2012-2013 Annual Report Appendices

Approved by Humber's Board of Governors
June 24, 2013

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Not due at this time

APPENDIX B – Audited Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

The Humber College Institute of Technology and Advanced Learning

March 31, 2013

The Humber College Institute of Technology and Advanced Learning

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For the year ended March 31, 2013

Consolidated Financial Statements

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The consolidated financial statements of The Humber College Institute of Technology and Advanced Learning (the "College") are the responsibility of management and have been approved by the Board of Governors (the "Board").

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

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

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

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

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

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

College President & CEO

Vice President, Finance & Administrative Services

May 27th, 2013

BDO

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Independent Auditor's Report

To the Board of Governors of The Humber College of Technology and Advanced Learning

We have audited the accompanying consolidated financial statements of The Humber College Institute of Technology and Advanced Learning, which comprise the consolidated statement of financial position as at March 31, 2013, and the consolidated statements of operations, changes in net assets, cash flows and remeasurement gains and losses for the year then ended, and 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 the 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.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Humber College Institute of Technology and Advanced learning as at March 31, 2013 and the results of its operations and 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 3 to the consolidated financial statements, which describes that The Humber College Institute of Technology and Advanced Learning 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, consolidated changes in net assets, remeasurement gains and losses and consolidated 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.

Chartered Accountants, Licensed Public Accountants
Mississauga, Ontario
May 27, 2013

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING

Statement 1

Consolidated Statement of Financial Position

	March 31, 2013	March 31, 2012 *(unaudited)*	April 1, 2011 *(unaudited)*
ASSETS			
Current assets			
Cash (Note 7)	$ 34,269,664	$ 14,259,550	$ 5,222,185
Investments (Note 7)	253,988,634	217,361,585	188,966,683
Grants receivable (Note 8)	5,039,788	3,695,199	3,516,323
Accounts receivable (Note 9)	6,774,514	7,753,812	8,387,326
Prepaid expenses	1,798,348	1,236,270	1,457,341
Total current assets	301,870,948	244,306,416	207,549,858
INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (Note 10)	10,031,312	9,287,433	9,594,700
LONG-TERM ACCOUNTS RECEIVABLE (Note 11)	-	548,874	2,896,710
LONG-TERM GRANTS RECEIVABLE (Note 12)	4,580,000	6,870,000	9,160,000
CAPITAL ASSETS (Note 13)	281,196,959	296,597,854	292,179,846
TOTAL ASSETS	$ 597,679,219	$ 557,610,577	$ 521,381,114
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	$ 16,849,736	$ 13,178,026	$ 17,357,228
Accrued payroll and employee benefits	10,241,452	9,958,894	7,949,147
Accrued vacation pay	13,363,640	12,836,218	11,458,492
Deferred revenue	35,408,358	33,575,901	31,403,796
Due to University of Guelph-Humber	16,166,785	14,394,530	16,790,796
Due to Humber Students' Federation (Note 14)	6,252,583	3,622,153	4,074,307
Bank loan (Note 15)	35,327,941	36,661,676	37,924,445
Total current liabilities	133,610,495	124,227,398	126,958,211
POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (Note 16)	10,757,000	11,351,000	12,419,000
DEFERRED CONTRIBUTIONS (Note 17)	8,096,612	7,838,441	6,764,753
DEFERRED CAPITAL CONTRIBUTIONS (Note 18)	133,349,600	144,891,136	150,270,735
INTEREST RATE SWAP (Note 24)	9,306,837	9,245,403	5,633,202
TOTAL LIABILITIES	295,120,544	297,553,378	302,045,901
NET ASSETS			
Unrestricted			
Operating	34,416,807	28,456,631	24,264,322
Post-employment benefits and compensated absences (Note 16)	(10,757,000)	(11,351,000)	(12,419,000)
Vacation pay	(13,363,640)	(12,836,218)	(11,458,492)
Unrealized gains (losses) on investments	-	1,101,477	(1,410,364)
Interest rate swap (Note 24)	-	(9,245,403)	(5,633,202)
	10,296,167	(3,874,513)	(6,656,736)
INVESTED IN CAPITAL ASSETS (Note 19)	117,031,212	116,938,837	111,359,187
INTERNALLY RESTRICTED (Note 20)	170,000,000	132,500,000	102,400,000
EXTERNALLY RESTRICTED (Note 21)	14,538,133	14,492,875	12,232,762
	311,865,512	260,057,199	219,335,213
ACCUMULATED REMEASUREMENT LOSSES	(9,306,837)	-	-
TOTAL NET ASSETS	302,558,675	260,057,199	219,335,213
TOTAL LIABILITIES AND NET ASSETS	$ 597,679,219	$ 557,610,577	$ 521,381,114

See accompanying notes

On behalf of the Board of Governors:

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 2**

Consolidated Statement of Operations

For the year ended		March 31, 2013		March 31, 2012 *(unaudited)*
REVENUE				
Operating				
Grants and reimbursements	$	**138,280,373**	$	131,485,205
Tuition fees		**151,744,564**		134,448,607
Amortization of deferred capital contributions		**14,684,816**		6,471,708
Interest income		**5,416,719**		4,878,990
Other (Note 10)		**33,750,675**		28,577,763
Total operating revenue		343,877,147		305,862,273
Ancillary		**27,659,044**		28,079,852
TOTAL REVENUE		**371,536,191**		333,942,125
EXPENSES				
Operating				
Salaries and benefits		**183,097,408**		173,533,707
Contract services		**30,039,540**		23,240,911
Maintenance, utilities and municipal taxes		**8,975,878**		11,802,835
Advertising and marketing		**11,173,982**		8,772,922
Supplies, equipment and other expenses		**27,983,813**		25,965,761
Information technology, software and licenses		**5,064,334**		4,639,783
Student assistance		**5,524,623**		5,602,246
Amortization of capital assets		**32,427,195**		17,468,842
Total operating expenses		**304,286,773**		271,027,007
Ancillary		**23,630,289**		23,352,885
TOTAL EXPENSES		**327,917,062**		294,379,892
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	$	**43,619,129**	$	39,562,233

See accompanying notes

THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 3**

Consolidated Statement of Changes in Net Assets

	March 31, 2013				
	Unrestricted	Internally restricted (Note 20)	Invested in capital assets (Note 19)	Externally restricted (Note 21)	Total
Balance, beginning of year	$ (3,874,513)	$ 132,500,000	$ 116,938,837	$ 14,492,875	$ 260,057,199
Excess of revenue over expenses for the year	43,619,129	-	-	-	43,619,129
Change in internally restricted net assets	(37,500,000)	37,500,000	-	-	-
Net change in invested in capital assets (Note 19)	(92,375)	-	92,375	-	-
Endowment contributions	-	-	-	45,258	45,258
Reclassification of unrealized (gains) losses on derivative due to adoption of PS 3450 (Note 4)					
a) Interest rate swap	9,245,403	-	-	-	9,245,403
b) Investments	(1,101,477)	-	-	-	(1,101,477)
Balance, end of year	$ 10,296,167	$ 170,000,000	$ 117,031,212	$ 14,538,133	$ 311,865,512

	March 31, 2012 *(unaudited)*				
	Unrestricted	Internally restricted (Note 20)	Invested in capital assets (Note 19)	Externally restricted (Note 21)	Total
Balance, beginning of year	$ (6,656,736)	$ 102,400,000	$ 111,359,187	$ 12,232,762	$ 219,335,213
Excess of revenue over expenses for the year	39,562,233	-	-	-	39,562,233
Change in internally restricted net assets	(30,100,000)	30,100,000	-	-	-
Net change in invested in capital assets (Note 19)	(5,579,650)	-	5,579,650	-	-
Endowment contributions	-	-	-	2,260,113	2,260,113
Change in fair value of interest rate swap	(3,612,201)	-	-	-	(3,612,201)
Change in fair value on investments	2,511,841	-	-	-	2,511,841
Balance, end of year	$ (3,874,513)	$ 132,500,000	$ 116,938,837	$ 14,492,875	$ 260,057,199

See accompanying notes

THE HUMBER INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 4**

Consolidated Statement of Cash Flows

	March 31, 2013	March 31, 2012 *(unaudited)*
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES		
OPERATING		
Excess of revenue over expenses for the year	$ 43,619,129	$ 39,562,233
Non-cash items:		
Amortization of capital assets	32,427,195	17,468,842
Amortization of deferred capital contributions	(14,684,816)	(6,471,708)
Share of excess of revenue over expenses for the year from University of Guelph-Humber (Note 10)	(8,925,735)	(8,190,833)
	52,435,773	42,368,534
Accrual for post-employment benefits and compensated absences	(594,000)	(1,068,000)
Endowment contributions	45,258	2,260,113
Net change in non-cash working capital items (Note 23)	12,628,337	3,845,505
Cash provided by operating activities	64,515,368	47,406,152
INVESTING		
Distribution from Guelph-Humber Joint Venture (Note 10)	8,181,857	8,498,100
Net (increase)/decrease of investments (net of fair market value adjustment)	(37,687,546)	(25,883,062)
Cash provided in investing activities	(29,505,689)	(17,384,962)
FINANCING		
Deferred contributions (net of fair market value adjustment)	217,191	1,073,689
Repayment of bank loan	(1,333,734)	(1,262,770)
Cash provided by financing activities	(1,116,543)	(189,081)
CAPITAL		
Purchase of capital assets	(17,056,752)	(21,886,853)
Contributions received for capital purposes	3,143,280	1,092,109
Proceeds on sale of capital assets	30,450	-
Cash used in capital activities	(13,883,022)	(20,794,744)
Net increase in cash during the year	20,010,114	9,037,365
Cash, beginning of year	14,259,550	5,222,185
Cash, end of year	$ 34,269,664	$ 14,259,550

See accompanying notes

THE HUMBER INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING **Statement 5**

Consolidated Statement of Remeasurement Gains and Losses

		March 31, 2013		March 31, 2012 *(unaudited)*
Accumulated remeasurement losses at the beginning of year	$	-	$	-
Adjustment upon adoption of financial instruments section (Note 4)		(9,245,403)		-
Unrealized losses attributable to:				
Derivative - interest rate swap		(61,434)		-
Net remeasurement losses for the year		**(9,306,837)**		-
Accumulated remeasurement losses at end of year	$	**(9,306,837)**	$	-

See accompanying notes

1. DESCRIPTION OF THE ORGANIZATION

The College system was created by an Act of the Ontario Legislature on December 30, 1966. Regulation 771 empowered the then Ministry of Education to establish individual colleges. On February 23, 1967, Humber College of Applied Arts and Technology became a reality. By Ontario Regulation 34/03 filed on February 11, 2003, the name of the College was changed to The Humber College Institute of Technology and Advanced Learning (the "College").

The College's mission statement is as follows:

"Humber develops broadly educated, highly skilled and adaptable citizens who significantly contribute to the educational, economic and social development of their communities." We accomplish this by:

- Preparing learners for careers through a comprehensive choice of educational credentials in a broad range of programming;
- Developing informed and engaged citizens through an applied and liberal education;
- Enabling organizations to enhance their effectiveness through customized training and lifelong learning opportunities; and
- Supporting our local communities through outreach activities.

The College's consolidated financial statements include the accounts of the Humber College Educational Foundation, which is controlled by the College, and the College's 50% equity interest in the University of Guelph-Humber joint venture (the "Joint Venture"). These consolidated financial statements do not reflect the assets, liabilities and results of operations of the Humber Students' Federation or the various other student organizations of the College.

The College is a not-for-profit organization and, as such, is exempt from income taxes under the Income Tax Act (Canada).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The consolidated 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 Public Sector Accounting Board ("PSAB for Government NPOs"). The significant accounting policies are as follows:

Revenue recognition

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

Tuition fees and contract training revenues are recorded as revenue rateably over the term to which the tuition fees revenue applies to the extent that the related courses and services are provided to the student or client.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Ancillary revenues, including retail operations, food services, student residence, parking and other sundry revenues are recognized when products are delivered or services are provided to the student or client, where the sales price is fixed and determinable, and collection is reasonably assured.

Contributions externally restricted for purposes other than endowment are recognized as revenue in the year in which the related expenses are recognized. Externally restricted contributions for the purchase or construction of depreciable capital assets are deferred and amortized over the life of the related capital asset.

Endowment contributions are recognized as direct increases in net assets in the period in which they are received. 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.

Capital assets

Purchased capital assets are recorded at cost while contributed capital assets are recorded at fair value at the date of contribution. Capital assets are amortized on a straight-line basis over their useful lives, which has been estimated to be as follows:

Buildings	40 years
Site improvements	10 years
Leasehold improvements	10 to 20 years
Furniture and equipment	3 to 10 years
Automotive equipment	5 years
Software	7 years

Construction in progress costs are capitalized as incurred and are transferred to various categories of capital assets and are amortized on a basis consistent with similar assets, once the assets are placed in service. When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its net realizable value.

Vacation pay

The College recognizes vacation pay as an expense on the accrual basis.

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:

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 assumptions 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.

Investment in University of Guelph-Humber

The investment in the Joint Venture is accounted for using the modified equity method. No adjustment is made for the basis of accounting of the joint venture being different than PSAB for Government NPOs.

Financial instruments

The College classifies its financial instruments into one of the following categories based on the purpose for which the asset was acquired or liability incurred except for those instruments designated into the fair value category. The College's accounting policy for each category is as follows:

Fair value
This category includes derivatives and equity instruments quoted in an active market. The College's interest rate swap is considered to be a derivative financial instrument and is included in this category. The College invests a portion of its externally restricted funds in pooled funds with its investment management firm. These funds are considered to be equity instruments and are included in this category.

Financial instruments in this category are initially recognized at cost and subsequently carried at fair value. Unrealized changes in fair value are recognized in the consolidated statement of remeasurement gains and losses until they are realized, when they are transferred to the consolidated statement of operations. Unrealized changes in fair value related to externally restricted funds are recognized in deferred contributions until the criterion attached to the restrictions has been met, when they are transferred to the consolidated statement of operations.

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Amortized cost

This category includes cash, investments not considered to be equity instruments, accounts receivable, grants receivable, long-term receivable, long-term grants receivable, accounts payable and accrued liabilities, accrued payroll and employee benefits, accrued vacation pay, bank loan, due to University of Guelph-Humber and due to Humber Students' Federation. 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, except for contributions, which are initially recognized at fair value.

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 consolidated statement of operations.

Management estimates

The preparation of consolidated financial statements in conformity with PSAB for Government NPOs requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Due to inherent uncertainty involved in making such estimates, actual results could differ from those estimates. Areas of key estimation include determination of fair value of investments, determination of fair value of derivatives, deferred tuition revenue, allowance for doubtful accounts, capital asset amortization, amortization of deferred capital contributions and actuarial estimation of post-employment benefits and compensated absences liabilities.

Public sector salary disclosure act

The Public Sector Salary Disclosure Act, 1996 (the "Act") requires the disclosure of the salaries and benefits of employees in the public sector who are paid a salary of $100,000 or more in a year. The College complies with this Act by providing the information to MTCU for disclosure on the public website.

3. 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:

3. FIRST TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS (continued)

a) Public sector accounting standards including PS 4200 – 4270 for government not-for-profit organizations; or

b) 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 NPOs). These are the College's first consolidated 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 retrospective 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 consolidated financial statements for the year ended March 31, 2013, the comparative information presented in these consolidated financial statements for the year ended March 31, 2012 and in the preparation of an opening PSAB for NPOs consolidated 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 have been applied with an effective date of April 1, 2012 (see Note 4 – Change in Accounting Policy).

The College issued consolidated 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 NPOs resulted in adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the College. An explanation of how the transition from pre-changeover Canadian GAAP to PSAB has affected the College's consolidated 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:

<u>Optional exemptions</u>

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 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 into a recognized portion and an unrecognized portion. The College has elected to recognize all cumulative actuarial gains and losses at the date of transition to PSAB directly in net assets. Actuarial gains and losses subsequent to the date of transition to PSAB are accounted for in accordance with *PS 3250 – Retirement Benefits*.

3. FIRST TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS (continued)

Business combinations

The College elected to not retrospectively apply the provisions *PS 2510 – Additional Areas of Consolidation* to periods prior to the date of transition to PSAB for Government NPO's. 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 retrospectively.

Mandatory exemptions

Estimates

The estimates previously made by the College under pre-changeover Canadian GAAP were not revised for the application of PSAB 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 consolidated financial statements, management has amended certain accounting policies previously applied in the pre-changeover Canadian GAAP consolidated financial statements to comply with PSAB. 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 on net assets and excess of revenues over expenses:

Consolidated Statement of Financial Position as at April 1, 2011 – Transition Date

	Pre-changeover Canadian GAAP	Transitional Adjustments			PSAB
		Adj. (i)	Adj. (ii)	Adj. (iii)	
Liabilities					
Post-employment benefits and compensated absences					
Vesting sick leave	$ 4,280,164	$ -	$ -	$ (1,557,164)	$ 2,723,000
Non-vesting sick leave	-	7,893,000	-	-	7,893,000
Post-employment benefits	1,460,000	-	168,000	175,000	1,803,000
	$ 5,740,164	$ 7,893,000	$ 168,000	$ (1,382,164)	$ 12,419,000
Net Assets					
Post-employment benefits and compensated absences	$ (5,740,164)	$ (7,893,000)	$ (168,000)	$ 1,382,164	$ (12,419,000)

3. FIRST TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS (continued)

Consolidated Statement of Financial Position for the year-ended March 31, 2012

	Pre-changeover Canadian GAAP	Transitional Adjustments Adj. (i)	Adj. (ii)	Adj. (iii)	PSAB
Liabilities					
Post-employment benefits and compensated absences					
Vesting sick leave	$ 3,785,020	$ -	$ -	$ (1,829,020)	$ 1,956,000
Non-vesting sick leave	-	7,509,000	-	-	7,509,000
Post-employment benefits	1,487,000	-	-	399,000	1,886,000
	$ 5,272,020	$ 7,509,000	$ -	$ (1,430,020)	$ 11,351,000
Net Assets					
Post-employment benefits and compensated absences	$ (5,272,020)	$ (7,509,000)	$ -	$ 1,430,020	$ (11,351,000)

Consolidated Statement of Operations for the year-ended March 31, 2012

	Sub-note	Pre-changeover Canadian GAAP	Adjustments	PSAB
Expenses				
Salaries and benefits	(i), (ii), (iii)	$ 174,133,563	$ (599,856)	$ 173,533,707
Excess of revenue over expenses	(i), (ii), (iii)	$ 38,962,377	$ 599,856	$ 39,562,233

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

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

3. FIRST TIME ADOPTION OF PUBLIC SECTOR ACCOUNTING STANDARDS (continued)

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/Losses

As discussed in Note 3 – First Time Adoption of Public Sector Accounting Standards, Optional Exemptions, the College has elected to recognize actuarial gains and losses at the date of transition to PSAB for Government NPOs directly in net assets. As a result, the College has recognized 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 Liabilities

PSAB for Government NPOs requires these liabilities to be calculated with a discount rate that is equal to either the College's rate of borrowing or the rate of return on the plan assets. Pre-changeover 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 income as described in the tables above.

4. CHANGE IN ACCOUNTING POLICY

On April 1, 2012, the College adopted Public Accounting Standards *PS 1201 – Financial Statement Presentation, PS 3450 – Financial Instruments* and *PS 2601 – Foreign Currency Translation*. The standards were adopted prospectively from the date of adoption. The new standards provide revised guidance in the general presentation of financial statements, comprehensive requirements for the recognition, measurement, presentation and disclosure of financial instruments and foreign currency translations.

In addition, on April 1, 2012, the College early adopted an amendment to PS – 3450 – Financial Instruments that would otherwise be effective for year-ends beginning on or after March 1, 2013. This amendment provides guidance on the classification of investment income on externally restricted assets.

Under PS 3450, all financial instruments, including derivatives, are included on the consolidated 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 (see Note 2 – Significant Accounting Policies).

4. CHANGE IN ACCOUNTING POLICY (continued)

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

- April 1, 2012: a decrease of $1,101,477 to unrestricted net assets and a decrease of $1,101,477 to cash and investments due to the College choosing to follow the amortized cost method of accounting for investments where possible upon initial adoption of the standard whereas they were originally classified as available for sale under pre-changeover GAAP.

- April 1, 2012: an increase of $9,245,403 to unrestricted net assets and an increase of $9,245,403 to accumulated remeasurement losses due to the fair value of the College's interest rate swap derivative being reclassified to accumulated remeasurement losses.

5. CHANGE IN ESTIMATE

During the year, the College completed a review of its fixed assets' useful lives. The College determined that as a result of continual change in use and change in technology, actual lives of certain assets were generally less than the useful lives for depreciation purposes. As a result, the College shortened the estimated useful lives of certain assets, effective April 1, 2012. The effect of this change in estimate increased depreciation expense for the year by $15,231,689, increased amortization of deferred capital contributions by $8,596,019 and decreased excess of revenues over expenses by $6,635,670.

6. FINANCIAL INSTRUMENT CLASSIFICATION

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

	2013		
	Fair Value	Amortized Cost	Total
Cash	$ 34,269,664	$ -	$ 34,269,664
Investments	8,061,617	245,927,017	253,988,634
Accounts receivable	-	6,774,514	6,774,514
Grants receivable	-	5,039,788	5,039,788
Long-term grants receivable	-	4,580,000	4,580,000
Accounts payable and accrued liabilities	-	16,849,736	16,849,736
Accrued payroll and employee benefits	-	10,241,452	10,241,452
Accrued vacation pay	-	13,363,640	13,363,640
Due to University of Guelph-Humber	-	16,166,785	16,166,785
Due to Humber Students' Federation	-	6,252,583	6,252,583
Bank loan	-	35,327,941	35,327,941
Interest rate swap	9,306,837	-	9,306,837
	$ 51,638,118	$ 360,523,456	$ 412,161,574

Cash and investments consist of cash, redeemable and non-redeemable guaranteed investment certificates, daily interest deposits, Canadian treasury bills, Canadian provincial bonds, Canadian corporate bonds and mutual funds.

6. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

Maturity profile of investments held at amortized cost is as follows:

	2013				
	Within 1 year	1 to 5 years	5 to 10 years	over 10 years	Total
Carrying value	$ 68,626,679	$ 177,300,338	$ -	$ -	$ 245,927,017
Percent of Total	28%	72%	0%	0%	

The following table provides an analysis of investments 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	$ 34,269,664	$ -	$ -	$ 34,269,664
Investments	8,061,617	-	-	8,061,617
Interest rate swap	-	-	9,306,837	9,306,837
Total	$ 42,331,281	$ -	$ 9,306,837	$ 51,638,118

There were no transfers between Level 1 and Level 2 for the years ended March 31, 2013 and 2012. There were also no transfers in or out of Level 3. For a sensitivity analysis of financial instruments recognized in Level 3, see Note 24 – Interest rate risk.

7. CASH AND INVESTMENTS

The College's cash and investments include amounts restricted for specific purposes that are not available to be spent at the College's discretion.

	2013	2012
Cash	**$ 34,269,664**	$ 14,259,550
Investments	**253,988,634**	217,361,585
Total cash and investments	**$ 288,258,298**	$ 231,621,135

7. CASH AND INVESTMENTS (continued)

Cash and investments include the following restricted and unrestricted amounts:

	2013	2012
Restricted trust funds	$ 3,282,511	$ 3,192,362
Restricted endowment funds	14,538,133	14,492,875
Deferred contributions	4,814,101	4,646,079
Unspent deferred capital contributions	4,511,798	1,893,795
Due to University of Guelph-Humber	16,166,785	14,394,530
Due to Humber Students' Federation	6,252,583	3,622,153
Unrestricted cash and investments	238,692,387	189,379,341
Total cash and investments	**$ 288,258,298**	$ 231,621,135

8. GRANTS RECEIVABLE

	2013	2012
Other grants receivable	$ 2,749,788	$ 1,405,199
Current portion of long-term grant receivable	2,290,000	2,290,000
Total current grants receivable	**$ 5,039,788**	$ 3,695,199

Other grants receivable represent amounts receivable from the Ministry to fund programs delivered by the College.

9. ACCOUNTS RECEIVABLE

	2013	2012
Investment interest receivable	$ 2,874,159	$ 2,310,093
Commodity taxes receivable	1,742,795	1,526,091
Other accounts receivable	1,894,155	1,717,628
Current portion of long-term accounts receivable	263,405	2,200,000
Total current accounts receivable	**$ 6,774,514**	$ 7,753,812

Other accounts receivable represent sundry receivables such as revenues earned by schools for corporate training or teaching sessions and commissions earned on ancillary businesses.

10. INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER

In 1999, the College entered into a Memorandum of Understanding with the University of Guelph, known as the University of Guelph-Humber Joint Venture. The purpose of the Joint Venture is to provide students with a four-year collaborative learning opportunity which results in the conferment of both a university degree and a college diploma.

The following is the College's combined 50% share of the components of the financial statements of the Joint Venture:

10. INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (continued)

		2013		2012
Total assets	**$**	**13,661,076**	$	12,317,088
Total liabilities		**3,629,764**		3,029,655
Net assets		**10,031,312**		9,287,433
Revenue	$	25,283,849	$	23,306,293
Expenses		**16,358,114**		15,115,460
Excess of revenue over expenses for the year	**$**	**8,925,735**	$	8,190,833
Cash provided by operating activities	**$**	**8,255,108**	$	8,653,475
Cash used in investing activities		**(73,252)**		(155,375)
Cash used in financing activities		**(8,181,856)**		(8,498,100)
Net cash flows	**$**	**-**	$	-

Excess of revenue over expenses for the year has been included in other revenue.

During the year, the College earned $10,995,818 (2012 - $9,747,574) of fees from the Joint Venture for services provided which has been included in other revenue.

The amount due to the Joint Venture is unsecured, non-interest bearing and due on demand.

During the year, the Joint Venture distributed $8,181,857 (2012 - $8,498,100) to the College which was applied against the investment.

The Joint Venture is a not-for-profit organization, and as such follows the recommendations of CICA Handbook Part III – Accounting Standards for Not-for-Profit Organizations. As such, there are differences between the accounting policies of the College under PSAB and the Joint Venture under Part III of the CICA Handbook. Under the modified equity approach, the College makes no adjustment to the amounts disclosed or recognized in its financial statements for these differences. For the year ended March 31, 2013, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these financial statements.

11. LONG-TERM ACCOUNTS RECEIVABLE

The College, in concert with the Humber Students' Federation, agreed to direct the building levy assessed upon students to fund a number of improvements to facilities at both campuses including partial support for Building K at the Lakeshore Campus and the Student Centre renovation at the North Campus. The levy generates approximately $2,200,000 per annum.

		2013		2012
Long-term accounts receivable	**$**	**263,405**	$	2,748,874
Less: Current portion included in accounts receivable		**263,405**		2,200,000
Total long-term accounts receivable	**$**	**-**	$	548,874

12. LONG-TERM GRANTS RECEIVABLE

The Ministry of Training, Colleges and Universities (the "MTCU") is providing funding of $22,900,000 to finance a building, which was completed in 2007. The non-interest bearing funding is being provided in equal instalments of $2,290,000 over a ten-year period commencing with the fiscal year ending March 31, 2007.

	2013	2012
Long-term grants receivable	$ 6,870,000	$ 9,160,000
Less: Current portion included in grants receivable	2,290,000	2,290,000
Total long-term grants receivable	$ 4,580,000	$ 6,870,000

13. CAPITAL ASSETS

	2013		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 8,966,449	$ -	$ 8,966,449
Buildings	291,461,321	95,407,809	196,053,512
Site improvements	20,510,889	14,454,253	6,056,636
Leasehold improvements	83,726,061	34,546,050	49,180,011
Furniture and equipment	82,179,485	69,279,142	12,900,343
Automotive equipment	2,527,470	2,053,854	473,616
Software	9,631,382	2,170,910	7,460,472
Artwork	105,920	-	105,920
	$ 499,108,977	$ 217,912,018	$ 281,196,959

	2012		
	Cost	Accumulated Amortization	Net Book Value
Land	$ 8,966,449	$ -	$ 8,966,449
Buildings	287,446,895	88,570,490	198,876,405
Site improvements	14,422,998	13,969,276	453,722
Leasehold improvements	83,726,063	17,998,447	65,727,616
Furniture and equipment	77,822,682	62,147,045	15,675,637
Automotive equipment	2,355,029	1,894,691	460,338
Software	7,372,134	934,447	6,437,687
	$ 482,112,250	$ 185,514,396	$ 296,597,854

14. DUE TO HUMBER STUDENTS' FEDERATION

The amount due to Humber Students' Federation is unsecured, bears interest at the bank's prime rate less 2.25% with an effective rate at March 31, 2013 of 0.75% (2012 - 0.75%) and is due on demand.

15. BANK LOAN

The College has unsecured loan facilities with the Bank of Montreal to a maximum amount of \$62,000,000 to finance the construction of two student residences. The College has utilized \$35,327,941 (2012 - \$36,661,676) under this facility as described below. The balance of the facility is available in either prime rate loans bearing interest at the bank's prime rate of 3.000% (2012 – 3.000%) less ¾% per annum, Bankers' Acceptances or public sector fixed rate operating loans bearing interest at the bank's 30-day cost of funds rate of 1.220% (2012 – 1.450%) plus 0.225% per annum.

The original loan of \$45,000,000 obtained on April 1, 2004 is scheduled to be repaid over twenty-five years, bears interest at prime minus ¾% per annum and is repayable monthly on the first of each month in blended payments of \$275,802 and is scheduled to be repaid on April 1, 2029.

The loan is due on demand and has therefore been classified as current. The College has fixed its interest rate at 5.705% through an interest rate swap for the term of the loan. The interest rate includes a credit spread of 0.25%. The interest rate swap is a derivative financial instrument. It has effectively locked in a fixed rate through 2029.

The fair value of the interest rate swap (in favour of the counterparty) of \$9,306,837 (2012 - \$9,245,403) is recorded in the consolidated statement of financial position with the fluctuations in fair value being recorded in the consolidated statement of remeasurement gains and losses.

The scheduled principal amounts payable withing the next five years and thereafter are as follows:

2014	\$ 1,408,687
2015	1,487,852
2016	1,571,465
2017	1,659,778
2018	1,753,053
Thereafter	27,447,106
Total	\$ 35,327,941

Interest on the demand loan amounted to \$2,050,295 (2012 - \$2,125,403) and is included in ancillary operations expense.

16. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

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

	2013			
	Post-employment Benefits	**Non-vesting sick leave**	**Vesting sick leave**	**Total liability**
Accrued employee future benefits obligations	**$ 2,374,000**	**$ 7,311,000**	**$ 1,517,000**	**$ 11,202,000**
Value of plan assets	**(310,000)**	**-**	**-**	**(310,000)**
Unamortized actuarial (gains)/losses	**(54,000)**	**(92,000)**	**11,000**	**(135,000)**
Total liability	**$ 2,010,000**	**$ 7,219,000**	**$ 1,528,000**	**$ 10,757,000**

	2012			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	$ 2,258,000	$ 7,899,000	$ 1,992,000	$ 12,149,000
Value of plan assets	(336,000)	-	-	(336,000)
Unamortized actuarial losses	(36,000)	(390,000)	(36,000)	(462,000)
Total liability	$ 1,886,000	$ 7,509,000	$ 1,956,000	$ 11,351,000

	2013			
	Post-employment Benefits	**Non-vesting sick leave**	**Vesting sick leave**	**Total expense**
Current year benefit cost	**$ 195,000**	**$ 408,000**	**$ 81,000**	**$ 684,000**
Interest on accrued benefit obligation	**12,000**	**177,000**	**40,000**	**229,000**
Amortized actuarial losses	**4,000**	**38,000**	**15,000**	**57,000**
Total expense	**$ 211,000**	**$ 623,000**	**$ 136,000**	**$ 970,000**

16. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

	2012			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	$ 167,000	$ 369,000	$ 77,000	$ 613,000
Interest on accrued benefit obligation	17,000	237,000	71,000	325,000
Amortized actuarial losses	-	-	-	-
Total expense	$ 184,000	$ 606,000	$ 148,000	$ 938,000

Post-employment benefits and compensated absences expense has been included in salaries and benefits expense.

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

Retirement Benefits

CAAT Pension Plan

Substantially all employees of the College are members of the Colleges of Applied Arts and Technology Pension Plan (the "Plan"), which is a multi-employer jointly-sponsored defined benefit plan for eligible employees 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 viability of the Plan. The plan is a multi-employer plan and therefore the College's contributions are accounted for as if the plan were a defined contribution plan

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates. The College does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the College's share of the underlying pension assets and liabilities. The most recent actuarial valuation filed with pension regulators as at January 1, 2013 indicated an actuarial surplus of $347 million. The College made contributions to the Plan and its associated retirement compensation arrangement of $13,205,807 (2012 - $12,513,310), which has been included salaries and benefits in the consolidated 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 employees' tenure of service. The College also provide continuation of medical and dental benefits to certain employee groups while receiving long-term disability benefits. The related benefit liabilities were determined by an actuarial valuation study commissioned by the College Employer Council.

16. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

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 were assumed to increase at a 10.50% rate for 2011 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2026.

c) *Hospital and other medical*

Hospital and other medical costs were assumed to increase at 4.00% per annum (2012 – 4.50%).

Medical premium increases were assumed to increase at 8.00% per annum in 2011 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2026 for the fiscal 2013.

d) *Dental costs*

Dental costs were assumed to increase at 4.00% per annum in 2013 (2012 – 4.50%).

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 College Employer 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. Certain employee groups 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.

16. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

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

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) *Wage and salary escalation rates*

Academic full-time and academic partial load salaries were assumed to increase at a rate of 2.00% per annum in 2011 and 2012, 0.00% per annum in 2013 and 2014, and 1.75% per annum thereafter.

Support staff full-time salaries were assumed to increase at a rate of 1.50% per annum in 2011, 1.75% per annum in 2012, 2.00% per annum in 2013, 0.00% per annum in 2014 and 2015 and 1.75% per annum thereafter.

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 0.00% to 38.70% and 0 to 51.7 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

17. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent externally restricted grants and donations for awards, scholarships and bursaries, arboretum projects and other restricted puposes. The changes in the deferred contributions balance are as follows:

	2013	2012
Balance, beginning of year	$ 7,838,441	$ 6,794,753
Amounts received during the year	33,333,025	31,828,744
Amounts recognized as revenue during the year	(33,074,854)	(30,785,056)
Balance, end of year	$ 8,096,612	$ 7,838,441

Deferred contributions are comprised of:

	2013	2012
Externally restricted trust funds	$ 2,466,945	$ 2,401,894
Joint employment stability reserves	815,566	790,468
Other restricted grants and contributions	4,814,101	4,646,079
Balance, end of year	$ 8,096,612	$ 7,838,441

18. DEFERRED CAPITAL CONTRIBUTIONS

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

	2013	2012
Balance, beginning of year	$ 144,891,136	$ 150,270,735
Add: contibutions received for capital purposes	3,143,280	1,092,109
Less: amortization of deferred capital contributions	(14,684,816)	(6,471,708)
Balance, end of year	$ 133,349,600	$ 144,891,136

19. INVESTED IN CAPITAL ASSETS

Invested in capital assets consists of the following:

	2013	2012
Net book value of capital assets	$ 281,196,959	$ 296,597,854
Less amounts financed by:		
Bank loan (note 15)	35,327,941	36,661,676
Deferred capital contributions (note 18)	128,837,806	142,997,341
Balance, end of year	$ 117,031,212	$ 116,938,837

The change in invested in capital assets is as follows:

	2013	2012
Amortization of deferred capital contributions	$ 14,684,816	$ 6,471,708
Amortization of capital assets	(32,427,195)	(17,468,842)
Purchase of capital assets	17,056,752	21,886,853
Disposal of capital assets	(30,450)	-
Amounts funded by deferred capital contributions	(525,282)	(6,572,839)
Repayment of long-term debt	1,333,734	1,262,770
Total change in invested in capital assets	$ 92,375	$ 5,579,650

20. INTERNALLY RESTRICTED NET ASSETS

The College, by resolution of the Board of Governors, internally restricts amounts from unrestricted net assets to cover anticipated future strategic infrastructure projects, operating expenses including obligations and commitments existing at year end which are as follows:

	2013	2012
Strategic Infrastructure	$ 146,750,000	$ 110,750,000
Operating	5,400,000	7,350,000
Contingency	17,850,000	14,400,000
Total internally restricted net assets	$ 170,000,000	$ 132,500,000

21. EXTERNALLY RESTRICTED NET ASSETS

Externally restricted net assets include restricted donations received by the College where the endowment principal is required to be maintained intact. The investment income generated from these endowments must be used in accordance with various purposes established by the donors. The College ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

Investment income on endowments that was disbursed during the year has been recorded in the consolidated statement of operations since this income is available for disbursement as the donors' conditions have been met. The unspent portion of investment income is recorded in deferred contributions.

Externally restricted endowment funds include grants provided by MTCU from the Ontario Student Opportunity Trust Fund 1 ("OSOTF 1") matching program, the Ontario Student Opportunity Trust Fund 2 ("OSOTF 2") matching program, and the Ontario Trust for Student Support Fund ("OTSS") matching program. Under these programs the government matches funds raised by the College. The purpose of these programs is to academically assist students who, for financial reasons, would not otherwise be able to attend College.

Changes in expendable funds available for awards under the OSOTF 1, OSOTF 2 and OTSS matching programs are as follows:

	OSOTF 1	OSOTF 2	OTSS	**2013 TOTAL**	2012 TOTAL
Balance, beginning of year	$ 51,079	$ 15,560	$ 306,827	**$ 373,466**	$ 271,360
Investment income, net of direct expenses	41,343	17,005	258,550	**316,898**	249,386
Bursaries awarded	(36,400)	(13,788)	(214,512)	**(264,700)**	(147,280)
Balance, end of year	$ 56,022	$ 18,777	$ 350,865	**$ 425,664**	$ 373,466
Bursaries awarded (#)	59	34	145	**238**	169

The bursaries awarded under OTSS comprise 65 to OSAP recipients totaling $100,066 and 80 to non-OSAP recipients totaling $114,446.

22. COMMITMENTS

The College has entered into a ninety-nine (99) year lease agreement with Her Majesty the Queen in Right of Ontario for the property now known as the Robert A. Gordon Learning Centre. The base rent is one dollar ($1) per year for the term of the lease which expires January 31, 2094.

The College has provided unconditional loan guarantees to certain third parties amounting to $26,573 (2012 - $232,725) primarily related to possible defaults in financial agreements for certain construction projects.

22. COMMITMENTS (continued)

The College has also entered into various other agreements to lease premises and equipment. The anticipated annual payments for the remaining fiscal years under current lease arrangements are as follows:

2014	$	915,923
2015		463,074
2016		173,054
Total commitments	$	1,552,051

23. CONSOLIDATED STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

		2013		2012
Grants receivable	**$**	**(1,344,589)**	$	(178,876)
Accounts receivable		**979,298**		633,514
Prepaid expenses		**(562,078)**		221,071
Long-term accounts receivable		**548,874**		2,347,836
Long-term grants receivable		**2,290,000**		2,290,000
Accounts payable and accrues liabilities		**3,671,710**		(4,179,201)
Accrued payroll and employee benefits		**282,558**		2,009,748
Accrued vacation pay		**527,422**		1,377,727
Deferred revenue		**1,832,457**		2,172,106
Due to University of Guelph-Humber		**1,772,255**		(2,396,266)
Due to Humber Students' Federation		**2,630,430**		(452,154)
Net change, non-cash working capital	**$**	**12,628,337**	$	3,845,505

24. 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, debt holdings in its investment portfolio, accounts receivable, grants receivable, long-term accounts receivable and long-term grants 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 College's investment guideline puts limits on the bond portfolio including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits and corporate sector limits. All fixed income portfolios are measured for performance on a semi-annually basis and monitored by management on a monthly basis.

24. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

The College's investment guideline operates within the constraints of the investment directive issued by the Ministry of Training, Colleges and Universities and permits the College's funds to be invested in bonds issued by the Government of Canada, a Canadian province or a Canadian municipality. The directive also permits the College's funds to be invested in certain corporate investments having a minimum rating of A-1+ or AAA by Standard and Poor's rating agency.

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

Accounts receivable and long-term receivable 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.

Grants receivable and long-term grants receivable are ultimately due from the Ministry of Training, Colleges and Universities, as well as other government entities. Credit risk is mitigated by the governmental nature of the funding source.

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 at year end were as follows:

			Past Due			
	Total	**Current**	**0 - 30 days**	**31 - 60 days**	**61 - 90 days**	**91 - 120 days**
Government receivables	$ 5,039,788	$ 5,039,788	$ -	$ -	$ -	$ -
Interest receivable	2,874,159	2,874,159	-	-	-	-
Commodity taxes receivable	1,742,795	980,685	762,110	-	-	-
Other accounts receivable	2,270,204	1,956,733	216,523	87,945	-	9,003
Gross receivables	11,926,946	10,851,365	978,633	87,945	-	9,003
Less: impairment allowances	(112,644)	(34,785)	(43,360)	(27,296)	-	(7,203)
Net receivables	$ 11,814,302	$ 10,816,580	$ 935,273	$ 60,649	$ -	$ 1,800

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

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 guideline operates within the constraints of the investment directive issued by the MTCU. The policy's application is monitored by management, the investment managers and the board of governors. Diversification techniques are utilized to minimize risk. The guideline puts certain sector limits and individual issuer limits on the asset mix of investments.

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

24. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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 College levels when adverse changes in foreign currency College rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

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

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 bank loan.

The College mitigates interest rate risk on its term debt through a derivative financial instrument that exchanges the variable rate inherent in the term debt for a fixed rate (see Note 15). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

At March 31, 2013, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the market value of the interest rate swap of $3,248,900.

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

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 externally restricted funds being held in pooled fund investments with its investment management firm. At March 31, 2013 a 10% movement in equity prices with all other variables held constant would have an estimated effect of the fair value of the College's equities of $798,400.

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

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.

24. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

The following table sets out the expected maturities, representing undiscounted cash-flows of financial liabilities:

	2013		
	Within 1 year	**1 to 5 years**	**over 5 years**
Accounts payable and accrued liabilities	$ 16,849,736	$ -	$ -
Accrued payroll and employee benefits	10,241,452	-	-
Accrued vacation pay	6,681,820	6,681,820	-
Bank loan	1,408,687	6,472,148	27,447,106
Due to University of Guelph-Humber	16,166,785	-	-
Due to Humber Students' Federation	6,252,583	-	-
	$ 40,751,327	**$ 13,153,968**	**$ 27,447,106**

Derivative financial liabilities mature as described in Note 15.

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

25. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2013 consolidated financial statements.

APPENDIX C – KPI Performance Report

Humber College is committed to providing students and graduates with top quality teaching and learning experiences. According to the most recent Key Performance Indicators (KPI) results released in April 2013, Humber continues to deliver on this promise.

Highlights of 2013 Results

Student Satisfaction – 74.9%

- ✓ Higher than the GTA average
- ✓ Higher than the GTA average for the following capstone questions:
  - "The overall quality of knowledge and skills in the college" – **86.4%**
  - "The overall quality of the learning experiences in this program"– **80.1%**
  - "The overall quality of the services in the college" – **66.4%**

Graduate Employment – 82.8%

- ✓ 1st in the GTA
- ✓ Higher than the GTA average by 2.9%

Graduation Rate – 63.0%

Graduate Satisfaction – 79.4% (.8%+ over last year)

- ✓ 1st in the GTA

Employer Satisfaction – 94.3% (1.9%+ over last year)

- ✓ Higher than the GTA average
- ✓ Higher than the provincial average

All Results

Category	Humber College	GTA average	Provincial average
Student satisfaction	74.9	73.9	77.1
Graduate employment	82.8	79.9	83.6
Graduation rate	63.0	64.9	64.8
Graduate satisfaction	79.4	78.1	80.0
Employer satisfaction	94.3	93.9	93.4

APPENDIX D – Summary of Advertising and Marketing Complaints Received

Nature of Complaint	Date Received	How Resolved/ Addressed	Date Resolution Communicated to Student	# of Working Days to Resolve
Definition of part-time vs. full-time study for a Continuing Education program	August 20, 2012	Registrar's Office communicated with the complainant as well as the Office of the Ontario Ombudsman to clarify the situation; additional text was added to the Humber website and academic regulations to avoid such confusion in future.	October 4, 2012	33

Total number of complaints: 1

Humber received one [1] Advertising and Marketing complaint from April 1, 2012 to March 31, 2013.

APPENDIX E – Institutes of Technology and Advanced Learning (ITAL) Reports

1. **Describe how Humber continues to deliver a comprehensive range of programming of degrees, other postsecondary programming and non-postsecondary programming consistent with the college system mandate to meet the needs of high school graduates and adult learners. Provide enrolment data for the different program areas.**

   a. Committed to student success through excellence in teaching and learning, Humber offers a wide range of career-focused postsecondary opportunities including apprenticeship, certificate, diploma, degree and graduate certificate programming. These programs are offered both full-and part-time, meeting the needs of high school graduates and adult learners in the schools of Business, Creative & Performing Arts, Social & Community Services, Media Studies & Information Technology, Applied Technology, Health Sciences, Liberal Arts & Science, and Hospitality, Recreation & Tourism. In Fall 2012 Humber:

      i. Enrolled over 2,600 students into 12 apprenticeship programs

      ii. Enrolled over 1,400 students into 19 one-year certificate programs

      iii. Delivered 82 two- and three-year diploma programs to over 16,800 students

      iv. Delivered 17 degree programs to 3,048 full-time students. As of September 2013, this number will grow to 21 with the addition of four new degree programs.

      v. Offered a Bachelor of Nursing degree, in collaboration with the University of New Brunswick, to 895 students.

      vi. Offered 35 graduate certificates to 1,873 students

      vii. Accepted 56,000 continuing education registrations into our 1,400 continuing education courses and 200 part-time certificates, 400 online courses and 40 fully online programs in order for adult learners to upgrade their professional skills, advance at work, or change careers.

   b. Other postsecondary programming:

      i. The University of Guelph-Humber is a joint venture between the University of Guelph and Humber College, offering over 3,850 students the opportunity to earn a degree and a diploma after four years of full-time study. Seven undergraduate programs are offered at the University of Guelph-Humber in the areas of Business, Early Childhood, Family & Community Social Services, Justice Studies, Kinesiology, Media Studies, and Psychology.

      ii. Dual Credit programming provides high school students with the opportunity to earn both a college course credit on Humber's campus and a credit towards their secondary school diploma. In 2012-13 dual credit enrolment rose to more than 920 participants.

iii. Community Integration Cooperative Education (CICE) provides adults with developmental disabilities the opportunity to experience college life, graduating with a certificate of achievement. Students have the opportunity to acquire skills they can use at college, work, home, and in the community (42 enrolled in 2012-13)

c. Non-postsecondary programming:

i. Pre-Apprenticeship Program for Developmental Service Workers and Cooks; MicroSkills Transportation Training and Horticulture Technician programs for disadvantaged women; Occupation-Specific Language Training; .Net Solutions for internationally trained IT professionals.
ii. Occupation-Specific Language Training.
iii. Bridge training projects: .Net Solutions for Internationally Trained IT Professionals; Mobile Systems Integration; Pathways to Employment in the Sustainability and Energy Sector, Engineering Software Skills Enhancement. Bridge training projects with community partners: Engineering Connections and Leadership Connections; with ACCES Employment; Trades Win Support Program for HVAC mechanics, millwrights, industrial electricians and plumbers with Skills for Change.

2. **Describe how Humber is doing its part to build up the apprenticeship system in Ontario to increase the skilled labour market supply through in-school training, expanding the range of apprenticeship programming, developing learning pathways for apprentices who wish to ladder into diploma programs and vice versa. Provide enrolment data for the apprenticeship programs Humber offers.**

Humber's Centre for Trades and Technology was developed in 2009; Humber invested over $16 million in the centre, including a $7 million contribution from the Ontario Ministry of Training, Colleges and Universities. The 95,000 square foot facility offers students in skilled trade diploma, certificate and apprenticeship programs an opportunity to train in state-of-the-art industry-simulated settings under industry mandated standards. Through the development of this centre, Humber is helping to address the critical shortage of skilled trade workers.

Humber provides the required components towards an apprenticeship including technical theory, practical job experience and in-school training. Students learn valuable skills by using the latest industry software programs and working in fully equipped, up-to-date labs and shops. At Humber, skilled instructors highlight current trends within the industry and strive to duplicate situations that apprentices and skilled tradespeople will see in their everyday working life.

Humber offered 12 apprenticeship programs in 2012-13:

Apprenticeship Program	2012 Enrolment
Arborist Apprenticeship	103
Baker	17
Cook (Cuisine) Apprenticeship	219
Chef Program for Journeyman Cooks	-
Culinary Co-op Diploma Apprenticeship	-
Construction Boilermaker Apprenticeship	189
Developmental Service Worker Apprenticeship	458
Electrician: Construction and Maintenance Apprenticeship	1,080
Industrial Electrician Apprenticeship	7
Institutional Cook	13
Horticultural Technician Apprenticeship	76
Network Cabling Specialist Apprenticeship	15
Plumber Apprenticeship	421
Solar Photovoltaic	20
TOTAL	**2,618**

Lateral transfer from the apprenticeship stream to the postsecondary stream, and vice versa, is possible at several levels. Students with related educational experience can apply for prior learning assessment and recognition exemptions when transferring between credentials. In particular, the development of a Qualifications Framework (attached) for our culinary apprenticeship programs has been supported through discussions between educators, industry, and the Canadian Tourism Resource Council.

Examples of laddering pathways within Humber include:

Culinary Skills Certificate	→	Cook (Cuisine) Apprenticeship (provided students have an eligible employer)
Culinary Management Diploma		Cook (Cuisine) Apprenticeship
Culinary Co-op Diploma Apprenticeship	→ ←	Culinary Management Diploma
Electrician: Construction and Maintenance Apprenticeship	→ ←	Industrial Electrician Apprenticeship
Electrician: Construction & Maintenance Industrial Electrician Apprenticeship	→	Electrical Engineering Technician
Horticultural Technician Apprenticeship	→	Landscape Technician Diploma (credits equivalent to almost 1 year)
Arborist Apprenticeship	→	Urban Arboriculture Certificate
Pre-Apprenticeship Developmental Service Worker	→	Developmental Service Worker Apprenticeship
Pre-Apprenticeship Cooks	→	Cook (Cuisine) Apprenticeship

In addition to these programs, Humber also offers Ontario Youth Apprenticeship Programs (OYAP) in the fields of Electrician and Cook. These programs provide students with an opportunity to specialize in an employable skill and allows for laddering pathways into apprenticeship programs in the postsecondary sector upon completion of secondary school.

3. Describe how Humber is tracking its KPIs and where improvements are being made, if needed.

To track our KPI data, Humber's Institutional Research department develops several KPI report cards to be distributed across the institution every year. Reports include:

i. Humber Institutional Snapshot
ii. Institutional results trended over the last 5 years
iii. Institutional results compared to each school of study within Humber
iv. Humber results by credential
v. Humber results by program
vi. Humber results compared to the Province
vii. Humber results against other comparative colleges
viii. Student Satisfaction & Engagement Aspect Reports for the Vice-Presidents of Humber
ix. Trended and benchmarked statistical significance reports on each aspect (included in Institutional Snapshot, Program and School of Study reports)
x. Executive Summary for each report to identify strengths and areas for improvement for each KPI
xi. Graduate and Employer reports by school and program

Based on KPI results, improvements have been made in the following areas of Humber:

- Expanded retention initiatives to increase graduation rates
- Expanded student study spaces across North and Lakeshore campuses
- Additional food options (value meals, halal, vegetarian, Tim Horton's) on campus
- Textbook rental program and e-book program available through Humber's bookstores
- Expanded and updated facilities to meet student needs and population growth
- Additional Humber closed-circuit TVs around campus
- Development and expansion of student support services including pre-admission advising, program advising, peer tutoring, and learning skills workshops (time management, reading & note-taking, presentation skills, stress management, exam preparation, etc.)
- Improvements to athletic facilities and equipment at Humber's North Campus
- Restructuring of student Orientation to assist in students transition to college life and support their development both academically and socially
- Revitalized Open Access computer labs for individual study
- Additional student seating/collaborative space in common areas at Humber's North Campus

4. **Describe how Humber is ensuring that diploma graduates have access to degree programs, and how many graduates access degree education.**

To meet the needs of all postsecondary learners, Humber offers several pathways from diploma programs into degree programs. The first pathway is for students to transfer from a Humber diploma program to a Humber degree program. As an *Institute of Technology and Advanced Learning* Humber is able to offer up to 15 per cent of its programs at the baccalaureate degree level. In 2012-2013, Humber offered 17 degrees (plus nursing); Humber currently represents just over 31 per cent of all college degree enrolment in Ontario. In September 2013, this number will increase to 21 degree programs (plus nursing), and over the next five to seven years Humber plans to offer approximately 25 to 30 baccalaureate degrees that resonate with potential students and respond to labour market demands. All new degrees have pathways for diploma students from Humber or any other Ontario college. In Fall 2012, 64 students transferred from Humber Diploma to Humber Degree programs.

The second pathway ensuring degree access is from a Humber diploma into a Guelph-Humber degree program. The University of Guelph-Humber is located on Humber's North Campus, offering over 3,850 students seven undergraduate degree programs. Students are able to transfer from a number of Humber diploma programs, including:

- Business Administration → Hon. Bachelor of Business Administration
- Early Childhood Education → Hon. Bachelor of Applied Science in Early Childhood
- Social Service Worker → Hon. Bachelor of Applied Science in Family & Community Social Services
- Police Foundations → Hon. Bachelor of Applied Science in Justice Studies
- Fitness & Health Promotion → Hon. Bachelor of Applied Science in Kinesiology
- Media Communications → Hon. Bachelor of Applied Arts in Media Studies
- General Arts & Science University Transfer certificate → Hon. Bachelor of Applied Science in Psychology

Since the launch of Guelph-Humber, over 590 students have transferred from Humber Diploma to Guelph-Humber Degree programs.

Finally, students can build from one credential to another through transfer credit opportunities with more than 50 Canadian and international universities. For students wishing to transfer from a diploma to a degree without the requirements, several of Humber's programs offer bridging courses over the summer months to ensure a seamless transition.

5. Describe how Humber's applied research activity supports its mission as a differentiated institution.

At Humber, research activity is directly tied to teaching and learning. Applied research helps faculty members to create learning experiences that engage students in activities that take classroom learning into the workplace. Applied research projects also help students to be workplace ready by reinforcing employability skills. In addition, applied research opportunities motivate faculty members to remain current in their areas of expertise and to continue to contribute to new knowledge in their fields.

Applied research and innovation activities are evident in four main areas: in the classroom, including capstone projects; through funded projects with industry partners; through internally funded projects; and at the Innovation Humber Incubator. Both industry funded partnerships and internally funded projects offer research assistantships for students. This year, 58 students were engaged in a total of 12 funded projects and another 21 students were supported in entrepreneurial venture start-ups.

Externally Funded Projects:
Externally funded projects with industry partners included three new CONII projects where students and faculty work with industry partners to respond to industry needs.

i. The CSMB-TV project engaged students and faculty in the School of Media Studies and Information Technology (SMSIT) to create a platform for the launch of a web-based television network to serve small and medium-sized businesses and entrepreneurs. This initial project has established a partnership that we confidently anticipate will lead to several new projects with SMSIT and other schools at Humber.

ii. A second project, with industry partner Adam Bienenstock Natural Playgrounds, focused on gathering baseline data for future research. Students from the Early Childhood Education (ECE) diploma and degree programs learned new research skills in the process of gathering and coding information about children's play in the existing playground. This summer, a new outdoor learning environment will replace the playground to create a living laboratory for students, faculty and other researchers interested in learning more about children's engagement with the natural environment.

iii. A third project, in collaboration with industry partner Cell 8 Games provided students from the Game Programmer program with the opportunity to develop a new video game from the ideal phase to a working prototype which Cell 8 Games will commercialize and launch.

Humber received its first National Science and Engineering Research Council College/University Idea to Innovation (NSERC CU I2I) grant this year. A faculty member in the School of Applied Technology will work with partners at Carleton University and industry partner MS Filters on a project to develop a new water treatment technology process for remote and northern communities. Workstudy students from the Civil Engineering Technology program will participate in this project.

Staff Initiated Research Fund (SIRF):
Humber provided funding for seven new staff initiated research projects through the SIRF program. These projects enable faculty to pursue research interests that will engage student research assistants outside the classroom and which may lead to larger projects with industry partners. For example, the Natural Playgrounds project began as a SIRF project investigating preschool children's responses to the natural world. This year, faculty and students engaged in projects ranging from creating a videogame to increase student engagement to investigating how consumers understand food nutrition labels.

Innovation Humber Incubator (IHI):
Since its launch in 2012, the Innovation Humber Incubator, funded by a grant from Ontario Centers of Excellence, has launched a total of 31 ventures – 10 in 2011-12 and 21 in 2012-13. Students invited into the incubator in 2012-13 include those who applied for support from the New Venture Seed Fund as well as those who competed in the Friendly Fire Pitch Competition. At present, participating ventures range from an urban farming solution to a new fitness venture. Students who participate in the IHI program are provided with mentors, business resources, and other support. In exchange, they agree that Humber may track their progress through their first year as a start-up.

Research in Teaching and Learning:
Humber has also been active in the area of research in teaching and learning and has received funding for participation in two projects through the Higher Education Quality Council of Ontario (HEQCO). The first piloted a tool for assessing student learning in generic skills using the Collegiate Learning Assessment (CLA). The second is a pilot project to develop a unique tool to measure student progress in generic/employability skills. These projects complement our engagement in applied research projects that enhance students' employability skills.

Humber Research continues to actively pursue opportunities to engage in applied research with industry partners who can provide our students with engagement with current industry problems and challenges. With the amalgamation of CONII (Colleges Ontario Network for Industry Innovation) and Ontario Centers of Excellence, we anticipate expanded opportunities for funded applied research projects that will create meaningful experiences for students and faculty alike.

APPENDIX F – List of Humber Board of Governors

Name	Appointed	Term Expiry	Internal Affiliation
Mario Alessandro	September 2011	August 2014	Information Technology Services Humber College
Bhalinder Bedi	September 2011	August 2013	Student Humber College
Wanda Buote	September 2010	August 2013	Principal, Lakeshore Campus Humber College
Ruth Clark (LGIC)	October 2009	August 2015	
Gerry Connelly (LGIC)	September 2009	August 2015	
Thora Espinet	September 2008	August 2014	
Franca Giacomelli	September 2010	August 2013	Professor, Business School Humber College
Brien Gray	April 2012	August 2015	
Joan Homer (Chair) (LGIC)	September 2008	August 2014	
Lily Khosla	September 2009	August 2015	
Hurb Kumaasi	September 2010	August 2013	
Audrey McKinney	September 2010	August 2013	
Susan Ross	September 2012	August 2015	
Gordon Schofield	September 2012	August 2015	
Dana Sheikh (LGIC)	September 2011	August 2014	
Chris Whitaker	July 2012		President Humber College