

# **2014-2015 Annual Report Appendices**

Approved by the Humber Board of Governors

May 26, 2015

## TABLE OF CONTENTS

**Appendix A:** Multi-Year Accountability Agreement Report-Back / 2

**Appendix B:** Audited Financial Statements / 3

**Appendix C:** KPI Performance Report / 36

**Appendix D:** Advertising & Marketing Complaints / 37

**Appendix E:** Institute of Technology and Advanced Learning Report / 38

**Appendix F:** Humber Board of Governors / 47

## APPENDIX A – Multi-Year Accountability Agreement (MYAA) Report-Back

Not due at this time

## APPENDIX B – Audited Financial Statements

**CONSOLIDATED FINANCIAL STATEMENTS**

**The Humber College Institute of Technology and Advanced Learning**

**March 31, 2015**

**The Humber College Institute of Technology and Advanced Learning**

**TABLE OF CONTENTS**

For the year ended March 31, 2015

**Consolidated Financial Statements**

Management's Responsibility for Financial Reporting

Independent Auditor's Report

Statement 1 Consolidated Statement of Financial Position

Statement 2 Consolidated Statement of Operations

Statement 3 Consolidated Statement of Changes in Net Assets

Statement 4 Consolidated Statement of Cash Flows

Statement 5 Consolidated Statement of Remeasurement Gains and Losses

Notes to 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. Where 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 is 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 Committee is appointed by the Board of Governors, and includes within its ranks five 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 auditor's 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 Committee.



President & CEO

May 27<sup>th</sup>, 2015



Sr. Vice President, Planning & Corporate Services & CFO



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## Independent Auditor's Report

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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, 2015, 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, 2015 and the results of its operations, cash flows and remeasurement gains and losses for the year then ended in accordance with Canadian public sector accounting standards.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Mississauga, Ontario  
June 8, 2015



**THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**Consolidated Statement of Financial Position**

Statement 1

	March 31, 2015	March 31, 2014
<b>ASSETS</b>		
<b>Current assets</b>		
Cash (Note 4)	\$ 84,952,160	\$ 42,060,651
Investments (Note 4)	303,070,391	276,897,556
Grants receivable (Note 5)	2,881,699	31,512,070
Accounts receivable (Note 6)	14,079,406	10,683,357
Prepaid expenses	2,324,096	1,592,956
<b>Total current assets</b>	<b>407,307,752</b>	<b>362,746,590</b>
INVESTMENT IN UNIVERSITY OF GUELPH-HUMBER (Note 7)	11,494,126	10,735,389
LONG-TERM GRANTS RECEIVABLE (Note 8)	-	2,290,000
LONG-TERM ACCOUNTS RECEIVABLE (Note 9)	3,499,783	-
PREPAID LAND LEASE (Note 10)	3,044,336	-
CAPITAL ASSETS (Note 11)	379,917,804	309,933,674
<b>TOTAL ASSETS</b>	<b>\$ 805,263,801</b>	<b>\$ 685,705,653</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 12)	\$ 109,699,557	\$ 58,252,889
Accrued payroll and employee benefits	10,815,198	9,596,719
Accrued vacation pay	14,879,547	13,744,531
Deferred revenue	34,989,056	33,941,333
Due to University of Guelph-Humber (Note 7)	21,601,376	18,879,003
Due to Humber Students' Federation (Note 13)	2,424,942	6,098,635
Bank loan (Note 14)	32,431,403	33,919,254
<b>Total current liabilities</b>	<b>226,841,079</b>	<b>174,432,364</b>
POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (Note 15)	9,703,000	9,975,000
DEFERRED CONTRIBUTIONS (Note 16)	9,307,920	7,623,372
DEFERRED CAPITAL CONTRIBUTIONS (Note 17)	193,546,377	152,686,963
INTEREST RATE SWAP (Note 14)	9,078,216	7,072,742
<b>TOTAL LIABILITIES</b>	<b>448,476,592</b>	<b>351,790,441</b>
<b>NET ASSETS</b>		
<b>Unrestricted</b>		
Operating	35,060,219	30,845,391
Post-employment benefits and compensated absences (Note 15)	(9,703,000)	(9,975,000)
Vacation pay	(14,879,547)	(13,744,531)
<b>Total unrestricted net assets</b>	<b>10,477,672</b>	<b>7,125,860</b>
INVESTED IN CAPITAL ASSETS (Note 18)	168,818,490	125,580,149
INTERNALLY RESTRICTED (Note 19)	171,400,000	193,500,000
EXTERNALLY RESTRICTED (Note 20)	15,169,262	14,781,945
	<b>365,865,424</b>	<b>340,987,954</b>
ACCUMULATED REMEASUREMENT LOSSES	(9,078,216)	(7,072,742)
<b>TOTAL NET ASSETS</b>	<b>356,787,209</b>	<b>333,915,212</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 805,263,801</b>	<b>\$ 685,705,653</b>

See accompanying notes

On behalf of the Board of Governors:

  
 Chair, Board of Governors

  
 President & CEO

**THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**Consolidated Statement of Operations**

Statement 2

For the year ended	March 31, 2015	March 31, 2014
<b>REVENUE</b>		
<b>Operating</b>		
Grants and reimbursements	\$ 146,070,273	\$ 144,250,443
Tuition and other fees	165,695,559	159,685,778
Interest income	6,100,769	5,802,926
Other (Note 7)	31,981,695	32,576,732
<b>Total operating revenue</b>	<b>349,848,296</b>	<b>342,315,879</b>
<b>Ancillary</b>	<b>27,440,038</b>	<b>27,894,338</b>
<b>Amortization of deferred capital contributions (Note 17)</b>	<b>11,893,206</b>	<b>14,038,413</b>
<b>TOTAL REVENUE</b>	<b>389,181,540</b>	<b>384,248,630</b>
<b>EXPENSES</b>		
<b>Operating</b>		
Salaries and benefits	210,357,892	197,796,108
Contract services	34,052,490	34,477,488
Maintenance, utilities and municipal taxes	8,952,965	12,114,414
Advertising and marketing	12,834,750	14,339,473
Supplies, equipment and other expenses	34,817,680	28,887,439
Information technology, software and licenses	6,175,382	5,620,564
Student assistance	6,330,749	6,059,679
<b>Total operating expenses</b>	<b>313,521,908</b>	<b>299,295,165</b>
<b>Ancillary</b>	<b>25,865,379</b>	<b>25,099,011</b>
<b>Amortization of capital assets</b>	<b>25,304,099</b>	<b>30,975,824</b>
<b>TOTAL EXPENSES</b>	<b>364,691,386</b>	<b>355,370,000</b>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 24,490,154</b>	<b>\$ 28,878,630</b>

