Consolidated Financial Statements of

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year ended March 31, 2009

Financial Statements

March 31, 2009

Deloitte.

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Auditors' Report

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

We have audited the following consolidated financial statements of The Fanshawe College of Applied Arts and Technology:

Consolidated Statement of Financial Position as at March 31, 2009

Consolidated Statement of Operations for the year ended March 31, 2009

Consolidated Statement of Changes in Net Assets for the year ended March 31, 2009

Consolidated Statement of Cash Flows for the year ended March 31, 2009

These financial statements are the responsibility of the College's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the College as at March 31, 2009 and the results of its operations and changes in its net assets for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche

Chartered Accountants
Licensed Public Accountants

May 22, 2009

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

March 31, 2009, with comparative figures for 2008

	2009	2008
Assets		
Current assets		
Cash and cash equivalents	$ 32,237,203	$ 46,018,727
Restricted cash (Note 3)	1,838,490	-
Accounts receivable	5,658,984	4,675,048
Grants receivable	3,766,215	3,644,204
Inventories	1,735,566	1,440,263
Prepaid expenses	79,036	542,513
Current portion of receivable from Student Union (Note 4)	150,533	140,695
	45,466,027	56,461,450
Receivable from Student Union (Note 4)	5,203,091	5,353,624
Investments (Note 5)	21,988,337	23,919,806
Derivative financial instruments	2,897,902	3,056,074
Capital assets (Note 6)	198,027,172	180,601,851
	$ 273,582,529	$ 269,392,805
Liabilities and Net Assets		
Current liabilities		
Accounts payable and accrued liabilities	$ 8,457,957	$ 7,600,848
Accrued vacation pay	7,968,225	7,405,331
Deferred revenue-short term	33,933,438	37,054,071
Current portion of bank loans (Note 7)	885,247	831,184
	51,244,867	52,891,434
Bank loans (Note 7)	27,796,890	28,682,137
Derivative financial instruments	8,403,438	4,550,565
Other post employment benefits (Note 9)	1,823,408	1,993,015
Sick leave benefits	3,727,359	4,226,550
Deferred contributions		
Restricted contributions	11,662,111	9,886,087
Capital assets	102,517,906	96,076,353
	114,180,017	105,962,440
Net assets		
Investment in capital assets (Note 10)	72,180,753	60,506,496
Endowments	7,990,285	6,882,600
Internally restricted	181,551	199,544
Unrestricted	(13,946,039)	3,498,024
	66,406,550	71,086,664
Commitments (Note 8 and Note 12)		
Contingencies (Note 15)		
	$ 273,582,529	$ 269,392,805

See accompanying notes to financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Revenue		
Government grants	$ 83,085,713	$ 82,761,185
Enrolment revenue	47,970,515	43,218,689
Ancillary revenue	17,844,469	17,567,440
Other revenue		
Restricted contributions	8,469,949	8,017,202
Investment income	625,820	677,912
Amortization of deferred contributions related to capital assets (Note 10)	5,878,971	5,548,492
Loss on derivative financial instruments	(4,011,045)	(813,772)
Unrealized loss on investments	(3,250,774)	(1,072,283)
Miscellaneous	7,920,733	7,434,431
	164,534,351	163,339,296
Expenditures		
Instructional service	92,247,210	86,527,809
Instructional support service	16,905,109	13,908,231
Student service	16,368,799	14,777,467
College service	15,837,732	13,132,879
Ancillary service	14,670,546	14,586,985
Facility service	14,274,761	13,773,309
(Schedule 1)	170,304,157	156,706,680
(Deficiency) excess of revenue over expenditures	$ (5,769,806)	$ 6,632,616

See accompanying notes to financial statements.

THE FANSHAWE COLLEGE OF
APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2009, with comparative figures for 2008

	Investment in Capital Assets	Endowments	Internally Restricted	Unrestricted	2009 Total	2008 Total
Balance, beginning of year	$ 60,506,496	$ 6,908,661	$ 199,544	$ 3,471,963	$ 71,086,664	$ 62,536,687
Restatement of Endowment balance	-	(26,061)	-	26,061	-	-
As restated	60,506,496	6,882,600	199,544	3,498,024	71,086,664	62,536,687
(Deficiency) excess of revenue over expenditures (expenditures over revenue) (Note 10)	(7,326,885)	-	-	1,557,079	(5,769,806)	6,632,616
Endowment contributions (net)	-	820,344	-	-	820,344	1,864,735
Internally restricted (net)	-	-	3,816	-	3,816	2,019
Net change in investment in capital assets (Note 10)	19,001,142	-	-	(19,001,142)	-	-
Transfers	-	287,341	(21,809)	-	265,532	50,607
Balance, end of year	$ 72,180,753	$ 7,990,285	$ 181,551	$ (13,946,039)	$ 66,406,550	$ 71,086,664

