Consolidated Financial Statements of

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Year Ended March 31, 2013

Financial Statements

March 31, 2013

June 27, 2013

Independent Auditor's Report

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

We have audited the accompanying consolidated financial statements of the Fanshawe College of Applied Arts and Technology, which comprise the consolidated statement of financial position as at March 31, 2013 and the consolidated statement of operations, statement of changes in net assets, statement of cash flows, and statement of remeasurement gains and losses for the year then ended, and the related notes, which comprise a summary of significant accounting policies and other explanatory information.

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

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

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Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Fanshawe College of Applied Arts and Technology and its subsidiaries as at March 31, 2013 and the results of their operations, changes in net assets, their remeasurement gains and losses and their cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Comparative Information

Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements, which describes that the Fanshawe College of Applied Arts and Technology adopted Canadian public sector accounting standards on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retroactively by management to the comparative information in these consolidated financial statements, including the consolidated statements of financial position as at March 31, 2012 and April 1, 2011 and the consolidated statements of operations, changes in net assets and cash flow for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

PricewaterhouseCoopers LLP

Chartered Accountants, Licensed Public Accountants

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Financial Position

As at March 31, 2013, with comparative figures for 2012

	March 31, 2013	March 31, 2012 (Unaudited)	April 1, 2011 (Unaudited)
Assets			
Current assets			
Cash and cash equivalents	$ 69,692,384	$ 30,076,940	$ 38,560,960
Guaranteed investment certificates	26,650,312	42,807,289	12,501,722
Accounts receivable	8,760,717	8,092,979	7,218,581
Grants receivable	1,549,847	6,975,103	1,155,031
Inventories	1,983,982	1,981,383	1,652,362
Prepaid expenses	131,848	35,889	2,746
Current portion of receivable from Student Union (Note 5)	153,405	158,853	149,816
	108,922,495	90,128,436	61,241,218
Receivable from Student Union (Note 5)	3,798,174	4,331,618	4,490,471
Investments (Note 6)	37,541,280	38,572,858	46,970,966
Derivative financial instruments	-	2,423,386	2,581,558
Capital assets (Note 7)	253,959,035	252,372,501	251,817,014
	$ 404,220,984	$ 387,828,799	$ 367,101,227
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued liabilities	$ 13,331,899	$ 11,609,414	$ 11,474,368
Accrued vacation pay	8,919,055	8,812,734	8,589,241
Deferred revenue-short term	44,945,592	46,386,042	42,410,109
Current portion of bank loans (Note 8)	1,414,658	1,331,937	1,254,078
	68,611,204	68,140,127	63,727,796
Bank loans (Note 8)	41,772,000	43,186,656	44,518,595
Derivative financial instruments	6,940,295	7,076,064	4,963,917
Post-employment benefits and compensated absences (Note 10)	8,994,975	10,006,440	10,713,984
	57,707,270	60,269,160	60,196,496
Deferred contributions			
Restricted contributions (Note 16)	15,107,155	13,496,065	13,891,856
Capital assets (Note 17)	135,905,500	131,521,839	128,805,592
	151,012,655	145,017,904	142,697,448
Net assets			
Investment in capital assets (Note 11)	78,818,455	80,428,011	81,470,555
Endowments	17,126,028	15,905,602	12,059,683
Internally restricted (Note 18)	29,208,935	22,114,592	17,609,127
Unrestricted	6,619,736	(4,046,597)	(10,659,878)
Accumulated remeasurement loss	(4,883,299)	-	-
	126,889,855	114,401,608	100,479,487
Commitments (Note 9 and Note 13)			
Contingencies (Note 19)			
	$ 404,220,984	$ 387,828,799	$ 367,101,227

See accompanying notes to consolidated financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Operations

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012 (Unaudited)
Revenue		
Government grants	$ 99,644,549	$ 98,024,682
Enrolment revenue	73,992,828	69,816,791
Ancillary revenue	21,984,335	23,122,179
Other revenue		
Restricted contributions	1,630,678	2,198,797
Investment income	661,824	594,738
Amortization of deferred contributions related to capital assets (Note 11)	7,408,559	7,093,514
Loss on derivative financial instruments	-	(2,270,319)
Unrealized loss on investments	-	(161,383)
Miscellaneous	8,017,830	7,511,951
	213,340,603	205,930,950
Expenditures		
Instructional service	101,331,743	100,630,572
Instructional support service	24,589,899	22,019,141
Student service	22,676,014	20,545,521
College service	18,720,935	17,157,017
Ancillary service	17,774,066	19,942,751
Facility service	15,702,465	15,565,211
(Schedule 1)	200,795,122	195,860,213
Excess of revenue over expenditures	$ 12,545,481	$ 10,070,737

