms. Nicole Palmer, President - Student Administrative Council; Mr. Chris Smith, SAC Operations Manager

Staff: Ms. Laura Copeland, College Communications;
Mr. George MacDougall, Director – College Information Services; Mr. Roger Fitch, Director – IT Operations

1. Call to Order
Governor Ross assumed the chair and brought the meeting to order at 3:01 p.m.

2. Introductions
The Chair introduced the guests in attendance, extending a warm welcome on behalf of the Board.

3. Agenda
BoG May1-2013 #1

Moved and Seconded by Ms. Sutcliffe-Geens and Mr. Mackle
THAT the agenda be approved, as circulated.

Carried

4. Conflict of Interest Declaration
Governors were invited to declare conflict of interest with respect to the agenda; none declared.

5. UNANIMOUS CONSENT AGENDA
Governors were requested to identify those items to be removed from the Unanimous Consent Agenda and placed on the regular public meeting agenda; none were identified.

BoG May1-2013 #2

Moved and Seconded by Ms. Shill and Ms. Merrett
THAT the Board of Governors of Sir Sandford Fleming College approve the
- **minutes of the March 27, 2013 public meeting;**
- **Information and Communications Technology Appropriate Use Policy, #6-601**
- **Program Advisory Committees Policy, #2-202**
- **Curriculum Renewal and Program Review Policy, #2-207**

- **Curricular and Instructional Innovation Policy, #2-211**

and receive, for information, the
- **Report on the Activities of the Board Committees for the month of April 2013**

as circulated.

<u>Carried</u>

6. Risk Management

Colleges Ontario and the College Employer Council organized a one-day *Risk Management Symposium* as part of the governance program offered through the College Centre of Board Excellence. Attending the April 23 event from Fleming were Governors Ross, Kloosterman and Stanford, and Ms. McFadden. Feedback from the participants noted the following:

- need to have a common understanding of what the term "risk" means to us
- Enterprise Risk Management: "big picture" risk
  - it is a very intense process to identify all the possible risks
  - many colleges have a dedicated staff person in the role
- a component of risk, or the flip side of risk, is opportunity
- who owns / leads risk management?
  - Board governs – the Board owns the process
  - Management manages – operational risk is driven by senior leadership (checks and balances are in place within departments)
- one example of a framework: identify (grouped by category), assess (rank as high/medium/low), respond (actions taken or identify options), monitor, report regularly (dashboard)
- would suggest keeping the process simple, manageable and meaningful
  - use basic categories to identify risk, e.g. financial, reputational, people
  - from the master list of possible risks, focus on the big ones
- at symposium, attendees asked CO/CEC to provide a template that could be adjusted to the individual college

The Board confirmed an interest in further exploring this process. There was a desire to incorporate features from the existing report (i.e. identifying a circumstance and the College's subsequent response), to look at some case studies and/or examples from comparator colleges and interest in a template.

The Board established an ad hoc committee, comprised of the Executive Committee plus Governors Stanford and Shill, to develop a risk oversight framework for Fleming College.

7. Reports

7.1 <u>Chair's Report</u>: Governor Mackle has tendered his resignation from the Board effective May 15, 2013 having accepted a position at an international school in Malaysia. As an Order in Council appointment, the Ministry will be advised of Governor Mackle's resignation. Also resigning is Governor Gulston who has made the decision to retire from the College on June 30, 2013; the Board Office will move forward with the process to elect a faculty representative. Both Governors expressed pride in having served on the Fleming College Board of Governors.

BoG May1-2013 #3

Moved and Seconded by Mr. Stanford and Ms. Maki
THAT the Board of Governors of Sir Sandford Fleming College accept, with regret, the resignations of external governor JOHN MACKLE, effective May 15, 2013 and internal governor LAWRIE GULSTON, effective June 30, 2013.

<u>Carried</u>

Governors Ross and Merrett expressed interest in attending the May 16 meeting of the President's Advisory Council.

Governors were reminded to confirm with the Board Office participation in the 2013 Convocation ceremonies.

To facilitate the upcoming Program Quality Assurance Process Audit, meetings booked in Room 5920 on May 15 have been relocated to the Groombridge Boardroom at the Farmhouse.

7.2 (a) Dr. Tilly provided comments on items referenced in the President's Report. The provincial budget will be released May 2 and a Committee of Presidents' debrief will follow. Attention was drawn to Fleming's submission as part of the pre-budget consultation.

(b) An expanded College Activity Report covering the March 21 through May 22, 2013 timeframe, will be provided in the May meeting package.

7.3 *Liaison Governors*: The President's Advisory Council met on April 18, 2013. Good meeting. Very active time in the college implementing a new learning management system, upgrade in windows, a change in active directory which impacts our email system – IT provided an update. Good sounding board system for people leading implementation.

7.4 "Connecting with Our Communities": Members were provided with an opportunity for general comments on events attended since the last meeting. Governor McLean and Vice-President Baker attended the City Council meeting where Dr. Tilly presented the College's request for $1-million towards the construction costs of the Kawartha Trades and Technology Centre (KTTC).

8. Business Arising from Previous Meetings

8.1 A progress report on the KTTC construction project was provided. It was noted that final costs related to the switchover of space between the HRAC and welding areas would be paid out of contingency. The concrete has been poured on the first floor. A larger storm water management pond will be constructed. Governors confirmed their interest in a property tour encompassing the sports field, storm water pond as well as the KTTC site.

9. New Business / Board Decision Items

9.1 2013-2014 Tuition, Academic and Supply Fees: Starting in 2013-2014, the province will implement a new four-year tuition framework which applies to all publicly-funded programs. College presidents will be required to sign-off that the tuition policy was properly implemented.

While Ministry policy allows for a 3% increase on regular tuition and a 3% overall cap, it also allows for up to a 5% increase on high demand programs. The Finance and Property Committee noted that within the college system, Fleming has the lowest regular program tuition per semester; to minimize this gap, the College needs to maximize the increase on regular programs. Details of Student Fees (Tuition), Academic Fees and Supply Fees effective September 1, 2013 are appended to the Committee's submission to the Board.

BoG May1-2013 #4

Moved and Seconded by Mr. Degeer and Mr. Stanford
THAT the Board of Governors of Sir Sandford Fleming approve the *Tuition, Academic and Supply Fees for 2013-2014*, as outlined.

Responding to a question on feedback from students, Mr. Meadwell indicated that from a provincial level, students had recommended a two-year tuition freeze followed by linking tuition increases to the CPI.

Carried

9.2 2013-2014 Compulsory Ancillary Fees: The Finance and Property Committee reviewed the proposed increase in these fees. The fee structure has the support of the Student Administrative

Council and the Student Association and encompasses small increases to the Alumni fee (1.9% over 2012/13), the Support Services fee (0.9%), the Part-time Student Support Services Fee (1.4%) and the IT Fee (1.2%). Details are appended to the Committee's submission to the Board.

BoGMay1-2013 #5

Moved and Seconded by Mr. Degeer and Ms. Sutcliffe-Geens

THAT the Board of Governors of Sir Sandford Fleming College approve the *Compulsory Ancillary Fees for 2013-2014*, as outlined and approved by the Student Administrative Council and the Student Association.

Carried

9.3 2013-2014 Student Levied Fees: The Finance and Property Committee reviewed the proposed increase in these fees. The two student governments levy their own fees on their respective student bodies. Details are appended to the Committee's submission to the Board.

BoG May1-2013 #6

Moved and Seconded by Mr. Degeer and Ms. Shill

THAT the Board of Governors of Sir Sandford Fleming College approve the *Student Levied Fees for 2013-2014*, as outlined.

Carried

9.4 2013-2014 Financial Plan: The Finance and Property Committee reviewed the draft financial plan noting that a balanced, conservative budget that supports the College's strategic direction has been developed. Details are appended to the Committee's submission to the Board. The budget, while balanced, is not without risk, i.e. not achieving revenue targets, some deferred maintenance issues.

BoG May1-2013 #7

Moved and Seconded by Mr. Degeer and Mr. Mackle

THAT the Board of Governors of Sir Sandford Fleming College approve the *Fleming College Financial Plan 2013-2014* including adjustments to the Internal Restricted Reserve within net assets, which provides for

Total Revenue of $97,372,563
Expenditures of $97,372,563
Capital Expenditure of $27,457,100
Net Assets at March 31, 2014 of $8,897,200.

Carried

The Board expressed appreciation to staff for their contributions in the preparation of the budget.

9.5 Peterborough Sport and Wellness Centre Capital Reserve Spending: The Finance and Property Committee reviewed a request to renovate the change rooms at the Centre utilizing funds from the capital reserve. The Operating Agreement requires that both the City and the Board approve any expenditure from the Capital Conservation Fund. The Finance and Property Committee had requested additional background on the Centre, which is appended to the Committee's submission to the Board.

BoG May1-2013 #8

Moved and Seconded by Mr. Degeer and Mr. Nesbitt

THAT the Board of Governors of Sir Sandford Fleming College approve spending of up to $250,000.00 from the *Peterborough Sport and Wellness Centre Capital Conservation Fund* to renovate the Centre's men's and women's change rooms.

Carried

9.6 New Program – Hospitality Management and Leadership: The Academic and Student Affairs Committee reviewed a proposal to offer a new graduate certificate. Governor Maki noted the one-year intensive program was designed to provide skills and knowledge required for management and leadership positions within the hospitality industry. The program will attract both international and domestic students by offering a range of learning experiences that includes applied project work and international case studies.

BoG May1-2013 #9

Moved and Seconded by Ms. Maki and Ms. Merrett

THAT the Board of Governors of Sir Sandford Fleming College approve the *Ontario College Graduate Certificate in Hospitality Management and Leadership* with an implementation date of September 2013, for forwarding to the Credentials Validation Service for validation of the program and titles and to the Ministry of Training, Colleges and Universities for funding approval.

Carried

9.7 **New Policies**

9.7a) College Data Record Retention and Disposition Policy: Mr. MacDougall provided an overview of this new policy which outlines a systematic approach to retaining, archiving and disposing of all data records – paper and electronic. Information Technology Services will provide training to staff as departments begin to implement the policy. Other colleges have a similar policy in place.

BoG May1-2013 #10

Moved and Seconded by Mr. Stanford and Mr. Astell

THAT the Board of Governors of Sir Sandford Fleming College approve College Policy #6-603, *College Data Record Retention and Disposition*, as circulated.

Carried

9.7b) ITS User Account Management Policy: Presented by Mr. Fitch, this new policy has been developed to formalize a number of practices and requirements related to user accounts and access. The intent of the policy is to define the different types of accounts provided, what they are for, the roles/responsibilities of the management of these accounts as well as defining practices around closing access.

BoG May1-2013 #11

Moved and Seconded by Ms. Maki and Ms. Kloosterman

THAT the Board of Governors of Sir Sandford Fleming College approve College Policy #6-602, *ITS User Account Management Policy*, as circulated.

Carried

9.8 2013-2014 Fleming College Business Plan: Ms. Crook presented the document to the Board, highlighting the priorities for the year. Governors noted alignment with the Strategic Mandate Agreement. In the late fall, Administration will provide the Board with a report on progress to date; a final report on the performance of the 2013-2014 Business Plan will be offered via the annual report. Governors sought clarification on several of the objectives and suggested the second objective under Strategy 6.4 was a better fit with Strategy 6.5.

BoG May1-2013 #12

Moved and Seconded by Ms. Shill and Mr. Mackle

THAT the Board of Governors of Sir Sandford Fleming College approve the *2013-2014 Fleming College Business Plan*.

Carried

10. Other Business: None identified or brought forward.

11. ADJOURNMENT OF MEETING at 4:53 p.m. by Ms. Merrett and Mr. Degeer.

Fleming College

Public Meeting – May 29, 2013
Consent Agenda Item 5.2

REPORT TO THE BOARD OF GOVERNORS

SUBJECT: ***Activities of the Board Committees***
PRESENTED BY: Governor McLean, Chair – Board of Governors

Background	A report detailing the activities of the Board Committees at meetings held in the month of May 2013.
Action Required • for Information • for Consultation • for Discussion • for Approval (motion required)	**For information.**
Prepared by	Board Office

Academic and Student Affairs Committee
Governor Maki – Committee Chair

The Committee reviewed a proposal to offer a new program of instruction, a Welding and Fabrication Technician diploma, and recommended the program for Board approval. A program review report from the School of Trades and Technology was received.

The Program Quality Assurance Process Audit (PQAPA) took place on May 14 and 15, 2013. The Committee acknowledge the efforts of those involved in the audit.

Finance and Property Committee
Governor Degeer – Committee Chair

The Committee reviewed the actual financial results for the fiscal year to the budget. Members also received an update on progress of construction of the Kawartha Trades and Technology Centre.

Advancement Committee
Governor Sutcliffe-Geens – Committee Chair

The Committee received updates on fundraising progress to date and with respect to the Kawartha Trades and Technology Centre Campaign. The Committee also received a report on the activities of the Alumni Advisory Council as well as a status update on the College's Legacy Giving Program.

Executive Committee
Governor Ross – Committee Chair

The Committee finalized a posting to begin external recruitment. One governor is required for a term commencing September 1, 2013; three new members will be needed for terms commencing September 1, 2014. While there are no geographic limits for appointment, preference is given to applications from residents of communities in the Peterborough, Northumberland, Haliburton and City of Kawartha Lakes areas. The posting will identify skills, experience and expertise that will complement the current membership.

The Committee has started the process of evaluation of the President's performance over the past year, as well as the annual operational review of the Board and its committees.

The Executive was not required to act on the Board's behalf.

Fleming College

Public Meeting – May 29, 2013
Consent Agenda Item 5.3

REPORT TO THE BOARD OF GOVERNORS

SUBJECT: ***Correspondence for April/May 2013***
PRESENTED BY: Governor McLean, Chair – Board of Governors

Background	A report to detail the correspondence received and available in the **Circulation Binder** for perusal by governors. By providing the index in advance, governors are able to flag items they may wish to have discussed or clarified.
Action Required • for Information • for Consultation • for Discussion • for Approval (motion required)	**For information.**
Prepared by	Board Office

MINISTRY OF TRAINING, COLLEGES & UNIVERSITIES CORRESPONDENCE

Programs Approved for Funding:
- *Advanced Water Systems Operations and Management*, Ontario College Graduate Certificate, effective September 2013
- *Mechanical Techniques – Plumbing*, Ontario College Certificate, effective September 2013

Letter from Deputy Minister Newman, dated April 26, 2013 on the *International Educator Training Program*

COLLEGE SYSTEM CORRESPONDENCE

COLLEGES ONTARIO

The College Dispatch
- April 1 and May 6, 2013 issues

ASSOCIATION OF CANADIAN COMMUNITY COLLEGES

Inside ACCC: President's Update
- March 28, April 12 and May 10, 2013 issues

ACCC News Release
- May 7, 2013: ACCC Supportive of National Research Council Transformation

FLEMING IN THE NEWS

- From MPP Laurie Scott dated April 4, 2013 congratulating the College on attainment of the Bronze STARS rating for sustainability achievements
- April 2013 edition of *Advance*, a publication for donors and volunteers
- *115 years of local firefighting history*, March 28, 2013 edition of Peterborough This Week
- *Fleming College students to play role in Port Hope low-level radioactive waste cleanup,* April1, 2013 edition of Peterborough Examiner
- *Expanded Airport Development Project starting to reap major benefits*, April 1, 2013 Peterborough This Week
- *Premier meets with business, education leaders*, April 2, 2013 Peterborough Examiner
- *Jobs for youth an NDP priority: Horwath*, April 2, 2013 Peterborough Examiner
- *Fleming, City break ground on new soccer fields,* May 15, 2013 Peterborough Examiner

Fleming College

Public Meeting – May 29, 2013
Agenda Item 6

SUBMISSION TO THE BOARD OF GOVERNORS

SUBJECT: ***Fleming College 2012-2013 Annual Report***
PRESENTED BY: Ms. Crook, Vice-President Human Resources and Student Services

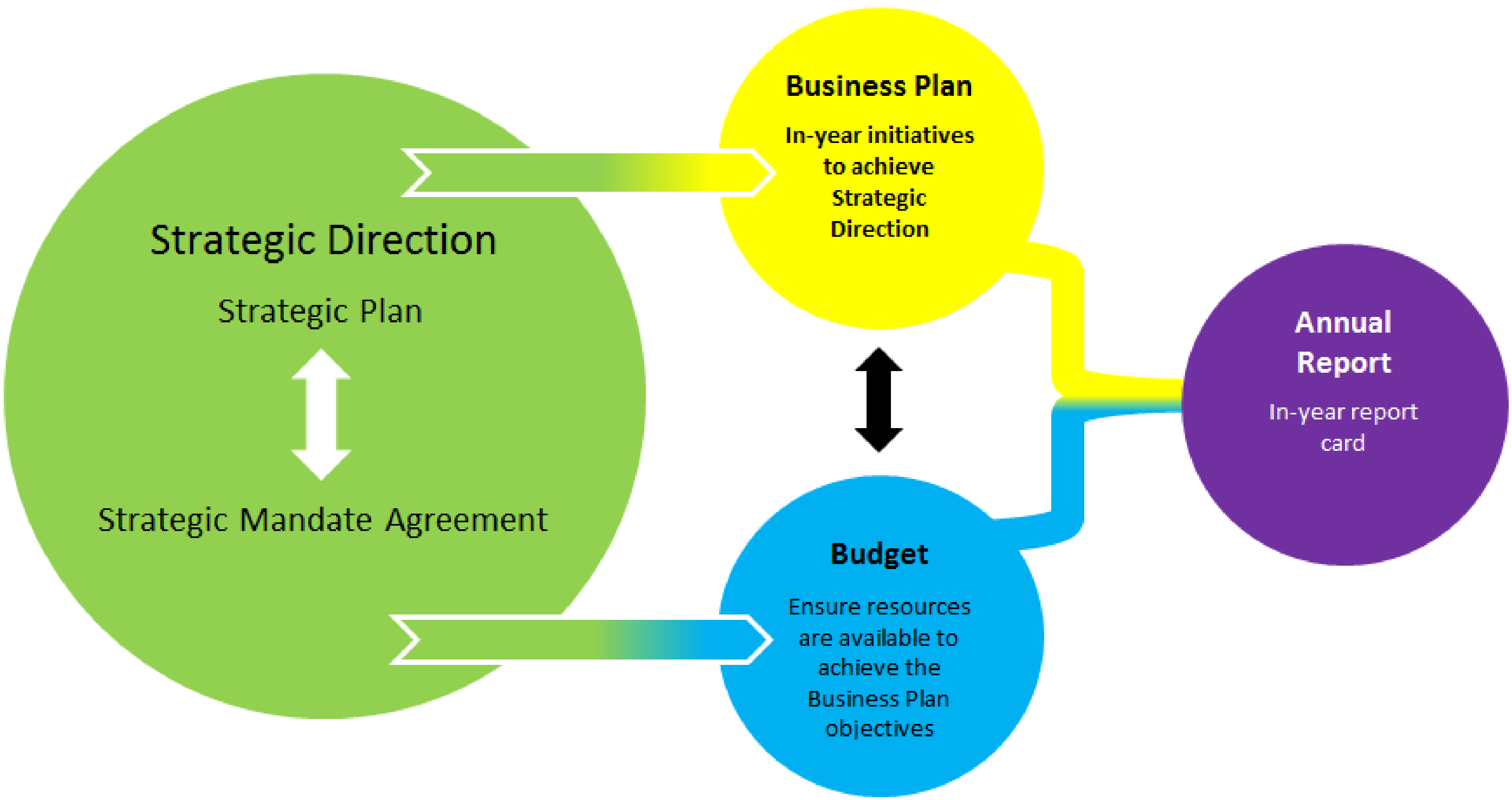
SOURCE

- Minister's Binding Policy Directive, *Governance and Accountability Framework*, revised September 2010
- Ministry Operating Procedure under the Policy Framework, *Annual Report,* revised September 2010
- Executive Leaders Team
- Fleming College Strategic Plan 2010-2015, approved May 26, 2010 (motion BoG May 26, 2010 #6)

Background • Purpose of this report/request • History • Other relevant information	Section 8 of O.Reg.24/03 under the Ontario Colleges of Applied Arts and Technology Act, 2002 requires each college to prepare an annual report, make it available to the public, and submit the report to the Minister. The Minister has issued a Binding Policy Directive on Governance and Accountability which requires the annual report to be prepared in accordance with the Annual Report Operating Procedure. The Annual Report charts the College's achievement of the operational outcomes established in the business plan for the year and includes the audited financial statements. The attached diagram illustrates how strategy informs the business plan and budget development and how both are connected to the Annual Report. Annual reports must be filed with the Ministry by the July 31 deadline and posted on the College web site.
Action Required • for Information • for Consultation and/or Discussion • for Approval (include motion)	**For Approval** **THAT the Board of Governors of Sir Sandford Fleming College approve the *Fleming College 2012-2013 Annual Report,* as circulated.**
Considerations, Impacts and Options • pros and cons • risks	A key purpose of the Annual Report is accountability to the public and to the government, with particular reference to how a college is meeting its multi-year accountability commitments. The information is also used by the Ministry to advise and inform government planning and policy-making. The College uses the Annual Report as one of the documents to inform the Business Plan for the next year.
Financial Implications • staff, facilities, equipment • impact on budget	N/A
Prepared by	Office of the Vice President Human Resources

Integrated Planning – 2013

Fleming College



Introduction

Fleming College is pleased to present its Annual Report for 2012 – 2013. As demonstrated in this report, we have successfully achieved the majority of the objectives established at the beginning of the year by being innovative and focused while keeping an eye on quality, efficiencies and implementing with excellence.

