

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY PUBLIC MEETING OF THE BOARD OF GOVERNORS

Wednesday, May 24, 2017

3:45 p.m.

Sutherland Campus

Kawartha Trades and Technology Centre

Room D1129.3

Peterborough, ON

2015-2018 Strategic Priorities

1. Deliver Outstanding Student Learning and Experiences
2. Collaborate and Prosper with Our Communities
3. Excel as an Organization
4. Enhance Financial Health and Sustainability

A G E N D A

Pages

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|--|---|
| <p>1. Call to Order</p> <ul style="list-style-type: none"> • Confirmation of Quorum • Welcome to the Traditional Territory, Introduction of Guests • Conflict of Interest Declarations (if any) | <p><i>1-2</i></p> |
| <p>2. Additions/Deletions/Approval of Agenda</p> | <p><i>1-2</i></p> |
| <p>3. Consent Agenda</p> <p><i>The following items have been identified for the Consent Agenda; any Governor may request any item be removed from this section by advising the President/Board Chair/Board Secretary in advance of the meeting or before approval of the agenda at the meeting. Items not moved will be considered adopted by consent without debate.</i></p> <p>Approve the</p> <p>3.1 minutes of the April 26, 2017 Public Board meeting</p> | <p><i>3</i></p> <p><i>4-6</i></p> |
| <p>4. Business Arising from Previous Meetings (not otherwise covered on the agenda)</p> <p>No items tabled.</p> | <p></p> |
| <p>5. Matters for Board Decision</p> <p>5.1 Draft Audited Financial Statements 2016-2017 (Report enclosed)</p> <p>10 min. Presenters: Governor Gillespie</p> <p>5.2 Internally Restricted Net Assets (Report enclosed)</p> <p>10 min. Presenters: Governor Gillespie</p> | <p><i>7-54</i></p> <p><i>55-56</i></p> |
| <p>6. Matters for Board Discussion</p> <p>6.1 Projects and Property Update (Report enclosed)</p> <p>15 min. Presenters: Vice-President Baker with Terry Williams</p> <p>6.2 Partnership Update #4: Centennial-Fleming – A Partnership Involving Two Colleges (Report enclosed)</p> <p>15 min. Presenter: Dr. Brenda Pander-Scott</p> | <p><i>57-60</i></p> <p><i>61-62</i></p> |

Items for Information (10 min)

- **Chair's Report** (a consolidated Report covering May/June activities will be provided in June)
- **President's Report to the Board: May 2017** (handout at meeting)
- **Roundtable: Community Connections**

7. Other Business

7.1 By-law 1-102 (enclosed)

63-82

Notice of Motion: In accordance with section 49 of By-law 1-102, notice is hereby given of the intent of the Sir Sandford Fleming College Board of Governors to amend By-law 1-102 for the general conduct of the affairs of the College at the June 28, 2017 Public meeting.

8. Report from the In-Camera Meeting

9. Adjournment of the Public Meeting approx. 4:35 p.m.

Private Session (Governors Only)

*Governors are reminded that a **confidential meeting evaluation form** will be available from **noon May 24, 2017 until end of day May 25, 2017** on the **Surveys and Questionnaires** page of the **Board Portal**.*

CONSENT AGENDA

Public Board Meeting
May 24, 2017

Agenda Item 3

CONTEXT / PURPOSE

To ensure the Board of Governors has sufficient time at its monthly meetings to deal with substantive policy issues and time to review and strengthen its own operations, minor or non-controversial Board matters will appear on a Consent Agenda for both the public and in-camera meetings. Items listed on the Consent Agenda do not require discussion and are approved en bloc.

BACKGROUND

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

Attachments:
As listed below

RECOMMENDATION

THAT the Board of Governors of Sir Sandford Fleming College approve the minutes of the

3.1 Public Board meeting held on April 26, 2017

Board of Governors PUBLIC MEETING

Wednesday, April 26, 2017

Sutherland Campus – Scholfield Boardroom

Room B3330

Peterborough, ON

Draft Until Approved

MINUTES

Present: Mr. Paul Downs
Ms. Dana Empey
Ms. Lori Geens, Board Chair
Mr. George Gillespie
Ms. Rosemarie Jung
Ms. Heather Kerrigan
Mr. Joon Kim
Ms. Sue Kloosterman
Mr. Dan Marinigh
Dr. Nancy Martin-Ronson
Mr. Mike Perry
Dr. Tony Tilly

Regrets: Ms. Shelley Knott-Fife
Mr. Mike Leonard
Ms. Katherine MacIver
Ms. Patti Watson

Ms. Michele McFadden, Board Secretary

Senior Administration: Mr. Brian Baker, Vice-President Finance and Administration
Ms. Sonia Crook, Vice-President Planning, Human Resources and Student Services
Ms. Judith Limkilde, Vice-President Academic
Mr. Drew Van Parys, Executive Director Marketing and Advancement

Presenters:

- *Item 5.2:* Ms. Angie Sims, Director Budgets

Guests:

- Laura Copeland, College Communications

1. Call to Order

Confirming quorum, the Chair called the meeting to order at 3:39 p.m. and acknowledged holding the meeting on the traditional lands of the Mississauga and Anishinaabe peoples.

Staff and guests were **welcomed**.

Conflict of Interest Declaration: Members were asked to declare conflicts of interest with items on the agenda; none were declared.

2. Additions/Deletions/Approval of Agenda

It was moved by Ms. Empey, seconded by Ms. Jung and carried to approve the agenda as circulated.

3. CONSENT AGENDA

Governors were requested to identify those items to be removed from the Consent Agenda and placed on the regular Public meeting agenda.

Moved and Seconded by Mr. Downs and Mr. Marinigh

THAT the Board of Governors of Sir Sandford Fleming College approve the Consent Agenda for the April 26, 2017 meeting and, by unanimous consent, approve

3.1 the minutes of the March 22, 2017 Public Board meeting

and receive as information the

3.2 Chair's Report

3.3 Report on Contracts Awarded, January – March 2017

Motion Carried

(Resolution BoG April26-2017 #1)

4. Business Arising from Previous Meetings

No items tabled.

5. Matters for Board Decision

5.1 Fleming College Business Plan 2017-2018: Vice-President Crook presented the draft Plan, noting the 2017-2018 Business Plan identifies 30 objectives that relate to the Strategic and Academic Plans as well as the Strategic Mandate Agreement. Approximately five objectives from the previous plan have carried over; the document also identifies objectives that will be "parked" for years two and three of the Strategic Plan. The Ministry requires Ontario colleges to prepare an annual budget and a business plan, submitted by June 30 each year; our practice is to present both at the beginning of the fiscal year.

Moved and Seconded by Mr. Marinigh and Ms. Jung

THAT the Board of Governors of Sir Sandford Fleming College approve the *Fleming College 2017-2018 Business Plan*

Carried

(Resolution BoG April26-2017 #2)

An update on progress will be provided to the Board in January 2018 and the year-end report (or the annual report) on the success of the plan in May 2018.

5.2 Fleming College 2017-2018 Financial Plan: The Board reviewed the draft budget for 2017-2018 which anticipates a \$1-million contribution to reserves. Total revenues in this Plan are forecasted at \$113 million, an increase of \$3.6 million from the previous budget. Expenditures are planned at \$112 million, which is \$3.9 million higher than the 2016-2017 budget.

Governors were afforded an opportunity to ask questions of the Vice-President Finance and the Budget Director.

Moved and Seconded by Mr. Gillespie and Mr. Downs

THAT the Board of Governors of Sir Sandford Fleming College approve the *Fleming College 2017-2018 Financial Plan*, including adjustments to the Internal Restricted Reserve within net assets, which provides for

Total Revenue of \$113,024,189

Expenditures of \$112,005,557

Capital Expenditure of \$18,003,291

Net Assets at March 31, 2018 \$19,561,000.

Carried

(Resolution BoG April26-2017 #3)

6. Matters for Board Discussion

6.1 Key Performance Indicators – Survey Highlights: Data from the 2016-2017 survey was

released on April 19. The Graduate Satisfaction, Employer Satisfaction, Student Satisfaction and Graduation Rate for the College are above the system average by 2.3%, 0.8%, 2.1% and 2.2% respectively; however, our Graduate Employment Rate is slightly below the system average by 0.3%.

The results will be analyzed and used to inform the Business Plan and the Strategic Mandate Agreement. Although the Graduation Rate has had slight increases over the past four years, it remains under 70%; the College has and will continue to implement various student retention strategies to move this forward, some of which have been identified in the Business Plan. The Board requested information on the number of Fleming students who participate in this survey and changes to this response rate year over year.

Mr. Kim and Mr. Perry left the meeting at approx. 4:05 p.m.

Information or Update Items

6.2 Report to the Board: The President presented a report on College activities and initiatives over the month of April; the document will be posted as an addendum to the Public meeting package.

6.3 Community Connections Roundtable: Members were afforded an opportunity to note participation in a variety of events.

The Chair reminded Governors of the upcoming **Convocation ceremonies** and encouraged attendance.

7. Other Business

None brought forward,

8. Report from the In-Camera Meeting: An In-Camera meeting was held earlier in the day; the Board confirmed recipients of the Fleming College Employee Awards, appointed Rosemarie Jung and Mike Leonard to the Board for second terms commencing September 1, 2017 and confirmed a recipient for an honorary diploma.

9. Adjournment of Meeting: Senior Administration and guests were thanked for attending the meeting. It was moved by Ms. Empey, seconded by Mr. Marinigh and carried to adjourn the Public meeting at 4:25 p.m.

Governors were reminded that a **meeting evaluation** form would be available on the Surveys and Questionnaires page of the Board Portal until end of day Thursday.

The Board moved into a **private session**.

BOARD BRIEFING REPORT

SUBJECT: Audited Financial Statements 2016-2017

Submission to: Public Board Meeting

Meeting Date: May 24, 2017

Requested Action: Decision / Approval

Agenda Item 5.1

1. CONTEXT / PURPOSE

A report to recommend approval of the audited financial statements for 2016-2017.

2. BACKGROUND

- Minister's Binding Policy Directive, Governance and Accountability Framework
- Audited Financial Statements for the year end March 31, 2017 as compiled by KPMG, external auditors
- Audit Committee meeting scheduled May 24, 2017 wherein the Committee will review and recommend approval of the audited financial statements for 2016-2017

Attachments:

- 2016-2017 Financial Statements, draft 4, dated May 15, 2017
- 2016-2017 Report of the Vice-President Finance and Administration

3. ANALYSIS / PROPOSED OPTIONS

The 2016-2017 fiscal year resulted in an increase in total net assets of \$4,430,783 as a result of an excess of revenue over expenditures of \$4,763,735, additional endowment contributions of \$11,298 and a reduction of \$52,000 in the market value of the derivative liability during the year. These increases are offset by the sale of the McRae Campus and Nogies Creek, which resulted in a direct reduction of \$396,250. The Report of the Vice-President Finance and Administration contains further analysis of the year's financial results, including more details on the accounting for the McRae Campus sale.

For the fiscal year ended March 31, 2017, the financial health indicators are all within the acceptable benchmark target. The specific ratio results are as follows:

Ratio	Benchmark	Actual March 31/17	Pass/Fail
Annual Surplus	> \$0	\$ 4,763,735	Pass
Accumulated Surplus	> \$0	\$12,112,173	Pass
Quick Ratio	>= 1.0	1.73%	Pass
Total Debt to Asset Ratio	<= 35%	26.82%	Pass
Debt Servicing Ratio	<= 3%	1.22%	Pass
Net Assets to Expense Ratio	>= 60%	82.19%	Pass
Surplus (Deficit) to Revenue Ratio	>= 1.5%	4.22%	Pass

4. ASSESSMENT OF POTENTIAL RISK – *required for all matters requiring Board decision/approval*

Category (select all that apply): Strategic Compliance Operational Reputational N/A

Risks that would impact or jeopardize the success of the proposal or project	Likelihood High / Medium / Low	Impact High / Medium / Low
Elite Construction Inc. Schedule Delay Invoice and the related contingent liability's negative impact to the Financial Statements	Low	Medium

Additional risks may be identified here: N/A

Actions proposed to prevent / reduce the likelihood of the risk occurring or to reduce the severity of / manage the risk:

Elite Construction Inc. was the general contractor for the construction of the KTTC building, and on April 8, 2016 they issued an invoice to the College in the amount of \$2.5 million related to project delays. The College does not agree with their assessment of the delay costs and our legal firm has issued a counter claim during the year and there has been no response to date. This is likely to remain unresolved for some time, and the 2016-2017 Audited Financial Statements do not include any provision or reference to this contingent liability. The College's auditors and legal counsel concur that there is no adjustment required in the financial statements for this contingent liability, as the likelihood and estimated value are currently undeterminable.

Future financial statements could be impacted by this contingent liability should some amount of settlement become due and owing by the College. The maximum impact to the future financial statements would be an increase in capital of \$2.5 million, a corresponding decrease in cash, and a charge to amortization expense of approximately \$65,000 annually (for 39 years). Administration does not believe a settlement of this magnitude is realistic, but it does remain a risk until settled.