See accompanying notes

**THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**Consolidated Statement of Changes in Net Assets**

Statement 3

	March 31, 2015				
	Unrestricted	Internally restricted (Note 19)	Invested in capital assets (Note 18)	Externally restricted (Note 20)	Total
<b>Balance, beginning of year</b>	\$ 7,125,860	\$ 193,500,000	\$ 125,580,149	\$ 14,781,945	\$ 340,987,954
Excess of revenue over expenses for the year	24,490,154	-	-	-	24,490,154
Change in internally restricted net assets	22,100,000	(22,100,000)	-	-	-
Net change in invested in capital assets	(43,238,341)	-	43,238,341	-	-
Endowment contributions	-	-	-	387,317	387,317
<b>Balance, end of year</b>	<b>\$ 10,477,672</b>	<b>\$ 171,400,000</b>	<b>\$ 168,818,490</b>	<b>\$ 15,169,262</b>	<b>\$ 365,865,425</b>

  

	March 31, 2014				
	Unrestricted	Internally restricted (Note 19)	Invested in capital assets (Note 18)	Externally restricted (Note 20)	Total
<b>Balance, beginning of year</b>	\$ 10,296,167	\$ 170,000,000	\$ 117,031,212	\$ 14,538,133	\$ 311,865,512
Excess of revenue over expenses for the year	28,878,630	-	-	-	28,878,630
Change in internally restricted net assets	(23,500,000)	23,500,000	-	-	-
Net change in invested in capital assets	(8,548,937)	-	8,548,937	-	-
Endowment contributions	-	-	-	243,812	243,812
<b>Balance, end of year</b>	<b>\$ 7,125,860</b>	<b>\$ 193,500,000</b>	<b>\$ 125,580,149</b>	<b>\$ 14,781,945</b>	<b>\$ 340,987,954</b>

See accompanying notes

**THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**Consolidated Statement of Cash Flows**

Statement 4

	March 31, 2015	March 31, 2014
<b>NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>		
<b>OPERATING</b>		
Excess of revenue over expenses for the year	\$ 24,490,154	\$ 28,878,630
Non-cash items:		
Amortization of capital assets	25,304,099	30,975,824
Amortization of deferred capital contributions	(11,893,206)	(14,038,413)
Share of excess of revenue over expenses for the year from University of Guelph-Humber (Note 7)	(9,924,572)	(9,064,143)
	<b>27,976,475</b>	<b>36,751,898</b>
Change in post-employment benefits and compensated absences	(272,000)	(782,000)
Endowment contributions	387,317	243,812
Net change in non-cash working capital items (Note 22)	22,072,248	9,836,580
<b>Cash provided by operating activities</b>	<b>50,164,040</b>	<b>46,050,290</b>
<b>INVESTING</b>		
Distribution from University of Guelph-Humber (Note 7)	9,165,836	8,360,066
Net increase of investments (net of fair market value adjustment)	(26,172,835)	(22,908,922)
<b>Cash provided in investing activities</b>	<b>(17,006,999)</b>	<b>(14,548,856)</b>
<b>FINANCING</b>		
Deferred contributions (net of fair market value adjustment)	1,684,548	(473,240)
Repayment of bank loan (Note 14)	(1,487,851)	(1,408,687)
<b>Cash provided by financing activities</b>	<b>196,697</b>	<b>(1,881,927)</b>
<b>CAPITAL</b>		
Purchase of capital assets and construction in progress	(43,214,849)	(24,288,304)
Contributions received for capital purposes	52,752,620	2,459,784
<b>Cash used in capital activities</b>	<b>9,537,771</b>	<b>(21,828,520)</b>
<b>Net increase in cash during the year</b>	<b>42,891,509</b>	<b>7,790,987</b>
Cash, beginning of year	42,060,651	34,269,664
<b>Cash, end of year</b>	<b>\$ 84,952,160</b>	<b>\$ 42,060,651</b>

See accompanying notes

**THE HUMBER COLLEGE INSTITUTE OF TECHNOLOGY AND ADVANCED LEARNING**  
**Consolidated Statement of Remeasurement Gains and Losses**

Statement 5

	March 31, 2015	March 31, 2014
Accumulated remeasurement losses at the beginning of year	\$ (7,072,742)	\$ (9,306,837)
Unrealized gains (losses) attributable to:		
Derivative - interest rate swap	(2,005,474)	2,234,095
<b>Net remeasurement gains (losses) for the year</b>	<b>(2,005,474)</b>	<b>2,234,095</b>
<b>Accumulated remeasurement losses at end of year</b>	<b>\$ (9,078,216)</b>	<b>\$ (7,072,742)</b>

*See accompanying notes*

# **The Humber College Institute of Technology and Advanced Learning**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

### **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 to be successful in careers that significantly contribute to the communities they serve locally, nationally and globally."

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.

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 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 an 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:

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 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 cash, 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.



## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 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 transferred and recognized in the consolidated statement of operations.

##### **Amortized cost**

This category includes investments not considered to be equity instruments, accounts receivable, grants receivable, accounts payable and accrued liabilities, accrued payroll and employee benefits, accrued vacation pay, bank loan, due to University of Guelph-Humber, due to Humber Students' Federation, long-term accounts receivable and long-term grants receivable. 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 equity instruments quoted in an active market, determination of fair value of derivatives, determination of percentage of completion of construction in progress, 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 Ministry of Training, Colleges & Universities for disclosure on the public website.

#### 3. FINANCIAL INSTRUMENT CLASSIFICATION

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

**The Humber College Institute of Technology and Advanced Learning**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

**3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)**

	Fair Value	Amortized Cost	Total
Cash	\$ 84,952,160	\$ -	\$ 84,952,160
Investments	18,037,948	285,032,443	303,070,391
Grants receivable	-	2,881,699	2,881,699
Accounts receivable	-	14,079,406	14,079,406
Long-term accounts receivable	-	3,499,783	3,499,783
Accounts payable and accrued liabilities	-	109,699,557	109,699,557
Accrued payroll and employee benefits	-	10,815,198	10,815,198
Accrued vacation pay	-	14,879,547	14,879,547
Due to University of Guelph-Humber	-	21,601,376	21,601,376
Due to Humber Students' Federation	-	2,424,942	2,424,942
Bank loan	-	32,431,403	32,431,403
Interest rate swap	9,078,216	-	9,078,216

	2014		
	Fair Value	Amortized Cost	Total
Cash	\$ 42,060,651	\$ -	\$ 42,060,651
Investments	13,820,873	263,076,683	276,897,556
Grants receivable	-	31,512,070	31,512,070
Accounts receivable	-	10,683,357	10,683,357
Long-term grants receivable	-	2,290,000	2,290,000
Accounts payable and accrued liabilities	-	58,252,889	58,252,889
Accrued payroll and employee benefits	-	9,596,719	9,596,719
Accrued vacation pay	-	13,744,531	13,744,531
Due to University of Guelph-Humber	-	18,879,003	18,879,003
Due to Humber Students' Federation	-	6,098,635	6,098,635
Bank loan	-	33,919,254	33,919,254
Interest rate swap	7,072,742	-	7,072,742

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

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

	2015				
	Within 1 year	1 to 5 years	5 to 10 years	over 10 years	Total
Carrying value	\$ 258,627,443	\$ 26,405,000	\$ -	\$ -	\$ 285,032,443
Percent of Total	91%	9%	0%	0%	

	2014				
	Within 1 year	1 to 5 years	5 to 10 years	over 10 years	Total
Carrying value	\$ 117,787,625	\$ 145,289,058	\$ -	\$ -	\$ 263,076,683
Percent of Total	45%	55%	0%	0%	

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 3. FINANCIAL INSTRUMENT CLASSIFICATION (continued)

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).

	2015			
	Level 1	Level 2	Level 3	Total
Cash	\$ 84,952,160	\$ -	\$ -	\$ 84,952,160
Investments	18,037,948	-	-	18,037,948
Interest rate swap	-	-	9,078,216	9,078,216
<b>Total</b>	<b>\$ 102,990,108</b>	<b>\$ -</b>	<b>\$ 9,078,216</b>	<b>\$ 112,068,324</b>

	2014			
	Level 1	Level 2	Level 3	Total
Cash	\$ 42,060,651	\$ -	\$ -	\$ 42,060,651
Investments	13,820,873	-	-	13,820,873
Interest rate swap	-	-	7,072,742	7,072,742
<b>Total</b>	<b>\$ 55,881,524</b>	<b>\$ -</b>	<b>\$ 7,072,742</b>	<b>\$ 62,954,266</b>

There were no transfers between levels for the years ended March 31, 2015 and 2014. For a sensitivity analysis of financial instruments recognized in Level 3, see Note 23.

#### 4. 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.

	2015	2014
Cash	\$ 84,952,160	\$ 42,060,651
Investments	303,070,391	276,897,556
<b>Total cash and investments</b>	<b>\$ 388,022,551</b>	<b>\$ 318,958,207</b>

The Humber College Institute of Technology and Advanced Learning

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

**4. CASH AND INVESTMENTS (continued)**

Cash and investments include the following restricted and unrestricted amounts:

	2015	2014
Restricted trust funds	\$ 3,547,382	\$ 2,378,842
Joint employment stability funds	560,765	648,959
Restricted endowment funds	15,169,262	14,781,945
Deferred contributions	5,199,775	4,595,571
Unspent deferred capital contributions	8,878,684	4,982,136
Due to University of Guelph-Humber	21,601,376	18,897,003
Due to Humber Students' Federation	2,424,942	6,098,635
Restricted for Learning Resource Commons Building (Note 12)	72,000,000	-
Unrestricted cash and investments	258,640,365	266,575,116
<b>Total cash and investments</b>	<b>\$ 388,022,551</b>	<b>\$ 318,958,207</b>

**5. GRANTS RECEIVABLE**

	2015	2014
Current portion of long-term grant receivable	\$ 2,290,000	\$ 2,290,000
Learning Resource Commons grant receivable (Note 12)	-	28,606,268
Other grants receivable	591,699	615,802
<b>Total current grants receivable</b>	<b>\$ 2,881,699</b>	<b>\$ 31,512,070</b>

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

**6. ACCOUNTS RECEIVABLE**

	2015	2014
Investment interest receivable	\$ 2,421,374	\$ 2,611,012
Commodity taxes receivable	3,153,145	2,767,706
Current portion of long-term accounts receivable (Note 9)	2,500,000	2,309,724
Other accounts receivable	3,522,335	3,031,870
Student accounts receivable	4,025,341	-
Allowance for doubtful accounts	(1,542,789)	(36,955)
<b>Total current accounts receivable</b>	<b>\$ 14,079,406</b>	<b>\$ 10,683,357</b>

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

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 7. 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:

	2015	2014
Total assets	\$ 14,185,712	\$ 13,376,595
Total liabilities	2,691,586	2,641,206
<b>Net assets</b>	<b>11,494,126</b>	<b>10,735,389</b>
Revenue	\$ 28,747,719	\$ 26,641,444
Expenses	18,823,148	17,577,301
<b>Excess of revenue over expenses for the year</b>	<b>\$ 9,924,572</b>	<b>\$ 9,064,143</b>
Cash provided by operating activities	\$ 9,176,006	\$ 8,389,195
Cash used in investing activities	(10,170)	(29,129)
Cash used in financing activities	(9,165,836)	(8,360,066)
<b>Net cash flows</b>	<b>\$ -</b>	<b>\$ -</b>

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

During the year, the College earned \$11,359,336 (2014 - \$10,996,850) 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 \$9,165,836 (2014 - \$8,360,066) 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 CPA 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 CPA 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, 2015, there were no accounting policy differences that would have resulted in an adjustment to amounts or disclosures in these financial statements.

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 8. 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.

	<b>2015</b>	2014
Long-term grants receivable	\$ 2,290,000	\$ 4,580,000
Less: Current portion included in grants receivable (Note 5)	2,290,000	2,290,000
<b>Total long-term grants receivable</b>	<b>\$ -</b>	<b>\$ 2,290,000</b>

#### 9. LONG-TERM ACCOUNTS RECEIVABLE

The College, in concert with the Humbers' Student Federation, agreed to direct the building levy assessed upon students to fund new facilities at both campuses. The levy generates approximately \$2,500,000 per annum. The building levy receivable has been recorded to reflect the students proportional obligation to fund these new facilities based on the percentage of completion.

	<b>2015</b>	2014
Long-term accounts receivable	\$ 5,999,783	\$ 2,309,724
Less: Current portion included in accounts receivable (Note 6)	2,500,000	2,309,724
<b>Total long-term accounts receivable</b>	<b>\$ 3,499,783</b>	<b>\$ -</b>

#### 10. PREPAID LAND LEASE

In 2014, the College has negotiated a land lease with the City of Toronto. This amount, recorded as a prepaid land lease, includes the original payment made to the City of Toronto for a ninety-five year lease for land upon which the College is constructing a new building. The amount will be expensed over the term of the lease.

The Humber College Institute of Technology and Advanced Learning

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

**11. CAPITAL ASSETS**

	2015		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 16,858,944	\$ -	\$ 16,858,944
Buildings	291,453,512	109,016,983	182,436,529
Site improvements	24,129,436	16,112,176	8,017,260
Leasehold improvements	83,726,061	60,052,941	23,673,120
Furniture and equipment	49,356,947	36,516,822	12,840,125
Automotive equipment	2,950,869	1,442,454	1,508,415
Software	14,127,262	6,157,608	7,969,654
Artwork	159,796	-	159,796
	<b>482,762,827</b>	<b>229,298,984</b>	<b>253,463,843</b>
Construction in progress	126,453,961	-	126,453,961
	<b>\$ 609,216,788</b>	<b>\$ 229,298,984</b>	<b>\$ 379,917,804</b>

	2014		
	Cost	Accumulated Amortization	Net Book Value
Land	\$ 16,858,944	\$ -	\$ 16,858,944
Buildings	291,453,512	102,259,870	189,193,642
Site improvements	22,698,346	15,147,082	7,551,264
Leasehold improvements	83,726,061	50,510,246	33,215,815
Furniture and equipment	88,313,535	74,848,172	13,465,363
Automotive equipment	2,758,989	2,257,408	501,581
Software	11,923,068	3,837,937	8,085,131
Artwork	143,768	-	143,768
	517,876,223	248,860,715	269,015,508
Construction in progress	40,918,166	-	40,918,166
	<b>\$ 558,794,389</b>	<b>\$ 248,860,715</b>	<b>\$ 309,933,674</b>

## **The Humber College Institute of Technology and Advanced Learning**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

#### **12. ALTERNATIVE FINANCING ARRANGEMENT**

In 2013, the College entered into an alternative financing project agreement (the "AFP") with a third party construction company to design, build and finance the Learning Resource Commons, a new building at the College's North Campus. The total project value is \$109,527,257, of which the building value is \$89,637,465. Of the total project value, \$6,115,388 was capitalized in 2013 as part of the early works and has been included in site improvements.

The value of the construction in progress is based on the percentage of completion. As at March 31, 2015 the building is substantially complete and as a result, \$95,992,834 has been capitalized as construction in process. A short term-liability, net of payments made, in the amount of \$87,497,615 has been recorded as accounts payable.

The Ministry has partially funded the construction by \$74,700,000. A corresponding amount has been recorded to deferred capital contributions (Note 17).

#### **13. DUE TO HUMBER STUDENTS' FEDERATION**

The amount due to Humber Students' Federation is unsecured, bears interest at the bank's prime rate less 1.75% with an effective rate at March 31, 2015 of 0.60% (2014 - 0.75%) and is due on demand.

#### **14. 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, an interest rate swap arrangement and an operating line of credit. The College has utilized \$32,431,403 (2014 - \$33,919,254) 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 2.85% (2014 - 3.00%) less 0.75% per annum, Bankers' Acceptances or public sector fixed rate operating loans bearing interest at the bank's 30-day cost of funds rate of 0.998% (2014 - 1.55%) 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 0.75% 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 5.98% (2014 - 5.705%) through an interest rate swap arrangement for the term of the loan. The interest rate includes a bank stamping fee of 0.50%. The interest rate swap is a derivative financial instrument. It has effectively locked in a fixed rate through 2029. Cost of Funds Rate (CDOR) as of March 31, 2015 is 0.998% (2014 - 1.55%).

The fair value of the interest rate swap (in favour of the counterparty) of \$9,078,216 (2014 - \$7,072,742) 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 Humber College Institute of Technology and Advanced Learning**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

**14. BANK LOAN (continued)**

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

2016	\$ 1,571,465
2017	1,659,778
2018	1,753,053
2019	1,851,571
2020	1,955,624
Thereafter	23,639,912
<b>Total</b>	<b>\$ 32,431,403</b>

Interest and bank fees on the demand loan amounted to \$1,980,603 (2014 - \$1,972,303) and is included in ancillary operations expense.