The past year's objectives related to quality, personalized learning for our students, investing in employees, continuing to build and create the academic framework for the Kawartha Trades and Technology Centre, maximizing enrolment and moving the continuous improvement philosophy of Lean forward to gain important efficiencies.

Going forward we have put the objectives and direction articulated in the Strategic Mandate Agreement front and center as we development objectives for next year that build from the foundation established and articulated in this report.

We believe the accomplishment of the objectives identified in this report will capitalize on our current momentum, allowing us to succeed within a challenging and competitive external environment.

We have the winning foundation that ensures our students succeed through personalized learning and innovation and achievement that is powered by people.

Vision, Mission & Core Promise From Strategic Plan

Vision

Students succeeding through personalized learning. Innovation and achievement powered by people.

Mission

Fleming champions personal and career success through applied learning. We contribute to community success and sustainability through programs, service and applied research.

Core Promise to Students

At Fleming College, you become part of a learning community. We engage you in personalized learning and provide personalized support. Set in welcoming communities, our smaller campuses provide a friendly environment where people know your name.

Close relationships, high expectations and a hands-on, minds-on learning experience help you develop the knowledge and skills, attitudes and values that lead to success at work and in life.

From here, you can go anywhere as you begin or change your career. Or, through well-developed educational pathways, you can pursue further educational opportunities.

You will experience first-hand our commitment to innovation in programs and practices and to building sustainable, healthy futures for our people, communities and environment.

For all of these reasons, 99% of Fleming Students agree they made the right choice coming to Fleming College.

Progress on Specific Objectives – Annual Report 2012 – 2013

The majority of the objectives have been met and four exceeded their target. Plans are in place within the new business plan to finalize those that were not fully completed.

1.0 Achieving Excellence in Student Learning

Strategy 1.1

Ensure that Fleming's applied learning experience stands out, so that graduates are ready to make a difference in the workplace.

Objective:

Improve the efficiency and effectiveness of all applied learning experiences. Success will be measured by the full adoption of our applied learning guidelines and standards framework across all programs.

Met Target

Strategy 1.2
Design and deliver programs to emphasize high expectations, student engagement and high quality student/faculty interaction with results reflected in retention and Key Performance Indicators, particularly Student Satisfaction and Graduation Rates.

Objectives:

Fully implement our student success and retention strategy in conjunction with the continued development and implementation of targeted KPI improvement initiatives. Success will be measured by improved retention rates and improved KPI scores.

> ***Partially Met Target*** – *Improved KPI ratings were not realized. Revised and reinforced KPI improvement plans for under-performing programs will be implemented.*

Develop and implement targeted KPI improvement initiatives including a new academic advising program. Success will be measured by KPI ratings that reflect at least 50% of student learning experience KPIs as "above average", with at least 33% rated as 1st quartile.

> ***Partially Met Target*** – A new academic advising program was implemented across all schools. KPI ratings were 27% "above-average" with 0% in the 1st quartile. Mandatory KPI improvement plans for all 'below average' programs will be revised and reinforced.

Strategy 1.4

Design all aspects of the student experience, within and beyond the classroom, to deliver learning that is consistent with the College's values and Core Promise to Students.
Objectives:

Ensure that all College programs are in full compliance with the Program Quality Assurance Process Audit quality assurance criteria (5) and are demonstrating good quality standing.

Success will be measured by: full compliance with the annual schedule of program and curriculum renewal reviews; achievement of a student satisfaction rating of at least 85% on Overall Quality of Programs (KPI (Q26)); achieve or maintain full accreditation standing in all applicable programs.

> ***Partially Met Target*** – 2013 KPI result for Capstone Question #26 indicates a slight decline in student ratings for Overall quality of the learning experience from 80.3% to 79.5%. Mandatory KPI improvement plans for all 'below average' programs will be revised and reinforced.

Enhance the processes supporting the design and development of high quality programs and student learning experiences. Success will be measured by: the adoption of a revised approach to non-teaching time that serves both College and Union aspirations for enhanced development time structures and outputs; improved KPI learning experience scores; full adoption of enhanced curriculum renewal and program review processes.

> ***Met Target***

Strategy 1.5

Develop an e-learning strategy that prepares our graduates for lifelong learning.

Objectives:

In collaboration with the Academic leadership implement the components of an Information and Communications Technology (ICT) e-learning infrastructure across the College. Successful launching of Windows 7 and MS Office 2010 and implementation of the LMS upgrade, collaboration software tools, consolidated licensing and web conferencing will be the measures of success.

> ***Met Target***

Fulfill the year-one implementation plan as set forth in our e-learning strategy. Success will be measured by the attainment of the defined deliverables for year-one of the strategy.

> ***Met Target***

2.0 <u>Providing Superior Services & Facilities</u>

Strategy 2.1

Provide superior service to students through plans and consequent improvements that increase student satisfaction. Our overall ratings and at least twelve (i.e. two-thirds) of our KPI-based specific service/facilities ratings will be in the top quartile in the province.

Objectives:

Improve services for our growing International population by: opening a new, conveniently located International Student Services office co-located with Career Services and Student Life; developing a four week orientation program specific to the needs of international students;

engaging stakeholders in a review of services and issues related to international students in order to recommend changes to improve their experience/success at Fleming. Success will be measured by effectively implementing the initiatives and through student feedback.

Met Target

Improve experience of student athletes and profile of the College by developing 2 artificial turf sport fields (FIFA Standard) in partnership with the City of Peterborough (target completion of fall 2013).

Met Target

Improve accessibility to Health Services at the Sutherland campus by relocating to a more convenient location. Development of new space will improve student confidentiality/privacy, and include better infection control principles. The measures of success will be both improvements in KPIs and in our internal survey results.

Partially Met Target – The first two measures were met. The new office has been used since September, 2013 and the space does improve confidentiality and infection control. The internal survey, however, will not be administered until the fall of 2013. Health Services KPI results increased and remain in the second quartile.

Improve food services to students in the Sutherland residence by redesigning the "Marketplace". This will coincide with a change of food service provider. The changes will enhance the quality and availability of food products and evening meals. The goal is to increase the sale of meal plans by 10% over 2011-12 sales.

Met Target

In consultation with SAC/SA continue to upgrade services to students including Portal mobile applications, Learning commons upgrades, open wireless upgrades, printing service improvements, lab upgrades, student webmail improvements, and virtual desktop pilot to achieve a KPI rating in the top quartile.

Met Target

Complete renovations over the summer to improve space for student services, the student administrative council and faculty offices at the Brealey campus. Address serious deferred maintenance issues including replacement of the roof over the pathology lab at Frost campus and complete planning for expansion of the Centre for Alternative Water Treatment, funded through CFI, over the summer of 2013.

Met Target

Stabilize Continuing Education Operations in relation to staffing, business processes, and effective work of the Continuing Education Transition Team. Success will be measured by feedback from staff and students and the implementation of new, more efficient and effective business processes.

Met Target

Redesign financial aid services with the implementation of all changes associated with Financial Aid Reform and our own internally generated improvements including the OSAP Direct Deposit, Ontario Tuition Grant and the Online Bursary. Success will be measured by successful implementation of this new initiatives and student feedback on related service.

Met Target

Implement all necessary requirements of provincially driven changes including OEN and Student Level enrolment reporting. Success will be measured by effective implementation of these initiatives that will meet ministry requirements.

Met Target

Strategy 2.2

Ensure that both employees and students see our Fleming IT resources and support as clear assets for their work and learning.

Objective:

Build on the IT-One-Stop Service Initiative to maintain current service levels and introduce virtual service pilots - Bring-your-own-Technology (BYOT) virtual desktops. Completion of DNS/DHCP review and successful implementation of Active Directory will be the measures of success.

Met Target

Strategy 2.3

Complete Campus Master Planning at our major campuses; prioritize and implement key improvements to the physical environment at all campuses.

Objectives:
Award the contract for the construction of the KTTC in the early summer of 2012 and be on track for substantial completion, within budget, by winter of 2014 and full operations September 2014.

Met Target

Secure funds to support the capital equipment requirements for the KTTC.

Exceeded Target

Strategy 2.4

Provide training and services to employees to enable achievement of the Core Promise to Students.

Objective:

Implement a professional development program to enhance effective teaching and learning and service delivery that supports our core promise to students. This is part of a more complete professional development objective related to Strategy 6.1. Success will be measured through student and staff feedback.

Met Target

3.0 Leading in Sustainability

Strategy 3.1

Develop and implement a five-year Fleming College Sustainability Plan that includes objectives, benchmarks and public reporting.

Objective:

Develop a 5-year college Sustainability Plan. Success will be measured by the publication and launch of an approved Sustainability Plan.

Met Target

Strategy 3.2

Reduce waste and the college's carbon footprint so that Fleming's results meet or exceed provincial and national standards for postsecondary institutions.

Objective:

Complete the implementation of XEROX multi-function devices across the college. Through EOLT bring more online services to students and staff and continue to virtualize the back office offering a more flexible environment reducing hardware duplication (servers etc.). Full implementation of the project will be the measure of success.

Met Target

Strategy 3.3

Infuse sustainability across the curriculum and across the student experience so that graduates understand and address sustainability issues.

Objective:

Validate or incorporate the sustainability theme across the entirety of our curriculum. This will be measured by updated course outlines reflecting the sustainability theme across all relevant programs and courses and attainment of a Silver STARS rating through The Association for the Advancement of Sustainability in Higher Education.

Partially Met Target – Bronze STARS rating achieved. Sustainability infusion across the curriculum deferred until 2012-14 academic year. Assigned Academic Leadership for Sustainability across the curriculum. Specified targets for sustainability coverage in the curriculum.

4.0 Growing with Positive Results

Strategy 4.1
Develop and implement campus-based growth plans to realize an overall annual college growth target of 3%. The College will attract students from growing markets including non-direct and underserved groups. The plan will protect market share in our region and identify targeted international opportunities.

Objectives:

Complete 3-year post-secondary growth plans for all schools and campuses. Success will be measured by the publication of approved growth plans by October 31, 2012.

Met Target

Successfully implement the revised 2012-13 Enrolment Plan and develop the Official Enrolment Plan for 2013/14. Success will be measured by fulfillment of the 2012/13 Enrolment Plan and approval of the 2013/14 Plan.

Met Target

Generate student applications to support the achievement of the college's overall enrolment targets through advertising, online initiatives and Liaison outreach.

Met Target

Develop and execute innovative Marketing and Liaison plans and programs to support the launch of the college's new programs and the growth of the college's selected focus programs or schools.

Met Target

Continue emphasis on gaining market share in selected geographic markets (the eastern GTA and International initiatives) and key market segments (non-direct students and university students).

Internal and OCAS data will be measured to determine success against these marketing goals.

Met Target

Strategy 4.2

With the Core Promise as its foundation, implement an integrated growth plan that addresses the entire enrolment cycle, from marketing and admissions to retention and support.

Objectives:

Design and implement institutional research activities with key areas of focus on research and reporting to enhance strategic enrolment management. Success will be measured by the adoption of explicit conversions and retention improvement targets that will contribute to the fulfillment of our enrolment plans.

Met Target

Lead a college-wide committee on effective social media policies and strategies and implement new social media guidelines to guide the college's social media strategy and online brand. Continue to evolve the college's social media presence and website to enhance the user experience and facilitate more strategic promotional opportunities, segmentation and traffic management. Continued growth in social media and website metrics (>3%) will be the measure of success for this goal.

Met Target

Develop, implement and monitor a three-year strategic plan to re-engage alumni with the College through a partnership between an Alumni Advisory Council and the Alumni Officer. The measurement of success will be development of the plan by January 31, 2013.

Met Target

Strategy 4.4

Expand part-time and continuing education activity levels consistent with or above the overall college growth target.

Objectives:

Complete three-year continuing education growth plans for all schools. Success will be measured by the publication by October 31, 2012 of approved growth plans containing growth targets.

> ***Partially Met Target*** – *Continuing education growth plans were delayed owing to intensive time demands of Common Block Development and Memorandum of Understanding negotiations with the Union. Completion of the continuing education growth plans has been rescheduled for September 30, 2013.*

Revise and re-launch marketing programs to attain enrolment targets in the Continuing Education portfolio including part-time courses and certificates offered in Peterborough, Lindsay, Cobourg and through the Haliburton School of The Arts summer program. Strategies will focus on marketing certificates in career-related education.

> ***Partially Met Target*** – Continuing education growth plans were delayed. Marketing efforts will engage following their completion in September, 2013.

5.0 Building Community Success

Strategy 5.1

Work in partnership with our communities to contribute measurably to economic and community development. These plans include emphasis on sectors such as hospitality and tourism, health and wellness, the arts, water management, and construction and manufacturing.

Objectives:

Develop fully-formed programs and partnerships in support of the KTTC. Success will be measured by an approved programs and partnerships strategy which sets out 3-year goals and objectives encompassing KTTC programming serving K-12, post-secondary, apprenticeship and industry education and training needs.

Met Target

Develop a Frost Campus Friends Committee to increase awareness about the College and alumni within the City of Kawartha Lakes and to secure financial assistance to support student success. In addition, revitalize the Haliburton Campus Friends Committee to expand their role, place greater emphasis on community awareness and to secure financial support for college capital projects. The measure of success for Frost Friends will be to have the committee in place and functioning by December 31, 2012. The measure of success for Haliburton Friends will be to have a revitalized committee develop a new event that secures financial support for college capital projects.

Partially Met Target – A newly recruited Frost Campus Committee Chair resigned, setting back the process. The new goal is to have a Frost Campus Friends Committee in place by December 31, 2013. The Haliburton committee was revitalized and a new event to raise awareness and funds was implemented.

In partnership with the Senior Leadership team, continue to work on community engagement initiatives that raise awareness about the College and alumni and garner feedback from the community about critically needed skill sets that could be addressed through educational opportunities. Success will be measured by stronger mutual partnerships, elevated awareness of Fleming and the potential to enhance existing and/or develop future programs to meet community needs.

Met Target

Continue the advancement of the Centre for Alternative Wastewater Treatment (CAWT) as a world-class research centre. Success will be measured by: full readiness for successful execution of the Canada Foundation for Innovation (CFI)-funded CAWT laboratory expansion in the summer of 2013; publication of an updated CAWT strategic plan (2012-17) which fully articulates the 'next level' of applied research development at Fleming College; fulfillment of all currently contracted project deliverables and compliance requirements; continued advancement of the CAWT's positioning as a recognized player in provincial, national and international water-related projects and initiatives.

Exceeded Target

Re-affirm or revise our capacity and commitment to undertake research in the area of healthy aging in partnership with St. Joseph's at Fleming. Success will be measured by an approved restatement of strategic intent with a supporting action plan.

> ***Partially Met Target*** – *Senior leadership turnover and ensuing organizational turmoil at St. Joseph's at Fleming has precluded any meaningful engagement with them relative to this objective. We will continue with the applied research projects that have been successfully launched. Restatement of a renewed strategic plan for the partnership will continue to be delayed pending the stabilization of organizational circumstances at St. Joseph's at Fleming.*

Strategy 5.5

Enhance programs and services to Aboriginal students to improve access, participation and success of Aboriginal learners.

Objective:

Increase Aboriginal cultural awareness by implementing a cultural competency training program to appropriate employees throughout the College beginning fall 2012. Trained members of Aboriginal Services will deliver at least 3 sessions during academic year.

> ***Met Target***

6.0 Developing the Fleming Working Environment

Strategy 6.1

Through a College priority on continuous learning and professional development, enhance skills, professional capabilities and personal growth.

Objective:

Effectively implement the second year of an integrated, four-year professional development framework that supports enhanced quality in teaching & learning and service delivery with particular focus on e-learning and leadership capabilities. Effective implementation of the plan, strong participation rates and improved KPI's will be the measures of success.

> ***Exceeded Target***

Strategy 6.2

Emphasize leaders' responsibilities and objectives to focus in a balanced way on both people and results.

Objective:

Improve overall leadership through the implementation of Leader 360 action plans and the use of this feedback in performance management. Improvements will support the working environment, engagement and innovation. A majority of leaders achieving 'fully successful' and/or 'above' ratings on the related leadership objective will be the measure of success.

Met Target

Strategy 6.3

Foster teamwork and strong relationships through a focus on effective communication, conflict resolution, critique, collaborative decision-making and accountability.

Objective:

Implement improved communication solutions that include the development and implementation of a new internal communication program focusing on web and social media solutions and leader communication to address the gaps identified in the engagement survey. Full implementation and qualitative feedback on the success of these recommendations will be the measure of success.

Partially Met Target – Communication plans such as Leader briefing are now working well; however, the launch of new web-based communication solution will take place early in fiscal year 2013-14.

Strategy 6.4

Continue to develop a welcoming working environment that supports inclusiveness, innovation and sustainability. This environment will be reflected in a high level of employee engagement.

Objective:

Develop a plan to enhance inclusiveness and accessibility and implement the first stage next year. It will ensure compliance with Accessibility for Ontarians with Disabilities Act standards and enhance the feeling of inclusiveness for all students with emphasis on International and Aboriginal students. Success will be measured by completion of the plan and launch of the first phase.

Met Target

Strategy 6.5

Regularly seek feedback and evaluate the college's progress in relation to our Core Promise values and strategic priorities.

Objectives:

Improve efficiency by streamlining academic and service processes using various methodologies including the formal Lean method and collect clear metrics. An efficiency report card will be developed that summarizes informal and formal Lean efficiency improvements with clear, relevant metrics/benefits.

Exceeded Target

Implement the first phase of critical improvements identified through the first Lean project undertaken to improve the Academic Workloading process. Full implementation of this first phase with accompanying efficiency metrics will be the measure of success.

Met Target

Analysis of Operational Performance

This has been a year of accomplishments by the College, particularly in the areas of growth, applied research, the student experience, our working environment and advancement and alumni.