5. RELATIONSHIP TO STRATEGIC PLAN / BUSINESS PLAN / VISION / MANDATE

The College has made good progress in 2016-2017 towards its strategic objective of doubling its financial reserves. It is also a Ministry requirement for the Board of Governors to annually approve the financial statements.

6. RECOMMENDATION

KPMG will remove "draft" and issue final Audited Financial Statements once approval has been received. These statements will then be provided to the Ministry of Advanced Education and Skills Development; the statements also form part of the College's Annual Report and will be posted to the College website.

THAT the Board of Governors of Sir Sandford Fleming College approve the 2016-2017 Audited Financial Statements indicating Net Assets as at March 31, 2017 of \$18,434,082.

AUTHORED BY: Brian Baker, Vice-President Finance and Administration; Sue Sanders, Director Finance

DRAFT #4
May 15, 2017

Financial Statements of

**SIR SANDFORD FLEMING
COLLEGE OF APPLIED ARTS
AND TECHNOLOGY**

Year ended March 31, 2017

INDEPENDENT AUDITORS' REPORT

To the Board of Governors 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 statement of financial position as at March 31, 2017, the statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, 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 audit. We conducted our audit 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.

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We believe that the audit evidence we have obtained 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, 2017, and its results of operations, its changes in net assets, its cash flows and its remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

DRAFT

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statement of Financial Position

March 31, 2017, with comparative information for 2016

	2017	2016
Assets		
Current assets:		
Cash	\$ 16,608,693	\$ 4,970,655
Short-term investments (note 3)	7,501,482	7,395,967
Ministry of Advanced Education and Skills		
Development receivables	5,616,688	4,461,405
Accounts receivable	3,361,339	3,901,057
Inventory and prepaid expenses	1,355,169	972,829
	34,443,371	21,701,913
Restricted investments for endowments, bursaries and other (notes 2 and 3)	9,285,937	9,171,628
Capital assets (note 4)	103,492,220	106,111,878
	\$ 147,221,528	\$ 136,985,419

	2017	2016
Liabilities, Deferred Contributions and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 12,292,522	\$ 7,457,121
Accrued payroll and employee benefits	9,197,989	10,936,461
Ministry of Advanced Education and Skills Development grants received in excess of entitlements	649,234	570,746
Deferred revenue	10,714,260	7,453,240
Current portion of long-term debt (note 6)	985,751	954,167
	<u>33,839,756</u>	<u>27,371,735</u>
Long-term debt (note 6)	11,065,382	12,051,133
Deferred derivative liability (note 6)	149,000	201,000
Post-employment benefits and compensated absences (note 7)	4,079,000	4,233,000
	<u>15,293,382</u>	<u>16,485,133</u>
Deferred contributions:		
Bursaries and other	2,815,028	2,712,017
Deferred capital contributions (note 5)	76,839,280	76,413,235
	<u>79,654,308</u>	<u>79,125,252</u>
Net assets:		
Invested in capital assets (note 8)	17,429,333	17,356,785
Internally restricted (note 14)	675,000	432,000
Unrestricted net assets:		
Operating	3,740,840	116,246
Post-employment benefits and compensated absences	(4,079,000)	(4,233,000)
Vacation pay accrual	(5,654,000)	(5,927,343)
	<u>(5,992,160)</u>	<u>(10,044,097)</u>
Accumulated remeasurement losses	(149,000)	(201,000)
Restricted for endowment	6,470,909	6,459,611
	<u>18,434,082</u>	<u>14,003,299</u>
Commitments (note 15)		
Subsequent event (note 15)		
	<u>\$ 147,221,528</u>	<u>\$ 136,985,419</u>

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 Statement of Operations

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Revenue:		
Ministry of Advanced Education and Skills		
Development grants and reimbursements	\$ 51,791,158	\$ 50,738,824
Student tuition	34,314,200	31,347,211
Other (note 9)	16,281,414	15,052,384
Ancillary operations	5,593,399	5,558,358
Amortization of deferred capital contributions (note 5)	5,000,995	4,529,081
	112,981,166	107,225,858
Expenditures:		
Salaries	57,626,730	56,764,180
Benefits	12,214,308	12,388,020
Amortization of capital assets	6,793,714	6,975,547
Contract services and other	8,170,519	6,265,830
Instructional support	6,889,109	5,587,986
Plant and security	3,257,231	3,885,130
Utilities	3,089,126	2,967,561
Bursaries	2,955,869	2,893,807
Telephone, legal and audit	1,907,102	1,520,018
Travel and professional development	1,199,656	1,141,210
Rental and taxes	1,056,024	1,020,519
Advertising	1,025,962	997,240
Other	883,256	979,588
Equipment maintenance	724,448	638,718
Interest on long-term debt	424,377	458,051
	108,217,431	104,483,405
Excess of revenue over expenditures	\$ 4,763,735	\$ 2,742,453

See accompanying notes to financial statements.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statement of Changes in Net Assets

Year ended March 31, 2017, with comparative information for 2016

						2017	2016
	Invested in capital assets (note 8(a))	Internally restricted (note 14)	Restricted for endowment	Unrestricted	Accumulated remeasurement gains (losses)	Total	Total
Net assets, beginning of year	\$ 17,356,785	\$ 432,000	\$ 6,459,611	\$ (10,044,097)	\$ (201,000)	\$ 14,003,299	\$ 11,184,165
Excess of revenue over expenditures (note 8(b))	(2,383,948)	–	–	7,147,683	–	4,763,735	2,742,453
Endowment contributions	–	–	11,298	–	–	11,298	64,181
Net change in investment in capital assets (note 8(b))	2,852,746	–	–	(2,852,746)	–	–	–
Interfund transfer	–	243,000	–	(243,000)	–	–	–
Disposal of donated land	(396,250)	–	–	–	–	(396,250)	–
Remeasurement gains	–	–	–	–	52,000	52,000	12,500
Net assets, end of year	\$ 17,429,333	\$ 675,000	\$ 6,470,909	\$ (5,992,160)	\$ (149,000)	\$ 18,434,082	\$ 14,003,299

See accompanying notes to financial statements.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statement of Cash Flows

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenditures	\$ 4,763,735	\$ 2,742,453
Items not involving cash:		
Amortization of capital assets	6,793,714	6,975,547
Amortization of deferred capital contributions	(5,000,995)	(4,529,081)
Loss on disposal of capital assets	591,229	8,057
Donation of capital assets	(86,536)	(227,493)
	7,061,147	4,969,483
Accruals for post-employment benefits and compensated absences	(154,000)	(45,000)
Change in non-cash operating working capital:		
Ministry of Advanced Education and Skills		
Development receivables	(1,155,283)	272,422
Accounts receivable	539,718	451,184
Inventory and prepaid expenses	(382,340)	74,326
Accounts payable and accrued liabilities	4,835,401	(2,191,430)
Accrued payroll and employee benefits	(1,738,472)	(544,711)
Ministry of Advanced Education and Skills		
Development grants received in excess of entitlements	78,488	(34,453)
Deferred revenue	3,261,020	(1,144,569)
	12,345,679	1,807,252
Capital activities:		
Deferred capital contributions	5,427,040	1,308,511
Purchase of capital assets	(5,077,960)	(3,086,984)
Proceeds on disposal of capital assets	2,961	715
	352,041	(1,777,758)
Financing activities:		
Deferred contributions, bursaries and other	103,011	(313,036)
Endowment contributions	11,298	64,181
Principal payments on long-term debt	(954,167)	(1,001,985)
	(839,858)	(1,250,840)

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Statement of Cash Flows (continued)

Year ended March 31, 2017, with comparative information for 2016

	2017	2016
Investing activities:		
Invested in short-term investments, net	(105,515)	(1,238,912)
Increase in restricted investments for endowments, bursaries and other	(114,309)	248,855
	<u>(219,824)</u>	<u>(990,057)</u>
Increase (decrease) in cash	11,638,038	(2,211,403)
Cash, beginning of year	4,970,655	7,182,058
Cash, end of year	<u>\$ 16,608,693</u>	<u>\$ 4,970,655</u>
Supplemental cash flow information:		
Interest paid	\$ 424,377	\$ 458,051
Interest received	701,950	90,038

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, 2017, with comparative information for 2016

	2017	2016
Accumulated remeasurement gains and losses, beginning of year	\$ (201,000)	\$ (213,500)
Unrealized gain on swap derivatives	52,000	12,500
Accumulated remeasurement gains and losses, end of year	\$ (149,000)	\$ (201,000)

See accompanying notes to financial statements.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements

Year ended March 31, 2017

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.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

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 expenditures. 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 the land lease
Sports fields	5%

Construction in progress is not amortized until the related asset is available for use.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

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 management's best-estimate of the length of the compensated absences.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

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 statement 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 statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations for unrestricted investments.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

1. Significant accounting policies (continued):

(ii) Amortized cost:

This category includes accounts receivable, Ministry of Advanced Education and Skills Development ("MAESD"), previously known as Ministry of Training, Colleges and Universities ("MTCU"), receivables, accounts payable and accrued liabilities, accrued payroll and employee benefits, MAESD 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 statement of operations.

(g) Inventory:

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

(h) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard.

A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

1. Significant accounting policies (continued):

(iii) the organization is directly responsible or accepts responsibility for the liability;

(iv) future economic benefits will be given up; and

(v) a reasonable estimate of the liability can be made.

(i) Foreign currency:

Foreign currency transactions are recorded at the exchange rate at the financial statement date. 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 remeasurement gains and losses.

(j) Capital donations:

The College records in-kind capital donations if a charitable tax receipt for income taxes is issued. Other in-kind donations are not recorded in the financial statements.

(k) 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, liability for contaminated sites and estimated useful lives of capital assets. Actual results could differ from those estimates.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

2. Restricted investments for endowments, bursaries and other:

Investments in the amount of \$9,285,937 (2016 - \$9,171,628) are restricted as to use and are not available for general operations. Fair value is described in note 1.

3. 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:

2017	Fair value	Amortized cost	Total
Cash	\$ 16,608,693	\$ -	\$ 16,608,693
Short-term investments	7,501,482	-	7,501,482
MAESD receivables	-	5,616,688	5,616,688
Accounts receivable	-	3,361,339	3,361,339
Restricted investments for endowments, bursaries and other	9,285,937	-	9,285,937
Accounts payable and accrued liabilities	-	(12,292,522)	(12,292,522)
Accrued payroll and employee benefits	-	(9,197,989)	(9,197,989)
MAESD grants received in excess of entitlements	-	(649,234)	(649,234)
Long-term debt	-	(12,051,133)	(12,051,133)
Deferred derivative liability	(149,000)	-	(149,000)
	\$ 33,247,112	\$ (25,212,851)	\$ 8,034,261

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

3. Financial instrument classification (continued):

2016	Fair value	Amortized cost	Total
Cash	\$ 4,970,655	\$ –	\$ 4,970,655
Short-term investments	7,395,967	–	7,395,967
MTCU receivables	–	4,461,405	4,461,405
Accounts receivable	–	3,901,057	3,901,057
Restricted investments for endowments, bursaries and other	9,171,628	–	9,171,628
Accounts payable and accrued liabilities	–	(7,457,121)	(7,457,121)
Accrued payroll and employee benefits	–	(10,936,461)	(10,936,461)
MTCU grants received in excess of entitlements	–	(570,746)	(570,746)
Long-term debt	–	(13,005,300)	(13,005,300)
Deferred derivative liability	(201,000)	–	(201,000)
	\$ 21,337,250	\$ (23,607,166)	\$ (2,269,916)

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	2017	2016
Money market	1	\$ 217,368	\$ 323,882
Fixed income	1	14,036,700	14,113,018
Canadian equity	1	2,533,351	2,130,695
		\$ 16,787,419	\$ 16,567,595

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

3. Financial instrument classification (continued):

Maturity profile of bonds held is as follows:

2017	Within 1 year	2 - 5 years	6 - 10 years	Over 10 years	Total
Carrying value	\$ 624,558	\$ 896,052	\$ 289,466	\$ 21,257	\$ 1,831,333
Percentage of total	34	49	16	1	100

2016	Within 1 year	2 - 5 years	6 - 10 years	Over 10 years	Total
Carrying value	\$ 40,646	\$ 1,367,128	\$ 400,720	\$ 21,284	\$ 1,829,778
Percentage of total	2	75	22	1	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).

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

3. Financial instrument classification (continued):

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, 2017 and 2016. There were also no transfers in or out of Level 3. For a sensitivity analysis of financial instruments recognized in Level 3 see note 10 - interest rate risk, as the prevailing interest rate is the most significant input into the fair value of the instrument.