**15. 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.

	2015			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 2,304,000	\$ 6,033,000	\$ 1,781,000	\$ 10,118,000
Value of plan assets	(408,000)	-	-	(408,000)
Unamortized actuarial gains (losses)	191,000	632,000	(830,000)	(7,000)
<b>Total liability</b>	<b>\$ 2,087,000</b>	<b>\$ 6,665,000</b>	<b>\$ 951,000</b>	<b>\$ 9,703,000</b>

	2014			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total liability
Accrued employee future benefits obligations	\$ 1,994,000	\$ 5,720,000	\$ 1,963,000	\$ 9,677,000
Value of plan assets	(322,000)	-	-	(322,000)
Unamortized actuarial gains (losses)	238,000	1,222,000	(840,000)	620,000
<b>Total liability</b>	<b>\$ 1,910,000</b>	<b>\$ 6,942,000</b>	<b>\$ 1,123,000</b>	<b>\$ 9,975,000</b>

**The Humber College Institute of Technology and Advanced Learning**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

**15. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)**

	2015			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost	\$ 219,000	\$ 343,000	\$ 61,000	\$ 623,000
Interest on accrued benefit obligation	5,000	155,000	49,000	209,000
Amortized actuarial (gains) losses	(17,000)	(168,000)	108,000	(77,000)
<b>Total expense</b>	<b>\$ 207,000</b>	<b>\$ 330,000</b>	<b>\$ 218,000</b>	<b>\$ 755,000</b>

	2014			
	Post-employment Benefits	Non-vesting sick leave	Vesting sick leave	Total expense
Current year benefit cost (recovery)	\$ (48,000)	\$ 432,000	\$ 101,000	\$ 485,000
Interest on accrued benefit obligation	10,000	164,000	36,000	210,000
Amortized actuarial losses	6,000	14,000	3,000	23,000
Total expense (recovery)	<b>\$ (32,000)</b>	<b>\$ 610,000</b>	<b>\$ 140,000</b>	<b>\$ 718,000</b>

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

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.

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. The most recent actuarial valuation filed with pension regulators as at January 1, 2015 indicated an actuarial surplus of \$773,000,000. The College made contributions to the Plan and its associated retirement compensation arrangement of \$17,386,919 in 2015 (2014 - \$16,360,774), which has been included in the consolidated statement of operations.

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 15. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

##### *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.

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

a) *Discount rate*

The present value as at March 31, 2015 of the future benefits was determined using a discount rate of 1.60% (2014 – 2.70%).

b) *Drug Costs*

Drug costs were assumed to increase at a 9.00% rate in 2014 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2034.

c) *Hospital and other medical*

Hospital and other medical costs were assumed to increase at 4.00% per annum in 2015 (2014 – 4.00%).

Medical premium increases were assumed to increase at 7.50% per annum in 2014 and decrease proportionately thereafter to an ultimate rate of 4.00% in 2034.

d) *Dental costs*

Dental costs were assumed to increase at 4.00% per annum in 2015 (2014 – 4.00%).

##### *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.

# The Humber College Institute of Technology and Advanced Learning

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

### 15. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

#### 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.

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, 2015 of the future benefits was determined using a discount rate of 1.60% (2014 – 2.70%).

#### b) *Wage and salary escalation rates*

Academic full-time and academic partial load salaries were assumed to increase at a rate of 1.50% per annum in 2015, 1.80% in 2016 and 1.50% per annum thereafter.

Support staff full-time salaries were assumed to increase at a rate of 1.00% per annum in 2015, 0.50% per annum in 2016 and 2017 and 1.50% 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 24.00% and 0 to 44.3 days respectively for age groups ranging from 20 and under to 65 and over in bands of 5 years.

### 16. DEFERRED CONTRIBUTIONS

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

	2015	2014
Balance, beginning of year	\$ 7,623,372	\$ 8,096,612
Amounts received during the year	44,569,642	35,553,911
Amounts recognized as revenue during the year	(42,885,094)	(36,027,151)
<b>Balance, end of year</b>	<b>\$ 9,307,920</b>	<b>\$ 7,623,372</b>

Deferred contributions are comprised of:

	2015	2014
Externally restricted trust funds	\$ 3,547,382	\$ 2,378,842
Joint employment stability funds	560,763	648,959
Other restricted grants and contributions	5,199,775	4,595,571
<b>Balance, end of year</b>	<b>\$ 9,307,920</b>	<b>\$ 7,623,372</b>

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 17. 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:

	2015	2014
Balance, beginning of year	\$ 152,686,963	\$ 133,349,600
Add: contributions received for capital purposes	46,752,837	2,459,784
Add: contributions receivable from Building Levy (Note 9)	5,999,783	2,309,724
Add: contributions receivable from MTCU (Note 12)	-	28,606,268
Less: amortization of deferred capital contributions	(11,893,206)	(14,038,413)
<b>Balance, end of year</b>	<b>\$ 193,546,377</b>	<b>\$ 152,686,963</b>

#### 18. INVESTED IN CAPITAL ASSETS

Invested in capital assets consists of the following:

	2015	2014
Net book value of capital assets (Note 11)	\$ 379,917,804	\$ 309,933,674
Less amounts financed by:		
Bank loan (Note 14)	32,431,403	33,919,254
Alternative financing arrangement (Note 12)	-	35,424,234
Spent deferred capital contributions	178,667,911	115,010,037
<b>Balance, end of year</b>	<b>\$ 168,818,490</b>	<b>\$ 125,580,149</b>

The change in invested in capital assets is as follows:

	2015	2014
Amortization of deferred capital contributions	\$ 11,893,206	\$ 14,038,413
Amortization of capital assets	(25,304,099)	(30,975,824)
Acquisition of capital assets and construction in progress	130,712,464	24,288,304
Amounts funded by deferred capital contributions	(75,551,081)	(210,643)
Repayment of bank loan	1,487,851	1,408,687
<b>Total change in invested in capital assets</b>	<b>\$ 43,238,341</b>	<b>\$ 8,548,937</b>

#### 19. INTERNALLY RESTRICTED NET ASSETS

The College, by resolution of the Board of Governors, internally restricts amounts from net assets as follows:

	2015	2014
Strategic Investments	\$ 151,470,000	\$ 174,550,000
Operating Contingency	19,930,000	18,950,000
<b>Total internally restricted net assets</b>	<b>\$ 171,400,000</b>	<b>\$ 193,500,000</b>

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 20. 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 matched the 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:

				2015	2014
	OSOTF 1	OSOTF 2	OTSS	TOTAL	TOTAL
Balance, beginning of year	\$ 45,100	\$ 27,405	\$ 402,770	\$ 475,275	\$ 425,664
Investment income, net of					
direct expenses	67,370	28,824	439,281	535,475	352,833
Bursaries awarded	(39,000)	(8,500)	(257,002)	(304,502)	(303,222)
<b>Balance, end of year</b>	<b>\$ 73,470</b>	<b>\$ 47,729</b>	<b>\$ 585,049</b>	<b>\$ 706,248</b>	<b>\$ 475,275</b>
Bursaries awarded (#)	61	9	205	275	257

The bursaries awarded under OTSS comprise 83 to OSAP recipients totaling \$117,375 and 122 to non-OSAP recipients totaling \$187,127.