Growth

- Enrolment growth in January saw a record intake
- Fastest growing college in Ontario in International Enrolment which more than doubled from previous year at 4.5% of enrolment and in Ontario Learn Enrolment with growth of 32% over previous year
- Regular upgrades across labs and learning commons including new multimedia group study rooms completed at Brealey and over 20 major projects completed across the academic and service areas
- Strong growth in social media adoption and engagement

Applied Research

- Successful fulfillment of our NSERC and FedDev research funding deliverables has been realized
- Full readiness for the CFI-funded expansion of the Centre for Alternative Wastewater Treatment laboratory during the summer of 2013 has been achieved
- Funding to support first-time applied research in the healthy aging arena has been achieved

Student Experience

- Common block development time is being implemented for all full-time faculty so that they can contribute to the success of College and School priorities designed to enhance the academic and student experience
- Two artificial turf sports fields have been developed to enhance the athletic experience
- A new location for Health Services was implemented for ease of access and a strong suite of services designed for International students
- Construction of our 87,000 square foot Kawartha Trades and Technology Center is well underway and on track and on budget to providing a best-in-class work-integrated learning environment

Strong Working Environment

- Successfully implemented the second year of a four-year professional development program to enhance the capabilities of faculty and staff enhance the international student experience, academic delivery and the student experience outside the classroom
- Undertook four Lean projects within continued success, completed training for staff, developed a partnership with Algonquin and the City of Peterborough and the infrastructure that includes a steering committee, communication plan and annual report on Lean. In addition, informal 'Leans' were completed such as system changes and business improvements in the Registrar's Office and a redesign of Financial Aid Services
- IT roadmap is tracking successfully on all initiatives
- Operational delivery across the IT platform from academic and service applications achieved better than 99.9% availability and reliability

- Working closely with the Support Staff Union, the College is designing a Fleming certificate for support staff to assist in the acquisition of new capabilities and to help them successfully apply for new positions

Advancement and Alumni

- Secured 74% of funds required to meet Kawartha Trades & Technology Centre campaign goal
- Recruited and supported a 65 member KTTC Campaign Cabinet consisting of high profile individuals from within the college's catchment area. The scope of expertise and network of contacts held by the Campaign Cabinet allows for, not only the successful acquisition of funds, but a greater awareness about opportunities within skilled trades as a rewarding and exciting career path
- Developed and began to operationalize a two-year strategic plan for the Alumni Advisory Council to build awareness about the scope of services and opportunities available to alumni, to foster engagement and to develop partnerships and alignment between work/employee groups, alumni, current and prospective students and student leadership councils

We continue to improve our ability to deliver personalized and enhanced learning experiences for students, to lay a strong foundation of innovation and accomplishment, to gain efficiencies and productivity and to create a dynamic working and learning environment for students and employees.

Financial Highlights here…

Appendixes

A) Report-back on Multi-Year Accountability Agreement – to be provided in September in compliance with the MYAA Report Back timelines
B) Audited Financial Statements
C) KPI Performance Report
D) Summary of Advertising and Marketing Complaints Received – received no complaints
E) Not Required
F) List of Governors
G) Report of the President's Advisory Council

Appendix C
KPI Performance Report

KPI	FLEMING 2013 %	FLEMING 2012 %	FLEMING 2011 %	FLEMING 2010 %	FLEMING % Diff 2012 to 2013	FLEMING % Diff 2011 to 2012	FLEMING % Diff 2010 to 2011	SYSTEM 2013 %	SYSTEM 2012 %	SYSTEM 2011 %	SYSTEM 2010 %	SYSTEM % Diff 2012 to 2013	SYSTEM % Diff 2011 to 2012	SYSTEM % Diff 2010 to 2011	*% Diff Fleming vs. System*
Student Satisfaction	*76.9%*	77.1%	74.6%	78.1%	*-0.2%*	2.5%	-3.5%	*77.1%*	76.8%	*76.1%*	*76.3%*	*0.3%*	0.7%	-0.2%	*-0.5%*
Graduate Satisfaction	*79.9%*	79.4%	77.9%	79.6%	*0.5%*	1.5%	-1.7%	*80.0%*	78.9%	*79.1%*	*79.8%*	*1.1%*	-0.2%	-0.7%	*-0.6%*
Employer Satisfaction	*93.8%*	92.8%	94.7%	91.7%	*1.0%*	-1.9%	3.0%	*93.4%*	92.8%	*93.2%*	*93.0%*	*0.6%*	-0.4%	0.2%	*0.4%*
Employment Rate	*84.3%*	82.0%	82.4%	85.0%	*2.3%*	-0.4%	-2.6%	*83.6%*	83.0%	*83.0%*	*84.8%*	*0.6%*	0.0%	-1.8%	*1.7%*
Graduation Rate	*65.7%*	66.5%	66.7%	66.6%	*-0.8%*	-0.2%	0.1%	*64.8%*	65.0%	*64.2%*	*65.0%*	*-0.2%*	0.8%	-0.8%	*-0.6%*

n/a - information Not Available at time of report preparation.
% Diff Fleming vs. System shows Fleming's change in KPI score from 2012 to 2013 in relation to the system change over the same time.

Student Satisfaction
Students were included in KPI if they answered all 4 CAPSTONE questions and the semester question (Q2). Those in first semester were excluded.
Values represent the percentage of students who were Very Satisfied or Satisfied.

Graduate Satisfaction
Values represent the percentage of students who were Very Satisfied or Satisfied with the question:
"How would you rate your satisfaction with the usefulness of your college education in achieving your goals after graduation?"

Employer Satisfaction
Employers were contacted only if the graduate gave Forum Research permission.
Values represent the percentage of employers who were Very Satisfied or Satisfied with the question:
"How would you rate your satisfaction with this employee's overall college preparation for the type of work he/she was doing?"

Overall Employment Rate
Reflects the number of graduates employed during the MTCU reference week. Overall employment rate is based on graduates who were classified as eligible for work according to the MTCU criteria.

Graduation Rate
Reflects the percentage of graduates who complete their program requirements within a time frame that equals 200% of the normal program duration.

APPENDIX G

President's Advisory Council 2012-2013 Annual Report

SOURCE

- Minister's Binding Policy Directive, *Governance and Accountability Framework* (revised Sept 2010)
- By-law 1-102, s.38: *Advisory Councils – College Council*
- Board Policy 1-102K, *Advisory College Council*

Background • Purpose of this report/request • History • Other relevant information	Colleges are required to comply with Binding Policy Directives issued by the Ministry of Training, Colleges and Universities. The Directive stipulates that the board of governors is to ensure that an advisory college council is established, the purpose of which is to provide a means for students and staff of the college to provide advice to the president on matters of importance to students and staff. At Fleming, advisory college council is known as the President's Advisory Council.
Action Required • for Information • for Discussion	The Binding Policy Directive also states that a report from this advisory shall be included in each college's annual report. Fleming College is fortunate to have an active college council made up of a cross-section of students representing all campuses and staff from all employee groups: support, academic, and administration. Supporting the College's mission and values, the President's Advisory Council promotes communication and collaboration and contributes positively to planning processes and information-sharing on matters of importance to students and staff. It serves as an effective means for students and staff to provide valuable insight to the president on the challenges and successes of the College.
Considerations, Impacts and Options	The President's Advisory Council met seven times in 2012-2013 and covered a significant number of topics. Members provided feedback, consulted and reported to their respective constituencies on the following topics: • Fleming College Strategic Mandate Agreement – developed as a result of the province's consultations addressing postsecondary education related to innovation, differentiation, and maintaining and improving productivity while containing costs. • Frost Campus Vision 2011-2015 identified six priorities to take the Campus to the next level. • A memorandum of understanding between Fleming and three northern colleges was signed to signify a collaborative approach

	to provide a broader range of learning opportunities. • Objective #2 of Fleming's Strategic Mandate Agreement has proposed Frost Campus become an Ontario Centre of Excellence in environmental and natural resource sciences. • Challenges facing students in terms of balancing academic and personal workloads, cost of education and navigating College services. • Progress of the new Kawartha Trades and Technology Centre. • Activities and challenges at Haliburton and Cobourg Campuses. • Development of Fleming's five-year Sustainability Plan. • Operational procedures, e.g. class cancellation, academic regulations, counselling, and college services. • Hosted an "open forum" led by a panel of four students discussing mobility trends open to the college community. • E-Learning strategies and innovative possibilities to enrich students learning. • Analysis of results of the 2013 Key Performance Indicators (KPI) Survey.
• risk	The capacity for communication between the president and students and staff would be greatly diminished if Council did not exist; in turn, the president would not have the opportunity to hear valuable insights into successes and challenges of the College.
• summary	The President's Advisory Council continues to have a demonstrated impact on College operations. As a corporate body, it deals with issues that affect the entire College. It provides a link to help keep the College community informed about on-going projects and initiatives. Feedback, suggestions and recommendations are shared with the College's Executive Leaders Team for information and/or follow-up.
Financial Implications	Participation on the President's Advisory Council is on a voluntary basis and has a budget to cover inter-campus travel and hospitality expenses for its members.
Prepared by	Secretary, President's Advisory Council

REPORT TO THE BOARD OF GOVERNORS

SUBJECT: ***Chair's Report***
PRESENTED BY: Governor McLean, Board Chair
ACTION: For Information

Board Professional Development

- The *Higher Education Summit* is one of Canada's leading conferences on postsecondary education. The 2013 conference will take place November 17 and 18 at the Fairmont Royal York Hotel in Toronto. The conference site is expected to be "up and running" shortly.

Celebrating Our Students

- Governors are invited to attend the annual Academic Awards presentations, details as follows:

  School of Environmental and Natural Resource Sciences
  Friday, June 7, 2013 at 10:30 a.m. in the *Glenn Crombie Theatre, Frost Campus, Room 250*

  School of Justice and Business Studies (Law & Justice Awards)
  Monday, June 10, 2013 at 7:00 pm in the *Whetung Theatre, Sutherland Campus, Room 519*

  School of Justice and Business Studies (Business Awards)
  Tuesday, June 11, 2013 at 7:00 pm in the *Whetung Theatre, Sutherland Campus, Room 519*

  School of Community Development and Health
  Wednesday, June 12, 2013 at 7:00 pm in the *Whetung Theatre*, *Sutherland Campus, Room 519*

  A reception for each of the award presentations will be held immediately following. Governors are asked to notify the Board Office if interested in attending any awards presentation.

Fleming College

Public Meeting – May 29, 2013
Agenda Item 7.2 (b)

REPORT TO THE BOARD OF GOVERNORS

SUBJECT: ***College Activity***
PRESENTED BY: Dr. Tilly, President

Background	A report to inform the Board of Governors and the community on the College's activities between March 21 and May 24, 2013.
Action Required • for Information • for Consultation • for Discussion • for Approval (motion required)	**For Information.**
Prepared by	Board Office

Academic

- The *Sustainability Tracking, Assessment and Rating System* (STARS) is a new program that measures and encourages sustainability in all aspects of higher education. Fleming received a STARS Bronze Rating in recognition of its sustainability achievements; this attainment achieves an important part of the College's strategic plan to move from commitment to results.

- Congratulations to the Fleming award winners at the *Community Innovation Forum* which was held on April 4:
  - Innovation, Marketing: Raising Awareness for Specific Programs – ***Victoria Brunton, Stephanie LeBlanc***.
  - Innovation, International Trade: Creating an Export Guide – ***Shane Clarke, Joel Hicks, Nathan Powell, Jesus Gonzales Valdovinos, Brittany White***.
  - Innovation, Computer Technology: Technology at Fleming – ***Michael Harris, Steven Tease.***
  - Presentation, Marketing: Raising Awareness for Specific Programs – ***Victoria Brunton, Stephanie LeBlanc.***
  - Presentation, International Trade: Identifying International Markets – ***Greg Pigeau, Amy Pazsternak, Danielle Rodo.***
  - Presentation, Computer Technology: E-commerce for a new business: ***Trevor Dulmage, Terry Hogg.***

- Two Frost Campus students – ***James Hill and Ryan Wilbee*** – received the *Roads Scholar Award,* held in conjunction with the National Heavy Equipment Show at the International Centre in Toronto on April 18. The Roads Scholar program was developed through the Ontario Hot Mix Producers Association. Students from Conestoga College and Georgian College also received awards.

- Eighteen pieces of art completed last year by students in the Contemporary Landscape program (Advanced-Level II) at the Haliburton School of The Arts were exhibited at the McMichael Canadian Art Collection Art Gallery in Kleinberg for the month of April, part of a touring exhibition.

- The Centre for alternative Wastewater Treatment expanded its research in India through a newly-signed *collaborative agreement* with ReserWater Innovation Foundation (RWIF), India's first water innovation platform. Dr. Brent Wootton was in New Delhi on April 11 to sign the agreement on behalf of the Canada-India Water Training Consortium.

- A new, permanent exhibit at Clonsilla Fire Station #3 opened on April 13; Museum Management and Curatorship students worked alongside the Peterborough Fire Services to develop *RED: Ready, Experienced, Dedicated – Your Peterborough Fire Services.*

- A *new environmental protection technology*, launched on April 19, was tested extensively by the Centre for Alternative Wastewater Treatment to ensure its efficacy. Murrenhil Corporation demonstrated the abilities of the ROC (Rapid Oil Containment) Oil Cling Pad which is able to absorb 20 to 30 times its own weight and 40 to 60 per cent more hydrocarbons than conventional pads.

- A group of *fourth semester Ecosystem Management Technician students* were in Costa Rica April 20 through May 4 for a field placement, participating in a community-based marine turtle monitoring and conservation program in Parismina. The field placement also included snake ecology, plant and tree phenology, bird monitoring, and neotropical rain forest ecology. Their adventures are on a blog, written to two students: http://www.destinationconservation.ca/Blogs/

- On May 15, the federal government announced funding to help complete work on the *First Nation solar farm at Alderville.* This grant, from the federal Skills and Partnership Fund, will be used to train 15 to 18 people in Alderville with local business, Simpson Welding, and Fleming College. At the end of the course, graduates will have a welding certificate.

- The *Personal Support Worker (PSW) program* received funding from the Ministry of Health and Long-Term Care (through the Seniors Care Strategy) to purchase special simulation equipment.

- Faculty had their choice of a range of opportunities during the *Common Block Development (CBD) professional development week* held May 6 to 10. The wider CBD initiative reflects the College's commitment to the redesign of learning experiences for students; highlights the importance of focussed non-teaching time to generate innovative results; and the value of on-going PD to achieve academic goals.

- On May 22, students from the Esthetician program helped visitors *Step into Spring* with manicures and pedicures; the Cobourg Campus hosted the fundraiser with proceeds going to the Northumberland United Way.

- Fleming partnered with Trent University to *co-host a national conference on environmental education*. Bringing together more than 30 Canadian postsecondary institutions for workshops and panel discussions, the 11th annual Canadian College Environmental Network (CCEN) and the Canadian University Environmental Science Network (CUESN) conference was held at the Symons Campus of the University (May 23) and the College's Frost Campus (May 24).

Finance and Administration

Safety and Security

- Parking Lot F was closed the week of May 6 to 10 to allow *site preparation work for the Sports Field construction*. Once full construction begins, the lot will be closed for the remainder of the summer, with a target date to re-open September 1, 2013.

- Staff have been invited to take part in a *Preventing Workplace Violence* - Prepare Training Workshop; the four hour course was developed by the Crisis Prevention Institute.

Human Resources

Staff had an opportunity to provide input on Fleming's working environment through the *Employee Engagement Survey* between May 13 and 27. Surveys were previously conducted in 2008 and 2010. The results of the current survey will track progress and identify the next priorities as the College strives to create an excellent working environment.

Recruitment and Selection

For the March 21 through May 13, 2013 timeframe, the College posted 34 positions (a combination of permanent and temporary positions): 9 Support, 25 Academic.

- The College hired 3 *new permanent (full-time) staff*: 2 Support, 1 Academic.

- The College hired 1 *new permanent (regular part-time) Support staff*.
- There were no *internal full-time transfers*.
- There were 7 *temporary full-time assignments*: 5 Support, 2 Administrative.
- There were 4 *resignations and/or terminations:* 2 Support, 2 Administrative.
- There was 2 Support Staff *retirements*.
- There were 4 *leaves*: 4 Support (1 maternity, 3 seasonal layoffs).
- There were 3 *return from leaves:* 2 Support (1 maternity, 1 parental), 1 Academic (1 parental).

Recognition

- Congratulations to the following employees who achieve significant *service milestones* in the months of April and May:
  - 10 years: John Fader, Jayne Asselin, Patrick Caskanette, Brenda Lucas
  - 20 years: Cindy Gervais
  - 25 years: Sally Ellis

With Sadness

- Computer Engineering student *Nicholas Chilibeck,* who passed away on April 19, 2013. Flags at the Sutherland Campus were lowered to half-mast on April 25.

- Faculty member *Michael Heffernan*, who passed away on May 20, 2013. Flags at the Sutherland Campus were lowered to half-mast on May 24.

Advancement and Alumni Relations

- More than 60 people participated in the inaugural *LIVE Art Here fundraiser* for the Haliburton School of The Arts. The April 27 event achieved $14,000 gross in revenue in support of scholarships, bursaries and capital equipment.

Marketing, Communications and Liaison

Presentations and Events

- Participation in *Peterborough Day at Queen's Park* on May 15. The time lapse of the KTTC construction project was viewed by many members of the Ontario Cabinet. MPP Jeff Leal was pleased that Fleming was there and specifically mentioned the College in his thank you speech.

Media Stories

- http://chextv.com/News/LN/13-05-15/Peterborough_Day_at_Queen_s_Park.aspx
- http://chextv.com/News/LN/13-05-15/Fleming_College_Breaks_Ground_on_New_Sports_Complex.aspx

Public Meeting – May 29, 2013
Agenda Item 8.1

REPORT TO THE BOARD OF GOVERNORS

SUBJECT: ***Kawartha Trades and Technology Centre – Construction Progress Report***
PRESENTED BY: Mr. Baker, Vice-President Finance and Administration

Background • Purpose of this report/request • History • Other relevant information	A report to inform the Board of Governors on the progress of the construction of the Kawartha Trades and Technology Centre. A monthly update is provided to the Finance and Property Committee.
Action Required • for Information • for Consultation and/or Discussion • for Approval (include motion)	**For information.**
Prepared by	Office of the Vice-President Finance and Administration

KTTC Update - May 2013

Progress to date

Construction site

Item	% complete last report (6 Feb 2013)	% complete This report	Projected completion date this report	Projected completion date last report	Completion date as per original schedule (26 Sept 2012)
Project Schedule	9	11	**14 May 2014**	**14 May 2014**	
Percentage of change order/ contingency expended	9.81	43			
Main Building	9	11	22 May 2014	22 May 2014	
Building Structure (foundations, slab, floors, framing etc)	54	61	26 Jul 2013	26 Jul 2013	18 Jun 2013
Building Envelope (cement fibre panels, cladding, glazing, roofing , skylights etc)	0	0	17 Sep 2013	17 Sep 2013	31 Jul 2013
Interior Wall Construction	0	0	27 Dec 2013	27 Dec 2013	23 Dec 2013
Finishes	0	0	23 Apr 2014	23 Apr 2014	7 Mar 2014
Fittings (millwork)	0	0	8 Apr 2014	8 Apr 2014	28 Feb 2014
Electrical	0	0	23 Apr 2014	23 Apr 2014	7 Mar 2014
Fire Alarm	0	0	11 Mar 2014	11 Mar 2014	7 Mar 2014
Mechanical (Plumbing)	0	0	1 Apr 2014	1 Apr 2014	28 Feb 2014
Mechanical (HVAC)	0	0	23 Apr 2014	23 Apr 2014	7 Mar 2014
Sprinkler and Fire Protection	0	0	23 Apr 2014	23 Apr 2014	7 Mar 2013
Exterior work and landscaping	0	0	30 May 2014	30 May 2014	30 Dec 2013
Occupation Permit (substantial Performance)			**23 Apr 2014**	**23 Apr 2014**	**4 Mar 2014**

Internal Planning

Item	% complete last report	% complete this report	Projected completion date	Projected completion date last report
Room allocations and space planning	95	100	complete	15 Mar 2013
Equipment lists	65	100	complete	15 Mar 2013
Furniture lists	100	100	complete	1 Apr 2013
Computer layout and rack design	0	0	1 June2013	1 June2013
Course Scheduling	0	0	28 Feb 2014	28 Feb 2014
LEAN design	0	0	1 Jan 2014	1 Jan 2014
LEED Gold Standard	10	10	7 Apr 2014	7 Apr 2014
Signage	5	15	1 Jan 2014	1 Jan 2014
Move Planning	2	20	1 Mar 2014	1 Mar 2014