4. Capital assets:

			2017	2016
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 2,083,687	\$ –	\$ 2,083,687	\$ 2,479,937
Buildings	139,440,599	49,817,777	89,622,822	90,936,005
Site improvements	5,122,887	3,735,487	1,387,400	1,544,425
Furniture and equipment	26,404,102	22,117,198	4,286,904	4,541,619
Computer equipment	6,847,076	5,556,828	1,290,248	1,461,169
Residence furniture	1,086,301	1,086,301	–	32,273
Fibre optic system	1,560,459	970,763	589,696	667,719
Enterprise Resource Planning System	4,014,447	3,909,508	104,939	124,088
Leasehold improvements	654,285	654,285	–	13,113
Sport and Wellness Centre	2,470,079	582,799	1,887,280	1,936,731
Sports fields	2,711,111	471,867	2,239,244	2,374,799
	\$ 192,395,033	\$ 88,902,813	\$ 103,492,220	\$ 106,111,878

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

4. Capital assets (continued):

The total capital asset additions purchased and donated during the year was \$5,164,496 (2016 - \$3,314,477). MAESD contributed \$2,295,328 (2016 - \$483,151), other provincial funding nil (2016 - \$26,976), the federal government \$328,880 (2016 - \$212,280), municipal governments \$433,333 (2016 - \$486,137), private companies \$86,536 (2016 - \$227,494), fundraising \$118,879 (2016 - \$176,059) and internal funds \$1,901,540 (2016 - \$1,702,380).

Included in buildings, site improvements and Enterprise Resource Planning System is capital in progress in the amount of \$2,372,329 (2016 - \$30,150), \$129,281 (2016 - \$95,654) and nil (2016 - \$95,396), respectively.

5. 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 statement of operations. The changes in the deferred capital contributions balance are as follows:

	2017	2016
Balance, beginning of year	\$ 76,413,235	\$ 79,633,805
Less amounts amortized to revenue	5,000,995	4,529,081
	71,412,240	75,104,724
Contributions received for capital purposes	5,427,040	1,308,511
Balance, end of year	\$ 76,839,280	\$ 76,413,235

As at March 31, 2017, there was \$2,827,526 (2016 - \$663,442) of deferred capital contributions received that were not spent.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

6. Long-term debt:

	2017	2016
Brealey Student residence loan, payable \$630,940 semi-annually, including interest at 3.218%, due July 2027, secured by specific property	\$ 11,168,133	\$ 12,049,300
Less principal repayments due within one year	909,751	881,167
	<u>10,258,382</u>	<u>11,168,133</u>
The Peterborough Sport and Wellness Centre loan payable, secured by specific property	883,000	956,000
Less principal repayments due within one year	76,000	73,000
	<u>807,000</u>	<u>883,000</u>
	<u>\$ 11,065,382</u>	<u>\$ 12,051,133</u>

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

6. Long-term debt (continued):

The College has entered into an interest rate swap for The Peterborough Sport and Wellness Centre. The fair value of the interest rate swap has been recorded as a deferred derivative liability.

The fair value of the interest rate swap has been determined using Level 3 of the fair value hierarchy. The fair value of the interest rate swap 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 the swap liability is \$149,000 (2016 - \$201,000).

The principal repayments due on long-term debt in the next five years and thereafter are as follows:

2018	\$ 985,751
2019	1,020,263
2020	1,054,731
2021	1,090,188
2022	1,127,666
Thereafter	6,772,534
	<hr/>
	\$ 12,051,133

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

7. 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:

					2017	2016
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Compensated absences	Total liability	Total liability
Accrued employee future benefits obligations	\$ 698,000	\$ 2,699,000	\$ 577,000	\$ 257,000	\$ 4,231,000	\$ 3,629,000
Value of plan assets	(99,000)	–	–	–	(99,000)	(136,000)
Unamortized actuarial gains (losses)	79,000	122,000	(254,000)	–	(53,000)	740,000
	\$ 678,000	\$ 2,821,000	\$ 323,000	\$ 257,000	\$ 4,079,000	\$ 4,233,000

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

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

					2017	2016
	Post-employment benefits	Non-vesting sick leave	Vesting sick leave	Compensated absences	Total expense	Total expense
Current year benefit costs	\$ (27,000)	\$ 145,000	\$ 35,000	\$ 257,000	\$ 410,000	\$ 483,000
Interest on accrued benefit obligation	1,000	38,000	13,000	–	52,000	43,000
Amortized actuarial gains (losses)	(7,000)	(49,000)	68,000	–	12,000	(34,000)
	\$ (33,000)	\$ 134,000	\$ 116,000	\$ 257,000	\$ 474,000	\$ 492,000

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

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

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

(a) Retirement benefits:

Employees of the College are members of 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, 2017 indicated an actuarial surplus of \$1,600,000,000. The College made contributions to the Plan of \$5,851,883 (2016 - \$5,830,490), which has been included in the statement of operations.

The College makes contributions to the Retirement Compensation Arrangement ("RCA") triple the qualifying employee contributions. In 2017, the College's contributions to RCA amounted to \$70,706 (2016 - \$82,418), and has been included in the statement of operations.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

7. 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, 2017, of the future benefits was determined using a discount rate of 2.00% (2016 - 1.70%).

(ii) Drug costs:

Drug costs were assumed to increase at a 8.25% rate for 2017 (2016 - 8.50%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2034 for fiscal 2017 (2016 - 4.0% in 2034).

(iii) Hospital and other medical:

Hospital and other medical costs were assumed to increase at 4.0% per annum (2016 - 4.0%).

Medical premium increases were assumed to increase at 6.98% per annum in 2017 (2016 - 7.15%) and decrease proportionately thereafter to an ultimate rate of 4.0% in 2034 for fiscal 2017 (2016 - 4.0% in 2034).

(iv) Dental costs:

Dental costs were assumed to increase at 4.0% per annum in 2017 (2016 - 4.0%).

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

7. 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:

	2017	2016
Wage and salary escalation	0.50% - 1.50%	0.50% - 1.80%
Discount rate	2.00%	1.70%

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 23.7% and nil to 48.0 days, respectively, for age groups ranging from 20 and under to 65 and over in bands of five years.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

8. Net assets invested in capital assets:

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

	2017	2016
Capital assets, at cost (note 4)	\$ 192,395,033	\$ 191,338,781
Accumulated amortization (note 4)	(88,902,813)	(85,226,903)
Long-term debt:		
Long-term portion (note 6)	(11,065,382)	(12,051,133)
Current portion (note 6)	(985,751)	(954,167)
Deferred contributions related to capital assets (note 5)	(74,011,754)	(75,749,793)
Balance, end of year	\$ 17,429,333	\$ 17,356,785

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

	2017	2016
Excess (deficiency) of revenue over expenditures:		
Amortization of deferred capital contributions	\$ 5,000,995	\$ 4,529,081
Amortization of capital assets	(6,793,714)	(6,975,547)
Loss on disposal of capital assets	(591,229)	(8,057)
	\$ (2,383,948)	\$ (2,454,523)
Net change in investment in capital assets:		
Donated and purchased capital assets	\$ 5,164,496	\$ 3,314,477
Amounts funded by deferred capital contributions	(3,262,956)	(1,612,097)
Repayment of debt	954,167	1,001,985
Proceeds on disposal	(2,961)	(715)
	\$ 2,852,746	\$ 2,703,650

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

9. Investment income:

Included in other revenue is investment income earned, which comprises:

	2017	2016
Unrestricted resources	\$ 174,996	\$ 120,205
Endowment and restricted funds	526,954	(30,167)
	<u>\$ 701,950</u>	<u>\$ 90,038</u>

10. Financial instrument and risk management:

(a) Credit risk:

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash, debt holdings in its investment portfolio and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$200,000 (2016 - \$200,000).

The College's investment policy operates within the constraints of the investment guidelines issued by MAESD 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 as 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.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

10. Financial instrument and risk management (continued):

The maximum exposure to investment credit risk is outlined in note 3.

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, 2017 is the carrying value of these assets.

	2017	2016
MAESD receivables	\$ 5,616,688	\$ 4,461,405
Student receivables	372,961	401,288
Other receivables	3,260,378	3,770,769
	9,250,027	8,633,462
Less allowance for doubtful accounts	272,000	271,000
	\$ 8,978,027	\$ 8,362,462

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 credit 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)

Year ended March 31, 2017

10. Financial instrument and risk management (continued):

(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 MAESD. 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 market 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.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

10. 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 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 6). 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 1.40% to 4.27% (2016 - 1.10% to 4.27%) with maturities ranging from May 1, 2017 to November 22, 2027 (2016 - April 8, 2016 to November 27, 2022).

At March 31, 2017, 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 \$45,000 and \$45,500, respectively. The College's long-term debt, as described in note 6, 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)

Year ended March 31, 2017

10. 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, 2017, 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 \$253,000 (2016 - \$213,100).

(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 following 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	\$ 10,072,290	\$ 2,220,232	\$ -	\$ -
Accrued payroll and employee benefits	8,108,989	25,000	1,064,000	-
Long-term debt	489,245	496,506	4,292,848	6,772,534

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

10. Financial instrument and risk management (continued):

Derivative financial liabilities mature as described in note 6.

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.

11. 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:

	2017	2016
Fund balance, beginning of year	\$ 1,418,348	\$ 1,418,311
Preservation of capital	35	37
Fund balance, end of year	\$ 1,418,383	\$ 1,418,348

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

11. Ontario Student Opportunity Trust Funds (continued):

Schedule of changes in expendable funds available for awards:

	2017		2016	
	Market	Cost	Market	Cost
Balance, beginning of year	\$ 246,997	\$ 205,441	\$ 320,763	\$ 232,899
Realized investment income (loss), net of direct investment-related expenses and preservation of capital contributions	117,555	40,016	(12,411)	33,897
Bursaries awarded (2017 - 66; 2016 - 80)	(50,980)	(50,980)	(61,355)	(61,355)
Balance, end of year	\$ 313,572	\$ 194,477	\$ 246,997	\$ 205,441

(b) OSOTF - Phase 2:

Schedule of changes in endowment fund balance:

	2017	2016
Fund balance, beginning of year	\$ 473,596	\$ 473,523
Preservation of capital	71	73
Fund balance, end of year	\$ 473,667	\$ 473,596

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

11. Ontario Student Opportunity Trust Funds (continued):

Schedule of changes in expendable funds available for awards:

	2017		2016	
	Market	Cost	Market	Cost
Balance, beginning of year	\$ 65,593	\$ 55,328	\$ 82,513	\$ 59,484
Realized investment income (loss), net of direct investment-related expenses and preservation of capital contributions	37,376	12,542	(2,330)	10,434
Bursaries awarded (2017 -13; 2016 - 12)	(12,950)	(12,950)	(14,590)	(14,590)
Balance, end of year	\$ 90,019	\$ 54,920	\$ 65,593	\$ 55,328

12. 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 matching program to award student aid.

Schedule of changes in endowment fund balances during the year:

	2017	2016
Fund balance, beginning of year	\$ 3,813,032	\$ 3,813,016
Preservation of capital	16	16
Fund balance, end of year	\$ 3,813,048	\$ 3,813,032

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

12. Ontario Trust for Student Support (continued):

Schedule of changes in expendable funds available for awards:

	2017		2016	
	Market	Cost	Market	Cost
Balance, beginning of year	\$ 340,597	\$ 239,731	\$ 475,612	\$ 265,900
Realized investment income (loss), net of direct investment-related expenses and preservation of capital contributions	282,260	100,380	(26,149)	82,697
Bursaries awarded (2017 - 150; 2016 - 149)	(110,340)	(110,340)	(108,866)	(108,866)
Balance, end of year	\$ 512,517	\$ 229,771	\$ 340,597	\$ 239,731

13. 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 Ontario Corporations Act and is a registered charity under the Income Tax Act (Canada).

As defined by the Chartered Professional Accountants of Canada PSAB accounting recommendations for Government 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.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

13. Fleming College Foundation (continued):

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

	2017	2016
Financial position		
Total assets	\$ 5,223	\$ 5,405
Total liabilities	5,223	5,405
Fund balances	\$ –	\$ –
Results of operations		
Total revenue	\$ 35,002	\$ 28,718
Total expenses	5,223	5,405
Transfers to Fleming College	29,779	23,313
Excess of expenditures over revenue	\$ –	\$ –

The net resources of the Foundation amount to nil (2016 - nil).

14. Internally restricted net assets:

	2017	2016
Residence and other direct student services	\$ 645,000	\$ 412,000
Sports Field Capital Reserve Fund	30,000	20,000

Internally restricted net assets represent funds restricted by Board motion for the purpose of residence and other direct student services, as well as, capital repairs and improvements to the sports field complex. Board approval is required for expenditures.

SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY

DRAFT Notes to Financial Statements (continued)

Year ended March 31, 2017

14. Internally restricted net assets (continued):

On May 24, 2017, the Board approved a transfer of \$233,000 from unrestricted to internally restricted net assets for the purpose of residence and other direct student services. The balance now represents funds available for future reinvestment.

A further transfer of \$10,000 from unrestricted to internally restricted net assets was approved for the purpose of capital repairs and improvements to the sports field complex.