See accompanying notes to financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Cash provided by (used in):		
Cash flows from operating activities		
(Deficiency) excess of revenue over expenditures	$ (5,769,806)	$ 6,632,616
Items not involving cash:		
Change in non-cash working capital items (Note 11)	(2,638,403)	3,558,544
Amortization of capital assets	13,205,856	13,326,742
Amortization of deferred contributions related to capital assets	(5,878,971)	(5,548,492)
Loss on derivative financial instruments	4,011,045	813,772
Unrealized loss on investments	3,250,774	1,072,283
Net increase in deferred contributions related to restricted contributions	1,776,024	693,532
(Decrease) increase in other post employment benefits	(169,607)	100,118
(Decrease) increase in sick leave benefits	(499,191)	48,355
	7,287,721	20,697,470
Cash flows from investing activities		
Restricted cash	(1,838,490)	-
Increase in investments	(1,319,305)	(1,443,922)
Additions to capital assets	(30,631,177)	(26,742,398)
Increase in endowments	1,107,685	1,926,909
Decrease in internally restricted net assets	(17,993)	(9,548)
Increase in deferred contributions related to capital assets	12,320,524	16,671,218
	(20,378,756)	(9,597,741)
Cash flows from financing activities		
Repayments from Student Union	140,695	137,927
Repayment of bank loans	(831,184)	(781,860)
	(690,489)	(643,933)
(Decrease) increase in cash and cash equivalents	(13,781,524)	10,455,796
Cash and cash equivalents, beginning of year	46,018,727	35,562,931
Cash and cash equivalents, end of year	$ 32,237,203	$ 46,018,727

See accompanying notes to financial statements.

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

1. Significant accounting policies:

(a) General:

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and reflect the following significant accounting policies:

(b) Revenue recognition:

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

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

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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

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

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

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

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

(c) Inventories:

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

(d) Financial Instruments:

In December 2006, the CICA issued Section 3862, Financial Instruments-Disclosures and Section 3863, Financial Instruments-Presentation. Both sections were to be applicable to financial statements relating to fiscal years beginning on or after October 1, 2007. However, the College has chosen to apply Section 3861 Financial Instruments-Disclosure and Presentation and not adopt Sections 3862 and 3863 as permitted for Not-For-Profit Organizations.

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

Classification

Cash and cash equivalents	Held for trading
Restricted cash	Held for trading
Accounts receivable	Loans and receivables
Grants receivable	Loans and receivables
Receivable from Student Union	Loans and receivables
Investments	Held for trading
Derivative financial instruments	Held for trading
Accounts payable and accrued liabilities	Other liabilities
Bank loans	Other liabilities

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in Other revenue.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities, other than derivative instruments.

(e) Capital assets:

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

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

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

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

(f) Cost allocation:

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

(g) Vacation pay:

Vacation pay is accrued, as entitlement is earned.

(h) Employee future benefits:

The College accrues its obligations under employee benefit plans and the related costs, net of plan assets, in accordance with the following policies:

The cost of pensions earned by employees is actuarially determined using the Retrospective Approach prorated on service, an estimate of expected plan investment performance, salary escalation and retirement ages of employees.

For the purpose of calculating the expected return on plan assets, these assets are valued at fair value.

Using this approach, the amount of unamortized actuarial gain or loss in excess of 10% of the greater of the accrued benefit obligation and the market related value of plan assets at the beginning of the fiscal year is amortized in the current year's expense.

(i) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, contingencies, revenues and expenditures. Management estimates take into account prospects as well as prevailing business and economic conditions. Actual results could differ from those estimates.

(j) Capital disclosure:

In December 2006, the CICA issued Section 1535, which requires disclosure of an entity's objectives, policies, and processes for managing capital; information about what the entity regards as capital; whether the organization has complied with any external capital requirements; and the consequences of not complying with these capital requirements. The required note disclosure is in Note 19.