Risks

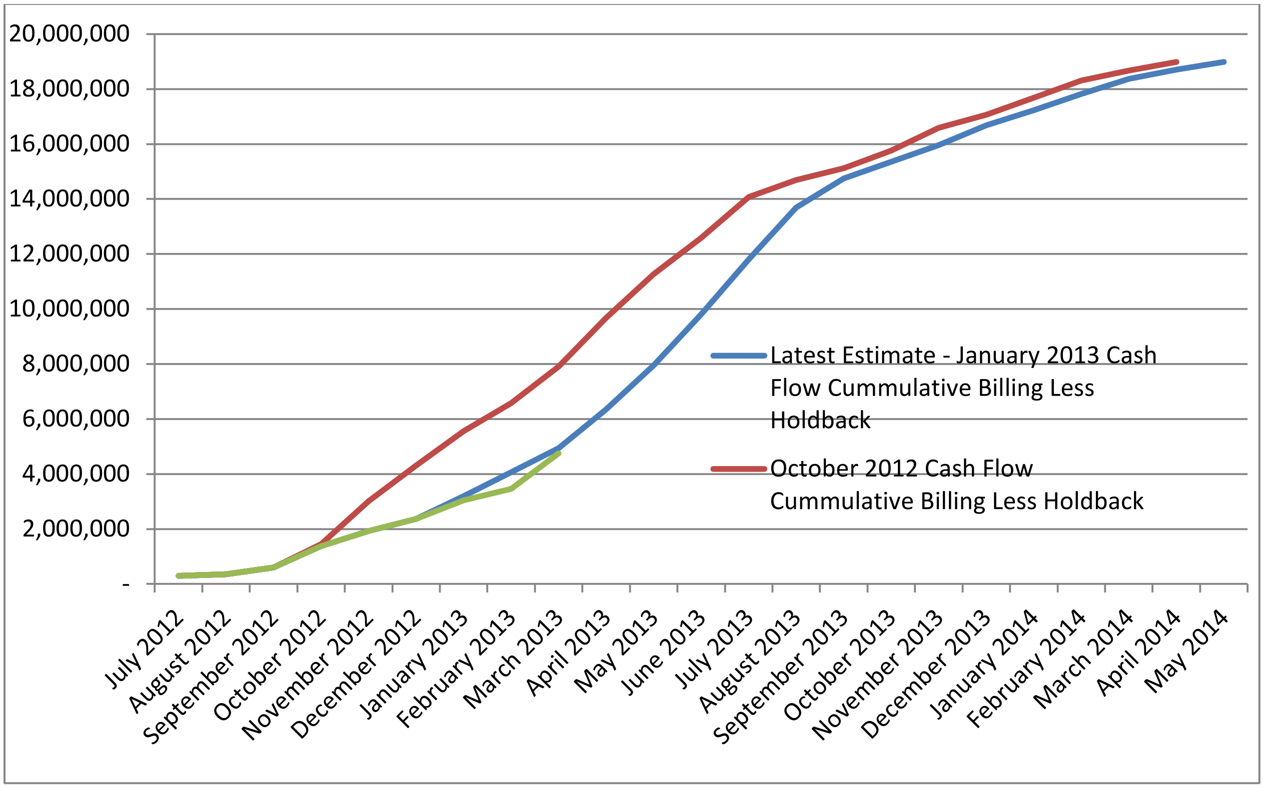
The initial estimates costs for the HRAC and Welding Department changes have been submitted by the contractor to the Architect. These estimates will now need to be evaluated by the architects and the engineers to ensure that the prices charged are reasonable and that there is not any duplication of the changes. The initial estimates are for $1.3M with the majority of the cost being $800K for all of the mechanical changes. These mechanical changes include the piping and ventilation modifications that were required to change the location of the welding and HVAC departments. In addition this change includes an increased scope from the original drawings. Specifically there are now almost 90 furnaces, hot water heaters, fireplaces and stoves versus the initial plans that accommodated less than 20 of these pieces of equipment. The process of determining the fair market value of the changes could take several weeks and without immediate actions could result in a significant delay to the project.

Immediate actions taken

- In order to ensure that the project is not delayed the architect will be breaking the change into smaller changes that can be immediately validated for price and a mutually agreed upon change order can be issued. The most immediate change is the provision of the underground services in the ground floor poured concrete slab. This will be issued early next week. In concert with this the entire construction and planning team will be meeting on site on Wednesday 21 May 2013 in order to expedite the production and validation of the costs associated with the new drawings. Our architects and engineers have added staff to produce all of the necessary documentation for the meeting.

- In addition a value engineering exercise is being conducted in order to determine if there is anything in the building that can be modified in order to save additional dollars i.e. the door locks and hardware etc.

- Internally we will be prioritizing the equipment list and purchasing the highest priority items first. This will allow us to potentially defer lower priority items in order to increase our contingency.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October 2013
November 2013
December 2013
January 2014
February 2014
March 2014
April 2014
May 2014
Latest Estimate - January 2013 Cash Flow Cummulative Billing Less Holdback
October 2012 Cash Flow Cummulative Billing Less Holdback

Fleming College

Public Meeting – May 29, 2013
Agenda Item 9.1

SUBMISSION TO THE BOARD OF GOVERNORS

SUBJECT: ***New Program – Welding and Fabrication Technician***
PRESENTED BY: Governor Maki, Chair – Academic and Student Affairs Committee

SOURCE

- New Program Development and Approval Process, endorsed by the Board January 26, 2011
- Academic Planning and Development Committee, meeting of May 15, 2013
- Academic and Student Affairs Committee, meeting of May 15, 2013

Background • Purpose of this report/request • History • Other relevant information	The one year intensive program has been designed to address the changing employment and environmental needs of the industry and provide students with theoretical and practical skills to weld and fabricate.
Action Required • for Information • for Consultation and/orDiscussion • for Approval (include motion)	**For Approval** **THAT the Board of Governors of Sir Sandford Fleming College approve the *Ontario College Diploma in Welding and Fabrication Technician* program with an implementation date of September 2014, for forwarding to the Credentials Validation Service for validation of the program and titles and to the Ministry of Training, Colleges and Universities for funding approval.**
Considerations, Impacts and Options • pros and cons • risks	**Credential**: Ontario College Diploma **Program Length**: Four semesters with two exit points **School**: Trades and Technology Provides students with opportunities to apply sustainable practice to the field and learn through the use of e-technologies.
Financial Implications • staff, facilities, equipment • impact on budget	In light of anticipated growth, there is a need to hire one full-time faculty and a part-time technician in the School. Specialized space requirements have been included in the KTTC plan.
Prepared by	Office of the Vice-President Academic

Sir Sandford Fleming College - Program Costing

Program Name: Welding and Fabrication Technician

Net Tuition (per semester)	$	1,159
BOG (per yr)	$	4,300
Attrition		20%
WFU (per semester)		0.81

(All values expressed in current dollars)

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Semester 1 Enrolment	60	60	60	60	60	60
Semester 2 Enrolment	48	48	48	48	48	48
Semester 1 (Winter)	30	30	30	30	30	30
Semester 2 (Summer)	24	24	24	24	24	24
Semester 3 Enrolment		60	60	60	60	60
Semester 4 Enrolment		48	48	48	48	48
Total Enrolment	162	270	270	270	270	270
Revenues						
Tuition Fees	$ 187,752	$ 312,919	$ 312,919	$ 312,919	$ 312,919	$ 312,919
MTCU Operating Grant Received	-	186,921	498,456	809,991	934,605	934,605
Total	**187,752**	**499,840**	**811,375**	**1,122,910**	**1,247,524**	**1,247,524**
Expenses						
Academic Direct	245,090	423,078	423,078	423,078	423,078	423,078
Program Coordinator	24,738	24,738	24,738	24,738	24,738	24,738
Technicians	80,292	80,292	80,292	80,292	80,292	80,292
Course Supplies @ $250 per student	40,500	67,500	67,500	67,500	67,500	67,500
Dean & Other academic costs	10,890	28,991	47,060	65,129	72,356	72,356
Total	**$ 401,510**	**$ 624,599**	**$ 642,668**	**$ 660,737**	**$ 667,965**	**$ 667,965**
Net Contribution or (Cost) of Proposed New Program before Overheads	(213,759)	(124,759)	168,707	462,173	579,559	579,559
Contribution %	(113.9%)	(25.0%)	20.8%	41.2%	46.5%	46.5%
Startup and Replacement Capital Costs	4,000					
Development Costs	12,000					
College Overhead	66,182	176,194	286,010	395,826	439,752	439,752
Net Contribution or (Cost) of Proposed New Program	**($295,941)**	**($300,953)**	**($117,303)**	**$66,347**	**$139,807**	**$139,807**
Cumulative Cash Flow Excluding Overhead	**($229,759)**	**($354,518)**	**($185,810)**	**$276,363**	**$855,922**	**$1,435,481**

Assumptions:

1. Dean and other academic administrative expenses allocated at 5.8% of revenue
2. Academic delivery costs are comprised of approximately 28% FT Faculty and 72% Contract Faculty
3. College overhead is allocated at 35.25% of revenue
4. Normal tuition gross of $1265

Fleming College

Public Meeting – May 29, 2013
Agenda Item 9.2

SUBMISSION TO THE BOARD OF GOVERNORS

SUBJECT: ***Community Awards***
PRESENTED BY: Ms. Debbie Caldwell, Rewards and Recognition Administrator;
Ms. Laura Copeland, College Communications

SOURCE

- *Fleming College Rewards and Recognition Program*, approved November 28, 2007
- Policy 1-105, *College and Community Recognition and Awards,* approved June 27, 2012
- Human Resources Committee, meeting of April 10, 2013

Background • Purpose of this report/request • History • Other relevant information	The *Brian L. Desbiens Community Service Award i*s one of the seven annual Fleming Awards, part of the College Rewards and Recognition program. The *Fellowship in Applied Education Award* was created to recognize citizens who, through their vocation or volunteer work, have demonstrated outstanding commitment to and concern for their local community, their country or the world beyond. There are two Fellowships: one for Peterborough/Cobourg and one for Haliburton/City of Kawartha Lakes. The College did not receive nominations for either award in 2013, and there has been a pattern of low interest over the past few years. The Board's Human Resources Committee requested the staff responsible for administration of these awards investigate potential reasons for low participation in nominations, and identify ways to stimulate interest and encourage more nominations for deserving recipients, for the Board's consideration. The working group (Debbie Caldwell, Rewards & Recognition; Laura Copeland, Communications Officer; Sandra Dupret, Dean; Sherry Gosselin, Operations Leader; Shirlanne Pawley-Boyd, Chief Advancement Officer; Barb Elliot, Faculty) offer the following **recommendations**: 1. Integrate the nomination/presentation of these two awards and change ownership/approval to the Executive Leaders Team in order to cut down the time needed to execute the process from start to finish. 2. To lessen confusion regarding what the award is for, align the name of the external Fleming College Fellowship in Applied Education Award with the internal Brian L. Desbiens Community Service Award (same name, one internal and one external award) and provide the symbolic Globe award to both. Brian Desbiens has been approached and is agreeable to this change. 3. Separate the community service award from the other Fleming awards and move the timing of the nomination process for both community service awards to Fall to give them more direct focus (call for nominations 3rd week of September) and run parallel internal/external nomination processes. 4. Shorten the period for receiving nominations to two weeks. 5. Review and revise the criteria for the external community service award to make it easier for nominators to provide what we're looking for. 6. For both awards, allow space on the nomination form for a short

	paragraph introducing the nominee and why they are a good candidate for the award. 7. Enhance public awareness for the external award through social media, connections with College partners, radio talk shows, etc. 8. Enhance College Leader accountability to promote/participate in the nomination process. 9. Connect with the Advancement and Alumni Office and present both awards the National Philanthropy Day luncheon in the second week of November, or an alternate event if the recipient is from a campus other than Sutherland or unable to attend the luncheon.
Action Required • for Information • for Consultation and/or Discussion • for Approval (include motion)	**Discussion and approval.** **THAT the Board of Governors of Sir Sandford Fleming College receive the proposed revisions to the Community Service Award and the Fellowship in Applied Education Award and approve the recommendations, as circulated.**
Considerations, Impacts and Options • pros and cons • risks	The working group looked at each award separately to detect reasons so few nominations are generated, and then looked at ways the two awards could be combined into one process. • Volunteers aren't looking for/don't want recognition • Nominators don't have/take time to complete the nominations due to competing priorities • Other Fleming Awards get attention first, community service takes more effort to come up with information/material so may be last choice • Fleming Awards collide with other College priorities – i.e. budget, business plans Discussion took place around changing the timing for receiving nominations for the awards to align presentation of the award with National Philanthropy Day (2nd week of November). Currently, recipients for both awards are recommended to and awarded by the Board. Moving responsibility to the Executive Leaders Team and implementing the process changes will decreased by half the time required to complete the process from start to finish. There is a risk that these changes may not achieve the results hoped for as research shows that similar awards in the community are also on the decline.
Financial Implications • staff, facilities, equipment • impact on budget	The cost of one additional symbolic award, totaling under $100 per year, will be managed through the existing budgets.
Prepared by	Debbie Caldwell, HR/Rewards and Recognition Administrator

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Board of Governors

Enrolment Update

May 29, 2013

2011/12 vs 2012/13

Fleming College
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		2011/12 Actual	2012/13 Actual	% Diff
Summer	New	130	103	-20.8%
	Returning	826	853	3.3%
	Total	*956*	*956*	*0.0%*
Fall	New	3,391	3,263	-3.8%
	Returning	2,610	2,618	0.3%
	Total	*6,001*	*5,881*	*-2.0%*
Winter	New	923	1,081	17.1%
	Returning	4,957	4,868	-1.8%
	Total	*5,880*	*5,949*	*1.2%*
Grand Total All Sem	New	4,444	4,447	0.1%
	Returning	8,393	8,339	-0.6%
	Total	**12,837**	**12,786**	**-0.4%**

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2012/13 New and Returning Analysis

	2012/13 Target	2012/13 Day 10	% Diff Target vs. 2012/13	# Diff Target vs. 2012/13	2011/12 Day 10	% Diff 2011/12 vs. 2012/13	# Diff 2011/12 vs. 2012/13
New	4,696	4,447	-5.3%	-249	4,444	0.1%	3
Returning	7,958	8,339	4.8%	381	8,393	-0.6%	-54
Total	12,654	12,786	1.0%	132	12,837	-0.4%	-51

Current State

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- Record Summer Enrolment – 1097 enrolled which is 141 more than last summers
- Fall 2013 - domestic confirmations up by 3%, applications down by 4%
- Fall 2013 - overall International applications tracking similar to last year

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2013/14 Enrolment Plan

- On par with last year's results
- 3% increase in each of fall and winter intakes
- 2% of intake increase domestic, 1% international
- Decline in returning students

Key Performance Indicators Results

Board of Governors
May 29, 2013

Fleming College

Key Performance Indicators

- Graduate Satisfaction
- Employment Rate
- Employer Satisfaction
- Graduation Rate
- Student Satisfaction

Fleming College

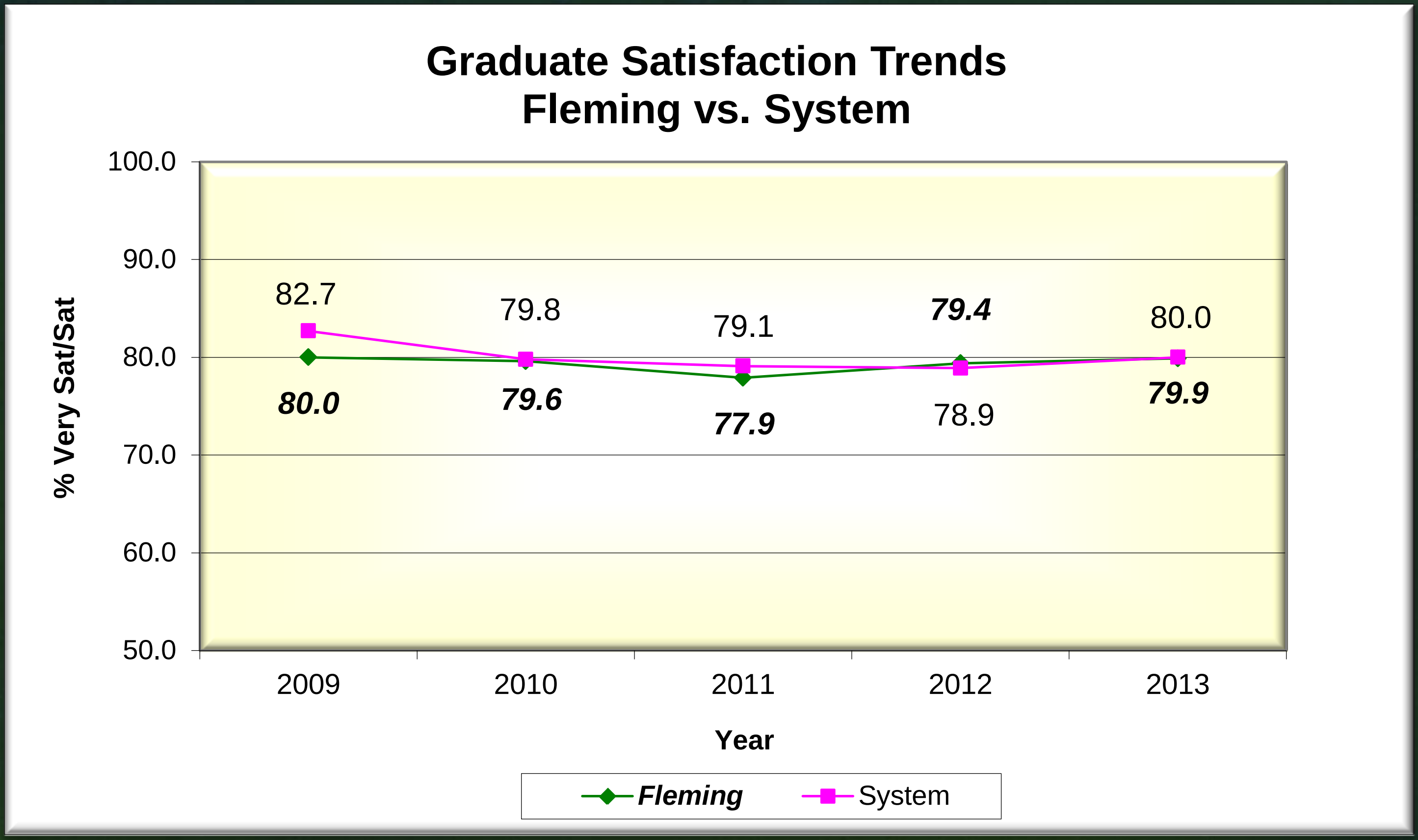
KPI Results 2013 vs. 2012

KPI	FLEMING				SYSTEM				
	2013 %	2012 %	2011 %	% Diff 2012 to 2013	*2013 %*	2012 %	2011 %	% Diff 2012 to 2013	*% Diff Fleming vs. System*
Student Satisfaction	**76.9**	77.1	74.6	*-0.2*	**77.1**	76.8	76.1	*0.3*	*-0.5*
Graduate Satisfaction	**79.9**	79.4	77.9	*+0.5*	**80.0**	78.9	79.1	*1.1*	*-0.6*
Employer Satisfaction	**93.8**	92.8	94.7	*+1.0*	**93.4**	92.8	93.2	*0.6*	*+0.4*
Employment Rate	**84.3**	82.0	82.4	*+2.3*	**83.6**	83.0	83.0	*0.6*	*+1.7*
Graduation Rate	**65.7**	66.5	66.7	*-0.8*	**64.8**	65.0	64.2	*-0.2*	*-0.6*

% Diff Fleming vs. System shows Fleming's change in KPI score from 2012 to 2013 in relation to the system change over the same time.