15. Commitments:

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

2018	\$ 433,327
2019	335,814
2020	263,506
2021	230,579
2022	41,584

The College is renovating and constructing an addition to the GeoCentre and Environmental Science facilities at the Frost Campus. Subsequently, on April 21, 2017, the College entered into an agreement with a construction company at a total cost of \$3,395,984. The construction is expected to be substantially complete by March 2018 with 50% of the project being funded through the Strategic Investment Fund.

16. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

SIR SANDFORD FLEMING COLLEGE

FINANCIAL STATEMENTS – 2016/17

REPORT OF

VICE-PRESIDENT FINANCE AND ADMINISTRATION

A. STATEMENT OF FINANCIAL POSITION

Introduction

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 \$ 18.4 million as at March 31, 2017 and include the prior year's financial results.

The following highlights describe the changes during the 2016/17 fiscal year.

Cash has increased to \$ 16.6 million (up by \$ 11.6 million) as outlined in the Statement of Cash Flows.

Operating activities include an excess of revenue over expenditures of \$ 4.8 million and a total increase in accounts payable and deferred revenue of \$ 8.1 million. When combined with items not involving cash and other changes in operating working capital, cash provided from operating activities has increased by \$ 12.3 million.

Capital activities resulted in an increase of \$.4 million in cash, as capital contributions received exceeded expenditures during the year.

Financing activities have utilized \$.8 million, mainly due to the repayment of long-term debt.

Investing activities resulted in a decrease in cash of \$.2 million due to more funds being held in short-term investments and bursaries.

Cash is invested in accordance with the Ministry of Advanced Education and Skills Development's (MAESD) Banking, Investments and Borrowing Binding Policy directive.

MAESD receivables: A balance of \$ 5.6 million is due from MAESD. Of this total, \$ 4.2 million relates to the BScN Operating Grant, \$ 1.0 million to a one-time operating grant and \$.4 to other grant funding.

Capital assets: Details of the classification of capital assets held are provided in Note 4 to the Financial Statements. The net book value has decreased, as compared to the prior year, by \$ 2.6 million. During the fiscal year, capital investments totalled \$ 5.2 million and related to the following activities; academic (\$ 1.1 million), KTTC (\$ 1.6 million), SIF (\$.8 million), facilities (\$.8 million), information technology (\$.7 million), and other capital (\$.2 million). The sale of the McRae Campus resulted in a decrease of approximately \$1.0 million in capital assets.

Accounts payable: The accounts payable have increased by \$ 4.8 million and can be attributed to an increase of \$ 2.2 million in the balance of funds held on behalf of the student associations and approximately \$ 2.0 million due to a change in the timing of vendor payments.

Accrued payroll and employee benefits: The accrued payroll and employee benefits have decreased by approximately \$1.7 million, as no full-time employee payroll accrual was required at year end. This decrease was offset by the timing of the employer benefit remittances.

MAESD grants received in excess of entitlements: The outstanding balance of \$.6 million represents funds received from MAESD that were not earned as of March 31, 2017.

Deferred revenue: The deferred revenue has increased by \$ 3.3 million, mainly due to the increase in international student enrolment. The winter 2017 term resulted in significant international growth and international students generally pay two semesters of tuition upon admission to the College.

Long-term debt: Details of the long-term debt are outlined in Note 6 to the Financial Statements. There are two loans outstanding the Sutherland residence in the amount of \$ 11.2 million and Peterborough Sport and Wellness Centre loan of \$.9 million. During the year principal repayments totalled \$ 1.0 million.

Deferred capital contributions: Deferred capital contribution changes are outlined in Note 5 to the Financial Statements. The increase of \$.4 million is the net of additional funding received during the year of \$ 5.4 million and \$ 5.0 million of earned amortization. The total funding spent during the year was \$ 3.3 million, which offset capital purchases related to the following activities; academic (\$.6 million), KTTC (\$.7 million), SIF (\$.4 million), facilities (\$.3 million) and other capital (\$.2 million). As well, prior year KTTC expenditures were offset by capital contributions of \$ 1.1 million received in the current year, which included \$.8 million in proceeds from the sale of the McRae Campus.

Net assets: Net assets have increased by \$ 4.4 million as outlined on the Statement of Changes in Net Assets. The excess of revenue over expenditures was \$ 4.8 million of which \$.4 million in surplus was generated by the residence. The sale of the McRae Campus and disposal of the Nogies Creek donated land reduced net assets by \$.4 million and endowment contributions and derivative liability market changes comprise the balance of the change in net assets.

SIR SANDFORD FLEMING COLLEGE
Statement of Revenue and Expenditures
For the Period Ending March 31, 2017

	Current Year					Notes	Actual Prior Year
	Actual To	Budget	Variance	%			
	31-Mar-2017	Current Year					
Revenue							
Grants and Reimbursements	(47,466,744.56)	(46,383,423.00)	(1,083,321.56)	2.3%		1	(46,159,941.04)
Student Tuition Fees	(31,654,637.16)	(29,967,048.00)	(1,687,589.16)	5.6%		2	(28,719,158.14)
Contract Training	(1,389,491.86)	(1,562,213.00)	172,721.14	-11.1%		3	(1,014,241.63)
Other Income							
Other Income	(7,638,030.12)	(7,480,181.00)	(157,849.12)	2.1%			(7,089,557.93)
Ancillary Fees	(4,460,618.84)	(4,299,699.00)	(160,919.84)	3.7%			(4,257,864.11)
Total Other Income	(12,098,648.96)	(11,779,880.00)	(318,768.96)	2.7%		4	(11,347,422.04)
Amortization of Deferred Capital Contributions	(5,000,995.41)	(4,435,000.00)	(565,995.41)	12.8%		5	(4,529,080.97)
Total Operating Revenues	(97,610,517.95)	(94,127,564.00)	(3,482,953.95)	3.7%			(91,769,843.82)
Investments							
Skills Programs	(3,735,120.31)	(3,438,796.00)	(296,324.31)	8.6%		6	(3,926,664.13)
Tuition Holdback Bursaries	(2,659,562.78)	(2,945,000.00)	285,437.22	-9.7%		7	(2,628,052.55)
Ministry Bursaries	(734,650.68)	(700,000.00)	(34,650.68)	5.0%			(707,065.84)
Special Projects	(2,304,949.76)	(2,270,533.00)	(34,416.76)	1.5%			(2,184,182.00)
Facilities Renewal and Renovation Projects	(339,604.45)	(517,958.00)	178,353.55	-34.4%		8	(447,959.63)
Ancillary Operations	(5,596,760.44)	(5,436,600.00)	(160,160.44)	2.9%		9	(5,562,089.55)
Total Revenue	\$ (112,981,166.37)	(109,436,451.00)	(3,544,715.37)	3.2%			\$ (107,225,857.52)

SIR SANDFORD FLEMING COLLEGE
Statement of Revenue and Expenditures
For the Period Ending March 31, 2017

	Current Year					Notes	Actual Prior Year
	Actual To	Budget	Variance	%			
	31-Mar-2017	Current Year					
Expenditures							
Salaries and Benefits							
Salaries, Full Time	41,179,238.13	41,269,136.00	(89,897.87)	-0.2%			40,445,236.83
Salaries, Part Time	11,587,303.44	12,338,366.00	(751,062.56)	-6.1%			11,635,735.90
Benefits	11,253,745.88	11,702,742.00	(448,996.12)	-3.8%			11,458,043.86
Total Salaries and Benefits	64,020,287.45	65,310,244.00	(1,289,956.55)	-2.0%		10	63,539,016.59
	21.3%	21.8%					
Non-Salary Expenses							
Instructional Support Costs	4,840,793.19	4,887,706.00	(46,912.81)	-1.0%			4,605,501.67
Travel and Professional Development	1,052,548.40	1,281,398.00	(228,849.60)	-17.9%		11	1,007,724.10
Advertising	962,962.17	983,170.00	(20,207.83)	-2.1%			945,240.48
Telephone, Audit, Legal & Insurance	1,626,432.13	1,604,333.00	22,099.13	1.4%			1,313,375.93
Equipment Maintenance	564,072.27	557,452.00	6,620.27	1.2%			435,495.79
Plant and Security	2,236,480.23	2,249,588.00	(13,107.78)	-0.6%			2,379,649.19
Rentals and Taxes	787,041.41	776,615.00	10,426.41	1.3%			830,415.90
Utilities	2,647,211.11	2,840,866.00	(193,654.90)	-6.8%		12	2,541,405.82
Contract Services Trent	2,062,515.10	2,017,781.00	44,734.10	2.2%			1,931,442.19
Services & Other	4,731,882.39	3,615,570.00	1,116,312.39	30.9%		13	3,339,235.50
Long Term Debt Interest	50,813.93	55,000.00	(4,186.07)	-7.6%			54,854.13
Amortization of Capital Assets	5,941,577.08	6,046,002.00	(104,424.92)	-1.7%			6,103,770.27
Total Non-Salary Expenses	27,504,329.40	26,915,481.00	588,848.40	2.2%			25,488,110.97
Total Operating Expenditures	91,524,616.85	92,225,725.00	(701,108.16)	-0.8%			89,027,127.56
Investments	1,587,804.96	592,630.00	995,174.96	167.9%		14	440,964.14
Skills Programs	3,735,120.31	3,438,796.00	296,324.31	8.6%			3,926,278.80
Tuition Holdback Bursaries	2,659,562.78	2,945,000.00	(285,437.22)	-9.7%			2,628,052.55
Ministry Bursaries	734,650.68	700,000.00	34,650.68	5.0%			707,065.84
Special Projects	2,304,949.77	2,270,533.00	34,416.76	1.5%			2,184,182.00
Facilities Renewal and Renovation Projects	339,604.45	517,958.00	(178,353.55)	-34.4%			447,959.63
Ancillary Operations	5,331,121.41	5,396,679.00	(65,557.59)	-1.2%			5,121,774.78
Total Expenditures	\$ 108,217,431.20	108,087,321.00	130,110.20	0.1%			\$ 104,483,405.30
Net	\$ (4,763,735.17)	\$ (1,349,130.00)	(3,414,605.17)	253.1%			\$ (2,742,452.22)

B. SUMMARY OF REVENUE AND EXPENDITURE VARIANCES

The purpose of the following comments is to provide explanations for significant variances (variance > \$0.1 million or 10%) when comparing the actual financial results for the year ended March 31, 2017 to the budget as disclosed through The Statement of Revenue and Expenditures.

1. **Grants:** Actual grant revenues for 2016/2017 increased by \$1.083 million (2.3%). This is mainly due to additional operating grant as provided by the province as a year-end funding contribution.
2. **Student Tuition Fees:** Student tuition exceeded budget by \$1.688 million (5.6%), as the results of a successful enrolment year with a significant increase in winter international enrolments.
3. **Contract Training:** Revenues are under budget by \$0.173 million (11.1%). A combination of lower enrolments in some of the routine offerings such as PEAK leadership and other delayed offerings has resulted in lower revenue. Much of the revenue losses associated with delayed course offerings are expected to materialize in 2017/18.
4. **Other Income:** The increase in other income of \$0.319 million (2.7%) comes from a variety of sources. Related to the growth in enrolment activity, revenues increased in both student ancillary fees (\$0.161 million) and student supply fees (\$0.024 million). The dual-credit School College Work program also saw increases in student enrolment resulting in increased revenues of \$ 0.055 million. An additional increase of \$0.079 million was the result of higher investment income due to increased cash flow versus budget.
5. **Amortization of Deferred Capital Contributions:** The sale of the College's McRae Campus property was finalized in the year. As the original purchase of the campus was funded by Ministry funds, the utilization of the proceeds of the sale require their approval. The Kawartha Trades and Technology Centre (KTTC) project included these proceeds as part of its funding. The accounting standards require that the unamortized value of the McRae Campus Ministry funding be taken into income as amortization of deferred capital contributions (revenue) in the year of sale of the corresponding asset. The full \$0.8 million proceeds from the sale are deferred to offset the cost of building the KTTC; as a result, a loss on sale of asset is equal to the net book value of the building of \$.594 million. This offsets the revenue and is recorded within the category of 'Services and Other' expenses (see Note 13).
6. **Skills Programs:** An increase in revenue of \$0.296 (8.6%) is due to new skills program contracts awarded following the time-line for budget preparations.
7. **Bursaries:** Donated funds and distribution of bursaries is not fully known at time of budget preparation and this traditionally results in a budget variance. This poses no risk to the College operating budget as 100% of Bursary revenue recognized is flowed directly to students as awards and/or required financial aid.