(k) Principles of consolidation:

The consolidated financial statements reflect the operations of the College and its wholly owned subsidiaries Fanshawe International Corporation and the Fanshawe College Foundation.

2. Changes in accounting policies:

Future accounting changes

Financial statement presentation
In September 2008, the CICA issued amendments to several of the existing sections in the 4400 series-*Financial Statements by Not-For-Profit Organizations.* Changes apply to annual financial statements relating to fiscal years beginning on or after January 1, 2009. Accordingly, the College will have to adopt the amended standards for its fiscal year beginning April 1, 2009. The amendments include: a) additional guidance in the applicability of Section 1100, *Generally Accepted Accounting Principles;* b) removal of the requirement to report separately net assets invested in capital assets; c) requirement to disclose revenues and expenses in accordance with EIC 123, *Reporting Revenue Gross as a Principal Versus Net as an Agent;* d) requirement to include a statement of cash flows in accordance with Section 1540, *Cash Flow Statements;* e) requirement to apply Section 1751, *Interim Financial Statements,* when preparing interim financial statements in accordance with GAAP; f) requirement for not-for-profit organizations that recognize capital assets to depreciate and assess these capital assets for impairment in the same manner as other entities reporting on a GAAP basis; g) requirement to disclose related party transactions in accordance with Section 3840, *Related Party Transactions;* and h) new disclosure requirements regarding the allocation of fundraising and general support costs.

The College is currently evaluating the impact of the adoption of these amendments on its financial statements. The College does not expect that the adoption of these amendments will have a material impact on its financial statements.

3. Restricted cash:

The College held restricted cash of $1,838,490 as at March 31, 2009 awaiting investment.

4. Receivable from Student Union:

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

With respect to the London campus (2009-$5,353,624; 2008-$5,494,319), principal repayments are due in accordance to the amortization schedule relating to the long term debt identified in Note 7. The following is a summary of the total amount receivable from the Student Union:

		2009		2008
Loan receivable from the London Campus Student Union with an effective fixed interest rate of 6.42% repayable over 25 years. No specific security has been received.	$	3,596,067	$	3,683,821
Loan receivable from the London Campus Student Union with an effective fixed interest rate of 2.94% repayable over 20 years with the interest rate being renewed every 2 years. No specific security has been received.		434,906		448,963
Loan receivable from the London Campus Student Union with an effective fixed interest rate of 4.42% repayable over 25 years with the interest rate being renewed every 7 years. No specific security has been received.		438,697		452,063
Loan receivable from the London Campus Student Union with an effective fixed interest rate of 4.87% repayable over 25 years with the interest rate being renewed every 10 years. No specific security has been received.		883,954		909,472
		5,353,624		5,494,319
Less current portion		150,533		140,695
	$	5,203,091	$	5,353,624

The principal repayments required during the next 5 years are as follows:

2010	$	150,533
2011		159,168
2012		168,319
2013		178,022
2014		188,309

5. Investments:

The estimated fair and book values as at March 31 were:

	2009		2008	
	Estimated Fair Value	Book Value	Estimated Fair Value	Book Value
Bonds	$ 11,953,456	$ 12,550,929	$ 13,008,199	$ 13,222,996
Canadian equities	5,933,745	8,258,366	6,502,452	6,301,174
U.S. equities	3,193,466	4,383,607	3,328,513	3,724,637
International equities	907,670	1,575,624	1,080,642	1,160,058
	$ 21,988,337	$ 26,768,526	$ 23,919,806	$ 24,408,865

6. Capital assets:

			2009	2008
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 2,293,471	$ -	$ 2,293,471	$ 2,293,471
Buildings	212,956,832	54,828,774	158,128,058	152,874,988
Construction in progress	14,582,034	-	14,582,034	93,436
Site improvements	21,995,483	18,358,332	3,637,151	4,998,168
Furniture and equipment	99,245,930	82,934,857	16,311,073	17,430,065
Library books	5,326,798	2,251,413	3,075,385	2,911,723
	$ 356,400,548	$ 158,373,376	$ 198,027,172	$ 180,601,851

7. Bank loans:

The College has debt with certain financial institutions as detailed in this note. The debt is structured with fixed repayment terms which will retire the debt over an agreed period of time. The College is not in violation of any covenants at year end and it is the intent of the College to repay the debt in accordance with the repayment schedules. The banks have the right to demand repayment; however the College has no requirement or intention of prepayment in the next twelve months and therefore the debt has been classified as long-term.

	2009	2008
Bank loan with a notional amount of $10,000,000 and an effective fixed interest rate of 5.85%, facilitated through a SWAP agreement. Both the College and the bank have the option to terminate the agreement in September 2009. The SWAP agreement matures September 2024. No specific security has been pledged.	$ 7,756,962	$ 8,055,928
Bank loan with a notional amount of $10,000,000 and an effective fixed interest rate of 6.1655%, facilitated through a SWAP agreement. Both the College and the bank have the option to terminate the agreement in May 2013 and in May 2023. The SWAP agreement matures May 2028. No specific security has been pledged.	8,841,061	9,069,186
Bank loan with a notional amount of $7,500,000 and an effective fixed interest rate of 6.294%, facilitated through a SWAP agreement. Both the College and the bank have the option to terminate the agreement in November 2013 and in November 2023. The SWAP agreement matures November 2028. No specific security has been pledged.	6,730,490	6,893,888
Bank loan with a notional amount of $4,000,000 and an effective fixed interest rate of 6.42%, facilitated through a SWAP agreement. Both the College and the bank have the option to terminate the agreement in January 2014 and in January 2024. The SWAP agreement matures January 2029. No specific security has been pledged.	3,596,067	3,683,822
Bank loan with an effective fixed interest rate of 2.94%. The bank term loan is repayable over 20 years with the interest rate being renewed every 2 years. No specific security has been pledged.	434,906	448,963
Bank loan with an effective fixed interest rate of 4.42%. The bank term loan is repayable over 25 years with the interest rate being renewed every 7 years. No specific security has been pledged.	438,697	452,062

Bank loan with an effective fixed interest rate of 4.87%. The bank term loan is repayable over 25 years with the interest rate being renewed every 10 years. No specific security has been pledged.	883,954	909,472
	28,682,137	29,513,321
Less current portion	885,247	831,184
	$ 27,796,890	$ 28,682,137

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

2010	$ 885,247
2011	940,950
2012	1,000,189
2013	1,063,202
2014	1,130,227

8. Operating leases:

The College leases premises and equipment. The remaining aggregate minimum rental payments under operating leases are as follows:

	Operating
2010	$ 397,748
2011	296,152
2012	255,695
2013	241,840
2014	220,141

9. Pensions and other post-employment benefits:

Employees are participants in multi-employer contributory retirement pension plans under which the College makes contributions equal to those of the employees. Contributions to these plans for fiscal 2009 were $6,307,154 (2008–$5,224,325).

The College also participates in a group plan, with other Colleges in Ontario, which effectively provides post-retirement benefits and other post-employment benefits. These benefits are provided to current retired employees and future early retirees, as well as claimants for long-term disability.

The College measures its accrued benefit obligations and the fair value of plan assets for accounting purposes as at March 31 each year. The most recent actuarial valuation of the post-retirement benefits and other post-employment benefit plans for funding purposes was on March 31, 2008 and the next required valuation will be as of March 31, 2011.

The net expense for the College's benefit plan is as follows:

	2009	2008
Pension Plans	$ 6,337,340	$ 5,249,734
Other post-employment benefit plans	(169,607)	100,118

Information about the College's other post-employment benefit plans, calculated as a percentage of the total amounts for the College plans, are as follows:

	2009	2008
Accrued benefit obligation	$ 2,072,408	$ 2,240,015
Fair value of plan assets	249,000	247,000
Funded status, plan deficit	1,823,408	1,993,015
Accrued benefit liability	$ 1,823,408	$ 1,993,015

Benefits paid during the year for the other post-employment benefit plans were $135,000 (2008 – $86,429).

The significant assumptions used are as follows:

	2009	2008
Accrued benefit obligation as at March 31		
Discount rate	5.50%	4.85%
Benefit costs for the years ending March 31		
Discount rate	5.50%	5.00%

The health care trend rates for fiscal 2009 are as follows:

Medical care cost increases	
Hospital	4.5% per annum
Drugs	10.5% per annum in 2008, grading down to 4.5% in 2020
Other medical	4.5% per annum
Vision/Hearing care	4.5% per annum
Medical premium increase	8.0% per annum in 2008, grading down to 4.5% in 2020
Dental care	7.5% per annum in 2008, grading down to 4.5% in 2014

10. Investment in capital assets:

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

		2009	2008
Capital assets		$ 198,027,172	$ 180,601,851
Amounts financed by:	Deferred contributions	(102,517,906)	(96,076,353)
	Bank loans	(23,328,513)	(24,019,002)
		$ 72,180,753	$ 60,506,496

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

		2009	2008
Excess of expenditures over revenue:			
Amortization of deferred contributions related to capital assets		$ 5,878,971	$ 5,548,492
Amortization of capital assets		(13,205,856)	(13,326,742)
		$ (7,326,885)	$ (7,778,250)
Net change in investment in capital assets:			
Capital assets acquired		$ 30,631,177	$ 26,742,398
Amount funded by:	Deferred contributions	(12,320,524)	(16,671,218)
	Bank loans	690,489	648,933
		$ 19,001,142	$ 10,720,113

11. Supplemental cash flow information:

	2009	2008
Change in non-cash working capital items:		
Accounts receivable	$ (983,936)	$ 541,720
Grants receivable	(122,011)	84,686
Inventories	(295,303)	207,656
Prepaid expenses	463,477	(68,000)
Accounts payable and accrued liabilities	857,109	(586,632)
Accrued vacation pay	562,894	457,095
Deferred revenue-short term	(3,120,633)	2,922,019
	$ (2,638,403)	$ 3,558,544

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

	2009	2008
Interest revenue	$ 2,398,845	$ 3,615,028
Interest expense	(1,772,438)	(1,869,522)

12. Commitments:

As at March 31, 2009, outstanding capital asset commitments approximate $13,247,398 (2008– $4,681,164) primarily relating to the construction and expansion of various facilities including the third residence.

13. Ontario Student Opportunities Trust Fund:

Endowments include donations and matching funds from the Ontario Student Opportunity Trust Fund of the Government of Ontario (Phase 1 and 2), which were created to fund student aid bursaries.

The College has recorded the following amounts under the program:

Schedule of Changes in Endowment Fund Balances-Phase 1:

	2009	2008
Endowment balance, beginning of year	$ 1,188,715	$ 1,183,521
Preservation of capital	5,231	5,194
Market value adjustment	(155,987)	-
Endowment balance, end of year	$ 1,037,959	$ 1,188,715

Schedule of Changes in Expendable Funds Available for Awards-Phase 1:

	2009	2008
Expendable funds available for awards, beginning of year	$ 123,013	$ 116,905
Realized investment income	44,460	44,147
Bursaries awarded (total number: 83; 2008-50)	(45,405)	(38,039)
Expendable funds available for awards, end of year	122,068	123,013
Endowment total based on fair value	$ 1,160,027	$ 1,311,728

Schedule of Changes in Endowment Fund Balances-Phase 2:

	2009	2008
Endowment balance, beginning of year	$ 918,398	$ 914,470
Preservation of capital	3,978	3,928
Market value adjustment	(118,792)	-
Endowment balance, end of year	$ 803,584	$ 918,398

Schedule of Changes in Expendable Funds Available for Awards-Phase 2:

	2009	2008
Expendable funds available for awards, beginning of year	$ 82,186	$ 60,910
Realized investment income	33,818	33,389
Bursaries awarded (total number: 41; 2008-20)	(36,216)	(12,113)
Expendable funds available for awards, end of year	79,788	82,186
Endowment total based on fair value	$ 883,372	$ 1,000,584

14. Ontario Trust for Student Support:

Endowments include donations and matching funds from the Ontario Trust for Student Support Fund of the Government of Ontario, which was created to fund students with financial need bursaries.

The College has recorded the following amounts under the program:

Schedule of Donations Received:

	2009	2008
Cash donations matched	$ 350,740	$ 600,771
Unmatched cash donations	363,571	-
Total cash donations	$ 714,311	$ 600,771

Schedule of Changes in Endowment Fund Balances:

	2009	2008
Endowment balance, beginning of year	$ 2,376,098	$ 575,847
Eligible cash donations received	714,311	600,771
Matching funds received/receivable from MTCU	1,031,106	1,195,995
Preservation of capital	12,173	3,485
Market value adjustment	(496,289)	-
Endowment balance, end of year	$ 3,637,399	$ 2,376,098

Schedule of Changes in Expendable Funds Available for Awards:

	2009	2008
Expendable funds available for awards, beginning of year	$ 43,106	$ 19,990
Realized investment income	109,685	29,616
Bursaries awarded (total number: 62; 2008-11) [1]	(48,608)	(6,500)
Expendable funds available for awards, end of year	104,183	43,106
Endowment total based on fair value	$ 3,741,582	$ 2,419,204

[1] Report of OTSS awards issued

Status of Recipients	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-Time	32	$ 18,893	28	$ 24,854	60	$ 43,747
Part-Time	n/a	n/a	2	4,861	2	4,861
Total	32	$ 18,893	30	$ 29,715	62	$ 48,608

15. Contingencies:

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

16. Fanshawe International Corporation:

In March 2003, the College formally created a subsidiary corporation named Fanshawe International Corporation to conduct teaching and training activities primarily outside Canada.

17. Fanshawe College Foundation:

In December 2006, the College formally created a charitable organization named Fanshawe College Foundation to coordinate fundraising activities in association with Fanshawe College. The Fanshawe College Foundation received charity status in June 2007, and became active in April 2008.

18. Financial Instruments:

The fair value of the College's cash and term deposits, accounts and grants receivable, short term receivable from the Student Union, accounts payable and accrued liabilities are not materially different from their carrying amounts because of their short terms to maturity. Fair value information for the long term portion of the receivable from the Student Union has not been disclosed because the fair value cannot be measured reliably due to the nature of the loans. A description of the instruments and their carrying amounts are disclosed in Note 4.

Since it is the College's intent to make payments on the bank loans until maturity, it is not cost effective to determine the fair market value of the debt. The fair value of temporary investments and bonds included in Note 5 is based on quoted market prices.

The College reduces its interest rate risk by entering into interest rate swap agreements. Refer to Note 7 of the financial statements for details regarding the interest rate swap agreements.

The College provides credit to its students in the normal course of its operations. It maintains provisions for contingent credit losses. Student receivables represent 45% of the College's accounts receivable as at March 31, 2009.

19. Capital Management:

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

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

20. Comparative Figures:

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

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Expenditures

Schedule 1

Year ended March 31, 2009, with comparative figures for 2008

	2009	2008
Expenditures		
Salaries and benefits	$ 100,488,312	$ 90,978,129
Student assistance	12,429,262	11,165,024
Operating supplies	4,442,143	4,034,017
Ancillary cost of sales	10,241,812	8,982,092
Contract services	9,402,392	8,760,030
Utilities and maintenance	9,726,183	10,259,850
Long term debt interest	1,772,438	1,869,522
Amortization expense	13,205,856	13,326,742
Other operating costs	8,595,759	7,331,274
	$ 170,304,157	$ 156,706,680

THE FANSHAWE COLLEGE OF
APPLIED ARTS AND TECHNOLOGY

Analysis of Restricted Contributions and Endowments

Schedule 2

Year ended March 31, 2009, with comparative figures for 2008

	Balance, beginning of year	Revenues			Expenditures			Balance, end of year
		Donations	Interest	Other	Awards	Other	*Transfers*	
Restricted contributions								
Bursaries and scholarships	$ 1,802,246	$ 842,441	$ 69,727	$ 1,747,629	$ (2,083,686)	$ -	$ (763,299)	$ 1,615,058
Student activity fees	50,000	-	-	5,850,518	-	(5,850,518)	-	50,000
Fundraising Campaigns	6,410,491	1,876,756	275,836	-	-	(2,811)	(386,143)	8,174,129
Alumni activities	86,550	-	6,260	218,713	-	(38,103)	(154,337)	119,083
Employee Stability Fund	327,662	-	8,373	21,150	-	(170)	-	357,015
Other	1,209,138	-	27,352	576,280	-	(494,661)	28,717	1,346,826
	9,886,087	2,719,197	387,548	8,414,290	(2,083,686)	(6,386,263)	(1,275,062)	11,662,111
Endowments, as previously reported	6,908,661	-	-	-	-	-	-	-
Restatement of Endowment balance	(26,061)	-	-	-	-	-	-	-
As restated	6,882,600	1,759,065	289,781	-	(188,145)	(1,040,357)	287,341	7,990,285
Internally restricted	199,544	-	7,341	-	(3,525)	-	(21,809)	181,551
	$ 16,968,231	$ 4,478,262	$ 684,670	$ 8,414,290	$ (2,275,356)	$ (7,426,620)	$ (1,009,530)	$ 19,833,947