See accompanying notes to consolidated financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Changes in Net Assets

Year ended March 31, 2013

	Investment in Capital Assets	Endowments	Internally Restricted	Unrestricted	Accumulated Remeasurement Loss	2013 Total
Balance, beginning of year	$ 80,428,011	$ 15,905,602	$ 22,114,592	$ (4,046,597)	$ -	$ 114,401,608
Excess (deficiency) of revenue over expenditures (Note 11)	(7,992,265)	-	-	20,537,746	-	12,545,481
Adjustment upon adoption of PS 3450 (Note 3)	-	-	-	3,611,296	(6,034,682)	(2,423,386)
Unrealized gains attributable to:						
Investments	-	-	-	-	1,015,614	1,015,614
Derivative financial instruments	-	-	-	-	135,769	135,769
Endowments						
Donations	-	148,614	-	-	-	148,614
Return on investment	-	1,368,203	-	-	-	1,368,203
Awards	-	(399,929)	-	-	-	(399,929)
Net transfers from the college and foundation	-	103,538	-	-	-	103,538
Internally restricted						
Deferred operating expenditures	-	-	9,500,000	(9,500,000)	-	-
Capital reserve	-	-	(2,400,000)	2,400,000	-	-
Return on investment	-	-	6,844	-	-	6,844
Net transfers from the college	-	-	(12,501)	-	-	(12,501)
Net change in investment in capital assets (Note 11)	6,382,709	-	-	(6,382,709)	-	-
Balance, end of year	$ 78,818,455	$ 17,126,028	$ 29,208,935	$ 6,619,736	$ (4,883,299)	$ 126,889,855

See accompanying notes to consolidated financial statements.

Year ended March 31, 2012 (Unaudited)

	Investment in Capital Assets	Endowments	Internally Restricted	Unrestricted	Accumulated Remeasurement Loss	2012 Total
Balance, beginning of year	$ 81,470,555	$ 12,059,683	$ 17,609,127	$ (10,659,878)	$ -	$ 100,479,487
Excess (deficiency) of revenue over expenditures (Note 11)	(8,006,884)	-	-	18,077,621	-	10,070,737
Endowments						
Donations	-	325,968	-	-	-	325,968
Return on investment	-	541,374	-	-	-	541,374
Ministry matching funding	-	908,741	-	-	-	908,741
Awards	-	(309,714)	-	-	-	(309,714)
Net transfers from the college and foundation	-	2,379,550	-	-	-	2,379,550
Internally restricted						
Deferred operating expenditures	-	-	2,700,000	(2,700,000)	-	-
Capital reserve	-	-	1,800,000	(1,800,000)	-	-
Return on investment	-	-	7,964	-	-	7,964
Net transfers from the college	-	-	(2,499)	-	-	(2,499)
Net change in investment in capital assets (Note 11)	6,964,340	-	-	(6,964,340)	-	-
Balance, end of year	$ 80,428,011	$ 15,905,602	$ 22,114,592	$ (4,046,597)	$ -	$ 114,401,608

See accompanying notes to consolidated financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Cash Flows

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012 (Unaudited)
Cash provided by (used in):		
Cash flows from operating activities		
Excess of revenue over expenditures	$ 12,545,481	$ 10,070,737
Change in non-cash working capital items (Note 12)	5,047,316	(2,722,162)
Items not involving cash:		
Amortization of capital assets	15,400,824	15,100,398
Amortization of deferred contributions related to capital assets	(7,408,559)	(7,093,514)
Loss on derivative financial instruments	-	2,270,319
Unrealized loss on investments	-	161,383
Net increase (decrease) in deferred contributions related to restricted contributions	1,611,090	(395,791)
Decrease in other post employment benefits and compensated absences	(1,011,465)	(707,544)
	26,184,687	16,683,826
Cash flows from investing activities		
Net decrease (increase) in guaranteed investment certificates	16,156,977	(30,305,567)
Net decrease in long term investments	2,047,192	8,236,725
(Decrease) increase in internally restricted net assets	(5,657)	5,465
	18,198,512	(22,063,377)
Cash flows from capital activities		
Increase in deferred contributions related to capital assets	11,792,220	9,809,761
Additions to capital assets	(16,987,358)	(15,655,885)
Repayment of bank loans	(1,187,571)	(1,118,216)
	(6,382,709)	(6,964,340)
Cash flows from financing activities		
Repayments from Student Union	538,892	149,816
Repayment of bank loans	(144,364)	(135,864)
Net increase in endowments	1,220,426	3,845,919
	1,614,954	3,859,871
Increase (decrease) in cash and cash equivalents	39,615,444	(8,484,020)
Cash and cash equivalents, beginning of year	30,076,940	38,560,960
Cash and cash equivalents, end of year	$ 69,692,384	$ 30,076,940