8. **Facility Renewal and Renovation Projects:** Grants associated with the College renewal and renovation projects are recognized as revenue when expenditures are made on the eligible projects but are not capital in nature. As projects progress, the balance between capital asset and expense items often changes from budget. Revenue recognized is under budget by \$0.178 million due to the progress and nature of expenditures made in the year on the College's grant funded renovation projects.
9. **Ancillary Operations:** Ancillary operations are made up of the College residence and parking operations with both operations over achieving on planned revenues. Residence earned \$0.099 million (2.4%) over budget and Parking earned \$0.060 million (5.0%) over budget.
10. **Salaries and Benefits:** Salaries and Benefits were under spent by \$1.290 million (2.0%) of budget. Full time salary was under spent by \$0.090 million (0.2%) due to a pick up on vacation liability accrual. Part time salary under spending of \$0.751 million (6.1%) was seen across all divisions due to efforts to contain and reduce part time faculty and support costs as a budget management strategy. Benefits savings of \$0.449 million (3.8%) were primarily a result of the lower salaries and a lower pension liability.
11. **Travel and Professional Development:** The decrease in expenditures of \$0.229 (17.9%) million occurred as a result of budget management strategies across all divisions.
12. **Utilities:** Overall, utility costs were under budget by \$0.194 million (6.8%). Electricity costs were the main driver of these savings due to College wide energy saving projects, variability in electricity rates and an overall reduction of energy consumption resulting from a warmer winter.
13. **Services & Other:** The increase in Services and Other expenditures of \$1.116 million (30.9%) was primarily driven by two events occurring within the year. Most significantly, the sale of the McRae Campus property (as explained in Note 5) required accounting treatment to record \$0.594 million as an expense. In addition, due to the large increase in international enrolments, additional commission costs were incurred of \$0.331 million. The balance of the increase was related to volume increases within a variety of fee for service contracts including application (OCAS) service fees, contract teaching within Ontario Learn, and increased use of student interpreters and note takers in the student accessibility department.
14. **Investments:** College Administration (in monitoring the favourable status of the financial position in-year) developed a year-end investment strategy to direct additional College funds to the purchase of furniture and equipment that had been planned for in the design of the renovation projects for both the Sutherland and Frost campuses, but was not eligible for funding through the government grants.

BOARD BRIEFING REPORT

SUBJECT: Internally Restricted Net Assets
Submission to: Public Board Meeting
Meeting Date: May 24, 2017
Requested Action: Decision / Approval

Agenda Item 5.2

1. CONTEXT / PURPOSE

The Statement of Financial Position, as well as the Statement of Operations, is comprised of the College's general operations as well as its ancillary operations. A portion of the ancillary operations is included in internally restricted net assets, which requires Board approval to increase or decrease. The Sports Field Complex Agreement between the City of Peterborough and the College requires annual contributions to a reserve fund for future capital repairs and improvements, which is also included in internally restricted net assets.

2. BACKGROUND

As at March 31, 2016, the internally restricted net assets included \$412,000, representing cumulative residence surplus from prior years adjusted for College funds invested in residence capital assets, as well as \$20,000 representing the Sports Field Complex reserve.

Please refer to the 2016-2017 Financial Statements, draft 4, dated May 15, 2017 provided as an attachment to the Audited Financial Statements (Public Agenda Item 5.1).

Attachments: N/A

3. ANALYSIS / PROPOSED OPTIONS

During the 2016-2017 fiscal year, the residence operations generated an additional \$233,000 to be internally restricted. This amount represents \$402,000 generated by operations offset by \$169,000 when adjusted to account for the cash impact of the principal repayments and capital purchases during the year. The Internally Restricted Net Assets for the residence will total \$645,000 as of March 31, 2017 should the current year internal restriction be approved.

The Sports Field Complex became operational during the 2014-2015 fiscal year and, as part of the agreement with the City of Peterborough, a minimum of \$10,000 per year is to be restricted by both parties for future capital repairs and improvements. The balance of internally restricted net assets will be \$30,000 at March 31, 2017 with the additional \$10,000 to be restricted in 2016-2017. The City's contribution of \$30,000 is in the liabilities at March 31, 2017 and will be transferred to revenue when future expenses are incurred.

4. ASSESSMENT OF POTENTIAL RISK – required for all matters requiring Board decision/approval

Category (select all that apply): Strategic Compliance Operational Reputational N/A

Risks that would impact or jeopardize the success of the proposal or project	Likelihood High / Medium / Low	Impact High / Medium / Low
The reserves will not be sufficient to cover future capital repairs and improvements of the Sports Field Complex	Low	Low

Additional risks may be identified here: N/A

Actions proposed to prevent / reduce the likelihood of the risk occurring or to reduce the severity of / manage the risk: The Sports Fields are less than three years old and, with both the City and College contributions to March 31, 2017, a total of \$60,000 will be set aside for future costs. In the early years of the Agreement, the risk of repairs is low making the reserve reasonable at this point in time.

The Agreement sets out \$10,000 as the minimum annual contribution but allows the Joint Committee to increase the annual contributions in the future if necessary. The reserve will be monitored in relation to the condition of the Sports Field Complex on an ongoing basis to avoid a large expense in any one fiscal year.

5. RELATIONSHIP TO STRATEGIC PLAN / BUSINESS PLAN / VISION / MANDATE

6. RECOMMENDATION

THAT the Board of Governors of Sir Sandford Fleming College increase Internally Restricted Net Assets by \$233,000 for the purposes of residence and other direct student services AND increase Internally Restricted Net Assets by an additional \$10,000 for the purpose of future Sports Field Complex capital repairs and improvements.

AUTHORED BY: Brian Baker, Vice-President Finance and Administration; Sue Sanders, Director Finance

BOARD BRIEFING REPORT

SUBJECT: Projects and Property Update
Submission to: Public Board Meeting
Meeting Date: May 24, 2017
Requested Action: For Information

Agenda Item 6.1

The following high-level summary identifies a variety of renovations, repairs, new construction and general property updates that are completed or in progress.

FROST CAMPUS***Strategic Investment Fund Project***

- Steelcore Construction mobilizing on site
- Temporary storage containers on site
- All furniture and equipment has been removed from renovation areas
- Temporary access in place for ATS Hatchery
- Project is on track for timing and cost
- Swing Spaces:
 - Classrooms and Labs have been relocated for summer academic delivery
 - Former Duplicating refit to office swing space - complete
 - Former Facilities and Principal spaces refit for swing space - in progress
 - Moving of Staff/Faculty to various swing spaces - in progress
 - Classroom Portables secured for summer install, for 2017-2018 Academic swing space

***Annual Capital Improvements Scheduled for Summer/Fall 2017***

- Roof replacement, Law Building
- HVAC roof top unit replacement - 6 units
- Theatre seating replacement
- Floor resurfacing, partial - BIO and GIS area
- Asphalt repairs
- Additional pay and display machine - Heavy Equipment lot
- Roof scan (all) - to establish long term repair plan
- Replace 2,500 sq' of carpet flooring - various areas

Operational projects

- 2017 Designated Substance Survey (including asbestos) - underway
- Board room furniture replacement - completed
- Trail upgrades including signage and modernization underway
- Upgrading pay and display machines (only high use units) to touchless pay

SUTHERLAND CAMPUS

Strategic Investment Fund Project (final design development stage)

- Invitation To Tender has closed
- Temporary storage containers on site
- Furniture and Equipment move out in progress
- Project is on track for timing
- Swing Spaces:
 - Farmhouse and other areas refit to swing spaces - complete
 - 2 areas in Library created to locate office swing space - complete,
 - Former storage area in shipping refit for Duplicating department - complete
 - Former Duplicating, Evolve project room and Jail cell spaces refit for swing space - in progress
 - Classroom Portables secured for summer install, for 2017-2018 Academic swing space



Brealey Road widening

- Work completed and operating well, as intended
- Bus shelters at intersection to be provided by City - awaiting confirmation
- Land transfer from Fleming to the City (narrow strip of land along Brealey as previously agreed to for widening – from North Monaghan to North of Wellness Centre, plus small parcel incorporating bus shelter areas by main entrance) – legal documents in development



KTTC D1129

- Construction complete, occupancy issued, classes now using space
- Deficiency rectification in progress



KTTC Fibre C Panels

- All panels removed and reinstalled
- Deficiency list being reviewed
- Final engineering review pending



Operational projects

- 2017 Designated Substance Survey (including asbestos) underway
- Adding one office to VP Suite, space maximization
- Upgrade pay and display machines (only high use units) to touchless pay

Trails project

- Install 1.6 kms of new trail around west and north of campus
- Connect existing trail behind Steele Centre to lower woods behind KTTC
- Refurbish existing trail network, 2.5 kms
- On schedule for late May completion
- City component (400m at Bowers park) not started, waiting for City to commence
- Trail signage being completed
- Aboriginal Elder tour and review, Indigenous learning element identification - late May



Annual Capital Improvements Scheduled for Summer/Fall 2017

- Roof replacement, partial B and C wing
- Install 2 remaining parking lot counters, 3 way and 4 way stop areas
- Upgrade emergency notification system- includes additional speakers
- Desbiens wing stacked brick- failing; remove and replace, phase 1
- Roof scan (all) – to establish long term repair plan
- Wooden hand rail replacement- (interior) phase 2, B wing
- Replace 4,500 sq' of carpet flooring, various areas
- Asphalt repairs

HALIBURTON CAMPUS

Annual Capital Improvements Scheduled for Summer/Fall 2017

- Roof repairs, perimeter
- New snow removal equipment purchase
- Replacement forges for Blacksmith program - installation in Peel building

Operational projects

- Window leak repairs
- LED lighting completion

COBOURG CAMPUS

Operational projects

- Renovations for PSW program

AUTHORED BY: Terry Williams, Director Physical Resources

BOARD BRIEFING REPORT

SUBJECT: Centennial – Fleming – A Partnership Involving Two Ontario Public Colleges
Submission to: Public Board Meeting
Meeting Date: May 24, 2017
Requested Action: For Information

Agenda Item 6.2

1. CONTEXT / PURPOSE

To provide an overview of the Centennial-Fleming partnership involving international recruitment and other international related initiatives to highlight the benefits that have resulted for Fleming and recognize Centennial as an exemplary partner.

2. BACKGROUND

Six years ago, Fleming College and Centennial College embarked on a partnership that began when Fleming approached Centennial after learning they had recently begun assisting two northern Ontario colleges with recruitment in India. After several discussions with their Executive Director and Administrator overseeing the India operations, Centennial agreed to the same arrangement with Fleming. The major aspect of this arrangement was the hiring of a recruitment representative for Fleming in India and providing related training, oversight and contacts.

For Fleming, this partnership with Centennial has expanded beyond India to include similar arrangements in China, Vietnam, South Korea and this summer, the Philippines will be the newest addition. As well, Centennial has facilitated our relationship with the Government of Panama's Teacher Training initiative that has led to three groups of teachers receiving training at Fleming over the past two years.

Centennial has also supported Fleming in several other ways. These include mentoring and providing their expertise on each of the related markets, advice on who to work with in the various markets, agent lists, in-country oversight of the Fleming recruitment representatives, providing office space, and advice on additional markets to explore. Our Centennial colleagues have also acted as ongoing mentors and advisors as we worked our way through challenges associated with our rapid growth, expansion of our international services and the launch of our ESL program.

The impact of the partnership for Fleming and our communities has been substantial. It has been instrumental to enriching and diversifying our learning environment and local communities, successful expansion of post-graduate programs, increased intercultural awareness, enhanced understanding of global issues and annual financial benefits in the millions.

With respect to benefits to Centennial, for the most part these benefits are intangible and include a positive impact on their reputation and the satisfaction internalized when individuals/organizations contribute to the success of others. In terms of financial, there are no benefits to Centennial. While they do receive nominal compensation for overhead such as office space, the time and effort they have spent advising and guiding us and the impact of this, far outweighs a nominal overhead charge. International work is fast paced, unpredictable, competitive, and complex. We have been fortunate to have an extraordinary partner in Centennial College to support us on our journey of international expansion and development.

The exceptional Centennial colleagues we would like to recognize for this extraordinary partnership include:

- Ann Buller, President
- Brad Chapman, Chief Financial Officer and Vice President Business Development
- Virginia Macchiavello, Executive Director International Education
- Jin Li, Director International Education Recruitment and Special Projects
- Mark Coote, Regional Manager South Asia and Middle East
- Daniel Yoon, Manager International Education
- Melida Renkwitz, Manager Latin America, Spain, Italy, Portugal, USA
- Suchita Turkey Pereira, Head India Operations
- Min Hyuk Bae, Manager International Education, Fareast Asia Office
- Phuong Mai, Office Manager Vietnam
- Jenny Liu Manager Recruitment Office, China
- Priscilla Yang, Sales and Marketing Coordinator, Far East Asia
- Hyunju Shin, Sales and Marketing Assistant, Far East Asia
- Lisandro De Lion, International Liaison Officer

Attachments:

- Slide deck

3. CONCLUSION

This partnership is in direct support of our business and strategic plan objectives related to internationalization and enrolment growth.