Fleming College

KPI Graduate Satisfaction Trends



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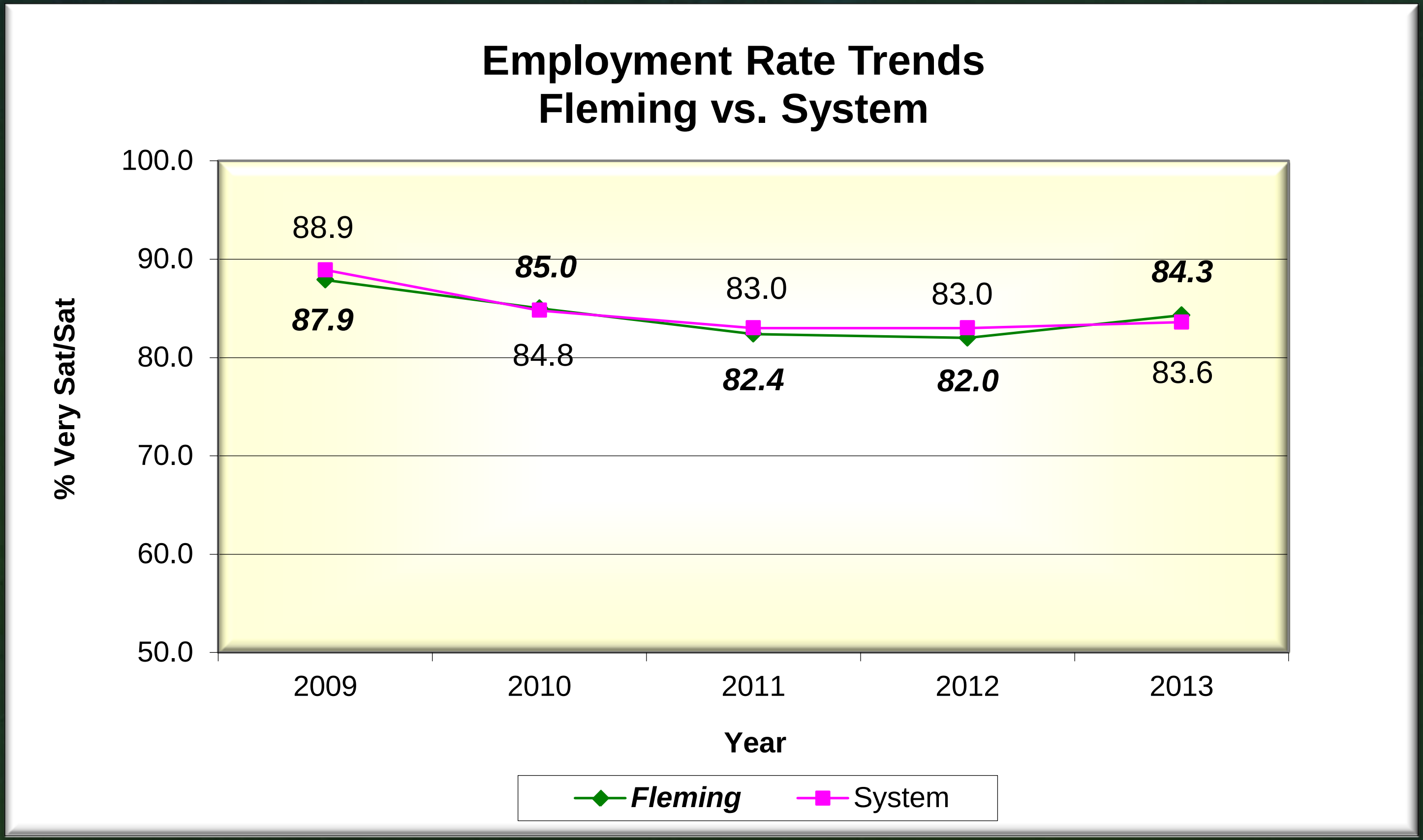
KPI Employment Rate Trends



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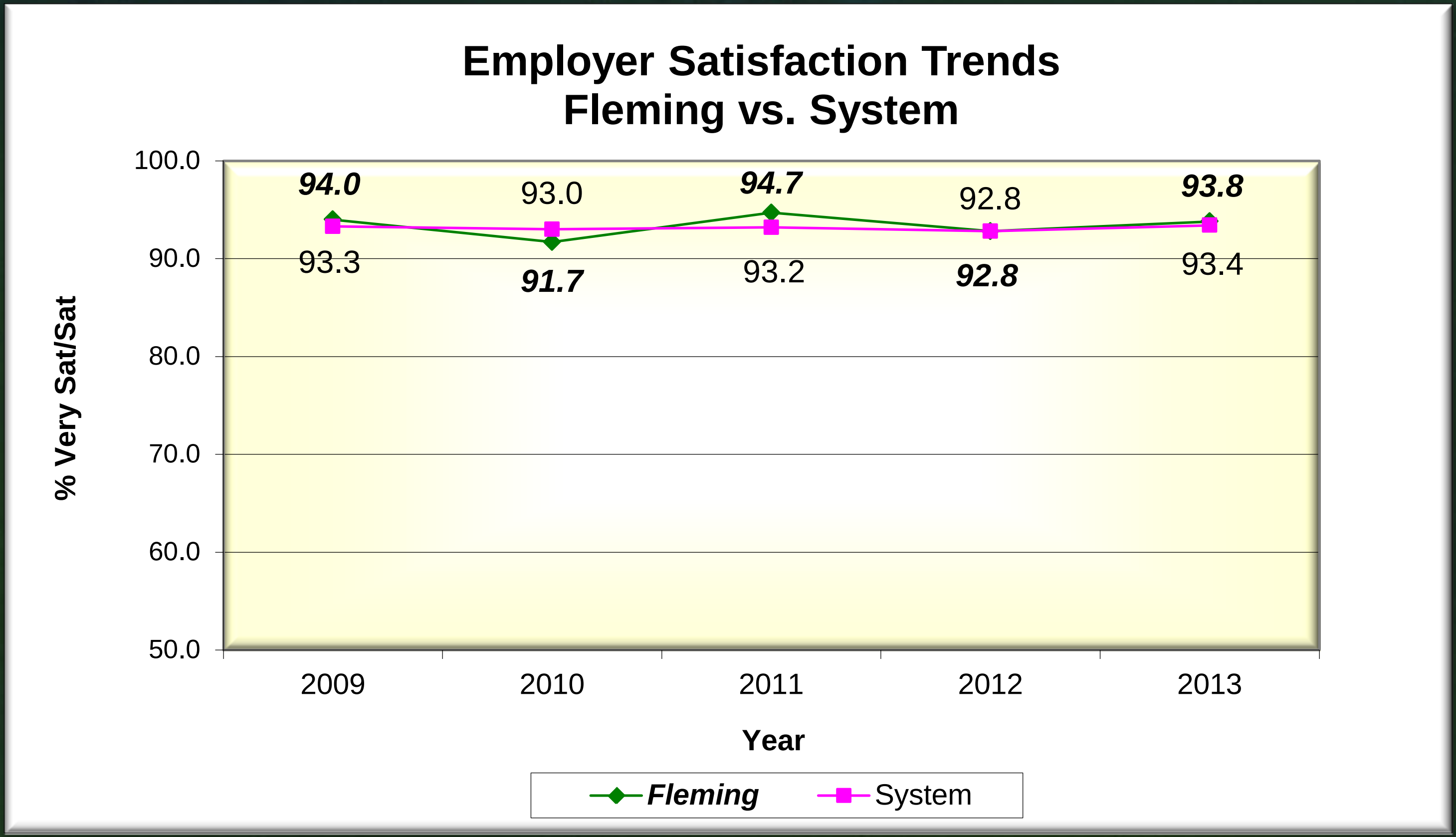
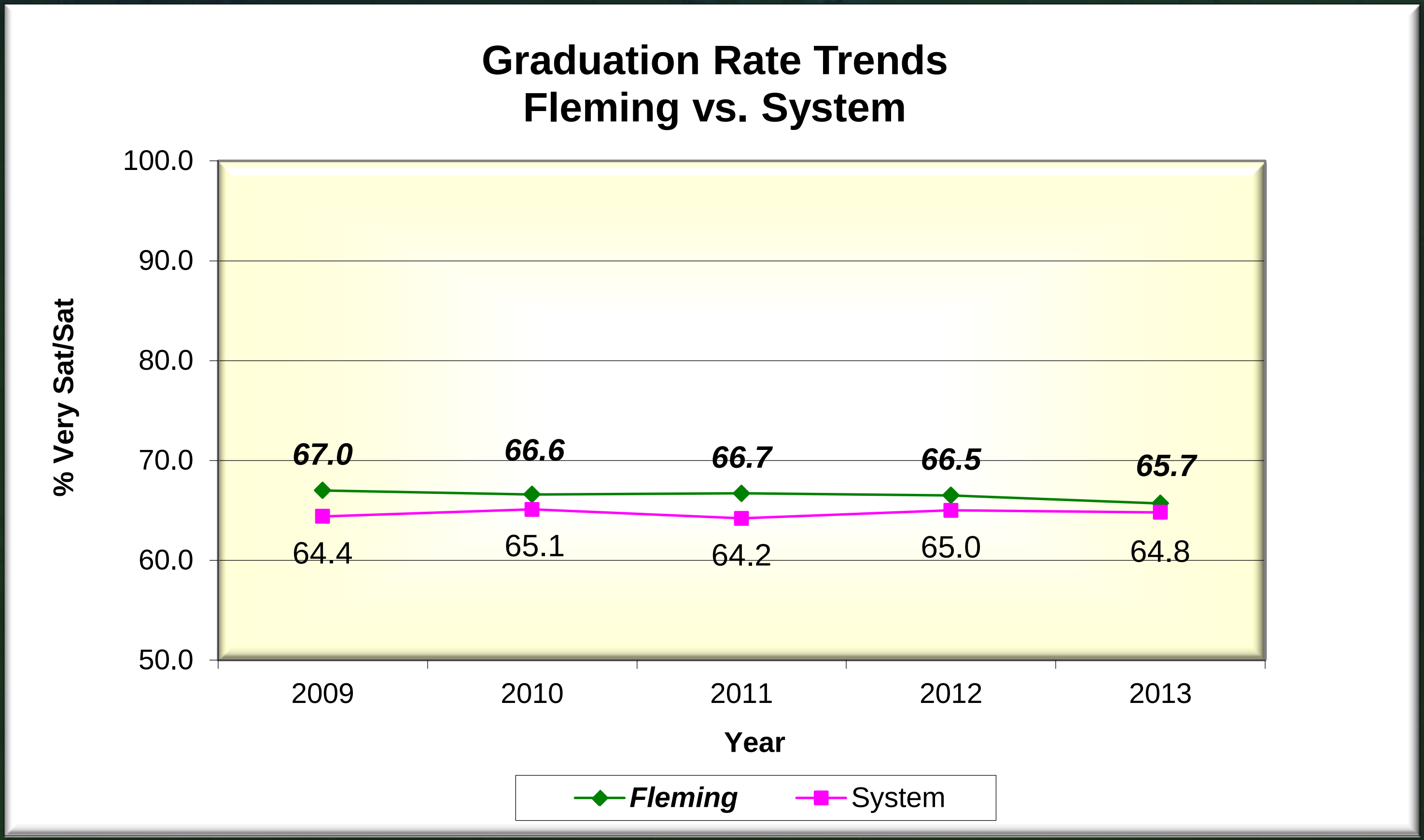
KPI Employer Satisfaction Trends



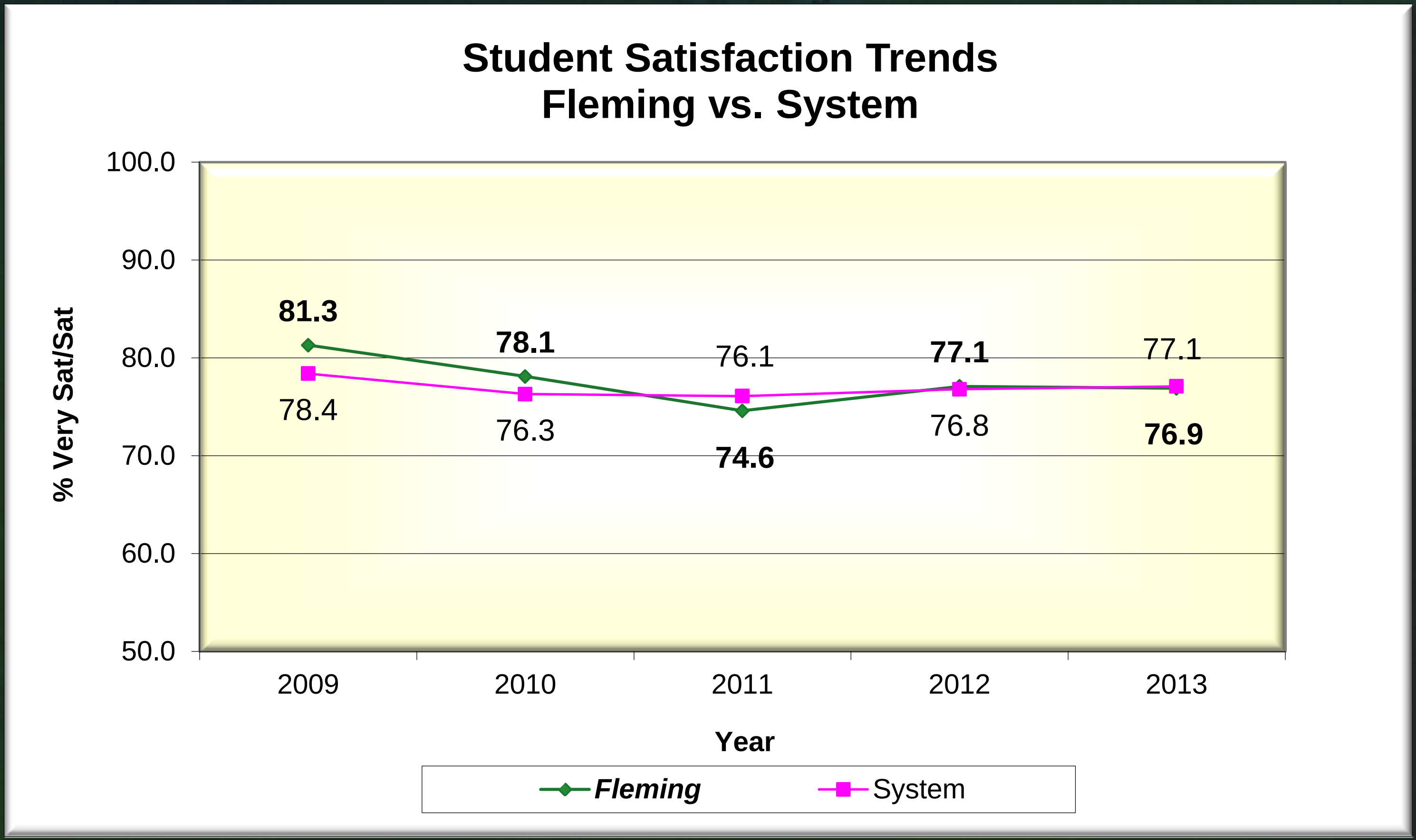
Fleming College

KPI Graduation Rate Trends



Fleming College

KPI Student Satisfaction Trends



Fleming College

KPI Student Satisfaction

	Question 14				Question 26				Question 44				Question 45				Overall KPI			
	% 2013	% 2012	% 2011	% Diff 2012/ 2013	% 2013	% 2012	% 2011	% Diff 2012/ 2013	% 2013	% 2012	% 2011	% Diff 2012/ 2013	% 2013	% 2012	% 2011	% Diff 2012/ 2013	% 2013	% 2012	% 2011	% Diff 2012/ 2013
Fleming	**85.9**	86.8	86.1	***-0.9***	**79.5**	80.5	80.4	***-1.0***	**72.2**	72.1	66.4	***+0.1***	**69.8**	69.1	65.4	***+0.7***	**76.9**	77.1	74.6	***-0.2***
System	**87.2**	87.4	87.1	***-0.2***	**80.5**	80.8	80.2	***-0.3***	**71.0**	70.1	68.8	***+0.9***	**69.7**	68.8	68.1	***+0.9***	**77.1**	76.8	76.1	***+0.3***

Students were included in KPI if they answered all 4 CAPSTONE questions and the semester question (Q2). Those in first semester were excluded. Values represent the percentage of students who were Very Satisfied or Satisfied with each statement.

Question 14: OVERALL, your program is giving you knowledge and skills that will be useful in your future career.
Question 26: The OVERALL quality of learning experiences in this program.
Question 44: The OVERALL quality of facilities/resources in the college.
Question 45: The OVERALL quality of the services in the college.

Fleming College

2013 KPI Student Satisfaction

	Question 14			Question 26			Question 44			Question 45			Overall Satisfaction		
	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat
Fleming College	**85.9**	9.7	4.4	**79.5**	14.3	6.2	**72.2**	20.4	7.4	**69.8**	22.6	7.6	**76.9**	16.7	6.4
SYSTEM	**87.2**	9.0	3.8	**80.5**	14.3	5.2	**71.0**	20.7	8.3	**69.7**	22.5	7.8	**77.1**	16.6	6.3
% Diff vs. system	***-1.3***			***-1.0***			***+1.2***			***+0.1***			***-0.2***		

Students were included in KPI if they answered all 4 CAPSTONE questions and the semester question (Q2). Those in first semester were excluded.

Question 14: OVERALL, your program is giving you knowledge and skills that will be useful in your future career.
Question 26: The OVERALL quality of learning experiences in this program.
Question 44: The OVERALL quality of facilities/resources in the college.
Question 45: The OVERALL quality of the services in the college.

Fleming College

KPI Student Satisfaction - Fleming

	Question 14			Question 26			Question 44			Question 45			Overall Satisfaction		
	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat	% Very Sat/ Sat	% Neither Sat nor Dissat	% Dissat/ Very Dissat
% Diff 2010 vs. 2011	***-1.5***	+0.8	+0.7	***-1.9***	+0.4	+1.5	***-5.9***	+3.2	+2.7	***-4.7***	+2.6	+2.1	***-3.5***	+1.7	+1.8
% Diff 2011 vs. 2012	***+0.7***	-0.7	+0.0	***+0.1***	+0.5	-0.6	***+5.7***	-3.6	-2.1	***+3.7***	-2.5	-1.3	***+2.5***	-1.5	-1.0
% Diff 2012 vs. 2013	***-0.9***	+0.7	+0.2	***-1.0***	+0.2	+0.8	***+0.1***	-0.4	+0.3	***+0.7***	-1.1	+0.5	***-0.2***	-0.2	+0.4

Students were included in KPI if they answered all 4 CAPSTONE questions and the semester question (Q2). Those in first semester were excluded.

Question 14: OVERALL, your program is giving you knowledge and skills that will be useful in your future career.
Question 26: The OVERALL quality of learning experiences in this program.
Question 44: The OVERALL quality of facilities/resources in the college.
Question 45: The OVERALL quality of the services in the college.

Fleming College

Fleming College

Public Meeting – May 29, 2013
Agenda Item 9.5

SUBMISSION TO THE BOARD OF GOVERNORS

SUBJECT: ***Internally Restricted Net Assets***
PRESENTED BY: Governor Degeer, Chair – Audit Committee

SOURCE

- Draft 2012-2013 Audited Financial Statements, as compiled by KPMG, external auditor
- As provided to the Audit Committee for the May 29, 2013 meeting

Background • Purpose of this report/request • History • Other relevant information	The internally restricted net assets of $1,309,200 at March 31, 2012 represent the cumulative residence surplus from prior years. Any additional excess of revenue over expenditures or excess of expenditures over revenue generated by the residence as an ancillary operation are restricted for use to future residence operations and other direct student services.
Action Required • for Information • for Consultation and/or Discussion • for Approval (include motion)	**For Approval** **THAT the Board of Governors of Sir Sandford Fleming College internally restrict $666,800 for the purpose of future residence and other direct student services.**
Considerations, Impacts and Options • pros and cons • risks	N/A
Financial Implications • staff, facilities, equipment • impact on budget	During the 2012-2013 fiscal year, the Residence Operations generated an additional $666,800. The Internally Restricted Net Assets as of March 31, 2013 will now total $1,976,000 once the current year excess of revenue over expenditure is included.
Prepared by	Office of the VP Finance and Administration; Board Office

Fleming College

Public Meeting – May 29, 2013
Agenda Item 9.6

SUBMISSION TO THE BOARD OF GOVERNORS

SUBJECT: ***2012-2013 Financial Statements***
PRESENTED BY: Governor Degeer, Chair – Audit Committee

SOURCE
- Ministry Operating Procedure *Audited Financial Statements* under the Governance and Accountability Policy Framework
- Draft Audited Financial Statements dated March 31, 2013, as compiled by KPMG, external auditor
- As provided to the Audit Committee for the May 29, 2013 meeting

Background • Purpose of this report/request • History • Other relevant information	Each college is required to provide the Ministry with audited financial statements after the end of every fiscal year. The audited financial statements require Board approval and submission to the Ministry. Once approved by the Board of Governors, the audited financial statements are filed with the Ministry by the June 13, 2013 deadline and posted on the College web site.
Action Required • for Information • for Consultation and/or Discussion • for Approval (include motion)	**For Approval** **THAT the Board of Governors of Sir Sandford Fleming College approve the *2012-2013 Financial Statements* indicating net assets at March 31, 2013 of $10,588,090.**
Considerations, Impacts and Options • pros and cons • risks	N/A
Financial Implications • staff, facilities, equipment • impact on budget	As a result of the impact of the implementation of the new standards for government non-profit organizations, the restated opening net assets for 2012-2013 have decreased by $2,779,000 when compared to the published 2011-2012 financial statements. The 2012-2013 fiscal year resulted in an increase in total net assets of $1,266,725 due to an excess of revenue over expenditure of $1,225,946, additional endowment contributions of $26,779 and a decrease in the deferred derivative liability of $14,000. The report of the Vice-President Finance and Administration (appended to the statements in the Board's package) provides additional information related to the 2012-2013 fiscal year.
Prepared by	Office of the VP Finance and Administration; Board Office

DRAFT #7
May 23, 2013

Financial Statements of

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Years ended March 31, 2013 and 2012

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Sir Sandford Fleming
College of Applied Arts and Technology

We have audited the accompanying financial statements of Sir Sandford Fleming College of Applied Arts and Technology, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011, the statements of operations, changes in net assets and cash flows for the years ended March 31, 2013 and March 31, 2012, the statement of remeasurement gains and losses for the year ended March 31, 2013, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Sir Sandford Fleming College of Applied Arts and Technology as at March 31, 2013, March 31, 2012, and April 1, 2011 and its results of operations, its changes in net assets and its cash flows for the years ended March 31, 2013 and March 31, 2012 and its remeasurement gains and losses for the year ended March 31, 2013 in accordance with Canadian public sector accounting standards.

DRAFT

Chartered Accountants, Licensed Public Accountants

Toronto, Canada

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statements of Financial Position

March 31, 2013, March 31, 2012 and April 1, 2011

	March 31, 2013	March 31, 2012	April 1, 2011
Assets			
Current assets:			
Cash	$ 6,297,865	$ 4,065,188	$ 4,249,015
Short-term investments (note 6)	8,635,205	5,494,143	12,035,178
MTCU receivables	4,648,928	4,891,967	4,429,357
Accounts receivable	4,532,344	6,113,310	3,541,383
Inventory and prepaid expenses	736,216	704,808	582,945
Notes receivable (note 4)	37,887	478,587	378,000
	24,888,445	21,748,003	25,215,878
Restricted investments for endowments, bursaries and other (notes 5 and 6)	8,428,393	8,140,785	7,117,418
Notes receivable (note 4)	–	65,799	890,636
Capital assets (note 7)	86,677,042	83,856,286	82,891,572
	$ 119,993,880	$ 113,810,873	$ 116,115,504

	March 31, 2013	March 31, 2012	April 1, 2011

Liabilities, Deferred Contributions and Net Assets

	March 31, 2013	March 31, 2012	April 1, 2011
Current liabilities:			
Demand loan, 2.5%	$ –	$ 15,268,000	$ –
Accounts payable and accrued liabilities	7,984,028	6,690,481	7,934,119
Accrued payroll and employee benefits	10,487,172	10,097,579	8,760,628
MTCU grants received in excess of entitlements	695,609	1,160,657	1,770,675
Deferred revenue	6,478,337	5,620,885	4,750,898
Current portion of long-term debt (note 9)	1,304,278	910,564	18,712,115
	26,949,424	39,748,166	41,928,435
Long-term debt (note 9)	15,209,159	1,983,298	966,863
Deferred derivative liability (note 9)	227,000	241,000	803,000
Post-employment benefits and compensated absences (note 10)	4,451,000	4,781,000	5,064,000
	19,887,159	7,005,298	6,833,863
Deferred contributions:			
Bursaries and other	2,189,893	1,929,064	1,480,630
Deferred capital contributions (note 8)	60,379,314	55,806,980	57,953,257
	62,569,207	57,736,044	59,433,887
Net assets:			
Invested in capital assets (note 11)	11,937,492	10,657,333	6,177,467
Internally restricted (note 17)	1,976,000	1,309,200	999,800
Unrestricted net assets:			
Operating	1,150,356	1,680,833	6,285,973
Post-employment benefits and compensated absences	(4,451,000)	(4,781,000)	(5,064,000)
Vacation pay accrual	(6,036,258)	(5,515,722)	(5,313,709)
Deferred derivative liability	–	(241,000)	(803,000)
	(9,336,902)	(8,856,889)	(4,894,736)
Accumulated remeasurement gains	(227,000)	–	–
Restricted for endowment	6,238,500	6,211,721	5,636,788
	10,588,090	9,321,365	7,919,319
Commitments (note 18)			
	$ 119,993,880	$ 113,810,873	$ 116,115,504

See accompanying notes to financial statements.

On behalf of the Board of Governors:

Chair of the Board of Governors

President

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statements of Operations

Years ended March 31, 2013 and 2012

		2013		2012
Revenue:				
MTCU grants and reimbursements	$	49,636,536	$	48,531,161
Student tuition		24,350,419		21,491,768
Other		15,006,144		13,964,812
Ancillary operations		4,008,261		3,862,767
Amortization of deferred capital contributions (note 8)		3,774,027		3,778,288
Adjustment to deferred derivative liability (note 9)		–		562,000
		96,775,387		92,190,796
Expenditures:				
Salaries		53,160,340		51,059,135
Benefits		11,002,490		10,278,301
Instructional support		5,643,890		5,471,509
Travel and professional development		1,198,733		1,220,845
Advertising		1,028,689		887,029
Telephone, legal and audit		1,167,106		1,046,870
Equipment maintenance		448,576		443,905
Plant and security		3,360,796		2,937,807
Rental and taxes		1,127,786		1,101,903
Utilities		2,312,618		2,228,481
Contract services and other		5,624,730		4,913,350
Bursaries		2,454,065		2,625,020
Supplementary		272,414		336,328
Interest on long-term debt		475,258		820,171
Amortization of capital assets		6,271,950		6,058,029
		95,549,441		91,428,683
Excess of revenue over expenditures	$	1,225,946	$	762,113

See accompanying notes to financial statements.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statements of Changes in Net Assets

Years ended March 31, 2013 and 2012

March 31, 2013	Invested in capital assets (note 11(a))	Internally restricted (note 17)	Restricted for endowment	Unrestricted	Accumulated remeasurement gains (losses)	Total
Net assets, beginning of year	$ 10,657,333	$ 1,309,200	$ 6,211,721	$ (8,856,889)	$ –	$ 9,321,365
Excess (deficiency) of revenue over expenditures (note 11(b))	(2,561,726)	–	–	3,787,672	–	1,225,946
Endowment contributions	–	–	26,779	–	–	26,779
Net change in investment in capital assets (note 11(b))	3,841,885	–	–	(3,841,885)	–	–
Reclassification of derivative liability on adoption of the financial instrument standard (note 3)	–	–	–	241,000	(241,000)	–
Remeasurement gains	–	–	–	–	14,000	14,000
Interfund transfers (note 17)	–	666,800	–	(666,800)	–	–
Net assets, end of year	$ 11,937,492	$ 1,976,000	$ 6,238,500	$ (9,336,902)	$ (227,000)	$ 10,588,090

See accompanying notes to financial statements.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statements of Changes in Net Assets (continued)

Years ended March 31, 2013 and 2012

March 31, 2012	Invested in capital assets (note 11(a))	Internally restricted (note 17)	Restricted for endowment	Unrestricted (note 2)	Total
Net assets, beginning of year	$ 6,177,467	$ 999,800	$ 5,636,788	$ (4,894,736)	$ 7,919,319
Excess (deficiency) of revenue over expenditures (note 11(b))	(2,279,741)	–	–	3,041,854	762,113
Endowment contributions	–	–	574,933	–	574,933
Net change in investment in capital assets (note 11(b))	6,694,607	–	–	(6,694,607)	–
Donation of land	65,000	–	–	–	65,000
Interfund transfers (note 17)	–	309,400	–	(309,400)	–
Net assets, end of year	$ 10,657,333	$ 1,309,200	$ 6,211,721	$ (8,856,889)	$ 9,321,365

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statements of Cash Flows

Years ended March 31, 2013 and 2012

	2013	2012
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	$ 1,225,946	$ 762,113
Items not involving cash:		
Amortization of capital assets	6,271,950	6,058,029
Amortization of deferred capital contributions	(3,774,027)	(3,778,288)
Adjustment to deferred derivative liability	–	(562,000)
Donation of land	–	65,000
Loss on disposal of capital assets	63,803	–
Donation of capital assets	(58,357)	(518,884)
	3,729,315	2,025,970
Accruals for post-employment benefits and compensated absences	(330,000)	(283,000)
Change in non-cash operating working capital:		
MTCU receivables	243,039	(462,610)
Accounts receivable	1,580,966	(2,571,927)
Inventory and prepaid expenses	(31,408)	(121,863)
Accounts payable and accrued liabilities	1,293,547	(1,243,638)
Accrued payroll and employee benefits	389,593	1,336,951
MTCU grants received in excess of entitlements	(465,048)	(610,018)
Deferred revenue	857,452	869,987
	7,267,456	(1,060,148)
Capital activities:		
Deferred capital contributions	8,346,361	1,632,011
Purchase of capital assets	(9,098,152)	(6,503,859)
	(751,791)	(4,871,848)
Financing activities:		
Deferred contributions, bursaries and other	260,829	448,434
Endowment contributions	26,779	574,933
Issuance (repayment) of demand loan	(14,921,000)	15,615,000
Issuance of long-term debt	14,921,000	–
Principal payments on long-term debt	(1,648,425)	(17,132,116)
	(1,360,817)	(493,749)

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statements of Cash Flows (continued)

Years ended March 31, 2013 and 2012

	2013	2012
Investing activities:		
Invested in short-term investments, net	(3,141,062)	6,541,035
Increase in restricted investments for endowments, bursaries and other	(287,608)	(1,023,367)
Notes receivable	506,499	724,250
	(2,922,171)	6,241,918
Increase (decrease) in cash	2,232,677	(183,827)
Cash, beginning of year	4,065,188	4,249,015
Cash, end of year	$ 6,297,865	$ 4,065,188
Supplemental cash flow information:		
Interest paid	$ 475,258	$ 820,171
Interest received	377,705	373,677

See accompanying notes to financial statements.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statement of Remeasurement Gains and Losses

Year ended March 31, 2013

Accumulated remeasurement gains and losses, beginning of year	$ –
Adjustment of swap derivatives (note 3)	(241,000)
Unrealized gain on swap derivatives (note 3)	14,000
Accumulated remeasurement gains and losses, end of year	$ (227,000)

See accompanying notes to financial statements.

Sir Sandford Fleming College of Applied Arts and Technology (the "College") was established as a corporation without share capital, as set out in the Ontario Colleges of Applied Arts and Technology Act. The Corporations Act governs the corporate affairs of the College and became effective April 1, 2003. The College is principally involved in providing post-secondary educational services. Under the Income Tax Act (Canada), the College is considered a registered charity and, accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

(a) Basis of accounting:

These financial statements are the representation of management and have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations ("Government NPOs"), including the 4200 Series of Standards, as issued by the Public Sector Accounting Board ("PSAB").

(b) Revenue recognition:

The College follows the deferral method of accounting for contributions and other revenues. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases to net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Other revenues are recognized when received or receivable and the amount can be reasonably estimated and collection is assured.

The College defers the portion of the revenue related to the delivery of programs and courses that takes place after March 31.

1. Significant accounting policies (continued):

(c) Library books:

Library book purchases are recorded as an operating expenditure at the time of purchase.

(d) 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 expenditure. Betterments which extend the estimated life of an asset are capitalized. Capital assets are amortized on a straight-line basis using the following annual rates:

Buildings	2-1/2%
Site improvements	10%
Furniture and equipment	20%
Computer equipment	33-1/3%
Residence furniture	6-2/3%
Fibre optic system	5%
Enterprise Resource Planning System	14%
Leasehold improvements	Over term of lease
Sport and Wellness Centre	Over term of lease
Sports fields	5%

Construction in progress is not amortized until it is available for use.

1. Significant accounting policies (continued):

(e) 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, non-vesting sick leave and compensated absences. The College has adopted the following policies with respect to accounting for these employee benefits:

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

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

(iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate of salary escalation, employees' 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 lives of the employees.

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

(v) The cost of compensated absences is determined using managements best-estimate of the length of the compensated absences.

1. Significant accounting policies (continued):

(f) Financial instruments:

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

(i) Fair value:

This category includes derivatives and equity instruments quoted in an active market. The College has elected to continue carrying its bond portfolio that would otherwise be classified into the amortized cost category at fair value as the College reports performance of it on a fair value basis. 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 statements of operations for unrestricted financial instruments. Changes in fair value on restricted assets are recognized as a liability until the criteria attached to the restriction has been met.

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

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statements 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 statements of operations for unrestricted investments.

1. Significant accounting policies (continued):

(ii) Amortized cost:

This category includes accounts receivable, notes receivable, MTCU receivables, accounts payable and accrued liabilities, accrued payroll and employee benefits, MTCU grants received in excess of entitlements and long-term debt. 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.

Write downs 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 write down being recognized in the statements of operations.

(g) Inventory:

Inventory is values at the lower of cost on a first-in, first-out basis and replacement cost.

(h) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the financial statement dates. Unrealized foreign exchange gains and losses are recognized in the statement of remeasurement gains and losses. In the period of settlement, the realized foreign exchange gains and losses are recognized in the statement of operations and the unrealized balances are reversed from the statement of measurement gains and losses.

1. Significant accounting policies (continued):

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the year. These estimates and assumptions are based on management's historical experience, best knowledge of current events and actions that the Board of Governors ("Board") may undertake in the future. Significant accounting estimates include allowance for doubtful accounts, actuarial estimates of post-employment benefits and compensated absences and estimated useful lives of capital assets. Actual results could differ from those estimates.

2. First-time adoption of public sector accounting standards:

The PSAB issued new standards for Government NPOs. For years beginning on or after January 1, 2012, Government NPOs have a choice of:

- Public sector accounting standards including PS 4200 - 4270 for Government NPOs; or

- Public sector accounting standards.

The College has chosen to follow public sector accounting standards including PS 4200 - 4270 for Government NPOs.

2. First-time adoption of public sector accounting standards (continued):

Effective April 1, 2012, the College adopted the requirements of the new accounting framework, PSAB for Government NPOs. These are the College's first financial statements prepared in accordance with this framework and the transitional provisions of Section 2125, First-time Adoption by Government Organizations ("PS 2125") have been applied. PS 2125 requires retroactive application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in the summary of significant accounting policies have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAB for Government NPOs statement of financial position at the date of transition of April 1, 2011.

The College issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles ("GAAP") prescribed by The Canadian Institute of Chartered Accountants' ("CICA") Handbook - Accounting Part V - Pre-changeover Accounting Standards. The adoption of PSAB for Government NPOs resulted in adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the College. An explanation of how the transition from pre-changeover Canadian GAAP to PSAB for Government NPOs has affected the College's financial position, operations, changes in net assets and cash flows is set out in the following notes and tables.

See note 3 for a description of the prospective application of the Public Accounting Standards PS 3450 - Financial Instruments.

2. First-time adoption of public sector accounting standards (continued):

The following exemptions and exceptions were used at the date of transition to Canadian public sector accounting standards for Government NPOs:

(a) Optional exemptions:

Actuarial gains and losses:

Pre-changeover Canadian GAAP allowed the College to only recognize actuarial gains and losses that exceeded certain prescribed amounts, the corridor approach. PSAB for Government NPOs requires the amortization of actuarial gains and losses on post-employment benefit obligations and compensated absences to be amortized over the estimated average remaining service life of employees. Retroactive application of this approach would require the College to split the cumulative actuarial gains and losses from the inception of the plan until the date of transition to PSAB for Government NPOs into a recognized portion and an unrecognized portion. The College has elected to recognize all cumulative actuarial gains and losses as the date of transition to PSAB for Government NPOs directly in net assets. Actuarial gains and losses subsequent to the date of transition to PSAB for Government NPOs are accounted for in accordance with PS 3250 - Retirement Benefits.

(b) Mandatory exceptions:

Estimates:

The estimates previously made by the College under pre-changeover Canadian GAAP were not revised for the application of PSAB for Government NPOs except where necessary to reflect any difference in accounting policy or where there was objective evidence that those estimates were in error. As a result, the College has not used hindsight to revise estimates.

2. First-time adoption of public sector accounting standards (continued):

(c) Reconciliation of net assets and excess of revenue over expenses:

In preparing these financial statements, management has amended certain accounting policies previously applied In the pre-changeover Canadian GAAP financial statements to comply with PSAB for Government NPOs. The comparative figures for March 31, 2012 were restated to reflect these adjustments. The following reconciliations and explanatory notes provide a description of the effect of the transition from pre-changeover Canadian GAAP to PSAB for Government NPOs on net assets and excess of revenue over expenditures:

Statement of financial position as at March 31, 2012:

	Pre-changeover Canadian GAAP	Transition adjustments Adjustment (i)	Adjustment (ii)	Adjustment (iii)	PSAB for Government NPOs
Liabilities:					
Post-employment benefits and compensated absences:					
Vesting sick leave	$ 883,000	$ –	$ –	$ (273,000)	$ 610,000
Non-vesting sick leave	215,000	3,016,000	–	–	3,231,000
Retirement benefits	674,000	–	(42,000)	78,000	710,000
Compensated absences	230,000	–	–	–	230,000
	$ 2,002,000	$ 3,016,000	$ (42,000)	$ (195,000)	$ 4,781,000
Net assets:					
Post-employment benefits and compensated absences	$ 2,002,000	$ 3,016,000	$ (42,000)	$ (195,000)	$ 4,781,000

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Years ended March 31, 2013 and 2012

2. First-time adoption of public sector accounting standards (continued):

Statement of financial position as at April 1, 2011 - transition date:

	Pre-changeover Canadian GAAP	Transition adjustments Adjustment (i)	Adjustment (ii)	Adjustment (iii)	PSAB for Government NPOs
Liabilities:					
Post-employment benefits and compensated absences:					
Vesting sick leave	$ 1,039,000	$ –	$ –	$ (189,000)	$ 850,000
Non-vesting sick leave	259,000	3,137,000	–	–	3,396,000
Retirement benefits	678,000	–	(52,000)	72,000	698,000
Compensated absences	120,000	–	–	–	120,000
	$ 2,096,000	$ 3,137,000	$ (52,000)	$ (117,000)	$ 5,064,000
Net assets:					
Post-employment benefits and compensated absences	$ 2,096,000	$ 3,137,000	$ (52,000)	$ (117,000)	$ 5,064,000

2. First-time adoption of public sector accounting standards (continued):

Statement of operations for the year ended March 31, 2012:

	Pre-changeover Canadian GAAP	Adjustments	PSAB for Government NPOs
Expenditures:			
Salaries	$ 51,241,135	$ (182,000)	$ 51,059,135
Benefits	10,285,301	(7,000)	10,278,301
	$ 61,526,436	$ (189,000)	$ 61,337,436
Excess of revenue over expenditures	$ 573,113	$ 189,000	$ 762,113

Statement of cash flows for the year ended March 31, 2012:

The transition to PSAB for Government NPOs had no impact on total operating or financing activities on the statement of cash flows. The change in excess of revenue over expenditures for year ended March 31, 2012 has been offset by adjustments to operating activities. The transition to PSAB for Government NPOs resulted in the reclassification of cash receipts and outflows relating to the acquisition of tangible capital assets from investing activities to capital activities. The capital section of the statements of cash flows did not exist prior to the transition to PSAB for Government NPOs.

Explanations for adjustments to PSAB for Government NPOs:

(i) Non-vesting sick leave:

PSAB for Government NPOs requires the recognition of a liability for sick leave benefits that accumulate, but do not vest, which was not required under pre-changeover Canadian GAAP. As a result, the College has recognized a liability and charge to net assets as described in the tables above.

2. First-time adoption of public sector accounting standards (continued):

(ii) Amortization of actuarial gains/losses:

As discussed in note 2, First-time Adoption of Public Sector Accounting Standards, Optional Exemptions, the College has elected to recognize actuarial gains and losses at the date of transition to PSAB for Government NPOs directly in net assets. As a result, the College has recognized a decreased liability and an increase to net assets as described in the tables above.

(iii) Discount rate used to calculate post-employment benefits and compensated absences liabilities:

PSAB for Government NPOs requires these liabilities to be calculated with a discount rate that is equal to either the College's rate of borrowing or the rate of return on the plan assets. Pre-changeover Canadian GAAP required the discount rate to be equal to the yield on high quality corporate bonds. The College has chosen to discount these liabilities using its internal rate of borrowing. The change in the discount rate resulted in changes to the related liabilities and charges to excess of revenue over expenditures as described in the tables above.

3. Change in accounting policy:

On April 1, 2012, the College adopted Public Accounting Standards PS 3450 ("PS 3450") - Financial Instruments and PS 2601 - Foreign Currency Translation. The standards were adopted prospectively from the date of adoption. The new standards provide comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency transactions.

Under PS 3450, all financial instruments, including derivatives, are included in the statements of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the College's accounting policy choices (note 1). In accordance with the provisions of this new standard, as at April 1, 2012, the College reflected an increase of $241,000 to unrestricted net assets and a decrease of $241,000 to accumulated remeasurement gains (losses) due to the fair value of the College's interest rate swap derivative being reclassified to accumulated remeasurement gains (losses).

4. Notes receivable:

The notes receivable balance includes $37,887 (March 31, 2012 - $435,799; April 1, 2011 - $818,806) due from the Sir Sandford Fleming College Student Administrative Council, Peterborough Campus ("SAC"). During the year, the Student Association, Frost Camplus ("SA") paid their balance in full (March 31, 2012 - $108,587; April 1, 2011 - $449,830).

The funds were utilized by SA to construct a Student Centre at the Frost Campus and by SAC for their contribution to The Peterborough Sport and Wellness Centre construction.

The notes receivable bear interest at the average interest rate earned on the College bank account of 1.25% (March 31, 2012 - 1.25%; April 1, 2011 - 1.0%). The current portions of the notes receivable are estimated by using the repayments, net of projected interest received during the year.

Total interest earned during the year is $6,727 (2012 - $15,993) and principal repayments received during the year totalled $506,499 (2012 - $724,250).

5. Restricted investments for endowments, bursaries and other:

Investments in the amount of $8,428,393 (March 31, 2012 - $8,140,785; April 1, 2011 - $7,117,418) are restricted as to use and are not available for general operations. Fair value is described in note 1.

6. Financial instrument classification:

The following table provides cost and fair value Information of financial instruments by category. The maximum exposure to credit risk would be the carrying value as shown below.

March 31, 2013	Fair value	Amortized cost	Total
Cash	$ 6,297,865	$ –	$ 6,297,865
Short-term investments	8,635,205	–	8,635,205
MTCU grants and reimbursements receivable	–	4,648,928	4,648,928
Accounts receivable	–	4,532,344	4,532,344
Notes receivable	–	37,887	37,887
Restricted investments for endowments, bursaries and other	8,428,393	–	8,428,393
Accounts payable and accrued liabilities	–	(7,984,028)	(7,984,028)
Accrued payroll and employee benefits	–	(10,487,172)	(10,487,172)
MTCU grants received in excess of entitlements	–	(695,609)	(695,609)
Long-term debt	–	(16,513,437)	(16,513,437)
Deferred derivative liability	(227,000)	–	(227,000)
	$ 23,134,463	$ (26,461,087)	$ (3,326,624)

Short-term investments and restricted investments for endowment, bursaries and other consist of equity instruments in Canadian public companies, government and corporate bonds and guaranteed investment certificates.

	Level	March 31, 2013	March 31, 2012	April 1, 2011
Money market	1	$ 219,743	$ 379,238	$ 113,309
Fixed income	1	15,038,238	11,953,388	18,142,976
Canadian equity	1	1,805,617	1,302,302	560,258
Global equity	1	–	–	336,053
		$ 17,063,598	$ 13,634,928	$ 19,152,596

6. Financial instrument classification (continued):

Maturity profile of bonds held is as follows:

2013	Within 1 year	2 - 5 years	6 - 10 years	Over 10 years	Total
Carrying value	$ 136,700	$ 1,561,187	$ 1,493,278	$ 101,585	$ 3,292,750
Percentage of total	4	48	45	3	100

The following provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 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).

All cash, short-term investments and restricted investments for endowments, bursaries and other are classified as Level 1 financial instruments. The deferred derivative liability is classified as a Level 3 financial instrument.

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2013 and 2012. There were also no transfers in or out of Level 3. For a sensitivity analysis of financial instruments recognized in Level 3 see note 13 - Interest rate risk, as the prevailing interest rate is the most significant input into the fair value of the instrument.

7. Capital assets:

March 31, 2013	Cost	Accumulated amortization	Net book value
Land	$ 2,424,937	$ –	$ 2,424,937
Buildings	112,105,532	37,864,078	74,241,454
Site improvements	3,703,497	2,634,988	1,068,509
Furniture and equipment	20,069,924	15,702,719	4,367,205
Computer equipment	7,025,527	6,239,342	786,185
Residence furniture	1,086,301	836,768	249,533
Fibre optic system	1,560,459	658,671	901,788
Enterprise Resource Planning System	3,888,562	3,764,933	123,629
Leasehold improvements	785,708	475,816	309,892
Sport and Wellness Centre	2,470,079	384,997	2,085,082
Sports fields	118,828	–	118,828
	$ 155,239,354	$ 68,562,312	$ 86,677,042

March 31, 2012	Cost	Accumulated amortization	Net book value
Land	$ 2,424,937	$ –	$ 2,424,937
Buildings	104,547,160	35,198,459	69,348,701
Site improvements	3,726,370	2,354,852	1,371,518
Furniture and equipment	19,337,501	14,233,384	5,104,117
Computer equipment	6,754,115	5,712,384	1,041,731
Residence furniture	1,086,301	764,348	321,953
Fibre optic system	1,560,459	580,648	979,811
Enterprise Resource Planning System	3,888,562	3,208,613	679,949
Leasehold improvements	883,822	434,786	449,036
Sport and Wellness Centre	2,470,079	335,546	2,134,533
	$ 146,679,306	$ 62,823,020	$ 83,856,286

7. Capital assets (continued):

April 1, 2011	Cost	Accumulated amortization	Net book value
Land	$ 2,359,937	$ –	$ 2,359,937
Buildings	100,519,545	32,529,531	67,990,014
Site improvements	3,726,370	2,033,473	1,692,897
Furniture and equipment	17,294,459	13,366,026	3,928,433
Computer equipment	8,107,492	6,527,441	1,580,051
Residence furniture	1,086,301	691,928	394,373
Fibre optic system	1,560,459	502,626	1,057,833
Enterprise Resource Planning System	3,879,358	2,652,819	1,226,539
Leasehold improvements	789,488	311,976	477,512
Sport and Wellness Centre	2,470,079	286,096	2,183,983
	$ 141,793,488	$ 58,901,916	$ 82,891,572

The total capital asset additions purchased and donated during the year was $9,156,509 (2012 - $7,022,743). The Ministry of Training, Colleges and Universities ("MTCU") contributed $5,985,442 (2012 - $488,165), other provincial funding $134,928 (2012 - nil), the federal government $60,447 (2012 - $141,456), private companies $62,871 (2012 - $459,765), fundraising $580,422 (2012 - $666,173), Student Associations $138,941 (2012 - $98,953) and internal funds $2,193,458 (2012 - $5,168,232).

Included in buildings, sports fields and leasehold improvements is capital in progress in the amount of $8,883,417 (March 31, 2012 - $1,965,111; April 1, 2011 - $2,103,050), $118,828 (March 31, 2012 - nil; April 1, 2011 - nil) and nil (March 31, 2012 - $80,347; April 1, 2011 - nil), respectively.

8. 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 deferred capital contributions is recorded as revenue in the statements of operations. The changes in the deferred capital contributions balance are as follows:

	2013	2012
Balance, beginning of year	$ 55,806,980	$ 57,953,257
Less amounts amortized to revenue	3,774,027	3,778,288
	52,032,953	54,174,969
Contributions received for capital purposes	8,346,361	1,632,011
Balance, end of year	$ 60,379,314	$ 55,806,980

As at March 31, 2013, there was $2,153,201 (March 31, 2012 - $769,889; April 1, 2011 - $918,130) of deferred capital contributions received that were not spent.

9. Long-term debt:

	March 31, 2013	March 31, 2012	April 1, 2011
Lindsay Student Residence loan, payable $26,701 monthly, including interest at 4.514%, due June 2015, secured by specific property	$ 684,298	$ 966,862	$ 1,236,978
Less principal repayments due within one year	295,586	282,564	270,115
	388,712	684,298	966,863
Brealey Student residence loan, payable $630,940 semi-annually, including interest at 3.218%, due July 2027, secured by specific property	14,530,139	–	–
Less principal repayments due within one year	800,692	–	–
	13,729,447	–	–
Brealey Student Residence loan payable, secured by specific property	–	–	15,917,000
Less principal repayment due within one year	–	–	15,917,000
	–	–	–
The Peterborough Sport and Wellness Centre loan payable, secured by specific property	1,153,000	1,212,000	1,269,000
Less principal repayment due within one year	62,000	59,000	1,269,000
	1,091,000	1,153,000	–
Enterprise Resource Planning System loan payable, secured by specific property	146,000	715,000	1,256,000
Less principal repayment due within one year	146,000	569,000	1,256,000
	–	146,000	–
	$ 15,209,159	$ 1,983,298	$ 966,863

9. Long-term debt (continued):

The College has entered into interest rate swaps for The Peterborough Sport and Wellness Centre and the Enterprise Resource Planning System. The fair values of the interest rate swaps have been recorded as a deferred derivative liability.

The fair value of the interest rate swaps has been determined using Level 3 of the fair value hierarchy. The fair value of interest rate swaps is based on broker quotes. These quotes are tested for reasonableness by discounting estimated future cash flows based on the terms and maturity of each contract and using market interest rates for a similar instrument at the measurement date.

The Peterborough Sport and Wellness Centre swap has a notional value of $1,500,000, whereby that portion of the loan payable is fixed at 5.49%, inclusive of the stamping fee. Principal repayments are due quarterly with the swap agreement expiring on June 13, 2026. The fair value of this swap liability is $225,700 (March 31, 2012 - $222,500; April 1, 2011 - $125,456).

The Enterprise Resource Planning System swap has a notional value of $3,500,000, whereby that portion of the loan payable is fixed at 5.35%, inclusive of the stamping fee. Principal repayments are due quarterly with the swap agreement expiring on June 13, 2013. The fair value of this swap liability is $1,300 (March 31, 2012 - $18,500; April 1, 2011 - $46,544).

In 2012, the College entered into a demand loan, at an interest rate of bank prime minus 0.5%. No specific security has been pledged for the demand loan. In 2013, the full amount has been repaid (March 31, 2012 - $15,268,000; April 1, 2011 - nil).

The principal repayments due in the next five years and thereafter are as follows:

2014	$ 1,304,278
2015	1,201,874
2016	1,001,985
2017	954,167
2018	985,751
Thereafter	11,065,382
	$ 16,513,437

10. Post-employment benefits and compensated absences liability:

The following tables outline the components of the College's post-employment benefits and compensated absences liabilities and the related expenses:

March 31, 2013	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Compensated absences	Total liability
Accrued employee future benefits obligations	$ 881,000	$ 3,141,000	$ 474,000	$ 120,000	$ 4,616,000
Value of plan assets	(109,000)	–	–	–	(109,000)
Unamortized actuarial gains (losses)	(25,000)	(34,000)	3,000	–	(56,000)
	$ 747,000	$ 3,107,000	$ 477,000	$ 120,000	$ 4,451,000

March 31, 2012	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Compensated absences	Total liability
Accrued employee future benefits obligations	$ 843,000	3,389,000	$ 623,000	$ 230,000	$ 5,085,000
Value of plan assets	(118,000)	–	–	–	(118,000)
Unamortized actuarial losses	(15,000)	(158,000)	(13,000)	–	(186,000)
	$ 710,000	$ 3,231,000	$ 610,000	$ 230,000	$ 4,781,000

2013	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Compensated absences	Total liability
Current year benefit costs	$ 68,000	$ 175,000	$ 25,000	$ 120,000	$ 388,000
Interest on accrued benefit obligation	5,000	76,000	13,000	–	94,000
Amortized actuarial gains	2,000	16,000	5,000	–	23,000
	$ 75,000	$ 267,000	$ 43,000	$ 120,000	$ 505,000

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

2012		Post-employment benefits		Non-vesting sick leave		Vesting sick leave		Compensated absences		Total liability
Current year benefit costs	$	49,000	$	158,000	$	24,000	$	230,000	$	461,000
Interest on accrued benefit obligation		7,000		102,000		22,000		–		131,000
	$	56,000	$	260,000	$	46,000	$	230,000	$	592,000

Above amounts exclude pension contributions to the Colleges of Applied Arts and Technology pension plan, a multi-employer plan, described below:

(a) Retirement benefits:

Employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees of the Colleges of Applied Arts and Technology and related employers in Ontario. The College makes contributions to the Plan equal to those of the employees. Contribution rates are set by the Plan's governors to ensure the long-term viability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. 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, 2013 indicated an actuarial surplus of $347,000,000. In 2013, the College's contributions amounted to $5,014,216 (2012 - $4,530,523) to the Plan, which has been included in the statements of operations.

The College made contributions to the Retirement Compensation Arrangement ("RCA") equal to those of the qualifying employees to December 31, 2012. Beginning January 1, 2013, the College contributions were triple the employee contributions. In 2013, the College's contributions to RCA amounted to $39,365 (2012 - $27,048), and has been included in the statements of operations.

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

(b) 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 employees' tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council.

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

(i) Discount rate:

The present value as at March 31, 2013, of the future benefits was determined using a discount rate of 2.10% (2012 - 2.25%).

(ii) Drug costs:

Drug costs were assumed to increase at a 10.5% rate for 2013 (2012 - 10.5%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2026 for fiscal 2013 (2012 - 4.5%).

(iii) Hospital and other medical:

Hospital and other medical costs were assumed to increase at 4.0% per annum (2012 - 4.5%).

Medical premium increases were assumed to increase at 8.0% per annum in 2013 (2012 - 8.0%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2026 for the fiscal 2013 (2012 - 4.5%).

(iv) Dental costs:

Dental costs were assumed to increase at 4.0% per annum in 2013 (2012 - 4.5%).

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

(c) Compensated absences:

(i) 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 College Employer Council.

(ii) 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 College Employer Council.

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

	2013	2012
Wage and salary escalation	0.00% - 2.00%	1.75% - 2.00%
Discount rate	2.10%	2.25%

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

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 38.7% and nil to 18.8 days, respectively for age groups ranging from 20 and under to 65 and over in bands of five years.

11. Net assets invested in capital assets:

(a) Net assets invested in capital assets represent the following:

	2013	2012
Capital assets, at cost (note 7)	$ 155,239,354	$ 146,679,306
Accumulated amortization (note 7)	(68,562,312)	(62,823,020)
Long-term debt:		
Long-term portion (note 9)	(15,209,159)	(1,983,298)
Current portion (note 9)	(1,304,278)	(910,564)
Demand loan	–	(15,268,000)
Deferred contributions related to capital assets (note 8)	(58,226,113)	(55,037,091)
Balance, end of year	$ 11,937,492	$ 10,657,333

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

	2013	2012
Excess (deficiency) of revenue over expenditures:		
Amortization of deferred capital contributions	$ 3,774,027	$ 3,778,288
Amortization of capital assets	(6,271,950)	(6,058,029)
Loss on disposal of capital assets	(63,803)	–
	$ (2,561,726)	$ (2,279,741)

11. Net assets invested in capital assets (continued):

	2013	2012
Net change in investment in capital assets:		
Donated and purchased capital assets	$ 9,156,509	$ 6,957,743
Amounts funded by deferred capital contributions	(6,963,049)	(1,780,252)
Repayment (issuance) of demand loan	14,921,000	(15,615,000)
Repayment of debt	1,648,425	17,132,116
Issuance of long-term debt	(14,921,000)	–
	$ 3,841,885	$ 6,694,607

12. Investment income:

Investment income earned and recorded as other revenue in the statements of operations is calculated as follows:

	2013	2012
Unrestricted resources	$ 163,277	$ 183,887
Endowment funds	174,428	189,790
	$ 337,705	$ 373,677

13. Financial instrument and risk management:

(a) Credit risk:

Credit risk is the risk of financial loss to the College if a debtor falls to make payments of interest and principal when due. The College Is exposed to this risk relating to its cash, debt holdings in its investment portfolio, notes receivable 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 $200,000 (2012 - $200,000).

13. Financial instrument and risk management (continued):

The College's investment policy operates within the constraints of the investment guidelines issued by the MTCU and puts limits on the bond portfolio including portfolio composition, issuer type, bond quality, aggregate issuer, corporate sector and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in government bonds, bank listed schedule I or II or a branch in Canada of an authorized foreign bank under the Bank Act. Externally restricted and endowment funds, which are generally money and donations for scholarships and bursaries, can be invested in corporate bonds with a credit rating of A(R-1) or better. All other College funds are restricted to corporate bonds with a rating of AAA.

The maximum exposure to investment credit risk is outlined in note 6.

Student receivables are ultimately due from students. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population.

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 maximum exposure to credit risk of the College at March 31, 2013 is the carrying value of these assets.

	March 31, 2013	March 31, 2012	April 1, 2011
MTCU receivables	$ 4,648,928	$ 4,891,967	$ 4,429,357
Student receivables	415,422	498,969	407,740
Other receivables	4,281,922	5,814,341	3,308,643
	9,346,272	11,205,277	8,145,740
Less allowance for doubtful accounts	165,000	200,000	175,000
	$ 9,181,272	$ 11,005,277	$ 7,970,740

13. Financial instrument and risk management (continued):

Student receivables not impaired are collectible based on the College's assessment and past experience regarding collection rates.

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

(b) 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.

The College's investment policy operates within the constraints of the investment guidelines Issued by the MTCU. The policy's application is monitored by management, the investment managers and the Board. Diversification techniques are utilized to minimize risk. The Policy sets limits and the maximum amount allowable per investment grade non-government fixed income issue at the greater of 15% of the total portfolio or 20% of the fixed income portfolio.

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

(i) Currency risk:

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange rates when adverse changes in foreign currency rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

The College held U.S. equities in their investment portfolio during the 2011/12 fiscal year. The College investment policy was revised and approved by the Board on January 25, 2012. The revised Investment Policy Statement excluded foreign equities from the asset mix.

13. Financial instrument and risk management (continued):

(ii) 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 interest-bearing investments, demand bank loans and long-term debt.

The College mitigates interest rate risk on its long-term debt through a derivative financial instrument that exchanges the variable rate inherent in the long-term debt for a fixed rate (note 9). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

The College's bond portfolio has interest rates ranging from 1.67% to 5.35% (March 31, 2012 - 2.0% to 7.4%; April 1, 2011 - 1.0% to 7.7%) with maturities ranging from June 3, 2013 to January 15, 2027 (March 31, 2012 - April 9, 2012 to January 15, 2027; April 1, 2011 - April 7, 2011 to January 15, 2027).

At March 31, 2013, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of bonds and the interest rate swap of $149,205 and $85,000, respectively. A 1% fluctuation in interest rates would have an estimated impact on interest income related to the College's notes receivable of $5,400 (March 31, 2012 - $12,800; April 1, 2011 - $16,600). The College's long-term debt as described in note 9 would not be impacted as the inherent variable rate of the debt has been fixed with the use of the aforementioned derivative interest rate swap.

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

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Years ended March 31, 2013 and 2012

13. Financial instrument and risk management (continued):

(iii) Equity risk:

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The College is exposed to this risk through its equity holdings within its investment portfolio. At March 31, 2013, a 10% movement in the stock markets with all other variables held constant would have an estimated effect on the fair values of the College's equities of $180,600 (March 31, 2012 - $130,200; April 1, 2011 - $90,000).

There has been an increase in the exposure to risk with the Endowment Investment Policy Statement revision approved January 25, 2012, where the equities increased from a target asset mix of 17.5% to 30% of the total portfolio.

(c) 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 follow table sets out the contractual maturities (representing undiscounted contractual cash-flows of financial liabilities):

	Within 6 months	6 months to 1 year	1 - 5 years	Greater than 5 years
Accounts payable and accrued liabilities	$ 5,172,118	$ 2,176,241	$ 635,670	$ –
Accrued payroll and employee benefits	10,462,172	25,000	–	–
Long-term debt	720,279	583,999	4,143,777	11,065,382

13. Financial instrument and risk management (continued):

Derivative financial liabilities mature as described in note 9.

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

14. Ontario Student Opportunity Trust Funds:

Net assets restricted for endowments include monies provided by the Government of Ontario from the Ontario Student Opportunity Trust Fund Phase 1 and Phase 2 ("OSOTF") matching program to award student aid as a result of raising an equal amount of endowed donations.

The College has recorded the following amounts under the OSOTF programs:

(a) OSOTF - Phase 1:

Schedule of changes in endowment fund balance:

	2013	2012
Fund balance, beginning of year	$ 1,418,200	$ 1,418,097
Preservation of capital	36	103
Fund balance, end of year	$ 1,418,236	$ 1,418,200

14. Ontario Student Opportunity Trust Funds (continued):

Schedule of changes in expendable funds available for awards:

	2013		2012	
	Market	Cost	Market	Cost
Balance, beginning of year	$ 259,166	$ 165,276	$ 247,216	$ 164,910
Opening balance adjustment	–	93,890	–	–
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	109,532	49,685	74,875	63,291
Bursaries awarded (2013 - 74; 2012 - 81)	(55,075)	(55,075)	(62,925)	(62,925)
Balance, end of year	$ 313,623	$ 253,776	$ 259,166	$ 165,276

(b) OSOTF - Phase 2:

Schedule of changes in endowment fund balance:

	2013	2012
Fund balance, beginning of year	$ 473,306	$ 473,262
Preservation of capital	71	44
Fund balance, end of year	$ 473,377	$ 473,306

14. Ontario Student Opportunity Trust Funds (continued):

Schedule of changes in expendable funds available for awards:

	2013		2012	
	Market	Cost	Market	Cost
Balance, beginning of year	$ 55,526	$ 35,692	$ 60,332	$ 45,282
Opening balance adjustment	–	19,834	–	–
Realized investment income, net of direct investment- related expenses and preservation of capital contributions	28,506	14,108	15,544	10,760
Bursaries awarded (2013 - 10; 2012 - 17)	(10,798)	(10,798)	(20,350)	(20,350)
Balance, end of year	$ 73,234	$ 58,836	$ 55,526	$ 35,692

15. Ontario Trust for Student Support:

Net assets restricted for endowments include monies provided by the Government of Ontario from the Ontario Trust for Student Support ("OTSS") matching program to award student aid.

15. Ontario Trust for Student Support (continued):

Schedule of donations received during the year:

		2013		2012
Cash donations matched	$	–	$	226,996

Schedule of changes in endowment fund balances during the year:

	2013	2012
Fund balance, beginning of year	$ 3,812,967	$ 3,238,452
Eligible cash donations received in compliance with the November 2005 Program Guidelines and Reporting Requirements	–	226,996
Matching funds received/receivable from MTCU in 2010/11	–	347,509
Preservation of capital	18	10
Fund balance, end of year	$ 3,812,985	$ 3,812,967

Schedule of changes in expendable funds available for awards:

	2013		2012	
	Market	Cost	Market	Cost
Balance, beginning of year	$ 232,024	$ 149,489	$ 177,666	$ 104,381
Opening balance adjustment	–	82,535	–	–
Realized investment income, net of direct investment-related expenses and preservation of capital contributions	240,651	113,285	143,448	134,198
Bursaries awarded (2013 - 144; 2012 - 122)	(102,885)	(102,885)	(89,090)	(89,090)
Balance, end of year	$ 369,790	$ 242,424	$ 232,024	$ 149,489

16. Fleming College Foundation:

Fleming College Foundation (the "Foundation") was established to raise funds for the use of the College. The Foundation was incorporated under the Canada Corporations Act and is a registered charity under the Income Tax Act (Canada).

As defined by CICA PSAB accounting recommendations for NPOs, the College controls the Foundation operations, in that they have common board members controlling both entities. The majority of fundraising has been carried out by the College since April 1, 2011.

The Foundation's financial statements have not been consolidated in the College's financial statements. Separate financial statements of the Foundation are available upon request.

Financial summaries of the Foundation as at and for the year ended March 31 are as follows:

	2013	2012
Financial position		
Total assets	$ 65,085	$ 70,947
Total liabilities	5,405	6,163
Fund balances	$ 59,680	$ 64,784
Results of operations		
Total revenue	$ 17,873	$ 19,669
Total expenses and bursaries	5,405	5,358
Transfers to Fleming College	17,572	84,527
Excess of expenditures over revenue	$ (5,104)	$ (70,216)

The net resources of the Foundation amount to $59,680 (2012 - $64,784), of which $55,138 (2012 - $55,000) is restricted.

17. Internally restricted net assets:

	March 31, 2013	March 31, 2012	April 1, 2011
Residence and other direct student services	$ 1,976,000	$ 1,309,200	$ 999,800

Internally restricted net assets represent funds restricted by Board motion. Board approval is required for expenditures. On May 29, 2013, the Board approved a transfer of $666,800 from unrestricted to internally restricted net assets for the purpose of residence and other direct student services.

18. Commitments:

(a) The College is committed to the following operating lease payments in each of the following years:

2014	$ 658,250
2015	338,655
2016	284,802
2017	62,434
2018	–

(b) The College is constructing the Kawartha Trades and Technology Centre ("KTTC"), an addition to the Sutherland Campus. During the year, the College entered into an agreement with a construction company at a total cost of $21,997,211 and incurred costs of $6,120,333, resulting in a balance remaining at March 31, 2013 of $15,876,878. In the prior fiscal year, the College entered into an agreement for architectural services for KTTC at a total cost of $568,755 and as of March 31, 2013, the College has spent $144,774. The commitment remaining at March 31, 2013 for architectural services is $423,981. KTTC is expected to be substantially complete by April 2014 and the majority will be funded by MTCU.

18. Commitments:

The College is renovating the Centre for Alternative Wastewater Treatment ("CAWT") lab at the Frost campus. The College has entered into an agreement for architectural services at a total cost of $174,763. The College has spent $108,601 in this fiscal year, resulting in a commitment at March 31, 2013 of $66,162. As well, an agreement was entered into with a construction company at a total cost of $792,741. The College has not yet incurred any costs related to the construction; therefore, the commitment at March 31, 2013 remains at $792,741. The renovation of the CAWT facility is expected to be completed during the 2014 fiscal year and 40% will be funded by each of the federal and provincial governments.

The College entered into an agreement during the year totalling $262,255 to purchase software, servers and consulting support related to the transition of the College Core IT Infrastructure. During the year, the College spent $86,546, resulting in a commitment at March 31, 2013 of $175,709. The transition is expected to be completed during the 2014 fiscal year.

SIR SANDFORD FLEMING COLLEGE

FINANCIAL STATEMENTS – 2012/13

REPORT OF

VICE PRESIDENT FINANCE AND ADMINISTRATION

A. STATEMENT OF FINANCIAL POSITION

Introduction

The Public Sector Accounting Board (PSAB) issued new standards for government not for profit organizations (NPOs) for years beginning on or after January 1, 2012. Effective April 1, 2012 the College adopted the requirements of the new accounting framework, PSAB for Government NPOs. Upon adoption, the net assets were reduced by $2.8 million, mainly due to the requirement to accrue non vested sick leave.

A summary of the significant accounting policies and reporting practices followed by the College are outlined in the Notes to the Financial Statements.

The Financial Statements include net assets of $ 10.6 million as at March 31, 2013 and include prior years' financial results.

The following highlights describe the changes during the 2012/13 fiscal year.

Cash has increased by $ 2.2 million as outlined in the Statements of Cash Flows.

Operating activities include an excess of revenue over expenditures of $ 1.2 million. When combined with items not involving cash and changes in non-cash operating working capital, cash has increased by $ 7.3 million.

Financing activities have utilized $ 1.4 million mainly due to the repayment of debt.

Capital activities utilized $ .8 million as capital purchases exceeded contributions received during the year.

Investing activities resulted in a decrease in cash of $ 2.9 million due to an increase in short term investments.

Cash is invested in accordance with the Ministry of Training, Colleges and Universities' (MTCU) Banking, Investments and Borrowing Binding Policy directive.

MTCU receivables: The outstanding balance of $ 4.6 million is due from MTCU. Of this total, $ 3.8 million relates to the BScN Operating Grant and $ .7 million to the Second Career Grant.

Accounts receivable: The accounts receivable have decreased by $ 1.6 million. A receivable of $ 2.2 million due from the Student Administrative Council, Peterborough (SAC) outstanding at the end of the prior fiscal year has been paid in full. Offsetting this decrease is an increase of $.5 million related to a research project completed March 31, 2013.

Notes receivable: The notes receivable represent funds loaned to the Student Association, Frost Campus (SA) for the construction of their Student Centre and SAC for their portion of the investment in the Peterborough Sport and Wellness Centre. SA repaid the balance of their loan during the fiscal year and SAC's remaining balance at March 31, 2013 is $37,887.

Capital assets: Details of the classification of capital assets held are provided in Note 7 to the Financial Statements. The net book value has increased, as compared to the prior year, by approximately $ 2.8 million. During the fiscal year, capital investments totalled $ 9.2 million and were for the Kawartha Trades and Technology Centre ($ 6.8 million), academic equipment ($ .8 million), facility Improvements ($ .7 million), information technology ($ .5 million), the sport field project ($ .1 million), CAWT renovations ($ .1 million) and other capital ($ .2 million).

Accounts payable: The accounts payable have increased by $ 1.3 million. The KTTC construction project resulted in an increase of $ 1.8 million, which was offset by a change in the timing of transfer requests by SAC and SA for fees collected on their behalf.

MTCU grants received in excess of entitlements: The outstanding balance of $ .7 million represents funds received from MTCU that had not been earned at March 31, 2013. The majority of the balance relates to the Second Career Grant.

Deferred revenue: The deferred revenue has increased by $ .9 million mainly due to an increase in international enrolment.

Long-term debt: Details of the long-term debt are outlined in the Note 9 to the Financial Statements. The demand loan for the Brealey Residence was repaid during the year when the College entered into a loan with the Ontario Financing Authority. The net principal repayments during the year totalled $ 1.6 million.

Deferred derivative liability: Derivative financial instruments are utilized by the College in the economic management of interest rate exposure for the ERP and Wellness Centre loans. The derivative liability recorded on the balance sheet adjusts the swaps from cost to market and will fluctuate each year. At maturity the liability will be eliminated, $ .241 will be included in revenue and there will be no cash impact.

Deferred capital contributions: Deferred capital contribution changes are outlined in the Note 8 to the Financial Statements. The increase of $4.6 million is the net of capital additions of $ 8.3 million and $3.7 million of earned amortization. The funded capital additions relate to KTTC capital ($ 5.9 million), academic capital ($ .5 million), facility Improvements ($ .3 million), the Sports Field project ($ .1 million) and CAWT renovations ($ .1 million). The unspent portion of the capital contributions have increased by $1.4 million and are mainly related to the KTTC construction project.

Net assets: Net assets have increased by $ 1.3 million as outlined on the Statement of Changes in Net Assets. The excess of revenue over expenditures total $ 1.2 million, which includes $ .7 million generated by residence operations. The residence portion of the excess revenue over expenditures has been transferred to internally restricted net assets.

SIR SANDFORD FLEMING COLLEGE
Statement of Revenue and Expenditures
For the Period Ending March 31, 2013

	Current Year				
	Actual To 31-Mar-2013	Budget Current Year	Variance $	Variance %	Ref. Note
Revenue					
Grants and Reimbursements	(45,520,472.25)	(45,609,255.00)	(88,782.75)	-0.2%	
Student Tuition Fees	(22,163,166.57)	(21,808,423.00)	354,743.57	1.6%	1
Contract Training	(573,055.00)	(715,533.00)	(142,478.00)	-19.9%	2
Other Income					
Other Income	(7,960,824.10)	(7,155,775.00)	805,049.10	11.3%	3
Ancillary Fees	(4,044,099.55)	(4,004,379.00)	39,720.55	1.0%	
Non-Operating Revenue	-	-	-		
Total Other Income	(12,004,923.65)	(11,160,154.00)	844,769.65	7.6%	
			-		
Amortization of Deferred Capital Contributions	(3,774,026.95)	(3,710,275.00)	63,751.95	1.7%	
			-		
Total Operating Revenues	(84,035,644.42)	(83,003,640.00)	1,032,004.42	1.2%	
			-		
Investments	(15,978.00)	-	15,978.00		
Skills Programs	(3,058,650.86)	(3,218,169.00)	(159,518.14)	-5.0%	4
Tuition Holdback Bursaries	(2,187,252.36)	(2,220,000.00)	(32,747.64)	-1.5%	
Ministry Bursaries	(695,259.99)	(622,655.00)	72,604.99	11.7%	
Special Projects	(2,228,764.45)	(2,380,412.00)	(151,647.55)	-6.4%	5
Facilities Renewal and Renovation Projects	(545,575.29)	(421,363.00)	124,212.29	29.5%	6
Ancillary Operations	(4,008,261.34)	(3,933,956.00)	74,305.34	1.9%	
Total Revenue	$ (96,775,386.71)	$ (95,800,195.00)	$ 975,191.71	1.0%	

SIR SANDFORD FLEMING COLLEGE
Statement of Revenue and Expenditures
For the Period Ending March 31, 2013

	Current Year				
	Actual To 31-Mar-2013	Budget Current Year	Variance $	Variance %	Ref. Note
Expenditures					
Salaries and Benefits					
Salaries, Full Time	37,357,545.21	37,296,817.00	60,728.21	0.2%	
Salaries, Part Time	11,555,077.51	11,638,406.00	(83,328.49)	-0.7%	
Benefits	10,261,899.89	10,274,041.00	(12,141.11)	-0.1%	
Total Salaries and Benefits	59,174,522.61	59,209,264.00	(34,741.39)	-0.1%	
			-		
Non-Salary Expenses			-		
Instructional Support Costs	4,624,279.49	4,356,092.00	268,187.49	6.2%	7
Travel and Professional Development	1,036,651.32	1,139,873.00	(103,221.68)	-9.1%	8
Advertising	963,028.97	915,810.00	47,218.97	5.2%	
Telephone, Audit, Legal & Insurance	966,418.69	885,041.00	81,377.69	9.2%	9
Equipment Maintenance	407,456.74	382,968.00	24,488.74	6.4%	
Plant and Security	2,436,905.59	2,346,889.00	90,016.59	3.8%	10
Utilities	1,972,351.19	2,096,261.00	(123,909.81)	-5.9%	11
Contract Services Trent	1,808,125.73	1,803,614.00	4,511.73	0.3%	
Services & Other	2,933,908.71	3,016,071.00	(82,162.29)	-2.7%	12
Long Term Debt Interest	90,714.76	90,800.00	(85.24)	-0.1%	
Amortization of Capital Assets	5,546,435.95	5,633,113.00	(86,677.05)	-1.5%	
Total Non-Salary Expenses	23,712,586.27	23,639,437.00	73,149.27	0.3%	
			-		
Total Operating Expenditures	82,887,108.88	82,848,701.00	38,407.88	0.0%	
			-		
Investments	796,014.14	882,327.00	(86,312.86)	-9.8%	
Skills Programs	2,649,354.13	2,798,352.00	(148,997.87)	-5.3%	4
Tuition Holdback Bursaries	2,187,252.36	2,220,000.00	(32,747.64)	-1.5%	
Ministry Bursaries	695,259.99	622,655.00	72,604.99	11.7%	
Special Projects	2,228,764.46	2,380,412.00	(151,647.55)	-6.4%	5
Facilities Renewal and Renovation Projects	547,587.50	421,363.00	126,224.50	30.0%	6
Ancillary Operations	3,368,261.08	3,626,385.00	(258,123.92)	-7.1%	13
Net Asset Adjustment	189,838.57	-	189,838.57		14
			-		
Total Expenditures	$ 95,549,441.11	$ 95,800,195.00	$ (250,753.89)	-0.3%	
			-		
Net	$ (1,225,945.60)	$ -	$ (1,225,945.60)		

B. SUMMARY OF REVENUE AND EXPENDITURE VARIANCES – 2012/13

The purpose of the following statements are to provide explanations for significant variances when comparing the actual financial results for the year ended March 31, 2013 to the budget as disclosed through The Statement of Revenue and Expenditures.

1. **Student Tuition Fees**: Overall the College had a successful year with enrolment activity exceeding the fiscal enrolment plan, thus generating additional tuition verses budget. This increase was generated through international enrolment.

2. **Contract Training:** The School of Business saw great success in 2012/13 by actively pursuing contract training. Other schools however were unable to meet budget targets due to unexpected turnover of staff within the continuing education role and cancellation of some planned training due to adverse economic conditions/partner cut backs.

3. **Other Income:** Increases from budget in excess of $0.8 million were generated from a variety of sources. In addition to increase in tuition, the increases in enrolment activity for 2012/13 generated increases in academic, student supply fees and administrative fees. However, much of these increases are in direct proportion to increase in academic expenditures for supplies and other flow through cost such as International student health plans. Bookstore, cafeteria and parking income also increased by $0.338 million, primarily due to a negotiated settlement with the College's previous food services provider. Activity in special initiatives including School College Work and WSIB upgrading also exceeded the budget thus resulting in an increase to provincial funding available for these programs

4. **Skills Programs:** While overall enrolment activity in the college increased, there was a decline in activity related to the skills programs including Literary Basic Skills, Older Workers and Target Employment programs. The decline resulted in a decline in both revenue and expenditure required to deliver the programs. Overall impact to the College was minimal with net decline in contribution to overheads of only $10,500.

5. **Special Projects:** While revenues recognized under special projects were below budget, there is an equal reduction in expenditures fully offsetting this impact. When preparing the budget for special projects an estimate is required as to the amount of funding that will be needed to offset expenditures versus the acquisition of capital assets. The decline in revenue and expense for special projects does not reflect a decline in planned support from funding partners but rather an increase in the purchase of assets from original plan. For 2012/13 larger assets were purchased under the Apprenticeship Equipment Fund rather than small dollar tools expense.

6. **Facilities Renewal and Renovation Projects:** As with special projects, facility renewal and renovation projects are made up of a blend of expense items and capital asset procurements. For 2012/13 the majority of the increase in revenue and offsetting expense was for a change in distribution of asset items versus expense items primarily due to the Kawartha Technology and Trades Centre construction project.

7. **Instructional Support Costs:** Again driven by the increase in enrolment activity, costs to support programs including items such as copying, postage and office supplies have all increased. In addition, increased costs were incurred with the one-time set up of the College's new learning management software.

8. **Travel and Professional Development:** Expenditures across the college traditionally have come in under budget in travel and professional development. For 2012/13 staff travel for business purposes was over spent by $22,000 while the professional development funding was under-utilized. This is consistent throughout the departments and on average 40% of funding is left unspent. While the college offers a variety of options for staff to participate in development opportunities more work is required to increase the uptake.

9. **Telephone, Audit, Legal & Insurance:** Increases were required to pay additional health insurance for the increased enrollment of international students. These costs are fully offset through health fees charged back to the students.

10. **Plant and Security:** Additional costs were required this year for unplanned maintenance including an emergency roof repair and a requirement for unexpected mold abatement. Costs were offset through other savings in the plant operations budget.

11. **Utilities:** High increase in utilities rate were expected and planned for in budget. Prices did not increase as much as predicted by service providers and with the mild fall weather experienced, heating costs were also lower than budgeted.

12. **Service & Other:** Decrease in other costs was a direct result of enhanced activity to collect fees from students. Bad debt expense was almost eliminated in the year.

13. **Ancillary Operations:** Cost reductions with the residence operations were primarily a result of the deferral of one-time projects and weather-related savings in utilities.

14. **Net Asset Adjustment:** Accrued costs of employee future benefits under new PSAB accounting standards implemented in the year are reflected here as provided by our actuary.