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 21. 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 \$304,864 (2014 - \$109,536) primarily related to possible defaults in financial agreements for certain construction projects.

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:

2016	\$	680,225
2017		228,407
2018		216,410
2019		117,070
2020		10,416
<b>Total commitments</b>	<b>\$</b>	<b>1,252,528</b>

#### 22. CONSOLIDATED STATEMENT OF CASH FLOWS

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

	2015	2014
Grants receivable	\$ 28,630,371	\$ 2,133,986
Accounts receivable	(3,396,049)	(1,599,119)
Prepaid expenses	(731,140)	205,392
Long-term grants receivable	2,290,000	2,290,000
Long-term accounts receivable	(3,499,783)	-
Prepaid land lease	(3,044,336)	-
Accounts payable and accrued liabilities	(626,713)	5,978,919
Accrued payroll and employee benefits	1,218,479	(644,733)
Accrued vacation pay	1,135,016	380,891
Deferred revenue	1,047,723	(1,467,026)
Due to University of Guelph-Humber	2,722,373	2,712,218
Due to Humber Students' Federation	(3,673,693)	(153,948)
<b>Net change, non-cash working capital</b>	<b>\$ 22,072,248</b>	<b>\$ 9,836,580</b>

# The Humber College Institute of Technology and Advanced Learning

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

### 23. 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 to \$100,000 (2014 - \$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 by the Committee on a semi-annual basis while monitored by management on a monthly basis

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 3.

Accounts receivable are ultimately due from students. Credit risk is mitigated 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 or the academic term that the receivable relates to. An impairment allowance is set up based on the College's historical experience regarding collections. The amounts outstanding at year end were as follows:

#### *Student Receivables*

**As at March 31, 2015**

	Total	Winter 2015	Fall 2014 & Prior
Student receivable	\$ 4,025,341	\$ 2,888,771	\$ 1,136,570
Less: impairment allowances	(1,507,510)	(896,953)	(610,557)
<b>Net receivables</b>	<b>\$ 2,517,831</b>	<b>\$ 1,991,818</b>	<b>\$ 526,013</b>



# The Humber College Institute of Technology and Advanced Learning

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

### 23. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

#### Government and Other Receivables

As at March 31, 2015	Past Due					
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government receivables	\$ 2,881,699	\$ 2,881,699	\$ -	\$ -	\$ -	\$ -
Interest receivable	2,421,374	2,421,374	-	-	-	-
Commodity taxes receivable	3,153,145	2,272,832	880,313	-	-	-
Other accounts receivable	6,022,335	4,855,430	408,959	294,133	428,533	35,280
Gross receivables	14,478,553	12,431,335	1,289,272	294,133	428,533	35,280
Less: impairment allowances	(35,280)	-	-	-	-	(35,280)
<b>Net receivables</b>	<b>\$ 14,443,273</b>	<b>\$ 12,431,335</b>	<b>\$ 1,289,272</b>	<b>\$ 294,133</b>	<b>\$ 428,533</b>	<b>\$ -</b>

As at March 31, 2014	Past Due					
	Total	Current	0 - 30 days	31 - 60 days	61 - 90 days	91 - 120 days
Government receivables	\$ 31,512,070	\$ 31,512,070	\$ -	\$ -	\$ -	\$ -
Interest receivable	2,611,012	2,611,012	-	-	-	-
Commodity taxes receivable	2,767,706	691,127	2,076,579	-	-	-
Other accounts receivable	5,341,594	4,774,171	364,791	145,034	20,643	36,955
Gross receivables	42,232,382	39,588,380	2,441,370	145,034	20,643	36,955
Less: impairment allowances	(36,955)	-	-	-	-	(36,955)
<b>Net receivables</b>	<b>\$ 42,195,427</b>	<b>\$ 39,588,380</b>	<b>\$ 2,441,370</b>	<b>\$ 145,034</b>	<b>\$ 20,643</b>	<b>\$ -</b>

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.

#### 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.

## The Humber College Institute of Technology and Advanced Learning

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2015

#### 23. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)

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 14). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt.

At March 31, 2015, 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 \$2,786,619 (2014 - \$2,851,943).

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, 2015 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 \$1,804,000 (2014 - \$1,382,000).

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.

**The Humber College Institute of Technology and Advanced Learning**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

For the year ended March 31, 2015

**23. FINANCIAL INSTRUMENT RISK MANAGEMENT (continued)**

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

	2015		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 109,699,557	\$ -	\$ -
Accrued payroll and employee benefits	10,815,198	-	-
Accrued vacation pay	7,439,774	7,439,773	-
Bank loan	1,571,465	7,220,026	23,639,912
Due to University of Guelph-Humber	21,601,376	-	-
Due to Humber Students' Federation	2,424,942	-	-
	<b>\$ 153,552,312</b>	<b>\$ 14,659,799</b>	<b>\$ 23,639,912</b>

	2014		
	Within 1 year	1 to 5 years	Over 5 years
Accounts payable and accrued liabilities	\$ 58,252,889	\$ -	\$ -
Accrued payroll and employee benefits	9,596,719	-	-
Accrued vacation pay	6,872,265	6,872,265	-
Bank loan	1,487,852	8,791,492	23,639,910
Due to University of Guelph-Humber	18,879,003	-	-
Due to Humber Students' Federation	6,098,635	-	-
	<b>\$ 101,187,363</b>	<b>\$ 15,663,757</b>	<b>\$ 23,639,910</b>

Derivative financial liabilities mature as described in Note 14.