AUTHORED BY: Brenda Pander-Scott, Executive Director International Education, Enrolment Management & Registrar

**THE SIR SANDFORD FLEMING COLLEGE
OF APPLIED ARTS AND TECHNOLOGY**

BY-LAW 1-102

Be it enacted as a by-law of THE BOARD OF GOVERNORS OF SIR SANDFORD FLEMING COLLEGE OF APPLIED ARTS AND TECHNOLOGY (herein called the “College”) for the general conduct of the affairs of the College, as follows:

1. DEFINITIONS

1.1 In this By-law, unless the context otherwise specifies or requires:

- (a) "Academic Staff Member", "Administrative Staff Member", "Support Staff Member", and "Student" shall have the respective meanings as defined in O. Reg. 34/03 and, in each case, shall refer to full-time and part-time members, as the case may be;
- (b) "Act" means the *Ontario Colleges of Applied Arts and Technology Act, 2002*, S.O. 2002, CHAPTER 8, SCHEDULE F, as may be amended from time to time and every statute that may be substituted for the Act;
- (c) "Board" means the Board of Governors of the College;
- (d) "By-law" means this By-law 1-102 as may be amended from time to time;
- (e) "Chair" means the chair of the Board or any committee thereof, as the case may be;
- (f) "College" means The Sir Sandford Fleming College of Applied Arts and Technology established by the OCAAT Act as an agency of the Crown, and is also known as Fleming College and/or Sir Sandford Fleming College;
- (g) "Corporations Act" means the *Corporations Act*, R.S.O. 1990, CHAPTER 35, as may be amended from time to time;
- (h) "Council" means the College Employer Council established pursuant to the Regulation;
- (i) "Election Policy" means the "Internal Election of Board Members" policy as established from time to time by Resolution of the Board;
- (j) "External Members" means those Governors appointed in the manner provided in O.Reg. 34/03, none of whom shall be an employee or a student of a college of applied arts and technology;
- (k) "Governor" means an elected or appointed member of the Board;
- (l) "Internal Members" means those Governors duly elected in accordance with procedures established by the Board after consultation with the Students and with

Academic, Administrative and Support Staff Members and set out in the Election Policy of the Board. The President is an Internal Member;

- (m) "Lieutenant Governor" means the Lieutenant Governor in Council;
- (n) "Minister" and "Ministry" means the Minister and Ministry of Advanced Education and Skills Development;
- (o) "Motion" is defined as a proposition placed before a meeting for discussion and decision; if the motion is carried, it is considered a Resolution of the meeting;
- (p) "Officers" means the Board Chair, the two Vice-Chairs and the Secretary-Treasurer;
- (q) "President" means the President of the College;
- (r) "Program of Instruction" means a group of related courses leading to a degree, diploma or certificate awarded by the Board;
- (s) "O.Reg. 34/03" means Ontario Regulation 34/03, "General" made under the Act, as may be amended from time to time;
- (t) "Vice-Chair" means the vice-chair of the Board or any committee thereof, as the case may be.

2. GENERAL

- 2.1 In this By-law and all other by-laws and resolutions of the Board, unless the context otherwise requires, words importing the singular number or the masculine gender shall include the plural number or the feminine gender, as the case may be, and vice versa.
- 2.2 Except where specifically stated otherwise, references to "in writing" or similar terms shall include electronic communication and references to "address" or similar terms shall include email address. It is the intent of the College to use electronic communication whenever possible.
- 2.3 The headings used in this By-law are inserted for reference purposes only, and are not to be considered or taken into account in construing the terms or provisions of this By-law or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.
- 2.4 The head office of the College shall be in the City of Peterborough in the Province of Ontario or at such place as the Board may from time to time determine.
- 2.5 The seal, an impression whereof is stamped at the end of this By-law, shall be the corporate seal of the College, and shall be kept in the custody of the Board Office.
- 2.6 This By-law and any additional by-laws shall be open to examination by the public during the normal office hours of the College and shall be made available to the public on the College's website.

- 2.7 This By-Law may be amended or repealed at a regular meeting of the Board by an affirmative majority vote of not less than two-thirds of the Board members present PROVIDED THAT at least three (3) weeks' public notice of the proposed amendment(s) has been given.
- 2.8 The College and Board were established under the Act, but the powers and duties of the Board are also described in other legislation. .
- 2.9 In the event of a conflict between any regulations made under the Act, including, without limitation, O.Reg. 34/03, and the *Corporations Act*, the regulation made under the Act shall prevail.
- 2.10 In all instances not provided for in this By-Law, the provisions of "Robert's Rules of Order" shall be applicable to all procedures of the Board and its committees except where said rules conflict with the Act, other legislation, a "Minister's Binding Policy Directive" or a by-law of the College. .
- 2.11 No Governor shall use for his own benefit information obtained from College sources or divulge the same to others unless legally compelled or specifically authorized to do so. Confidential matters include all information which is not generally available to or known by the public and includes those matters which, if known, would give a member of the public an advantage for profit or benefit.

3. POWERS OF THE BOARD

3.1 The Board

- (a) shall oversee all of the affairs of the College;
- (b) may cause or cause to be made on the College's behalf in the College's name any kind of contract into which the College may lawfully and, save as hereinafter provided, generally exercise all such powers and do all such other acts and things as the College is authorized to exercise and do, as provided by any applicable statute or law, in accordance with and subject to obtaining such approvals as may be required by an applicable statutory provision;
- (c) without in any way derogating from the foregoing and subject to obtaining such approvals as may be required by any applicable statutory provision, the Board is expressly empowered to purchase, lease or otherwise acquire, sell, exchange or otherwise dispose of shares, stocks, rights, warrants, options and other securities, lands, buildings and other property movable or immovable, real or personal, or any right or interest therein owned by the College for such consideration and upon such terms and conditions as it may deem advisable;
- (d) shall annually review and approve the College's business plan, budget and annual report, approve the auditors' report and audited financial statements, and appoint the auditors;

- (e) shall have the power to set policies consistent with the Act, all “Minister’s Binding Policy Directives” and any applicable law; and
- (f) within the limits identified in sections (a) through (e) above, and subject to the Policy Directive Guidelines of the Ministry and the College Employer Council, and subject to the Terms and Conditions of Employment for College Staff, the Board may establish policies to guide the President in operating the College. The President shall establish administrative procedures within the limits defined by said policies.

4. BOARD OF GOVERNORS

4.1 The Act stipulates that the College is a corporation without share capital and shall consist of the members of its Board of Governors. As such, the affairs of the College shall be managed by a Board of Governors (the “Board”), which shall consist of such persons as are from time to time appointed or elected as Governors in accordance with the provisions of all current and relevant legislation, regulations, all “Minister’s Binding Policy Directives”, and this By-law. The College shall be carried on without purpose of gain for its External and Internal Members, and any profits or other gains to the College shall be used in promoting its purpose.)

4.2 The Board shall comprise:

- (a) an even number of not less than twelve (12) and not more than twenty (20) External Members, appointed as set out in O. Reg. 34/03. There shall not be more than twelve (12) External Members comprising four (4) External Members appointed by the Lieutenant Governor in Council and eight (8) External Members appointed by the Members (Internal and External) of the Board holding office at the time of the appointment;
- (b) the President, by virtue of office, as a voting member of the Board, and identified as an Internal Member;
- (c) one (1) Academic Staff Member, duly elected by members of the College’s academic staff in accordance with the Election Policy, as a voting member of the Board for a term prescribed by the Board, and identified as an Internal Member;
- (d) one (1) Administrative Staff Member, duly elected by members of the College’s administrative staff in accordance with the Election Policy, as a voting member of the Board for a term prescribed by the Board, and identified as an Internal Member;
- (e) one (1) Support Staff Member, duly elected by Members of the College’s support staff in accordance with the Election Policy, as a voting Member of the Board for a term prescribed by the Board, and identified as an Internal Member;
- (f) one (1) Student Member, duly elected by the College’s students in accordance with the Election Policy, as a voting member of the Board for a term prescribed by the Board, and identified as an Internal Member; and

- (g) one (1) Student Observer, duly elected by the College's students or appointed by the Board in accordance with the Election Policy, as a non-voting member of the Board for a term prescribed by the Board. In the absence of a Student Member on the Board and with approval of the Board, the Student Observer may assume the role of the Student Member as outlined in section 4.2(f).
- 4.3 No person appointed pursuant to section 4.2(a) shall be an employee or student of a college of applied arts and technology.
- 4.4 Every Governor shall be eighteen (18) or more years of age and shall not be an undischarged bankrupt.
- 5. TERM AND TERM LIMITS**
- 5.1 Each External Member and each Internal Member, other than the Student Member, shall be appointed or elected for a term not to exceed three (3) years.
- 5.2 All Governors, whether appointed or elected, take office on the first day of September in the year of their appointment or election, except where prohibited by legislation or in the case of filling mid-term vacancies on the Board.
- 5.3 The term of any Governor ends when the member resigns, vacates or is removed from the Board or upon his death or permanent disability where such disability prevents the member from fulfilling the duties of a Governor.
- 5.4 Each External Member and Internal Member, other than the Student Member, is eligible for re-appointment or re-election, as the case may be, after two (2) years continuous absence from the Board for successive terms not to exceed six (6) years in total.
- 5.5 Academic, Administrative and Support Staff Members are eligible for re-election for a second term, for successive terms not to exceed six (6) years in total.
- 5.6 The Student Member shall serve a one (1) year term and is eligible for re-election for a second year. The Student member is eligible for re-election after two (2) years continuous absence from the Board, for successive terms of one (1) year not to exceed two (2) years in total.
- 5.7 The Student Observer shall serve a one (1) year term and is eligible for re-election for a second year. The Student Observer is eligible for re-election after two (2) years continuous absence from the Board, for successive terms of one (1) year not to exceed two (2) years in total.
- 5.8 Where a Governor ceases temporarily or permanently to be an Academic Staff member, Administrative Staff Member, Support Staff Member or a Student, as the case may be, the Governor ceases to be a member of the Board. The President ceases to be a Governor upon ceasing to be President.

5.9 Despite section 5.6, a Student Member who graduates prior to the expiration of the Student's term may remain a member of the Board until August 31 in the year of his graduation.

5.10 No Governor shall participate in a vote of the Board in relation to the renewal or extension of his appoint pursuant to section 4.2(3) of O.Reg. 34/03. .

6. BOARD VACANCIES

6.1 Where a vacancy occurs on the Board among the External Members, the vacancy shall be filled as prescribed by O.Reg. 34/03.

6.2 Where a vacancy occurs on the Board among the Internal Members, the vacancy shall be filled as outlined in the Election Policy.

6.3 Notwithstanding section 6.2, in the case where the Student Member position on the Board becomes vacant prior to the end of the member's term, the Board may appoint the Student Observer to the Student Member's Board position and then appoint a replacement Student Observer pursuant to the Election Policy.

6.4 The term of the person appointed or elected pursuant to section 6.1 or 6.2 shall

(a) commence on the date of the appointment or election, as the case may be;

(b) subject to 6.4(c) be for the remainder of the term of the member whose position became vacant; and

(c) terminate on August 31 of the year in which the term expires.

7. REMOVAL OF BOARD MEMBERS

7.1 The Board may remove any Board Member, other than the President or those External Members appointed by the Lieutenant Governor, before the expiration of his term by resolution of the Board pursuant to the provisions of Governance Policy, "Removal of a Board Member".

7.2 If the Board believes that there exist reasons justifying the removal of an External Member appointed by the Lieutenant Governor, the Board may set those reasons out in a report to the Minister for referral to the Lieutenant Governor requesting the member be removed from the Board.

8. REMUNERATION

8.1 Governors shall serve without remuneration, and no Governor shall directly or indirectly profit from his position as a Board member.

8.2 Notwithstanding section 8.1, a Governor may be reimbursed for reasonable expenses incurred by him in the performance of Board duties as more particularly described in the Board Procedure, "Expenses Regarding Governor Travel" as well as in College Policy #4-414 and Administrative Operating Procedure, "Travel and Related Expenses".

8.3 This section applies to all members of the Board's committees, sub-committees and *ad hoc* committees as well.

9. MEETINGS

9.1 All Board meetings are public except where a matter is determined by the Board to be confidential.

9.2 Where the Board discusses a matter determined by it to be confidential, the Board may hold an *in camera* meeting and the public shall be excluded from such meeting or portion of a meeting. For clarity, unless otherwise directed by the Board, the following matters shall be discussed in *In-Camera* meetings or portions of meetings only:

- (a) the conduct, discipline, suspension and all other matters relating to individual students,
- (b) all personnel matters,
- (c) matters where Board liability may arise,
- (d) strategic labour relations and matters pertaining to collective bargaining or terms of employment,
- (e) nominations and appointments of Board and Committee members,
- (f) Board evaluation and self-evaluation,
- (g) security of property,
- (h) matters of a contractual or financial nature where it is in the interest of the College to maintain confidentiality, and
- (i) advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

9.3 Attendance at *in camera* meetings shall be restricted to Governors, the Board Secretary, and those individuals appropriate to the business of that meeting on the invitation of the Board Chair, subject to approval of the Board.

9.4 Decisions made during an *in camera* meeting may, at the discretion of the Board, be reported at a subsequent open session meeting, taking into consideration the need or requirement for ongoing confidentiality.