See accompanying notes to consolidated financial statements.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012 (Unaudited)
Balance, beginning of year	$ -	$ -
Adjustment upon adoption of financial instruments section (Note 3)	(6,034,682)	-
Unrealized gains attributable to:		
Investments	1,015,614	-
Derivative financial instrument-interest rate swap	135,769	-
Net remeasurement gain for the year	1,151,383	-
Balance, end of year	$ (4,883,299)	$ -

See accompanying notes to consolidated financial statements.

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

1. Significant accounting policies:

(a) General:

The financial statements of the College have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPO's").

(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 ("MTCU"). Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

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

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 incurred. Restricted investment income that must be maintained as an endowment is credited to net assets. Unrestricted investment income is recognized as revenue when earned.

(c) Inventories:

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

(d) 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:

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

Fair Value

This category includes instruments quoted in an active market.

They are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

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

Where a decline in fair value is determined to be other than temporary, the amount of the loss is removed from accumulated remeasurement gains and losses and recognized in the statement of operations. On sale, the amount held in accumulated remeasurement gains and losses associated with that instrument is removed from net assets and recognized in the statement of operations.

Amortized Cost

This category includes accounts receivable, grants receivable, receivable from the Student Union, accounts payable and accrued liabilities and bank loans. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

Transaction costs related to financial instruments in the amortized cost category are added to the carrying value of the instrument.

Writedowns on financial assets in the amortized cost category are recognized when the amount of a loss is known with sufficient precision, and there is no realistic prospect of recovery. Financial assets are then written down to net recoverable value with the writedown being recognized in the statement of operations.

(e) 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) Retirement and post-employment benefits and compensated absences:

The College provides defined retirement and post-employment benefits and compensated absences to certain employee groups. These benefits include pension, health and dental, vesting sick leave and non-vesting sick leave. The College has adopted the following policies with respect to accounting for these employee benefits:

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

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

(iii) The cost of vesting and non-vesting sick leave benefits are actuarially determined using management's best estimate and salary escalation, employee's use of entitlement and discount rates. Adjustments to these costs arising from changes in actuarial assumption and/or experience are recognized over the estimated average remaining service life of the employees.

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

(i) Measurement uncertainty:

The preparation of financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Actual results could differ from these estimates. Areas of key estimation include determination of fair value investments as outlined in Note 6, allowance for doubtful accounts, and actuarial estimation of post-employment benefits and compensated absence liabilities as outlined in Note 10.

(j) 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. First time adoption of Public Sector Accounting Standards:

The Public Sector Accounting Board (PSAB) issued new standards for government (public sector) not-for-profit organizations. For years beginning on or after January 1, 2012, government NPOs have a choice of:

1. Public sector accounting standards including PS 4200-4270 for government not-for-profit organizations; or
2. Public sector accounting standards

The College has chosen to follow Public Sector Accounting standards including PS 4200-4270 for government not-for-profit organizations.

Effective April 1, 2012, the College adopted the requirements of the new accounting framework, Canadian Public Sector Accounting Standards for Not-for-Profit Organizations (PSAB for Government NPOs). These are the College's first financial statements prepared in accordance with this framework and the transitional provisions of Section 2125, First-time Adoption by Government Organizations have been applied. Section 2125 requires retroactive application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in the Summary of Significant Accounting Policies have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAB for Government NPOs balance sheet at the date of transition of April 1, 2011 with the exception of PS 2601-Foreign Currency Translation and PS 3450-Financial Instruments, which has been applied with an effective date of April 1, 2012 (Note 3).

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

The following exemptions and exceptions were used at the date of transition to Canadian public sector accounting standards for government not-for-profit organizations:

Optional exemptions

Actuarial gains and losses

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

Business combinations

The College elected to not retroactively apply the provisions PS 2510-Additional Areas of Consolidation to periods prior to the date of transition to PSAB for Government NPOs. As such, assets, liabilities and net assets have not been restated that may have been required if the provisions of PS 2510 had been applied retroactively.