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.

## 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 2015, Humber continues to deliver on this promise.

### Highlights of 2015 Results

**Student Satisfaction – 72.0%**

**Graduate Employment – 82.5%**

**Graduation Rate – 63.7%**

**Graduate Satisfaction – 77.2%**

**Employer Satisfaction – 91.0%**

✓ Highest in the GTA

### All Results

Category	Humber College	GTA average	Provincial average
Student satisfaction	72.0	72.7	76.2
Graduate employment	82.5	80.0	84.0
Graduation rate	63.7	64.5	65.8
Graduate satisfaction	77.2	77.7	80.0
Employer satisfaction	91.0	87.0	88.1

## 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
N/A	N/A	N/A	N/A	N/A

Total number of complaints: 0

Humber received no [0] reportable Advertising and Marketing complaints from April 1, 2014 to March 31, 2015.

## 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 credentials 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 2014 Humber:
    - i. Enrolled 1,687<sup>1</sup> students into 11 apprenticeship programs
    - ii. Enrolled 1,691 students into 18 one-year certificate programs
    - iii. Delivered 89 two- and three-year diploma programs to 15,862 students
    - iv. Delivered 22 Humber degree programs to 3,561 students (headcount)
    - v. Offered a Bachelor of Nursing degree, in collaboration with the University of New Brunswick, to over 880 students.
    - vi. Offered 33 graduate certificates to 2,134 students
    - vii. Accepted 56,000 continuing education registrations into our 1,400 continuing education courses, 200 part-time certificates, 400 online courses and 40 fully online programs, providing opportunities adult learners to upgrade 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 4,200 students the opportunity to earn a degree and a diploma in four years of full-time study. Seven undergraduate programs are offered at the University of Guelph-Humber in the areas of Business, Early Childhood Education, 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

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<sup>1</sup> Represents headcount for 2014-15.

school diploma. Humber's dual credit enrolment has grown steadily in recent years; in 2014-15, 892 students enrolled in dual credit programming.

- 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, at home and in the community (52 enrolled in 2014-2015).
- c. Non-postsecondary programming:
- i. Women and Youth
    - Youth Employment Fund – places unemployed youth in work placements with employers for up to six months (190 participants in 2014-15)
    - MicroSkills Transportation Training Program (9 women completed training; 7 employed)
    - MicroSkills Horticulture Technician Program (24 women completed the training; 17 employed)
  - ii. Bridge Training Programs and Partnerships for Immigrants and Newcomers to Canada
    - Occupation-Specific Language Training for Technology – 44 participants in 2014-15; 73 per cent graduation rate
    - Occupation-Specific Language Training for Project Management – 50 participants in 2014-15 (77 per cent employed prior to graduation); one cohort still in progress
    - .Net Solutions for Internationally Trained IT professionals Bridge Program – 28 participants in 2013-14; 89 per cent employed in their field
    - Mobile Systems Integration Bridge Program – 34 graduates, 17 working in their field upon program completion. One cohort still in progress
    - Pathways to Employment in the Sustainability and Energy Sector Bridge Program – 35 graduates, 15 employed in their field; this program ended in October 2014
    - Engineering Software Skills Enhancement Bridge Program – 61 students, two cohorts; of first cohort, 8 employed prior to completion; second cohort still in session
    - Leadership Connections and Sales and marketing Connections Bridging Programs in partnership with ACCES Employment
    - Trades Win Support Program in partnership with Skills for Change
    - Supply Chain Awareness Program for employment in partnership with MicroSkills
    - Graduates working in varied jobs including: field engineer; engineer in training, project manager; drafter; architectural technologist; business/systems/network analysts; IT/network administrators, etc. Average starting salary for graduates is \$50,000 annually

iii. Employment Services

- Employment services for the unemployed through Employment Ontario – 4,821 new clients visited one of Humber’s five employment centres in the GTA and Brampton (2,333 individuals received one-on-one support to establish action plans to achieve their employment and training goals; 1,717 individuals secured employment, 3,100 individuals participated in information workshops to assist in career planning and job searching)

**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 opened 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.

<b>Apprenticeship Program</b>	<b>2014 Headcount</b>
Arborist Apprenticeship	120
Baker	20
Cook (Cuisine) Apprenticeship	151
Construction Boilermaker Apprenticeship	119
Developmental Service Worker Apprenticeship	118
Electrician: Construction and Maintenance Apprenticeship	987
Industrial Electrician Apprenticeship	18
Institutional Cook	18
Horticultural Technician Apprenticeship	52
Network Cabling Specialist Apprenticeship	
Plumber Apprenticeship	406
<b>TOTAL</b>	<b>2,009</b>



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:

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

Humber uses the information gleaned from KPI results to inform decision-making and investment. Based on KPI results, improvements have been made in the following areas in recent years:

- 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.)
- Upgrades and improvements to athletic facilities and equipment at Humber's North Campus
- Restructuring of student Orientation programming 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 2014-2015, Humber offered 21 degrees (plus nursing); Humber currently represents approximately one-third of all college degree enrolment in Ontario. 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.

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 4,000 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

In Summer and Fall 2014, 209 Humber Diploma students transferred into degree programs at the University of Guelph-Humber – primarily into the Justice, Kinesiology and Business Administration programs – bringing the total transfers to almost 1,000 students since the launch of Guelph-Humber.

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 creates unique opportunities for students and faculty to collaborate on projects to solve industry and community problems. For some, this involves working with an industry or community partner on a capstone project or on a project outside the classroom where learning become practical application. In 2014-15, Humber Research facilitated applied research activity and partnerships with 12 different external partners, undertook 28 applied research projects and engaged 34 faculty/staff and 63 students in these activities.

Support for research at Humber comes from a variety of external sources, including NSERC (Natural Sciences and Engineering Research Council of Canada), SSHRC (Social Sciences and Humanities Research Council), IRAP (Industrial Research Assistance Program), and OCE (Ontario Centres of Excellence); as well as institutional resources including the Staff Initiated Research Fund (SIRF), Developing Activities and Ideas for Research (DAIR), and funding for entrepreneurs (New Venture Seed Fund and the *LaunchPad* Pitch Competition).