9.5 All Governors shall keep all *in camera* meetings information, discussions and proceedings strictly confidential.

9.6 Agenda packages and related materials for the open session meetings shall be made available to the public on the College web site and/or through arrangement with the Board Secretary.

10. NOTICE OF MEETINGS

- 10.1 The Board may appoint a day or days in any month or months for meetings.
- 10.2 Notice of Board meetings shall be given in such a manner as may be from time to time determined by the Board and at least three (3) days prior to the day appointed for the meeting. Notice may be delivered by courier, email, facsimile, pre-paid regular mail, College mail service, or via publication on the College web site and Board Portal.
- 10.3 Notice of all other meetings of the Board or its committees shall be delivered or transmitted to each Governor or other person(s) entitled to notice of such meeting. However, no formal notice of any such meeting shall be necessary if all the Governors are present or if those absent waive notice or otherwise signify in writing their consent to the meeting being held in their absence. Such waiver of notice or consent may be given either before or after the meeting.
- 10.4 Special meetings may be formally called by the Chair or Vice-Chair(s) or by the President on the direction of the Chair or the Vice-Chair(s). Notice of such meetings shall be delivered by telephone, facsimile or email to each Governor not less than one (1) day before the meeting is to take place or delivered by courier to each governor not less than two (2) days before the meeting is to take place. The statutory declaration of the President or Chair that notice has been given pursuant to this By-Law shall be sufficient and conclusive evidence of the giving of such notice.
- 10.5 No error or omission in the giving of such notice for any meeting of Governors shall invalidate such meeting or invalidate or make void any proceeding taken or had at such meeting, and any Governor may at any time waive notice of such meeting and may ratify and approve of any or all proceedings taken or had thereat.

11. OTHER MEETINGS

- 11.1 The Board may, at any time, schedule a Governors' retreat, planning session, information session, orientation or any other such events as it deems appropriate. No resolutions shall be passed during these sessions, and such events shall not be open to the public.

12. FREQUENCY OF MEETINGS

- 12.1 The Board shall meet in public no less than six (6) times per year, unless otherwise determined by the Board in its sole discretion.

13. PLACE OF BOARD MEETINGS

- 13.1 The Board may hold its meetings at such place or places as it may from time to time determine in its sole discretion. Board meetings shall normally be held at the College's main campus and may, when possible, be scheduled at other College campus locations.

14. MEETINGS BY ELECTRONIC MEANS

- 14.1 Any Board member may participate in a meeting of the Board or its committees by means of conference telephone or other communications equipment that permits all persons participating hear and address each other. A Board member participating in

a meeting pursuant to this section shall be deemed to be present in person at the meeting and shall be counted toward quorum.

- 14.2 In this instance, quorum shall be established by a verbal roll call conducted by the Board Secretary at the beginning of each meeting.

15. QUORUM

- 15.1 The quorum required for a meeting of the Board shall be equal to the majority of the number of Board members that is required under O. Reg. 34/03 plus one.
- 15.2 No business shall be transacted at any Board meeting unless the requisite quorum is present at the commencement of such business.
- 15.3 If, during a meeting, quorum is lost, the Chair shall refer matters to a subsequent meeting for consideration.
- 15.4 Where a Board member declares a conflict of interest for an item of business, the quorum for that portion of the Board meeting consists of the majority of the Board members who have not declared conflict.

16. VOTING

- 16.1 Only Board members may make motions and vote. The Student Observer may not move or second a motion or vote at Board meetings.
- 16.2 The Chair and President have the same voting privileges as other members of the Board.
- 16.3 Questions arising at any Board meeting shall be decided by a simple majority vote of the members. In the case of an equality of votes, the Chair, in addition to his original vote, shall have a second or deciding vote.
- 16.4 All votes at any Board meeting shall be taken by ballot if so demanded by any Governor present, but if no demand is made, the vote shall be taken by a show of hands. Any Governor may request a recorded vote. Any Governor may request his vote or abstention be recorded.
- 16.5 Unless there is a demand for a recorded vote, a declaration by the Chair that a motion has been carried and an entry to that effect in the Board meeting minutes shall be admissible in evidence as *prima facie* proof of the fact of the number or proportion of votes recorded in favour of or against the motion.
- 16.6 The minutes shall record a motion as carried or defeated. Meetings held by electronic means will require a recorded vote.
- 16.7 Votes to amend or adopt by-laws shall require a two-thirds majority.
- 16.8 No Board member may use a proxy or be represented by a proxy-holder.

17. DELEGATIONS TO MEETINGS

- 17.1 Delegations will be heard by the Board at any of its regular meetings, subject to the requirements outlined in the Board Procedure, “Delegations to the Board of Governors”.

18. ADJOURNMENTS

- 18.1 Any Board meeting or committee meeting may be adjourned by motion at any time and from time to time, and such business may be transacted as might have been transacted at the original meeting from which such adjournment took place. No notice shall be required of any such adjournment. Such adjournment may be made notwithstanding the absence of a quorum.

19. ANNUAL MEETING

- 19.1 The Board shall hold an annual meeting at the Head Office of the College or such other location in Ontario as may be determined by the Board and on such day as the Board shall appoint.
- 19.2 For clarity, the Board meeting at which the audited financial statements are received will be deemed to be the annual meeting of the College as described in section 21.1.

20. CONFLICT OF INTEREST

- 20.1 All Governors must comply with the Minister’s Binding Policy Directive on Conflict of Interest which is intended to protect the integrity of college boards and the integrity of governors who may face a conflict. To aid in the application of this directive, the Board shall maintain and all governors abide by the Board Procedure, “Conflict of Interest Guidelines” which may be amended by resolution of the Board from time to time, as appropriate.
- 20.2 Further to section 20.1,
- (a) Board Members shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name or on behalf of the College, except such as shall have been submitted to and authorized or approved by the Board; and
 - (b) If any Board Member be employed by or perform services for the College otherwise than as a Board Member or be a Member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the College, the fact of his or her being a Board Member shall not disentitle such Board Member or such firm or company, as the case may be, from receiving proper remuneration for such services, provided adequate disclosure has been made pursuant to the provisions of section 21 of this By-law.

21. DISCLOSURE OF INTEREST IN CONTRACTS

- 21.1 Without limiting the generality of section 20, every Board member who is in any way directly or indirectly interested in a proposed contract or a contract with the College shall declare his interest and/or conflict at a Board meeting.

- 21.2 In the case of a proposed contract, the Board member shall declare his interest at the meeting of the Board or any committee at which the proposed contract is first discussed or, if the Board member is not present at that meeting, at the next meeting of the Board or any committee meeting where the proposed contract was discussed.
- 21.3 For the purposes of this section, a general notice given to the Board by a Board member to the effect that he is a shareholder of or otherwise interested in any company, or is a member of a specified firm and is to be regarded as interested in any contract made with such other company or firm, shall be deemed to be a sufficient declaration of interest in relation to a contract so made, but no such notice is effective unless it is given at a Board meeting.
- 21.4 If a Board member has made a declaration of his interest in a proposed contract or contract and has neither taken part in the discussion nor voted in respect of the contract, he is not accountable to the College or to any of the Board members or creditors for any profit realized from the contract, and the contract is not voidable by reason only of his holding that office or of the fiduciary relationship established thereby.

22. OFFICERS

- 22.1 There shall be a Chair, one (1) or more Vice-Chairs, a Secretary-Treasurer, and other such Officers as the Board may determine, by Resolution, from time to time.
- 22.2 The Secretary-Treasurer shall be the President of the College.

23. ELECTION OF OFFICERS AND TERMS

- 23.1 No later than the regular meeting of the Board in June of each year, the Board shall hold an Election Meeting to elect its Officers for the coming year, provided that in default of such election the then incumbents, being Members of the Board, shall hold office until their successors are elected.
- 23.2 The Chair and Vice-Chairs are elected for a one (1) year term commencing September 1. The incumbent Chair and Vice-Chairs are eligible for re-election.
- 23.3 A Board member is limited to three (3) successive terms of one (1) year each as Chair of the Board.
- 23.4 The process to elect the Chair and Vice-Chairs is the Board's jurisdiction and responsibility.

24. OFFICERS' DUTIES

- 24.1 Subject to the direction of the Board, the **Chair** shall:
- (a) when present, preside at all meetings of the Board,
 - (b) together with the Secretary-Treasurer or other Board Officers appointed for the purpose, sign all By-laws of the College,
 - (c) sign such contracts, documents or instruments in writing as require his signature,

- (d) on behalf of the Board, have primary supervisory responsibility for the College President with an obligation to report to the Executive Committee and the Board,
- (e) have the lead role in all terms and conditions of employment of the President, including contracts and evaluation,
- (f) act generally as spokesperson for the Board,
- (g) interpret the intent of the by-laws and the resolutions of the Board,
- (h) be named as a Director of the Fleming College Foundation Board, and
- (i) have such other powers and duties as may from time to time be required or assigned to him by the Board or as are incident to his office.

24.2 Subject to the direction of the Board, the **Vice-Chair** shall:

- (a) be Chair of the Executive Committee,
- (b) have such powers and perform such duties as may from time to time be required or assigned to him by the Board,
- (c) in the Chair's absence, inability or refusal to act, and upon approval of the Board, perform all the duties and have all the powers of the Chair, and
- (d) be a Director of the Fleming College Foundation Board and serves as Chair of said Board.

24.3 Subject to the direction of the Board, the **Second Vice-Chair** shall:

- (a) chair the Audit Committee,
- (b) have such powers and perform such duties as may from time to time be required or assigned to him by the Board,
- (c) in the Vice-Chair's absence, inability or refusal to act, and upon approval of the Board, perform all the duties and have all the powers of the Chair, and
- (d) be a Director of the Fleming College Foundation Board.

24.4 Subject to the direction of the Board, the **Secretary-Treasurer** shall:

- (a) keep full and accurate accounts of all receipts and disbursements of the College in proper books of account and shall deposit all moneys or other valuable effects in the name and to the credit of the College in such banks or financial institutions as may from time to time be designated by the Board,

- (b) disburse the funds of the College under the direction of the Board, and report the financial position at each regular meeting,
- (c) co-operate with the auditors of the College or of the Province during any audit of the accounts of the College and shall also perform such other duties as may from time to time be determined by the Board, and
- (d) attend all meetings of the Board and record, or delegate to be recorded, all facts and minutes of all proceedings in books kept for that purpose.

25. PRESIDENT

- 25.1 The Board shall appoint the President of the College. The Board shall establish the employment contract of the President.
- 25.2 The Board may delegate to the President full authority to manage and direct the business and affairs of the College, except such matters and duties as by law must be transacted or performed by the Board, and further to employ and discharge agents and employees of the College, or may delegate to the President any lesser power.
- 25.3 The President shall conform to all lawful orders given to him either by the Board and/or by the Chair thereof, and shall at all reasonable times give to the Governors and/or any one of them as authorized by the Board all information any of them may require regarding the affairs of the College.
- 25.4 Any agent or employee appointed by the President shall be subject to discharge as set forth in the collective agreements or the terms of employment for administrative staff.
- 25.5 The President is the Secretary-Treasurer of the Board, and as such is the ex-officio clerk of the Board and custodian of the corporate seal of the College and of all books, papers, records, correspondence, contracts and other documents belonging to the College which he shall deliver up only when authorized by a resolution of the Board to do so.
- 25.6 The Board, through the Secretary-Treasurer, shall see that all necessary books and records of the College required by the by-laws of the College or by any applicable statute or law are regularly and properly kept.
- 25.7 The President may appoint an Associate Secretary to assist him in his role as Secretary-Treasurer who shall attend all Board meetings and record all facts and minutes of all proceedings in the books kept for that purpose.

26. OTHER OFFICERS

- 26.1 The Board may appoint such other Officers as it may determine whose duties shall be such as the terms of their engagement call for or as the Board and/or the President may require of them.

27. DELEGATION OF OFFICERS' DUTIES

27.1 In the event of absence, inability to act or for any other reason deemed sufficient by the Board, the Board may delegate all or any of the powers of any Officer to any other Officer or to any External Member for such period of time deemed appropriate.

28. BOARD OFFICER VACANCIES

28.1 If the Office of the Chair or Vice-Chairs shall be or become vacant for any reason, the Board may elect or appoint an External Member to fill such vacancy for the remainder of the term of that Officer.

29. LIMITATION OF LIABILITY

29.1 No Board member or Officer shall be liable for:

- (a) the acts, receipts, negligence or default of any other Governor, Officer or College employee, or for joining in any receipt or act for conformity;
- (b) any loss, damage or expense happening to the College through the insufficiency or deficiency of title to any property acquired by the College or for or on behalf of the College;
- (c) the insufficiency or deficiency of any security in or upon which any of the money of or belonging to the College shall be placed out or invested;
- (d) any loss or damage arising from the bankruptcy, insolvency or tortious act of any person, firm or college with whom or which any money, securities or effects shall be lodged or deposited; or
- (e) any other loss, damage or misfortune whatever which may happen in the execution of the duties of his respective office or trust or in relation thereto,

unless the same shall happen by or through his own wrongful and willful act or through his own wrongful and willful neglect or default.