Mandatory exceptions

Estimates

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

Reconciliation of net assets and excess of revenue over expenses

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

Post-employment benefits and compensated absences

Statement of Financial Position as at April 1, 2011-Transition Date (Unaudited)

	Pre-changeover Canadian GAAP	Transitional Adjustments Adj. (i)	Adj. (ii)	Adj. (iii)	PSAB for Government NPOs
Liabilities					
Vesting sick leave	$ 3,190,024	$ -	$ -	$ (541,024)	$ 2,649,000
Non-vesting sick leave	-	5,908,000	-	-	5,908,000
Post-employment benefits	1,319,000	-	-	150,000	1,469,000
WSIB post-employment benefits	687,984	-	-	-	687,984
	$ 5,197,008	$ 5,908,000	$ -	$ (391,024)	$ 10,713,984
Net assets	$ (5,197,008)	$ (5,908,000)	$ -	$ 391,024	$ (10,713,984)

Statement of Financial Position for the year ended March 31, 2012 (Unaudited)

	Pre-changeover Canadian GAAP	Transitional Adjustments Adj. (i)	Adj. (ii)	Adj. (iii)	PSAB for Government NPOs
Liabilities					
Vesting sick leave	$ 2,659,147	$ -	$ -	$ (756,147)	$ 1,903,000
Non-vesting sick leave	-	5,620,000	-	-	5,620,000
Post-employment benefits	1,354,000	-	60,000	108,000	1,522,000
WSIB post-employment benefits	961,440	-	-	-	961,440
	$ 4,974,587	$ 5,620,000	$ 60,000	$ (648,147)	$ 10,006,440
Net assets	$ (4,974,587)	$ (5,620,000)	$ (60,000)	$ 648,147	$ (10,006,440)

Explanations for adjustments to PSAB for Government NPOs:

(i) Non-vesting sick leave

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

(ii) Amortization of actuarial gains and losses

As discussed in Note 2, the College has elected to recognize actuarial gains and losses at the date of transition to PSAB for Government NPOs directly in net assets. As a result, the College has recognized an increased liability and a charge to net assets as described in the tables above.

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

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

Statement of Operations

As a result of the above noted exemptions and exceptions and the retrospective application of Public Sector Accounting Standards, the College recorded the following adjustments to excess of revenue over expenditures for the year ended March 31, 2012:

		2012
		(Unaudited)
Net earnings:		
As previously reported under Canadian generally accepted accounting principles	$	9,585,614
Change to include revised discount rate for vested sick leave		215,123
Change to include non-vesting sick leave		288,000
Change to include revised discount rate for post-employment benefits		(18,000)
Restated for the year ending March 31, 2012	$	10,070,737

Statement of Cash Flows for the year ended March 31, 2012

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

3. Change in accounting policies:

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

Under PS 3450, all financial instruments, including derivatives, are included on the statement of financial position and are measured either at fair value or amortized cost based on the characteristics of the instrument and the College's accounting policy choices (Note 1).

In accordance with the provisions of this new standard, the College reflected the following adjustments:

-April 1, 2012: a decrease of $1,041,382 to unrestricted net assets and an increase of $1,041,382 to accumulated remeasurement gains/(losses) due to the College choosing to designate its investment portfolio at fair value upon initial adoption of the standard whereas it was originally classified as held for trading under pre-changeover GAAP.
-April 1, 2012: an increase of $7,076,064 to unrestricted net assets and a decrease of $7,076,064 to accumulated remeasurement gains/(losses) due to the fair value of the College's interest rate swap derivatives being reclassified to accumulated remeasurement gains/(losses).
-April 1, 2012: a decrease of $2,423,386 to unrestricted net assets and a decrease of $2,423,386 to derivative financial instruments (long term assets) due to recognizing previously unrecorded fair value losses of the College's interest rate swap derivatives.

4. 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 show below:

	2013		
	Fair Value	Amortized Cost	Total
Cash and cash equivalents	$ 69,692,384	$ -	$ 69,692,384
Guaranteed investment certificates	26,650,312	-	26,650,312
Accounts receivable	-	8,760,717	8,760,717
Grants receivable	-	1,549,847	1,549,847
Receivable from Student Union	-	3,951,579	3,951,579
Investments	37,541,280	-	37,541,280
Accounts payable and accrued liabilities	-	13,331,899	13,331,899
Bank loans	-	43,186,658	43,186,658
Derivative financial instruments	6,940,295	-	6,940,295
	$ 140,824,271	$ 70,780,700	$ 211,604,971

The amortized cost of accounts receivable, grants receivable, receivable from Student Union, accounts payable and accrued liabilities and bank loans approximate fair value because of their short terms to maturity.

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

-Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
-Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
-Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2013			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 69,692,384	$ -	$ -	$ 69,692,384
Guaranteed investment certificates	26,650,312	-	-	26,650,312
Investments	-	37,541,280	-	37,541,280
Derivative financial instruments	-	-	6,940,295	6,940,295
	$ 96,342,696	$ 37,541,280	$ 6,940,295	$ 140,824,271

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2013 and 2012. There were also no transfers in or out of Level 3.

5. Receivable from Student Union:

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

Principal repayments are due in accordance to the amortization schedule relating to the long term debt identified in Note 8. The following is a summary of the total amount receivable from the Student Union:

		2013		2012
				(Unaudited)
Loan receivable from the London Campus Student Union with an effective fixed interest rate of 7.17% repayable over 25 years. No specific security has been received.	$	3,183,055	$	3,296,426
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.		768,524		799,518
Loan receivable from the London Campus Student Union with an effective fixed interest rate of 3.77% repayable over 20 years. Loan was repaid in September 2012.		-		394,527
		3,951,579		4,490,471
Less current portion		153,405		158,853
	$	3,798,174	$	4,331,618

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

2014	$	153,405
2015		163,018
2016		173,239
2017		184,109
2018		195,669

6. Investments:

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

	2013		2012 (Unaudited)	
	Estimated Fair Value	Book Value	Estimated Fair Value	Book Value
Bonds	$ 19,703,680	$ 18,795,288	$ 18,188,811	$ 17,497,751
Canadian equities	9,879,344	8,710,547	8,655,365	8,305,386
U.S. equities	5,731,533	4,408,160	4,821,267	4,098,897
International equities	1,853,286	1,659,441	1,311,792	1,287,088
Short term	373,437	372,431	555,878	554,642
Guaranteed invest. certificate	-	-	5,039,745	5,039,745
	$ 37,541,280	$ 33,945,867	$ 38,572,858	$ 36,783,509

7. Capital assets:

			2013	2012 (Unaudited)
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Land	$ 5,474,471	$ -	$ 5,474,471	$ 5,474,471
Buildings	293,640,707	80,066,834	213,573,873	217,363,246
Construction in progress	10,760,617	-	10,760,617	3,714,922
Site improvements	22,145,676	21,248,853	896,823	1,174,021
Furniture and equipment	127,157,570	107,491,444	19,666,126	21,241,640
Library books	6,470,982	2,883,857	3,587,125	3,404,201
	$ 465,650,023	$ 211,690,988	$ 253,959,035	$ 252,372,501

8. Bank loans:

The debt noted below is structured with fixed repayment terms which will retire the debt over an agreed period of time. The College is not in violation of any covenants as at March 31, 2013 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.

	2013	2012 (Unaudited)
Loan with a notional amount of $20,000,000 and an effective fixed interest rate of 5.49%. The loan is repayable over 30 years. No specific security has been pledged.	$ 19,140,114	$ 19,442,506
Loan with a notional amount of $10,000,000 and an effective fixed interest rate of 6.46%, facilitated through a SWAP agreement. Both the College and the bank have the option to terminate the agreement in May 2023. The SWAP agreement matures May 2028. No specific security has been pledged. See Note 20.	7,766,431	8,061,562
Loan with a notional amount of $10,000,000 and an effective fixed interest rate of 6.05%, facilitated through a SWAP agreement. The SWAP agreement matures September 2024. No specific security has been pledged. See Note 20.	6,370,308	6,747,881
Loan with a notional amount of $7,500,000 and an effective fixed interest rate of 6.58%, facilitated through a SWAP agreement. Both the College and the bank have the option to terminate the agreement in November 2023. The SWAP agreement matures November 2028. No specific security has been pledged. See Note 20.	5,958,226	6,170,700
Loan with a notional amount of $4,000,000 and an effective fixed interest rate of 7.17%, facilitated through a SWAP agreement. Both the College and the bank have the option to terminate the agreement in January 2024. The SWAP agreement matures January 2029. No specific security has been pledged. See Note 20.	3,183,055	3,296,426
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.	768,524	799,518
	43,186,658	44,518,593
Less current portion	1,414,658	1,331,937
	$ 41,772,000	$ 43,186,656

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

2014	$	1,414,658
2015		1,502,550
2016		1,595,937
2017		1,695,160
2018		1,800,594

9. Operating leases:

The College leases premises and equipment. The remaining aggregate minimum rental payments under operating leases for the next 5 years are as follows:

2014	$	225,677
2015		59,230
2016		59,230
2017		29,615
2018		-

10. Post-employment benefits and compensated absences:

2013	Vesting sick leave	Non-vesting sick leave	Post-employment benefits	WSIB post-employment benefits	Total liability
Accrued employee future benefits obligations	$ 1,476,000	$ 5,479,000	$ 1,909,000	$ 487,975	$ 9,351,975
Value of plan assets	-	-	(246,000)	-	(246,000)
Unamortized actuarial gain (loss)	11,000	(76,000)	(46,000)	-	(111,000)
Total liability	$ 1,487,000	$ 5,403,000	$ 1,617,000	$ 487,975	$ 8,994,975

2012 (Unaudited)	Vesting sick leave	Non-vesting sick leave	Post-employment benefits	WSIB post-employment benefits	Total liability
Accrued employee future benefits obligations	$ 1,937,000	$ 5,920,000	$ 1,818,000	$ 961,440	$ 10,636,440
Value of plan assets	-	-	(267,000)	-	(267,000)
Unamortized actuarial loss	(34,000)	(300,000)	(29,000)	-	(363,000)
Total liability	$ 1,903,000	$ 5,620,000	$ 1,522,000	$ 961,440	$ 10,006,440

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

Retirement Benefits

CAAT Pension Plan

Employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan ("the Plan") which is a multi-employer jointly sponsored defined benefit plan for eligible public colleges 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 liability of the Plan.

Any pension surplus or deficit is a joint responsibility of the members and employers which may impact future contribution rates. The College does not recognize any share of the Plan's surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2013 indicated an actuarial surplus of $347,000,000. The College made contributions to the Plan and its associated retirement compensation arrangement of $9,760,652 in 2013 (2012-$8,563,167), which has been included in the statement of operations.

Post-employment benefits

The College extends post-employment life insurance, health and dental benefits to certain employee groups subsequent to their retirement. The College recognizes these benefits as they are earned during the employee's tenure of service. The related benefit liability was determined by an actuarial valuation study commissioned by the College Employer Council ("the Council").

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

a) Discount rate

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

b) Drug costs

Drug costs increased 10.5% for 2013 (2012-10.5%) grading to 4.0% in 2026 for fiscal 2013 (2012-4.5%).

c) Hospital and other medical

Hospital and other medical costs increased 4.0% per annum for fiscal 2013 (2012-4.5%).

d) Dental costs

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

Compensated absences

Vesting sick leave

The College has provided for vesting sick leave benefits during the year. Eligible employees, after 10 years of service, are entitled to receive 50% of their accumulated sick leave credit on termination or retirement to a maximum of 6 months' salary. The program to accumulate sick leave credits ceased for employees hired after March 31, 1991. The related benefit liability was determined by an actuarial valuation study commissioned by the Council.

Non-vesting sick leave

The College allocates to certain employee groups a specified number of days each year for use as paid absences in the event of illness or injury. These days do not vest and are available immediately. Employees are permitted to accumulate their unused allocation each year, up to the allowable maximum provided in their employment agreements. Accumulated days may be used in future years to the extent that the employees' illness or injury exceeds the current year's allocation of days. Sick days are paid out at the salary in effect at the time of usage. The related benefit liability was determined by an actuarial valuation study commissioned by the Council.

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

	2013	2012
		(Unaudited)
Wage and salary escalation		
Support staff	1.75%	1.75%
Academic	2.00%	1.75%
Discount rate	2.10%	2.25%

The probability that the employee will use more sick days than the annual accrual and the excess number of sick days used are within ranges of 0% to 38.7% and 0 to 51.7 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

11. Investment in capital assets:

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

		2013	2012
			(Unaudited)
Capital assets		$ 253,959,035	$ 252,372,501
Amounts financed by:	Deferred contributions	(135,905,500)	(131,521,839)
	Bank loans	(39,235,080)	(40,422,651)
		$ 78,818,455	$ 80,428,011

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

	2013	2012
		(Unaudited)
Excess of expenditures over revenue:		
Amortization of deferred contributions related to capital assets	$ 7,408,559	$ 7,093,514
Amortization of capital assets	(15,400,824)	(15,100,398)
	$ (7,992,265)	$ (8,006,884)
Net change in investment in capital assets:		
Additions to capital assets	$ 16,987,358	$ 15,655,885
Amount financed by: Deferred contributions	(15,400,824)	(9,809,761)
Bank loans	16,987,358	1,118,216
	$ 18,573,892	$ 6,964,340

12. Supplemental cash flow information:

		2013		2012
				(Unaudited)
Change in non-cash working capital items:				
Accounts receivable	$	(667,738)	$	(874,398)
Grants receivable		5,425,256		(5,820,072)
Inventories		(2,599)		(329,021)
Prepaid expenses		(95,959)		(33,143)
Accounts payable and accrued liabilities		1,722,485		135,046
Accrued vacation pay		106,321		223,493
Deferred revenue		(1,440,450)		3,975,933
	$	5,047,316	$	(2,722,162)

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

		2013		2012
				(Unaudited)
Interest revenue	$	2,970,434	$	2,996,306
Interest expense		(2,645,138)		(2,776,486)

13. Commitments:

As at March 31, 2013, outstanding capital asset commitments approximate $9,389,401 (2012- $145,119) primarily relating to the construction and expansion of various facilities.

14. 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:

		2013		2012
				(Unaudited)
Endowment balance, beginning of year	$	1,217,959	$	1,206,271
Preservation of capital		4,508		5,333
Market value adjustment		61,737		(931)
Realized gain		4,813		7,286
Endowment balance, end of year	$	1,289,017	$	1,217,959

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

		2013		2012
Expendable funds available for awards, beginning of year	$	115,664	$	122,091
Realized investment income		38,309		45,323
Bursaries awarded (2013-94; 2012-81)		(55,750)		(51,750)
Expendable funds available for awards, end of year		98,223		115,664
Endowment total based on fair value	$	1,387,240	$	1,333,623

Schedule of Changes in Endowment Fund Balances-Phase 2:

		2013		2012
				(Unaudited)
Endowment balance, beginning of year	$	939,949	$	931,058
Preservation of capital		3,482		4,074
Market value adjustment		48,182		(716)
Realized gain		3,713		5,533
Endowment balance, end of year	$	995,326	$	939,949

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

		2013		2012
Expendable funds available for awards, beginning of year	$	86,496	$	77,770
Realized investment income		29,592		34,626
Bursaries awarded (2013-42; 2012-37)		(28,800)		(25,900)
Expendable funds available for awards, end of year		87,288		86,496
Endowment total based on fair value	$	1,082,614	$	1,026,445

15. 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:

	2013	2012
		(Unaudited)
Cash donations matched	$ -	$ 528,305
Unmatched cash donations	156,196	662,068
Total cash donations	$ 156,196	$ 1,190,373

Schedule of Changes in Endowment Fund Balances:

	2013	2012
Endowment balance, beginning of year	$ 8,898,818	$ 6,749,604
Eligible cash donations received	156,196	1,190,373
Matching funds received/receivable from MTCU	-	908,741
Preservation of capital	31,679	30,835
Market value adjustment	457,763	(19,494)
Realized gain	36,055	38,759
Endowment balance, end of year	$ 9,580,511	$ 8,898,818

Schedule of Changes in Expendable Funds Available for Awards:

	2013	2012
Expendable funds available for awards, beginning of year	$ 406,039	$ 304,920
Realized investment income	269,274	262,096
Bursaries awarded (2013-231; 2012-165)[1]	(222,220)	(160,977)
Expendable funds available for awards, end of year	453,093	406,039
Endowment total based on fair value	$ 10,033,604	$ 9,304,857

[1]Report of OTSS awards issued

Status of Recipients	OSAP Recipients		Non-OSAP Recipients		Total	
	Number	Amount	Number	Amount	Number	Amount
Full-Time	135	$ 93,222	74	$ 118,258	209	$ 211,480
Part-Time	-	-	22	10,740	22	10,740
Total	135	$ 93,222	96	$ 128,998	231	$ 222,220

16. Deferred restricted contributions:

Deferred contributions represent unspent externally restricted funding that has been received and relates to a subsequent year. Changes in the contributions deferred to future periods are as follows:

	2013	2012
		(Unaudited)
Balance, beginning of year	$ 13,496,065	$ 13,891,856
Add amounts received during the year	13,341,792	13,331,480
Less amounts disbursed in the year	(11,730,702)	(13,727,271)
Balance, end of year	$ 15,107,155	$ 13,496,065

Deferred contributions are comprised of:

	2013	2012
		(Unaudited)
Scholarships and bursaries	$ 512,215	$ 7,371
Student activity fees	677,270	357,648
Fundraising campaigns	11,819,684	11,210,732
Alumni activities	177,385	203,091
Employee stability fund	424,207	374,235
Other	1,496,394	1,342,988
	$ 15,107,155	$ 13,496,065

17. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations. Changes in the deferred capital contributions balances are as follows:

	2013	2012
		(Unaudited)
Balance, beginning of year	$ 131,521,839	$ 128,805,592
Add contributions received for capital progress	11,792,220	9,809,761
Less amortization of deferred capital contributions	(7,408,559)	(7,093,514)
Balance, end of year	$ 135,905,500	$ 131,521,839

18. Internally restricted net assets:

Internally restricted net assets represent funds set aside for future expenditures. Details of the internally restricted net asset balances are as follows:

	2013	2012
		(Unaudited)
Deferred operating expenditures	$ 23,400,000	$ 13,900,000
Capital reserves	5,600,000	8,000,000
Student awards	208,935	214,592
Balance, end of year	$ 29,208,935	$ 22,114,592

19. Contingencies:

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

20. Financial instrument risk management:

Credit risk

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash and accounts receivable. The College holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up $100,000 (2012-$100,000).

The maximum exposure to investment credit risk is the amount of the investments as shown in Note 6.

The College measures its exposure to credit risk based on how long the amounts have been outstanding. An impairment allowance is set up based on the College's historical experience regarding collections. The amounts outstanding as at March 31, 2013 were as follows:

			Past Due			
	Total	Current	1-30 days	31-60 days	61-90 days	91-120 days
Student receivables	$5,771,736	$4,024,674	$ 53,233	$ 28,238	$ 455,948	$1,209,643
Other receivables	4,126,981	473,054	2,176,383	25,881	12,422	1,439,241
Gross receivables	9,898,717	4,497,728	2,229,616	54,119	468,370	2,648,884
Less: impairment allowances	(1,138,000)	-	-	-	-	(1,138,000)
Net receivables	$8,760,717	$4,497,728	$2,229,616	$ 54,119	$ 468,370	$1,510,884

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: currency risk, interest rate risk and equity risk.

Since it is the College's intent to make payments on the bank loans until maturity, it is not cost effective to determine the fair value of the debt. The fair value of investments included in Note 6 is based on quoted market prices.

The College's investment policy operates within the constraints of the investment guidelines issued by the Ministry of Training, Colleges and Universities. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk.

Currency risk

Currency risk relates to the risk of operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency rates occur.

The College does not have any material transactions or directly hold financial instruments denominated in foreign currencies.

Interest rate risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates.

The College is exposed to this risk through its bank loans.

The College mitigates interest rate risk on its bank loans through derivative financial instruments which replace the variable rates inherent in the bank loans for a fixed rate (Note 8). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the bank loans.

Equity risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets.

The College does not have any material transactions or directly hold financial instruments subject to equity risk.

Liquidity risk

Liquidity risk is the risk that the College will not be able to meet all cash outflow obligations as they come due. The College mitigates this risk by monitoring cash activities and expected outflows through extensive budgeting and maintaining investments that may be converted to cash in the near term if unexpected cash outflows arise. The following table sets out the contractual maturities (representing undiscounted contractual cash flows of financial liabilities):

	2013			
	Within 6 months	6 months to 1 year	1-5 years	>5 years
Accounts payable and accrued liabilities	$ 13,331,899	$ -	$ -	$ -
Bank loans	696,673	717,985	6,594,241	35,177,759
	$ 14,028,572	$ 717,985	$ 6,594,241	$ 35,177,759

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

21. Capital management:

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

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

Endowment contributions have externally imposed restrictions requiring that the principal be maintained intact.

THE FANSHAWE COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Analysis of Expenditures

Schedule 1

Year ended March 31, 2013, with comparative figures for 2012

	2013	2012 (Unaudited)
Expenditures		
Salaries and benefits	$ 123,775,561	$ 116,649,229
Student assistance	5,365,820	6,803,110
Operating supplies	7,012,534	5,058,451
Ancillary cost of sales	9,975,853	10,046,257
Contract services	13,909,337	14,183,754
Utilities and maintenance	11,355,866	13,155,911
Loan interest	2,645,138	2,776,486
Amortization expense	15,400,824	15,100,398
Other operating costs	11,354,189	12,086,617
	$ 200,795,122	$ 195,860,213