New projects in 2014-15 included:

**3<sup>rd</sup> Degree:** "3<sup>rd</sup> Degree: Our Day Starts when Your Day Ends" is a new simulated crime game and the result of a multidisciplinary collaboration between Humber faculty members Dr. Doug Thomson and Dr. Umer Noor and students from several programs: Criminal Justice, Game Programming, 3D animation, Music, and Film and Television Production. The game leads students through a series of crimes, which they must solve by applying policing techniques. With funding from the Humber Research & Innovation Developing Activities and Ideas for Research (DAIR) program, Thomson and Noor recruited Film and Television Production student Jennifer Robbins as the writer and creative director of the project. The collaboration was so successful that Robbins was selected to present 3<sup>rd</sup> Degree at Polytechnics Canada's ninth annual Student Applied Research Showcase in November, where it won second place.

**AppSeed:** AppSeed Inc. is a startup company owned by Humber faculty Greg Goralski and his business partner Adam Leon. The company's innovative technology allows users to easily and accurately turn hand-drawn sketches into interactive app prototypes, bridging the gap between traditional pen-and-paper and digital through the use of computer vision. In 2014 with the support of Ontario Centres of Excellence's Voucher for Innovation and Productivity program, AppSeed partnered with Multimedia Design and Development program coordinator George Paravantes and a team of Humber Web Design and Interactive Media students to design and create an Android version of their app, which is currently undergoing its final revisions.

**BioSteel:** Collaborating with BioSteel Sports Supplements Inc., faculty member Dr. Mojgan Rezvani and a team of students from Humber's Fitness and Health Promotion, BAsc.-Kinesiology, and Research Analyst Postgraduate programs are investigating the effect of a sugar-free sports drink on athletic performance. The study is supported by the Natural Sciences and Engineering Research Council of Canada (NSERC) and will inform athletes of the effects of BioSteel's High Performance

Sports Drink (HPSD) on their health and performance capacity during high-intensity exercise. This information is expected to be especially beneficial to diabetic athletes who require information on alternatives to typical sports drinks, which are usually high in sugar content.

**Castlemore Educational Services:** Castlemore Educational Services, Humber students, and Applied Technology faculty member Peter Wheeler have completed the first stage of a project to build a device that will help farmers track and manage environmental crop conditions in an easy to use package. Unlike other farming software applications, this system does not rely on an internet connection, which is often unavailable in crop fields, and can track a wide range of crop conditions, including temperature, rainfall, chlorophyll, and more. This novel system will help Ontario lifestyle farmers to reduce input, maximize crop yields, and improve the quality of their crops. This project was supported by a grant from the Natural Sciences and Engineering Research Council Applied Research and Development Award (NSERC-ARD) program.

**Martino Contractors:** Georges Livanos, faculty member in Humber's School of Applied Technology, has partnered with Toronto-based company Martino Contractors to develop a new device to help homeowners comply with regular maintenance of their furnaces. With support from NSERC, Electronics Engineering Technology student Vlad Porcila was hired as the project's lead and collaborated with Livanos and Martino Contractors to develop and test the MB Furnace Minder (patent pending), an automated furnace maintenance system. Michael Voitov, a student in Humber's Industrial Design program, was recruited to design the casing of the final prototype. The MB Furnace Minder is currently in beta testing and is expected to be available for purchase later in 2015.

### **HumberLaunch: Focus on Entrepreneurship**

For others, innovation activity involves starting a new business with help from HumberLaunch, Humber's incubator for students and alumni. Some are able to earn seed funding through Humber competitions.

These are some of HumberLaunch's active businesses:

- **Aqua Greens:** Aqua Greens has become one of the very first vertically designed indoor aquaponic companies in Canada. They are dedicated to selling and producing the most nutrient rich, locally grown organic greens and herbs to Toronto using aquaponic technology. The company believes that sustainable innovation that benefits our communities, economy and environment will play a key role in the future of food production in our cities. As pioneers of aquaponics in the GTA, Aqua Greens hopes set the pace for Canadian innovation and creativity in our communities.
- **Branch Yoga and Wellness:** Branch Yoga & Wellness in Etobicoke South, provides yoga classes that emphasize creative movement and mindful meditation. Having a unique expertise in Aerial Yoga, Marlene Sammy (owner of Branch Yoga) loves to explore the healing effects of therapeutic yoga. In only 6 months, Branch Yoga & Wellness has grown to 600+ clients and was named Top 5 New Yoga Studios in Toronto by BlogTO.
- **Dynasty Training – Trainsmart:** Jacob Farjou's business venture, Dynasty Training, is positioned to set a new standard for personal training in the prevention of chronic diseases

by providing clients with the tools and information needed to make lifestyle changes. Jacob opened his location and had a launch party on January 15<sup>th</sup>, 2015. He is located in Brampton. Jacob was in the School of Hospitality, Recreation & Tourism. <http://www.dynastytraining.com>  
<https://www.facebook.com/trainsmartwellnessbrampton;>

## APPENDIX F – List of Humber Board of Governors

Name	Appointed	Term Expiry	Internal Affiliation
Mario Alessandro	September 2011	August 2017	Information Technology Services Humber College
Wanda Buote	September 2010	August 2016	Principal, Lakeshore Campus Humber College
Ruth Clark (LGIC)	October 2009	August 2015	
Gerry Connelly (LGIC)	September 2009	August 2015	
Franca Giacomelli	September 2010	August 2016	Professor, Business School Humber College
Brien Gray (Vice-chair)	April 2012	August 2015	
Lianne Hannaway	September 2013	August 2016	
Lily Khosla	September 2009	August 2015	
Dan Lang (LGIC)	September 2014	August 2017	
Anthony Longo (LGIC)	September 2014	August 2017	
Tony Mahabir	September 2013	August 2016	
Audrey McKinney (Chair)	September 2010	August 2016	
Susan Ross	September 2012	August 2015	
Gordon Schofield	September 2012	August 2015	
Chris Whitaker	July 2012		President Humber College