30. INDEMNIFICATION

30.1 All Board members and Officers, their heirs, executors, administrators, and estate and effects respectively, shall from time to time and at all times, be indemnified and saved harmless, out of the funds of the College, from and against:

- (a) all costs, charges and expenses whatsoever which such person sustains or incurs in or about any action, suit or proceeding that is brought, commenced or prosecuted against him for or in respect of any act, deed, matter or thing whatsoever made, done or permitted by him in or about the execution of the duties of his office; and
- (b) all other costs, charges and expenses which he sustains or incurs in or about or in relation to the affairs thereof except such costs, charges or expenses as are occasioned by his own willful neglect or default.

31. STANDING COMMITTEES

- 31.1 The Board may appoint standing committees as required from time to time.
- 31.2 The standing committees of the Board are the Committee-of-the-Whole, the Executive Committee and the Audit Committee.
- 31.3 The Board shall establish Terms of Reference for each standing committee. Terms of Reference for each are contained in the Governance Policy, "Committees of the Board of Governors".
- 31.4 Membership on standing committees shall be established following the Board's annual election meeting and prior to the commencement of the Board year
- 31.5 Committee members are appointed for a term of one (1) year commencing September 1 through to the following August 31, which appointments may be extended for an additional one (1) year term provided the member continues as a Governor.
- 31.6 Only members of the Board have a vote on standing committees. To clarify, only the Governors and the Student Observer identified as members of the standing committee may make motions and vote at standing committee meetings.
- 31.7 Standing Committees meet *in camera*, and meeting minutes are reviewed and approved by the full Board at the next succeeding Board meeting as part of the "In-Camera Consent Agenda".

32. EXECUTIVE COMMITTEE

- 32.1 The Executive Committee is a standing committee of the Board and meets *in camera*. Terms of Reference for the Executive Committee are outlined in Attachment 1 to Governance Policy, "Committees of the Board of Governors".
- 32.2 The Executive Committee comprises:
- (a) the Vice-Chair of the Board, who shall be Chair of the Executive Committee,
 - (b) the Chair of the Board of Governors,
 - (c) the Second Vice-Chair of the Board of Governors, who shall be Chair of the Audit Committee,
 - (d) two (2) Governors-at-large (both External Members), as elected by the Board; and
 - (e) the President (*ex officio*).
- 32.3 Given the responsibilities of the Executive Committee and to avoid conflict of interest situations, with the exception of the President who is a member by virtue of office, an Internal Member may not be a member of the Executive Committee and as such, is not eligible to be elected as a Governor-at-large member of the Executive Committee.

- 32.4 Ratification of actions taken by the Executive Committee shall be sought from the Board at the next scheduled meeting of the Board.
- 32.5 The Executive Committee shall perform such duties as may be assigned to it by the Board in accordance with this By-Law. The Executive Committee shall have power on its own motion to make inquiries and bring recommendations to the Board as it may deem to be in the best interests of the College.

33. COMMITTEE-OF-THE-WHOLE

- 33.1 The Committee-of-the-Whole is a standing committee of the Board and meets *in camera*. Terms of Reference for the Committee-of-the-Whole are outlined in Attachment 2 to Governance Policy, "Committees of the Board of Governors."
- 33.2 The Committee-of-the-Whole comprises all members of the Board of Governors.
- 33.3 No official actions are made in Committee-of-the-Whole. Members decide through consensus if an item is ready to be taken to the Board for decision or whether to refer the item to another committee for further development.

34. AUDIT COMMITTEE

- 34.1 The Audit Committee is a standing committee of the Board and meets *in camera*. Terms of Reference for the Audit Committee are outlined in Attachment 5 to Governance Policy, "Committees of the Board of Governors."
- 34.2 The Audit Committee comprises a minimum of four (4) governors of which at least three (3) are External Members, one of whom is the Committee Chair, and at least one (1) member shall have accounting or related financial management expertise

35. COMMITTEES – GENERAL PRINCIPLES

- 35.1 Committees help the Board do its job by preparing alternatives and options for the Board's deliberation and ultimate approval. Committees are subject to the authority of the Board and no decision of a committee, with the exception of the Executive Committee, is binding upon the Board or College unless and until adopted and ratified by the Board.
- 35.2 The Board may establish committees, consisting of such persons as may from time to time be appointed by the Board, to act in an advisory capacity to the Board in the particular area of responsibility assigned to each of such committees. The Board shall establish terms of reference for each committee. The Board may from time to time amend the purposes or responsibilities of any committee. The Board may fill any vacancies occurring from time to time on any such committees.
- 35.3 The named members of such committees shall serve at the pleasure of the Board. The terms of reference shall outline the committee membership. By virtue of office, the Board Chair, the Vice-Chairs and the President shall receive all committee agenda packages unless otherwise directed, and shall have the right to participate in all such meetings, without vote or consideration in quorum.

- 35.4 Board members are appointed to committees for a term of one (1) year commencing September 1 through to the following August 31, which term may be extended for an additional one (1) year term provided the member continues as a Governor.
- 35.5 The Board, in its sole discretion, may abolish committees which no longer serve a function for the Board, without prejudice to the Board later re-establishing any such committee.
- 35.6 Board committees meet *in camera*, and meeting minutes are reviewed and approved by the full Board at the next succeeding Board meeting as part of the “Closed Session Consent Agenda”.
- 35.7 Any such committee so appointed may meet for the transaction of business, adjourn and otherwise regulate its meetings as it thinks fit provided, however, that a majority of the members of each committee shall constitute a quorum thereof for the transaction of business.
- 35.8 Members of committees shall receive no remuneration for serving on the committee but may be reimbursed by the College for reasonable expenses incurred by them in connection with meetings

36. ATTENDANCE AT COMMITTEE MEETINGS

- 36.1 Committee members may attend meetings in person, or by telephone, electronic or other communication facilities as permit all individuals participating in the meeting to communicate.
- 36.2 Attendance at committee meetings is limited to the named committee members and other persons appropriate to the business of that meeting.

37. QUORUM AT COMMITTEE MEETINGS

- 37.1 A quorum for committees is defined as a simple majority (half plus one) of the named committee members.
- 37.2 When a Governor declares a conflict of interest for an item at a committee meeting, the quorum shall be a simple majority of the remaining committee members for that item.

38. VOTING AT COMMITTEE MEETINGS

- 38.1 Questions arising at any meeting of a Board committee shall be decided by a majority vote of the named committee members. In the case of an equality of votes, the committee Chair, in addition to his original vote, shall have a second or deciding vote.
- 38.2 A declaration by the committee Chair that the motion has carried and an entry to that effect in the minutes shall be admissible in evidence as prima facie proof of the fact of the number or proportion of votes recorded in favour or against said motion.
- 38.3 No member of a committee may use a proxy or be represented by a proxy-holder.

39. OTHER COMMITTEES OF THE BOARD

- 39.1 The Board shall establish a Naming Committee and establish terms of reference for the committee outlining the composition, mandate, duties and responsibilities pursuant to Attachment 7 to Governance Policy, "Committees of the Board of Governors". \
- 39.2 The Board has the right to establish additional committees as the Board deems necessary and to set the terms of reference for such committees which may be amended by Board resolution from time to time, as appropriate.
- 39.3 Quorum is determined based on the Membership as defined in each committee's terms of reference.
- 39.4 Voting privileges are granted to all named members of each committees.

40. ADVISORY COLLEGE COUNCIL

- 40.1 The Board shall establish an Advisory College Council through which students and College staff may provide advice to the President on matters of importance to students and College staff
- 40.2 An outline of the structure, composition, mandate, reporting and terms of reference of the Advisory College Council is contained in the Governance Policy, "Advisory College Council" and may be amended by Board resolution from time to time, as appropriate.
- 40.3 The Advisory College Council shall keep proper records and minutes of its proceedings and shall submit annually a report of its priorities and activities to the Board, presented by the Chair of Advisory College Council.

41. ADVISORY COMMITTEES – PROGRAMS

- 41.1 The Board shall appoint Advisory Committees for each program of instruction or cluster of programs offered by the College. Each advisory committee shall elect its own chair for a term of one (1) year, and he shall be eligible for re-appointment
- 41.2 The Board may delegate to a senior administrative member of the College the task of appointing the members of the Advisory Committees.
- 41.3 The Board shall establish a policy that outlines the structure, terms of reference and procedures for Advisory Committees contemplated in this Section 41 pursuant to College Policy #2-202 and the Administrative Operating Procedure #2-202-OP.
- 41.4 The Board shall maintain a close relationship with the Advisory Committees. An annual schedule of Advisory Committee meetings will be made available, and Board members encouraged to observe meetings of Advisory Committees. Board members shall also be afforded the opportunity to serve on an Advisory Committee or Committees.
- 41.5 The Vice-President Academic shall, on an annual basis, provide the Board with a report detailing advisory committee activities, accomplishments, program objectives, future trends and other information.

41.6 The Board shall establish a policy that outlines a rigorous, ongoing and systematic program review and evaluation process of the Advisory Committees pursuant to College Policy #2-207 and the Administrative Operating Procedure #2-207OP.

42. OTHER ADVISORY COUNCILS OR COMMITTEES

42.1 The College may establish advisory committees or councils for programs and services other than for programs of instruction. These advisory committees or councils shall report to the appropriate administrative authority, and the President or his delegate shall define the structure, mandate, and terms of reference of such committees or councils.

43. SIGNING AUTHORITY

43.1 The Chair, Vice-Chair(s) and/or President may execute instruments, contracts or obligations related to externally binding transactions and contractual obligations with parties external to the College as set out in the College Policy on Signing Authority *(number to be assigned)* and as further described in Administrative Procedure *(number to be assigned)* "Signing Authority – Externally Binding Transactions and Contractual Obligations" as may be amended from time to time.

43.2 Pursuant to section 25.2 of this By-law, the President may further delegate his authority to execute documents to other College personnel.

43.3 Notwithstanding sections 43.1 and 43.2 and the College Policy and Administrative Procedure on Signing Authority, the Board may, at any time, by resolution, delegate the execution of instruments, contracts or obligations related to externally binding transactions and contractual obligations with parties external to the College to any person or persons it deems appropriate.

44. DEPOSIT OF SECURITIES

44.1 The securities of the College shall be deposited for safekeeping with one or more banks, trust companies or other financial institutions to be selected by the Board. Any and all securities so deposited may be withdrawn, from time to time, only upon the written order of the College signed by such officer or officers, agent or agents of the College, and in such manner, as shall from time to time be determined by resolution of the Board and such authority may be general, or confined to specific instances. The institution, which may be so selected as custodian by the Board, shall be fully protected in acting in accordance with the directions of the Board and shall in no event be liable for the due application of the securities so withdrawn from deposit or the proceeds thereof.

45. BORROWING OF FUNDS

45.1 Subject to applicable legislation and Ministry directives, the Board may from time to time:

- (a) borrow money on the credit of the College;
- (b) issue, sell or pledge securities of the College;

- (c) charge, mortgage, hypothecate or pledge all or any of the real or personal property of the College, including book debts, rights, powers, franchises and undertakings to secure any securities or any money borrowed, or other debts, or any other obligation or liability of the College.
- 45.2 Subject to applicable legislation and Ministry directives, the Board may from time to time authorize any Governor, Officer or employee of the College or any other person to make arrangements with reference to the moneys borrowed or to be borrowed as in section 45.1 and as to the terms and conditions of the loan thereof, and as to the securities to be given therefore, with power to vary or modify such arrangements, terms and conditions and to give such additional securities for any moneys borrowed or remaining due by the College as the Governors may authorize and generally to manage, transact and settle the borrowing of money by the College.

46. AUDITORS

- 46.1 The Board shall annually appoint an auditor or a firm of auditors licensed under the *Public Accountancy Act, 2004*, S.O. 2004, c. 8 as may be amended or replaced from time to time who shall be instructed to prepare for submission to the Board, the Ministry and other agencies as required by legislation, audited financial statement(s) of the College for the preceding fiscal year, and such other reports as required.

47. FINANCIAL YEAR

- 47.1 Unless otherwise ordered by the Ministry, the fiscal year of the College shall terminate on the 31st day of March in each year.

48. REPEAL

- 48.1 By-law 1-102 of the Board of Governors of The Sir Sandford Fleming College of Applied Arts and Technology, enacted on the 22nd day of June 2011 is hereby repealed. (

Enacted by the Board of Governors and sealed with the Corporate Seal this 28th day of June 2017, Resolution BoG June28-2017 #x

Original signed by
Lori Sutcliffe Geens
Chair, Board of Governors
Sir Sandford Fleming College

Original signed by
G.A. Tilly, Ph.D.
Secretary-Treasurer, Board of Governors and
College President

Summary of Amendments: