



# 2018–19 Annual Report

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## Message from the Chair and President

This 2018-19 annual report reflects a year of transformative growth at Seneca. It was also a year where Seneca continued to deliver on our commitment to providing students with a great education and bringing great graduates into the workforce, locally and globally.

Two new, large academic buildings opened — Magna Hall at King Campus and the Centre for Innovation, Technology and Entrepreneurship at Newnham Campus. Both buildings provide students and the broader community exciting new spaces to learn, collaborate and celebrate our historical ties and future aspirations.

This year also saw Seneca respond to a change in government, and continued evolution in how, and when, our students learn. We're providing more digital learning options and resources and academic pathways within Ontario's college system, and beyond, for an increasingly diverse student body from around the world.

A groundbreaking agreement with Humber has resulted in the Humber-Seneca Polytechnic Partnership, designed to leverage the academic options and resources of both institutions to help students build on their credentials with seamless laddering opportunities close to home. And we established partnerships with industry leaders like IBM, KUKA Robotics and Adobe to equip Seneca students and employees with the skills and resources to excel in a rapidly-changing information-based economy.

We also opened Odeyto, Seneca's award-winning Indigenous centre and new home for First Peoples@Seneca. This beautiful space, incorporating various Indigenous design, cultural and historical elements, has become a destination for students of all backgrounds and a must-see for visitors on campus.

This annual report reflects how Seneca is embracing the constant evolution of how higher education is delivered, driving innovation in exciting ways to meet our goals and support those of our students.

Now in our second half-century, with campuses across the GTA and Peterborough, we've come a long way since our first days of offering classes at a number of temporary sites throughout North York. Despite these modest locations in our early days, the quality of the education we've been providing has been constant and continues, thanks to the dedication of our faculty and staff and the many community and industry partners who support our work.

The accomplishments and milestones included in the 2018-19 annual report illustrate how the Seneca community brings great to the world every day. We will continue to plan for the future with confidence in our students and the positive difference they make in the workplace and the community.

Janet Beed, Chair, Board of Governors

David Agnew, President

# Seneca at a Glance

## Students

**30,000** full-time students annually

**7,000** international students from more than **150** countries

**60,000** part-time registrants annually

## Programs

More than **500** career options and an abundance of program offerings, delivering more than **300** programs across Toronto, York Region and Peterborough, including:

**18** degrees

**40** graduate certificates

**29** advanced diplomas

**71** diplomas

**22** certificates

# A Great Place to Learn

Seneca provides our students with a great teaching and learning experience, combining advanced career and professional education combined with rigorous academics. We are a demonstrated leader in academic excellence and collaboration within the postsecondary sector, serving students at all stages of their careers. Through our graduates' successes, Seneca is bringing great to the world.

## Our Values

Seneca's values start with centring all aspects of our operations, inside and outside the classroom, on student success.

### Respect

It is a simple axiom: in everything we do, in all ways, we treat each other with respect.

### Excellence

While we will always be flexible in our approach, we never compromise on quality and standards.

### Innovating

From the day our first students walked through our doors in 1967, we understood that the world is in constant evolution. We are always improving, innovating and looking ahead.

### Community

We build bridges and networks within our institution, to our community and across the world. And, we give back, building and strengthening the communities where we live and work.

### Diversity

We celebrate our extraordinary diversity as an enriching strength and a competitive advantage in today's global economy.

# 2018-19 In-year Developments

## New provincial government

On June 7, 2018, the Progressive Conservative party won a majority government in the Ontario general election, representing a significant shift in priorities for the provincial government. The election also brought new elected representation from different parties to each of our campus locations.

Seneca works diligently with the government to help advance student success and the college sector. Initiatives undertaken this year include:

- Interactions with elected officials and public servants to gain understanding about government priorities in the areas of funding, accountability, the next phases of the Strategic Mandate Agreement, job creation and business development
- Informing advocacy efforts, facilitated by Colleges Ontario
- MPP tours of the teaching and learning spaces at Seneca's Newnham, King and Peterborough campuses, designed to build understanding of Seneca's priorities, programs and impacts.

## Humber-Seneca Polytechnic Partnership

On May 31, 2018 Humber and Seneca announced the Humber-Seneca Polytechnic Partnership (HSPP), an agreement to enhance access for our students to further learning opportunities and to cooperate on a number of planning and development fronts.

The HSPP launched with two transfer pathways:

- Seneca's graphic design diploma to Humber's creative advertising honours degree
- Humber's computer programmer diploma to Seneca's software development honours degree.

Both institutions continue to work on developing more pathway opportunities and operational efficiencies in support of the HSPP. This is the latest in a series of partnership agreements Seneca has established with college colleagues, including pathways to our programs from several small, northern and rural colleges. It also reflects a new emphasis we are putting on building a stronger network within the Ontario postsecondary system beyond our traditional partners.

# Business Planning: An Integrated Approach

Seneca employs an integrated process for business planning and budgeting to achieve the goals and commitments set out in our Strategic Plan and Strategic Mandate Agreement. This approach ensures clear expectations and that consistent information is collected across the institution, while also allowing the flexibility to adapt throughout the year to the constantly evolving external landscape.

The 2018-19 Annual Report highlights our achievements and the accomplishments of our students, alumni, faculty and staff throughout the year. As with the 2018-19 Business Plan, it has been structured to align with the objectives and deliverables of the 2017-22 Strategic Plan.

## Preparing Seneca students for successful futures in a rapidly evolving world and economy

Our work starts with our commitment to students. Our message to students is: Whatever your educational aspirations or entrepreneurial ambitions, however far along you are in your search for a career that you can be passionate about, Seneca will help you define your future.

We do that through high-quality programs delivered by outstanding, experienced faculty working with outstanding, supportive staff. We prepare our students for the accelerating pace of change and tomorrow's world of work by offering programs with a wide range of experiential learning opportunities, a cross-disciplinary approach and our core literacies underpinning the curriculum.

We have a broad range of support services including tutoring, mentoring and leadership development available to our students.

### Objective 1

High-quality programs providing relevant career and life skills

- New and renewed programs to meet the demand for a highly skilled workforce and fill emerging labour market needs
- Rigorous curriculum design, quality assurance and program assessment processes

## 2018-19 Initiatives

### **Launch new programs at various credential levels, with a focus on cross-disciplinary learning, in the areas of financial technology and business analytics**

- Graduate certificates launched in Chronic Disease Management, Financial Technology and Business Analytics and honours bachelor's degrees in Business Technology Management and Crime and Intelligence Analysis
- Programs developed included Business Management, Hospitality Nursing Unit Clerk, Electromechanical Engineering Technology – Automation, Settlement Worker, Cannabis Regulation and Quality Assurance and Workplace Safety and Prevention.

### **Refresh and renew programs through summative and formative reviews and consent renewals**

- Completed Postsecondary Education Quality Assessment Board (PEQAB) site visits in support of degree program consent renewal approvals in Data Science and Analytics, Business Management and International Business Management
- Degree program consent renewal applications were referred to PEQAB by the Ministry of Training, Colleges and Universities in Financial Services Management, Human Resources Strategy and Technology, International Accounting and Finance and Informatics and Security
- Completed 66 required summative and formative program reviews.

### **Implement an Academic Planning dashboard, leveraging data visualization software, to support program development and prioritization**

- The Academic Planning dashboard has been deployed to enhance the use of metrics during quality reviews.

## 2018-19 In Review

### **Joint venture with IBM**

Seneca and IBM signed a Memorandum of Understanding for Ontario's first IBM Skills Academy Hub. The Academy is a new professional certification program that prepares students for information technology (IT) careers in an accelerated format.

### **EXFO certification integrated with engineering program**

Twelve students in the Electronic Engineering Technology (EET) advanced diploma program received certification of expertise in fibre optics from industry leader EXFO. This certification was incorporated into the EET program in response to the growing need for technologists with fibre optic skills. Seneca is the only college in Canada to offer this certification as part of a technology program.



### **Addressing IT skills gap**

Seneca and the multinational corporation Cognizant have partnered on a new training program that will advance in-demand digital technology skills. This collaboration aims to boost employment opportunities for current and future information technology professionals.

### **School of Aviation marks half-century**

When the School of Aviation started in 1968, it had three planes and 25 students. After a half century, it has grown into an internationally-recognized leader with its own campus, 22 planes and wait lists for its programs. Employees, alumni and industry partners gathered to celebrate the program at its 50<sup>th</sup> anniversary reception at the Peterborough Campus, adjacent to the Peterborough Airport. World War II aviator Russell Bannock, alumnus Steve Linthwaite and industry partner Joan Williams (posthumously) were each honoured with the Senecans of Distinction Award.

### **Partnership leads to first Adobe Creative Campus in Canada**

As part of Seneca's Digital Learning Strategy, Seneca became an official Adobe Creative Campus — the first in Canada — equipping students and employees to be more digitally literate and creative.

### **Documentary Film Institute celebrates 10 years**

Over the last decade, Seneca's Documentary Filmmaking Institute has educated more than 200 aspiring filmmakers. In celebration of the program's 10-year anniversary, Hot Docs recognized the filmmaking course for its industry contributions.

## **Objective 2**

### **Teaching excellence and exemplifying Seneca's core literacies**

- Current and connected faculty who are active in their academic and professional communities
- A commitment to Seneca's standards of practice, authentic assessments, contextualized learning activities and the thoughtful use of technology tools
- Evidence of core literacies being taught, practised and assessed in our programs
- Opportunities for students to develop the core literacies in context

## 2018-19 Initiatives

### **Launch Seneca's Digital Learning Strategy (DLS) and develop faculty experts in hybrid learning to teach in a multi-modal environment**

The DLS includes an open educational resources framework with micro-credential opportunities, professional development and digital portfolios for faculty.

### **Continue implementation of Faculty Development Portfolios and establish a Faculty Professional Development Framework, increasing the number of faculty teams engaged in the development of Scholarship of Teaching and Learning resources**

- The goal of 20 per cent faculty participation in development portfolios was exceeded, with faculty teams working on collaborative Scholarship of Teaching and Learning projects, focused on mastery learning, communications and transfer-based teaching.

## 2018-19 In Review

### **Hall of Famer awarded University of Windsor honorary degree**

Senior Sport Coordinator Angela James was awarded an honorary degree from the University of Windsor. Angela is the winner of four world championships with the Canadian women's hockey team and one of the first two women inducted into the Hockey Hall of Fame. She is also a member of the Black Sports Hall of Fame, the Canadian Sports Hall of Fame and the International Ice Hockey Hall of Fame.

### **Professor elected President of Canadian Safety Association**

Fire Protection Engineering Technology Professor Scott Pugsley was voted President of the Canadian Fire Safety Association (CFSA). Established in 1971 to promote fire safety through seminars, training courses and scholarships, the CFSA has members across the country.

### **Delivering training in Kenya**

As part of a three-year project in Kenya, Azhar Laher, Professor, School of Leadership and Human Resources, and Kevin Pitts, Professor, Teaching and Learning, delivered leadership and management training to Kenyan polytechnic leaders at the Kenya Technical Trainers College in Nairobi.

### **Nursing professor secures two grants**

Tania Killian, professor in the School of Health Sciences, was the winner of Advancement and Alumni's first \$25,000 challenge. Tania was also awarded a \$10,000 grant from the King Township Women of Influence Giving Circle.

**ELI professor pens second book**

English Language Institute (ELI) professor Joshua Kloke wrote his second book, *Come on You Reds: The Story of Toronto FC*. Joshua is a sports and music journalist whose work has been published by Sports Illustrated, ESPN and Sportsnet.

**Professor debuts short story collection**

English and Liberal Studies professor Mina Athanassious released his debut short story collection, *A Face Like the Moon*. Published by Mosaic Press, the book features eight stories about young Coptic children living in urban and rural areas of Egypt.

**A baseball hall of famer**

Widely regarded as Canada's premier baseball historian, Bill Humber, recently retired director of Eco-Seneca Initiatives, was inducted into the Canadian Baseball Hall of Fame. Bill is the first academic researcher to be inducted, recognized for his contributions to Canadian and international baseball history, including five books and nearly 40 years of teaching a baseball appreciation course at Seneca.

**Award-winning podcast producer pens book**

Amanda Cupido, professor in the School of Media, wrote her first book, *Let's Talk Podcasting: The Essential Guide to Doing it Right*. Amanda is an award-winning podcast producer, who previously worked as a reporter, anchor and producer at Newstalk 1010 CFRB.

**Professor wins emerging jazz artist award**

Independent Songwriting and Performance Professor Rebecca Hennessey was the 2018 recipient of the Emerging Jazz Artist Award from the Toronto Arts Foundation. Rebecca is a trumpeter and composer, who was recognized for her creative, unique compositions.

**Professor nominated for Governor General award**

Werner Zimmerman, professor in the Independent Illustration program, was nominated for the 2018 Governor General Literary Awards in the category of illustrated children's books for his latest work, *At the Pond*. Werner has taught for several years at Seneca, and is a bestselling and award-winning author and illustrator of many children's books, including the popular *Farmer Joe* series.

**Professor recognized for directing**

Professor Anita La Selva won the Gina Wilkinson Prize for Emerging Female Directors. Anita, who teaches in the Acting for Camera and Voice program, is an actor, director and dramaturge. She recently directed *Stones*, an interdisciplinary and intercultural theatre odyssey about women and violence.

**Objective 3****Great student experiences**

- Opportunities for cross-disciplinary learning, entrepreneurial skill development, and work integrated learning
- A comprehensive range of connected student support services

**2018-19 Initiatives****Undertake the first phase of planned academic and service moves associated with Seneca2020**

- The Fitness and Health Promotion diploma program moved to King Campus while HELIX and the Mechatronics lab relocated to the Centre for Innovation, Technology and Entrepreneurship (CITE) at Newnham Campus

**Roll out the Customer Service initiative**

- A framework has been developed for a cross-functional committee that advises on customer service.
- In collaboration with students in the Applied Advertising Campaign Research course, a satisfaction survey was conducted for first semester students on their customer service experience.

**Continue to enhance the Student Advising Model to support student success and retention**

- Recommendations were implemented for the Student Advising Model, which included a student advising survey, external committee consultation, additional advisers, an appointment booking system and online group advising.

**Provide alternative program delivery modes, including hybrid, online and compressed**

- New online courses were made available through the Faculty of Continuing Education and Training, eCampus Ontario portal and OntarioLearn

- A compressed hybrid Business Studies certificate is now being offered, which allows students to complete all or most of the required six courses in one term.

### **Commence next phase of the Learning Centre model**

- Peer tutoring is now included in first and second semester courses, providing students support earlier in their studies
- Student Optimizing Academic Resilience workshops are available across all programs.

### **Expand recreational programming at the new athletics facilities at King and Newnham campuses**

- Recreation facilities at King Campus expanded with the opening of Magna Hall; amenities now include a varsity-level gymnasium, fitness centre, climbing wall and dance studios
- New programming across all campuses focuses on helping women feel more comfortable in fitness centres
- The StingDome at Seneca Fields now offers facilities to host sporting events year-round, including indoor rugby, cricket, softball, baseball and soccer.

### **Make enhancements to parking services**

- Additional parking will be available north of Newnham Campus to accommodate more students and employees resulting from the Seneca2020 moves
- DayPass, provides a flexible parking plan to benefit students with irregular hours and SecurePark enables Seneca to offer virtual parking passes for guests and greater ability to monitor short-term parking.

## **2018-19 In Review**

### **Richard Branson invests in alumni**

Sister and brother team, Stephanie and Alexander Florio, were awarded \$10,000 from British philanthropist Richard Branson as part of Virgin Mobile Canada's Pitch to Rich contest. The School of Marketing alumni won the national contest pitching their mobile app, Swob, which matches students with potential employers.

### **Students win gold and bronze in provincial skills competition**

Two students from the School of Electronics and Mechanical Engineering Technology took home medals at the 2018 Skills Ontario competition. Nan-Rong Hui and Si Qi Zhen earned gold and bronze respectively. Skills Ontario is Canada's largest skilled trade and technology competition.

**New experiential learning platform launched**

Seneca has partnered with Riipen, an online experiential learning platform that connects students and employers to collaborate on real-world projects prior to graduation.

**Championship men's basketball team celebrated**

After winning the national championship title for the first time ever, the Seneca Sting men's basketball team was honoured by the Toronto Sport Hall of Honour as the Team of the Year at an induction ceremony at the Toronto Pan Am Sports Centre.

**Students debut book on varsity sports**

Nineteen Public Relations – Corporate Communications students, led by Professor Tom Bartsiokas and Dean Michael Maynard, showcased their work in *Character, Leadership, Excellence: Varsity Sports at Seneca*. The book tells the stories of outstanding student athletes throughout Seneca's history.

**Success at the *Applied Arts* design competition**

Seven students from the Photography, Illustration and Graphic Design programs won awards at the *Applied Arts* Student Awards program. Hosted by Canada's premier magazine of visual communications, this annual competition showcases the finest in students' creative work across various media.

**Students tops at provincial marketing competition**

A team of 20 Marketing students, led by professors Scott Campbell and Theresa Seto, placed first in the Ontario Colleges' Marketing Competition. This win marks the first time Seneca has placed first overall at the annual competition since 2006.

**Fashion grad stitched winning dress**

Alumna Laurie Brown won \$10,000 after impressing judges with her floral-inspired couture-level creation on the Canadian fashion reality TV show STICHERD. The Fashion Arts graduate has solidified her self-labelled design studio and has become a driving force behind Saskatoon's growing fashion industry.

**Student exhibit premieres at Nuit Blanche**

An exhibition featuring work from 60 students and faculty premiered at Nuit. "Precipice: Seneca's Ultimate Remix" marked one of the biggest cross-disciplinary showcases in Seneca's history. The exhibition boasted 28 new works including photography, painting, sculpture, projection mapping, animation, music remixes, live performance, virtual reality and documentary film.

**Marketing students win big at advertising competition**

Creative Advertising students Laura Guerrero, Lissette Santana and Selina Testani presented a campaign pitch at the 2019 Ad Summit competition at the University of Toronto Mississauga. With the support of Professor Anthony Kalamut, they took the first-place title winning a \$5,000 scholarship to the Miami Ad School and \$500 cash.

## Preparing Seneca graduates to be engaged citizens, who participate and are leaders in their communities

Our strategic planning consultations underscored the importance of equipping our students with a broad set of skills and experiences to be successful. Whether it was employers describing the ideal graduate, or faculty emphasizing the importance of ethics, professionalism and the core literacies, the words of our founding president Dr. William T. Newnham ring as true today as they were in our founding year: “The Seneca graduate will make an informed and perceptive citizen.”

### Objective 4

Provide opportunities to develop professionalism, confidence and character

- Broaden the opportunities for students to develop leadership skills
- Expand international and volunteer learning opportunities for students and employees

### 2018-19 Initiatives

#### **Expand international student exchange agreements**

- New agreements have led to more student exchanges and additional summer exchange program options.

#### **Launch a mentorship program with the School of Leadership and Human Resources, offering opportunities for engagement with students**

- A new mentorship program connecting students with alumni mentors engaged 58 students with mentors from various sectors.

### **Increase student participation in the Alumni Sponsorship Program and applications to the Student Experience Fund**

- Increased student participation in the Alumni Sponsorship Program to more than 2,500 students
- Supported 15 applications to the Student Experience Fund.

### **2018-19 In Review**

#### **National recognition for student leadership**

Gagandeep Singh Sidhu, Accounting and Finance graduate and former governor on Seneca's Board, was a recipient of the Colleges and Institutes Canada (CICan) Leadership Excellence for Students award. Gagandeep has demonstrated ongoing commitment to supporting his community. At Seneca, he has been an orientation leader, SMILE mentor and peer tutor.

#### **Alumnus receives Premier's Award**

Neil Hetherington was the recipient of the 2018 Premier's Award for Business. Neil was recognized for a lifetime of leadership in the non-profit sector. He is the CEO of the Daily Bread Food Bank and previously served as the CEO of Habitat for Humanity Toronto and New York City, as well as Dixon Hall Neighbourhood Services.

#### **Grads elected to public office**

Broadcasting – Radio and Television grad Donna Skelly was elected MPP, Flamborough-Glanbrook in the provincial election. And several Seneca graduates ran in various municipal elections. Those elected include Lisa-Marie Wilson, Simcoe County District School Board; Dino Giuliani, York Catholic District School Board; and Christopher Mammoliti, Toronto District School Board.

## **Objective 5**

Reflect in all we do a deep respect for the diversity of our community and each other

- Embrace an inclusive and supportive environment for students and employees
- Ensure our curriculum, academic community, and language reflect diverse ways of thinking and being



## 2018-19 Initiatives

### **Develop an Indigenous education plan that integrates curriculum, services and the Truth and Reconciliation Commission of Canada recommendations affecting postsecondary education**

- The Indigenous Education Council oversaw various activities, which will help to shape the formal Indigenous Education plan. Seneca with guidance from the Council launched a professional development course for faculty and led the infusion of Indigenous knowledge and issues into the core curricula of School of Early Childhood Education, School of English and Liberal Studies and School of Community Services programs.
- Seneca's award-winning Indigenous centre, Odeyto, opened at Newnham Campus, providing a new home for the services and activities conducted by First Peoples@Seneca.

### **Create a comprehensive student mental health strategy with consultation from across the Seneca community**

- Many activities took place in support of student mental health while next steps were identified to creating a formal student mental health strategy. This will include various health and wellness campaigns and programs, mental health training for employees and supports for cognitive behavioural therapy.

## 2018-19 In Review

### **New Indigenous centre opens**

Odeyto, the new home for First Peoples@Seneca, opened with an awakening ceremony. Odeyto, which means the good journey in Anishinaabe, was made possible through a contribution from the provincial government to mark the college system's 50<sup>th</sup> anniversary. Odeyto offers more than 1,800 square feet of space with tall, wooden, rib-like arches, and includes offices, a computer lab and kitchen. It was named one of the 10 best Canadian architecture projects of 2018 by Azure Magazine.

### **Peter Gilgan invests in youth project**

Founder and CEO of Mattamy Homes Peter Gilgan donated \$30,000 to Seneca's Youth to Postsecondary Education program (Y2P) at Yorkgate Campus. The program provides participants with a clear path towards postsecondary education and better career prospects with a focus on math, English, time management, goal setting and interpersonal communication.

### **Shining a light on mental health with RBC**

Seneca and the Royal Bank of Canada (RBC) hosted the second biennial RBC Mental Health Symposium at King Campus. More than 200 guests gathered to discuss best practices and research on mental health care, with a focus on Indigenous ways of healing. Speakers included Cynthia Wesley-Esquimaux, chair on Truth and Reconciliation at Lakehead University, and Elder Blu Waters from First Peoples@Seneca.

### **\$163,000 raised for the United Way**

The 2018 United Way Campaign raised more than \$163,000 thanks to the participation of hundreds of students, faculty and staff. The top donor to the campaign was the Seneca Student Federation (SSF) who contributed \$15,000. The funds raised will benefit community organizations and provide resources for those in less fortunate neighbourhoods across the Greater Toronto Area.

## **Leadership in postsecondary education that benefits our students, our employees, our communities and our partners**

At Seneca, we believe in collaboration. Even in a highly competitive higher education market, we are proud to be the leader in transfer agreements and pathways with colleges and universities because they help students achieve their goals, whether locally or abroad. Partnerships with employers are important to creating expanded experiential learning opportunities and developing applied research projects, equally benefitting the communities we serve. Collaboration with our students is vital to understanding how we can enhance the learning and campus community experience. And, it is the collaboration among our employees, within departments and across the institution, that creates the respectful teaching and learning environment that enables us to achieve our shared goal of supporting our students' success.

All of this rests on a solid financial base where our approach to enrolment and revenue growth create opportunities to invest in our people, services and facilities. That is how we lead—by working with others, by bringing true value to our partnerships—both inside and outside of Seneca—and by always continuing to improve what we do.

## Objective 6

Lead in credit transfer and pathway options to, from and within Seneca

- Play a leadership role in the evolution of the system by creating a network to improve student mobility
- Expand partnerships, articulation agreements and pathways with colleges and universities in Canada and abroad

### 2018-19 Initiatives

**Establish new student pathway opportunities, with a focus on college-to-college partnerships as part of the Seneca student mobility model**

- New pathway agreements are now in effect with Athabasca University, University of South Wales, University of Toronto, Manchester Metropolitan University, Niagara University, George Washington University, Dalhousie University and York University
- A diploma-to-degree pathway with Cambrian College was finalized and an innovative diploma program was developed in collaboration with Lambton and Cambrian colleges, while four synchronous courses were offered in collaboration with Canadore College.

**Launch a student mobility research project in collaboration with Ryerson and York universities**

- Project analysis is underway, with the final report scheduled for submission to the Ontario Council on Articulation and Transfer in early 2019-20.

### 2018-19 In Review

**New Humber-Seneca Polytechnic Partnership announced**

Humber and Seneca established the Humber-Seneca Polytechnic Partnership (HSPP) to promote cooperation and collaboration between the two institutions. This first-of-its-kind initiative expands learning opportunities as students begin, continue or complete their postsecondary education at either institution.

**Academic pathway awards**

Henry Decock, Associate Vice-President, Academic Partnerships, received the Leadership award at the inaugural 2019 Transfer Awards of Excellence from the government-funded Ontario Council on Articulation and Transfer. Henry was honoured for the significant contributions he has made throughout his career toward building a

culture of mobility and transfer in Ontario's postsecondary system. Seneca's Centre for Research in Student Mobility was awarded the Research Excellence award.

### **New routes to Niagara University**

Seneca and Niagara University established a new partnership, with a focus on developing pathways for Seneca degree students to Niagara's graduate programs. Collaborations include pathways for Seneca graduates into undergraduate and graduate studies at Niagara and professional development opportunities for Seneca employees.

### **Opportunities for PR students at Boston University**

Seneca and the College of Communication at Boston University (BU) finalized an agreement for Public Relations - Corporate Communications (PRC) students to receive advanced standing in BU's Master of Science Public Relations program. The agreement marks the fourth American university to give advanced standing to alumni of Seneca's PRC graduate certificate program.

### **New partnership in the Philippines**

Seneca and De La Salle-College of Saint Benilde signed a memorandum of understanding in Manila, Philippines. This is the first academic partnership for each institution in the partnering country.

## **Objective 7**

Build and strengthen student-centered partnerships with employers, communities, academic institutions and people

- Increase the participation of industry in applied research and entrepreneurial activities
- Expand international partnerships to increase opportunities for both students and employees

### **2018-19 Initiatives**

**Increase the number of ventures accelerated through HELIX and host the second edition of the HELIX Summer Institute**

- Sixty-six ventures entered the acceleration strand of the HELIX program – an increase of 16 from 2017-18
- The second edition of the HELIX Summer Institute took place with 36 participants.

### **Establish a Seneca presence at ventureLAB, the Regional Innovation Centre for Markham/York Region**

- Seneca's presence at ventureLAB includes Applied Research, Innovation and Entrepreneurship administration and HELIX ventures (four ventures per semester).

### **Strategically expand international education consultancy activities in new and existing markets and continue diversification of recruitment activities**

- Five new contracts were established in China, Colombia, Indonesia and India and recruitment was expanded into three new markets, resulting in exceeded international enrolment targets for each term.

### **Expand corporate training offerings and partners**

- Seneca developed new partnerships with Sanofi Pasteur, Macklin House Daycare Center Inc., IBM, Avid Authorized Training Partner, Toronto District School Board, York Region District School Board and York Catholic District School Board. Seneca also renewed its training partnership with Huawei.

## **2018-19 In Review**

### **MPPs visit Seneca**

After the 2018 provincial election, Seneca welcomed various MPPs to campus including: Merilee Fullerton, Minister, Training Colleges and Universities; Caroline Mulroney, Attorney General and Minister of Francophone Affairs; Michael Tibollo, Minister of Tourism, Culture and Sport; Stan Cho, MPP, Willowdale; Vincent Ke, MPP, Don Valley North; Stephen Lecce, MPP, King-Vaughan; Billy Pang, MPP, Markham-Unionville; and Michael Parsa, MPP, Aurora-Oak Ridges-Richmond Hill.

### **Attorney General speaks at Career Preparation Day**

The Hon. Caroline Mulroney, Ontario's Attorney General and Minister of Francophone Affairs, visited Newnham Campus to participate in the School of Legal, Public and Office Administration's Career Preparation Day. She spoke to students about the changes she is making to improve Ontario's legal system.

### **Celebrating CITE**

In February 2019, Seneca hosted MPs Jane Philpott (Markham-Stouffville) and Geng Tan (Don Valley North) and Don Valley North MPP Vincent Ke at the Centre for Innovation, Technology and Entrepreneurship (CITE). The event celebrated CITE as one of the infrastructure projects supported by the federal government's Postsecondary Institutions Strategic Investment Fund. Seneca received an investment of \$24 million through the fund – the largest investment in an Ontario college.

### **HELIX receives \$1-million grant**

Seneca's on-campus business incubator HELIX received a \$1-million grant as part of the inaugural TD Ready Challenge. Seneca was one of 10 grant recipients from across North America and the only postsecondary institution from the Greater Toronto Area to be included. This grant will support the TD-HELIX Transformation Initiative, providing entrepreneurial skills to mid-career professionals.

### **Partnering with global robots leader**

Seneca and KUKA Robotics signed a Memorandum of Understanding, which identifies a number of areas for collaboration, including access for Seneca students and faculty to state-of-the-art robotic equipment and training and learning opportunities. As part of the partnership, a robotics lab featuring Kuka products will open in the Centre for Innovation, Technology and Entrepreneurship at Newnham Campus.

### **Strengthening ties with Indonesia**

A Memorandum of understanding (MOU) was signed between Seneca and the Indonesian Ministry of Research, Technology and Higher Education during a visit by Minister Mohammad Nasir. Following the MOU signing, the Minister's delegation toured Newnham and King campuses and attended a presentation by Dr. Tom Murad, Country Lead, Engineering, Technology and Academic Relations, Siemens Canada.

### **Vivienne Poy exhibit at The Boutique**

The Fashion Resource Centre celebrated Fashion Arts alumna the Hon. Dr. Vivienne Poy through an exhibition called *Vivienne Poy: A Legacy of Fashion, Politics and Philanthropy*. Credited in *The Globe and Mail's* Style Happenings column, the exhibition showcased the retired Canadian senator's original couture knitwear.

### **Professional development in India**

As part of President David Agnew's trip to India, Seneca extended its memorandum of understanding with the National Institute of Financial Management, a leader in training Indian civil servants, for a five-year term.

President Agnew also signed a new agreement with Pandit Deendayal Petroleum University. This partnership will provide Seneca employees with invaluable international experiences.

### **Minister Hussen announces Student Direct Stream**

The Hon. Ahmed Hussen, Minister of Immigration, Refugees and Citizenship, and the Hon. Mary Ng, Minister of Small Business and Export Promotion, visited Markham Campus to announce the Student Direct Stream (SDS). The SDS streamlines the

application process for students applying from China, India, Vietnam and the Philippines to increase the number of international students studying in Canada.

### **Thomas Carrique named OPP commissioner**

Former Seneca Board member Thomas Carrique was named the commissioner of the Ontario Provincial Police. Most recently, he was the Deputy Chief for York Regional Police, where he spent his entire career spanning nearly three decades. The Commissioner also served as a program adviser for the Crime and Intelligence Analysis honours bachelor degree program and Police Foundations diploma program.

## **Objective 8**

Provide our employees an outstanding place to learn and work

- Enhance opportunities for cross-department collaboration, communication and innovation
- Increase learning and development options for employees

### **2018-19 Initiatives**

#### **Conduct an Employee Pulse Survey and make recommendations to address identified areas for improvement**

- The survey, focusing primarily on internal communications, took place with record participation, and the results provided information that will be used to address identified areas for improvement.

#### **Develop strategies to address new HR legislation compliance**

- A project team implemented process and system changes to ensure compliance with the *Employee Standards Act*, specifically the legal obligations arising from bills 148 and 47.

#### **Launch Chair Leadership Development program**

- The Seneca Leader program is now available for all managers and includes specialized content and resources for academic chairs.

#### **Complete the Seneca-wide policy review and launch a forward-facing online database**

- The Seneca-wide policy hub is live, with new policy development and current policy reviews ongoing.

## 2018-19 In Review

### **CityNews and CTV highlight King and Newnham campuses**

Graduate Stella Acquisto, weather specialist and journalist with CityNews, paid her alma mater a special visit, broadcasting four live segments on Breakfast Television from inside Magna Hall. Seneca also hosted Anwar Knight from CTV News at Newnham Campus during Fire Prevention Week.

### **A decade as a GTA Top Employer**

Seneca was once again named one of Greater Toronto's Top Employers. This marks 10 years of Seneca earning a spot in the annual competition, which has become a benchmark for best practices in the workplace.

### **50<sup>th</sup> anniversary celebrations honour Bill Davis**

Former Premier William G. Davis was honoured at Newnham Campus as part of Seneca's 50<sup>th</sup> anniversary celebration. Mr. Davis received several tributes including the Order of Seneca, a street adjacent to the Newnham Campus named after him and a Seneca 50<sup>th</sup> anniversary plane with a call sign representing his initials. As minister of education during the 1960s, he led the creation of Ontario's college system – what Mr. Davis says is his crowning achievement in government.

### **Public Affairs Association of Canada recognizes President Agnew**

President David Agnew was recognized for his contributions to public affairs with the 2018 Award of Distinction from the Public Affairs Association of Canada (PAAC). Special reference was made to his support of Seneca's unique Government Relations graduate certificate program, which is endorsed by the PAAC and the Government Relations Institute of Canada.

### **#SenecaProud podcast launches**

Seneca launched a podcast dedicated to telling the stories of the many members of the Seneca community. Created and hosted by Seneca Business Professor Pat Perdue, the first season of #SenecaProud featured one-on-one interviews with professors from a variety of academic programs and industry backgrounds.



## Objective 9

Maintain a solid and sustainable financial foundation for the future

- Smart growth in enrolment, revenues and assets
- Increasing self-sufficiency in capital projects

### 2018-19 Initiatives

**Complete construction of Magna Hall at King Campus and the Centre for Innovation, Technology and Entrepreneurship (CITE) at Newnham Campus, renovations to the residences at Newnham and King campuses, and the first phase of renovations to Garriock Hall**

- Magna Hall opened on time and on schedule. At CITE, floors two and three were opened with construction of floors one, four and five on track
- Renovations to residence rooms and corridors at Newnham and King campuses took place, including surveillance improvements,
- The first phase of renovations to the Garriock Hall at King Campus was completed, including updates to classrooms and labs, enlarging the Test Centre, opening a new computer commons and creating additional cafeteria seating.

**Launch Seneca's redesigned website**

- The redesigned public-facing Seneca's website launched, based on the work of students and graduates. The new website focuses on recruitment and student-centred news and information.

**Increase donations through major gifts, affinity and annual fundraising appeals in support of student financial aid, capital and programming**

- Seneca raised \$5.8M in donations and revenue in the fiscal year that will go to support students through financial aid and capital projects.

**Complete implementation of a customer relationship management (CRM) system for recruitment initiatives**

- With the integration of recruitment and CRM systems, Seneca has developed new ways of reaching applicants.

## 2018-19 In Review

### **Grand opening of Magna Hall**

Magna Hall, a 200,000-square-foot academic and athletic building, officially opened at King Campus. It features 25 classrooms, specialty labs, a new library, student centre with multi-purpose athletic space and the capacity to welcome 1,450 more students annually. Ontario Minister of Training, Colleges and Universities Merrilee Fullerton spoke at the event.

### **Provincial investment in geothermal technology**

Seneca received a \$4.7-million investment from the Government of Ontario's Innovation Grant Fund to support a geothermal retrofit at King Campus. Part of the Greenhouse Gas Campus Retrofits Program, the retrofit will reduce greenhouse gas emissions at Garriock Hall by more than 50 per cent, decrease dependence on natural gas and increase the efficiency of the heating and cooling systems.

### **Campaign for Students exceeds fundraising goal**

The 2019 Campaign for Students surpassed its fundraising goal of \$130,000, with a record-breaking grand total of \$311,345. Thanks to employee donations, fundraising events and a special donation from the Seneca Student Federation, the number of students benefiting from the campaign endowed bursary increased from 77 to more than 90.

### **Advocating for sustainable fashion**

Seneca's School of Fashion became a member of the Sustainable Development Solutions Network Canada, a global network of postsecondary institutions. In celebration of this membership, the school hosted a three-day series of events at Newnham Campus that focused on responsible consumption and production and highlighted the United Nations' Sustainable Development Goals. Ontario's Lieutenant Governor Elizabeth Dowdeswell opened an exhibition showcasing student, alumni and faculty works.

### **Magna Hall nominated for Green Building award**

Magna Hall was named a finalist in the New Construction category of the 2018 Ontario Green Building Excellence and Leadership Awards. The 200,000-square-foot space at King Campus was recognized for achieving Leadership in Energy and Environmental Design Gold standards.

## Enterprise Risk Management

Under Seneca's Enterprise Risk Management (ERM) Framework, strategic risks were identified to our operations through environmental scans and our integrated planning processes. For each risk identified, mitigation strategies were developed and implemented, as required.

## Financial Sustainability

Seneca ended the 2018-19 fiscal year with net income of \$22.9 million, \$14.5 million higher than budgeted, reflecting the impact of increased international enrolment and expense management. Our positive financial position supports Seneca's capital projects, including the Centre for Information, Technology and Entrepreneurship, Magna Hall and Seneca2020.

## Board of Governors

David Agnew, Seneca President

Fareed Amin

Janet Beed, Chair

Doug Brooks

Chris Bullen

Ahmed Chakera (Support Staff Representative)

Michael Chan

Shafiq Ebrahim

John Honderich

Warren Jestin

Mani Sarna (Student Representative)

Mark Solomon (Administrative Staff Representative)

Ashif Somani, Vice-Chair

Belinda Tang, Vice-Chair

Vince Timpano

Rashpal Uppal-Assi (Faculty Representative)

## Summary of Advertising and Marketing Complaints

For the period of April 1, 2018 to March 31, 2019, no complaints were received regarding Seneca's advertising and marketing activities.

| <b>Nature of Complaint</b> | <b>Date Received</b> | <b>How resolved/addressed</b> | <b>Date resolution communicated to student</b> | <b>Number of working days to resolve</b> |
|----------------------------|----------------------|-------------------------------|------------------------------------------------|------------------------------------------|
| N/A                        | N/A                  | N/A                           | N/A                                            | N/A                                      |

Consolidated Financial Statements of

**SENECA COLLEGE OF APPLIED  
ARTS AND TECHNOLOGY**

And Independent Auditors' Report thereon

Year ended March 31, 2019



KPMG LLP  
Vaughan Metropolitan Centre  
100 New Park Place, Suite 1400  
Vaughan ON L4K 0J3  
Canada  
Tel 905-265-5900  
Fax 905-265-6390

## INDEPENDENT AUDITORS' REPORT

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

### ***Opinion***

We have audited the consolidated financial statements of Seneca College of Applied Arts and Technology (the Entity), which comprise:

- the consolidated statement of financial position as at March 31, 2019
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of remeasurement gains and losses for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2019, and its consolidated results of operations, its consolidated remeasurement gains and losses and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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



### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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.





Page 3

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

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Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

June 13, 2019

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

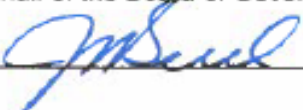
## Consolidated Statement of Financial Position


March 31, 2019, with comparative information for 2018

|                                                            | 2019                  | 2018                  |
|------------------------------------------------------------|-----------------------|-----------------------|
| <b>Assets</b>                                              |                       |                       |
| Current assets:                                            |                       |                       |
| Cash                                                       | \$ 48,055,018         | \$ 49,043,970         |
| Short-term investments (note 12)                           | 43,358,302            | 35,905,131            |
| Grants receivable                                          | 3,258,088             | 806,445               |
| Accounts receivable (notes 2 and 13)                       | 8,967,829             | 14,217,240            |
| Prepaid expenses                                           | 7,881,967             | 8,017,033             |
|                                                            | <u>111,521,204</u>    | <u>107,989,819</u>    |
| Long-term receivable (note 2)                              | 9,947,792             | -                     |
| Long-term investments (note 12)                            | 19,010,235            | 39,553,423            |
| Restricted cash and investments (note 9)                   | 29,743,579            | 26,337,734            |
| Capital assets (note 3)                                    | 508,387,069           | 447,683,561           |
|                                                            | <u>\$ 678,609,879</u> | <u>\$ 621,564,537</u> |
| <b>Liabilities, Deferred Contributions and Net Assets</b>  |                       |                       |
| Current liabilities:                                       |                       |                       |
| Accounts payable and accrued liabilities (note 3)          | \$ 52,703,389         | \$ 119,348,719        |
| Current portion of long-term debt (note 4)                 | 4,354,814             | 4,077,308             |
| Due to student associations (note 5)                       | 12,620,837            | 13,442,441            |
| Deferred revenue                                           | 85,348,542            | 60,435,100            |
| Employee vacation accrual                                  | 15,434,007            | 14,581,410            |
|                                                            | <u>170,461,589</u>    | <u>211,884,978</u>    |
| Long-term debt (note 4)                                    | 30,705,561            | 35,060,375            |
| Deferred derivative liability (note 12)                    | 3,499,337             | 3,536,045             |
| Post-employment benefits and compensated absences (note 8) | 11,359,661            | 11,568,000            |
|                                                            | <u>45,564,559</u>     | <u>50,164,420</u>     |
| Deferred contributions (note 6)                            | 9,183,498             | 7,854,341             |
| Deferred contributions for capital assets (notes 3 and 7)  | 197,029,927           | 120,174,319           |
|                                                            | <u>206,213,425</u>    | <u>128,028,660</u>    |
| Net assets:                                                |                       |                       |
| Unrestricted:                                              |                       |                       |
| Operating                                                  | (12,932,252)          | (48,542,656)          |
| Post-employment benefits and compensation absences         | (11,359,661)          | (11,568,000)          |
| Vacation pay                                               | (15,434,007)          | (14,581,410)          |
|                                                            | <u>(39,725,920)</u>   | <u>(74,692,066)</u>   |
| Investment in capital assets (note 10(a))                  | 276,296,767           | 288,371,559           |
| Externally restricted - endowments (note 9)                | 23,298,796            | 21,343,031            |
|                                                            | <u>259,869,643</u>    | <u>235,022,524</u>    |
| Accumulated rereasurement losses                           | (3,499,337)           | (3,536,045)           |
|                                                            | <u>256,370,306</u>    | <u>231,486,479</u>    |
| Commitments and contingent liabilities (note 11)           |                       |                       |
|                                                            | <u>\$ 678,609,879</u> | <u>\$ 621,564,537</u> |

See accompanying notes to consolidated financial statements.

On behalf of the Board of Governors:

 Chair

 President

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Operations

Year ended March 31, 2019, with comparative information for 2018

|                                                                       | 2019                 | 2018                 |
|-----------------------------------------------------------------------|----------------------|----------------------|
| <b>Revenue:</b>                                                       |                      |                      |
| Government operating grants                                           | \$ 124,668,940       | \$ 127,602,037       |
| Tuition and related fees                                              | 249,438,148          | 203,716,773          |
| Ancillary                                                             | 28,747,918           | 20,240,689           |
| Amortization of deferred contributions<br>for capital assets (note 7) | 9,424,428            | 7,763,133            |
| Deferred contributions recognized                                     | 1,762,775            | 1,141,106            |
| Student and alumni associations                                       | 2,577,107            | 2,397,163            |
| Other                                                                 | 36,456,929           | 34,616,590           |
|                                                                       | <u>453,076,245</u>   | <u>397,477,491</u>   |
| <b>Expenses:</b>                                                      |                      |                      |
| Salaries and benefits                                                 | 252,868,461          | 224,435,950          |
| Operating (note 4)                                                    | 89,961,536           | 83,988,670           |
| Plant and property maintenance                                        | 17,773,684           | 14,812,716           |
| Bursaries and scholarships                                            | 13,384,233           | 11,656,591           |
| Ancillary                                                             | 19,658,099           | 11,731,262           |
| Amortization of capital assets                                        | 36,538,878           | 32,736,681           |
|                                                                       | <u>430,184,891</u>   | <u>379,361,870</u>   |
| <b>Excess of revenue over expenses</b>                                | <u>\$ 22,891,354</u> | <u>\$ 18,115,621</u> |

See accompanying notes to consolidated financial statements.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Changes in Net Assets

Year ended March 31, 2019, with comparative information for 2018

| 2019                                                    | Endowments    | Investment in capital assets | Unrestricted    | Total          |
|---------------------------------------------------------|---------------|------------------------------|-----------------|----------------|
| Net assets (deficiency), beginning of year              | \$ 21,343,031 | \$ 288,371,559               | \$ (74,692,066) | \$ 235,022,524 |
| Excess (deficiency) of revenue over expenses            | –             | (27,114,450)                 | 50,005,804      | 22,891,354     |
| Endowment contributions                                 | 1,955,765     | –                            | –               | 1,955,765      |
| Net change in investment in capital assets (note 10(b)) | –             | 15,039,658                   | (15,039,658)    | –              |
| Net assets (deficiency), end of year                    | \$ 23,298,796 | \$ 276,296,767               | \$ (39,725,920) | \$ 259,869,643 |

| 2018                                                    | Endowments    | Investment in capital assets | Unrestricted    | Total          |
|---------------------------------------------------------|---------------|------------------------------|-----------------|----------------|
| Net assets (deficiency), beginning of year              | \$ 20,240,505 | \$ 202,391,571               | \$ (6,827,699)  | \$ 215,804,377 |
| Excess (deficiency) of revenue over expenses            | –             | (24,818,964)                 | 42,934,585      | 18,115,621     |
| Endowment contributions                                 | 1,102,526     | –                            | –               | 1,102,526      |
| Net change in investment in capital assets (note 10(b)) | –             | 110,798,952                  | (110,798,952)   | –              |
| Net assets (deficiency), end of year                    | \$ 21,343,031 | \$ 288,371,559               | \$ (74,692,066) | \$ 235,022,524 |

See accompanying notes to consolidated financial statements.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Remeasurement Gains and Losses

Year ended March 31, 2019, with comparative information for 2018

|                                                        | 2019           | 2018           |
|--------------------------------------------------------|----------------|----------------|
| Accumulated remeasurement losses,<br>beginning of year | \$ (3,536,045) | \$ (5,052,271) |
| Unrealized gain on derivative liability                | 36,708         | 1,516,226      |
| Accumulated remeasurement losses,<br>end of year       | \$ (3,499,337) | \$ (3,536,045) |

See accompanying notes to consolidated financial statements.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

## Consolidated Statement of Cash Flows

Year ended March 31, 2019, with comparative information for 2018

|                                                                                                      | 2019                 | 2018                 |
|------------------------------------------------------------------------------------------------------|----------------------|----------------------|
| Cash provided by (used in):                                                                          |                      |                      |
| Operating activities:                                                                                |                      |                      |
| Excess of revenue over expenses                                                                      | \$ 22,891,354        | \$ 18,115,621        |
| Items not involving cash:                                                                            |                      |                      |
| Amortization of capital assets                                                                       | 36,538,878           | 32,736,681           |
| Gain on disposal of capital assets                                                                   | -                    | (154,584)            |
| Amortization of deferred contributions for capital assets                                            | (9,424,428)          | (7,763,133)          |
| Post-employment benefits and compensated absences                                                    | 167,927              | (230,058)            |
|                                                                                                      | <u>50,173,731</u>    | <u>42,704,527</u>    |
| Decrease in post-employment benefits and compensated absences                                        | (376,266)            | (319,942)            |
| Change in non-cash operating working capital:                                                        |                      |                      |
| Increase in grants receivable                                                                        | (2,451,643)          | (142,435)            |
| Decrease in accounts receivable                                                                      | 5,249,411            | 2,532,872            |
| Decrease (increase) in prepaid expenses                                                              | 135,066              | (2,123,332)          |
| Increase (decrease) in accounts payable and accrued liabilities                                      | (66,645,330)         | 7,622,610            |
| Decrease in due to student associations                                                              | (821,604)            | (2,986,319)          |
| Increase in deferred revenue                                                                         | 24,913,442           | 11,732,426           |
| Increase in employee vacation accrual                                                                | 852,597              | 2,009,905            |
|                                                                                                      | <u>11,029,404</u>    | <u>61,030,312</u>    |
| Capital activities:                                                                                  |                      |                      |
| Contributions received/committed for capital assets                                                  | 86,280,036           | 21,522,656           |
| Purchase of capital assets                                                                           | (97,242,386)         | (71,083,556)         |
| Proceeds on disposal of capital assets                                                               | -                    | 154,584              |
|                                                                                                      | <u>(10,962,350)</u>  | <u>(49,406,316)</u>  |
| Financing activities:                                                                                |                      |                      |
| Increase in long-term receivable                                                                     | (9,947,792)          | -                    |
| Increase (decrease) in deferred contributions                                                        | 1,329,157            | (1,119,650)          |
| Principal payments of long-term debt                                                                 | (4,077,308)          | (3,819,816)          |
| Endowment contributions                                                                              | 1,955,765            | 1,102,526            |
|                                                                                                      | <u>(10,740,178)</u>  | <u>(3,836,940)</u>   |
| Investing activities:                                                                                |                      |                      |
| Net purchase of investments                                                                          | (1,211,466)          | (11,009,373)         |
| Redemption of long-term investments                                                                  | 14,301,483           | -                    |
| Increase in restricted cash and investments                                                          | (3,405,845)          | (1,014,727)          |
|                                                                                                      | <u>9,684,172</u>     | <u>(12,024,100)</u>  |
| Decrease in cash                                                                                     | (988,952)            | (4,237,044)          |
| Cash, beginning of year                                                                              | 49,043,970           | 53,281,014           |
| Cash, end of year                                                                                    | <u>\$ 48,055,018</u> | <u>\$ 49,043,970</u> |
| Supplemental cash flow information:                                                                  |                      |                      |
| Interest paid on long-term debt                                                                      | \$ 2,402,436         | \$ 2,659,255         |
| Non-cash transactions:                                                                               |                      |                      |
| King Campus construction costs financed through accounts payable and accrued liabilities (note 3(b)) | -                    | (66,670,350)         |

See accompanying notes to consolidated financial statements.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements

Year ended March 31, 2019

---

Seneca College of Applied Arts and Technology (the "College") was incorporated as a college in 1966 under legislation of the Province of Ontario. The College is a registered charity and, therefore, exempt from payment of income tax under Section 149 of the Income Tax Act (Canada).

The mission of the College is to contribute to the Canadian society by being a leader in providing students with career-related education and training.

## 1. Significant accounting policies:

### (a) Basis of accounting:

These consolidated financial statements are the representation of management and have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 Series of Standards, as issued by the Public Sector Accounting Board.

These consolidated financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of operations and organizations controlled by the College. As such, the consolidated financial statements include academic, administrative and other operating expenses that are funded by a combination of tuition and other fees, grants (federal, provincial and municipal), revenue from ancillary operations, and restricted purpose endowment funds.

### (b) Subsidiary:

These consolidated financial statements reflect the assets, liabilities, revenue and expenses of the College and its wholly owned subsidiary, Seneca Corporation. All inter-organizational balances and transactions are eliminated on consolidation.

### (c) Revenue recognition:

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

All revenue relating to tuition and other services provided by the College, as well as revenue from ancillary operations and donations, are reflected in the consolidated statement of operations.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

---

## 1. Significant accounting policies (continued):

Operating grants are recorded as revenue in the year in which they relate. Grants earned but not received at the end of a year are accrued. Where a portion of a grant relates to a future year, it is deferred and recognized in the subsequent year when the related services are provided.

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

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

Restricted investment income that must be maintained as an endowment is credited to deferred contributions until the related expense is incurred. Unrestricted investment income is recognized as revenue when earned.

Tuition fees received in advance are recorded as deferred revenue and recognized as revenue when earned through the provision of service.

### (d) Vacation accrual:

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

### (e) Derivative financial instrument:

A derivative financial instrument is utilized by the College in the economic management of its interest rate exposure. The College does not enter into derivative financial instruments for trading or speculative purposes. The College uses an interest rate swap agreement to economically manage the floating interest rate of a portion of the debt portfolio and the related overall cost of borrowing.



# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 1. Significant accounting policies (continued):

### (f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and subsequently recorded at fair value or amortized cost.

The College classifies its financial instruments as either fair value or amortized cost. The College's accounting policy for each category is as follows:

### (i) Fair value:

This category includes derivatives and equity instruments quoted in an active market. The College has elected to carry externally restricted endowment investments, consisting of restricted cash and investments that would otherwise be classified into the amortized cost category at fair value as the College reports performance on a fair value basis.

Unrealized changes in fair value associated with unrestricted investments carried at 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 of a financial asset in a fair value category that is externally restricted are recorded in deferred contributions.

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

Where a decline in the 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 financial position for restricted investments and the consolidated statement of operations for unrestricted investments.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 1. Significant accounting policies (continued):

### (ii) Amortized cost:

This category includes grants receivable, accounts receivable, short-term investments, long-term receivable, long-term investments, accounts payable and accrued liabilities, employee vacation accrual, due to student associations and long-term debt. They are initially recognized at cost and subsequently carried at amortized cost using the effective interest rate method, less any impairment losses on financial assets.

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

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

### (g) Capital assets:

Capital assets are stated at cost with the exception of donated assets, which are recorded at their fair market value at the date of the receipt where fair market value is reasonably determinable; otherwise, they are recorded at a nominal amount. The College amortizes the cost of capital assets on a straight-line basis over the estimated useful lives of the assets as follows:

---

|                        |              |
|------------------------|--------------|
| Land improvements      | 10 years     |
| Buildings              | 40 years     |
| Leasehold improvements | Lease term   |
| Furniture              | 5 years      |
| Equipment              | 5 - 10 years |
| Computer equipment     | 3 - 5 years  |

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# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 1. Significant accounting policies (continued):

Construction in progress relates to the ongoing campus expansion and the technology upgrade project. Upon completion, the College will start amortizing such costs in accordance with defined useful life criteria.

When a capital asset no longer contributes to the College's ability to provide services, its carrying amount is written down to its residual value.

### (h) Student organizations:

These consolidated financial statements do not include the assets, liabilities or results of operations of the Seneca Student Federation, as this legal entity is not controlled by the College.

### (i) 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, life insurance benefits, vesting sick leave, non-vesting sick leave, short-term disability and maternity leave. The College has adopted the following policies with respect to accounting for these employee benefits:

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

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

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 1. Significant accounting policies (continued):

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

(iv) The cost of short-term disability and maternity leave is determined using management's best estimate of the length of the compensated absences.

(j) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of revenue and expenses during the year, in addition to the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements. The most significant items subject to management's estimation are the fair value of deferred derivative liability, allowance for doubtful accounts, useful lives of capital assets, accrued liabilities and post-employment benefits and compensated absences. Actual results could differ from those estimates.

## 2. Long-term receivable:

Long-term receivable held by the College consists of the following:

---

|                       |                          |
|-----------------------|--------------------------|
| Long- term receivable | \$ 11,182,078            |
| Less: current portion | 1,234,286                |
|                       | <hr/> \$ 9,947,792 <hr/> |

The College entered into agreements with student bodies and other donors who contributed \$23,200,000 to the funding of the Seneca King Campus Expansion project. As at March 31, 2019, \$11,182,078 (2018 - nil) remains outstanding on these commitments, of which \$1,234,286 is included in accounts receivable.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

### 3. Capital assets:

(a) Capital assets:

| 2019                     | Cost                  | Accumulated amortization | Net book value        |
|--------------------------|-----------------------|--------------------------|-----------------------|
| Land                     | \$ 14,533,980         | \$ —                     | \$ 14,533,980         |
| Land improvements        | 132,651,333           | 67,197,155               | 65,454,178            |
| Buildings                | 463,059,393           | 130,639,640              | 332,419,753           |
| Leasehold improvements   | 24,894,744            | 15,901,581               | 8,993,163             |
| Furniture                | 27,168,221            | 19,434,218               | 7,734,003             |
| Equipment                | 169,082,149           | 97,257,132               | 71,825,017            |
| Computer equipment       | 98,979,937            | 94,357,903               | 4,622,034             |
| Construction in progress | 2,804,941             | —                        | 2,804,941             |
|                          | <b>\$ 933,174,698</b> | <b>\$ 424,787,629</b>    | <b>\$ 508,387,069</b> |

| 2018                     | Cost                  | Accumulated amortization | Net book value        |
|--------------------------|-----------------------|--------------------------|-----------------------|
| Land                     | \$ 14,533,980         | \$ —                     | \$ 14,533,980         |
| Land improvements        | 109,000,109           | 58,445,047               | 50,555,062            |
| Buildings                | 292,243,378           | 121,900,554              | 170,342,824           |
| Leasehold improvements   | 24,972,049            | 15,023,860               | 9,948,189             |
| Furniture                | 21,300,425            | 17,460,097               | 3,840,328             |
| Equipment                | 154,007,595           | 83,659,664               | 70,347,931            |
| Computer equipment       | 95,280,937            | 92,081,275               | 3,199,662             |
| Construction in progress | 124,915,585           | —                        | 124,915,585           |
|                          | <b>\$ 836,254,058</b> | <b>\$ 388,570,497</b>    | <b>\$ 447,683,561</b> |

During 2019, construction in progress of \$186,470,175 (2018 - \$7,095,191) was completed, transferred to capital assets and amortization commenced.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

### 3. Capital assets (continued):

#### (b) Alternative financing arrangement:

In August 2016, the College entered into an alternative financing project agreement with a third party construction company to design, build and finance Seneca King Campus Expansion, a new building. As at March 31, 2018, the building was partially complete and as a result, \$66,670,350 was capitalized in construction in progress and a corresponding amount was recorded in accounts payable and accrued liabilities. In 2019, the liability was settled. The Ministry of Training, Colleges and Universities ("MTCU") partially funded \$59,000,000 of the construction, which was recorded in deferred capital contributions.

### 4. Long-term debt:

The College has negotiated or assumed the following long-term debt commitments:

|                              | 2019                 | 2018                 |
|------------------------------|----------------------|----------------------|
| Mortgage (a)                 | \$ 7,528,255         | \$ 9,113,364         |
| Mortgage (b)                 | 3,019,155            | 3,518,685            |
| Mortgage (c)                 | 6,653,965            | 7,433,634            |
| Bankers' acceptance loan (d) | 17,859,000           | 19,072,000           |
|                              | <u>35,060,375</u>    | <u>39,137,683</u>    |
| Less current portion         | 4,354,814            | 4,077,308            |
|                              | <u>\$ 30,705,561</u> | <u>\$ 35,060,375</u> |

Interest on long-term debt amounted to \$2,402,436 in 2019 (2018 - \$2,659,255), and is included in operating expenses.

(a) Mortgage on the student residence on the Newnham Campus (Phase I). The rate is fixed at 6.87% and the maturity date is March 1, 2023. Blended semi-annual payments of \$1,092,216 commenced September 1, 1998.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 4. Long-term debt (continued):

- (b) Mortgage on the student residence on the King campus. The rate is fixed at 6.29% and the maturity date is March 1, 2024. Blended semi-annual payments of \$356,561 commenced September 1, 1999.
- (c) Mortgage on the student residence on the Newnham Campus (Phase II). The rate is fixed at 7.16% and the maturity date is September 1, 2025. Blended semi-annual payments of \$649,103 commenced September 1, 2000.
- (d) The College negotiated a term bank loan, by way of a bankers' acceptance loan, to finance the acquisition of the Markham campus. The loan is repayable, commencing September 27, 2004, by blended quarterly payments of approximately \$573,000, maturing June 25, 2029. The College has since entered into an interest rate swap agreement to modify the floating rate of interest on this loan to a fixed rate of 5.607% (note 12(c)).

Annual principal payments in each of the next five fiscal years and thereafter are as follows:

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|            |                                  |
|------------|----------------------------------|
| 2020       | \$ 4,354,814                     |
| 2021       | 4,649,241                        |
| 2022       | 4,964,560                        |
| 2023       | 5,301,815                        |
| 2024       | 3,438,169                        |
| Thereafter | 12,351,776                       |
|            | <hr/> <b>\$ 35,060,375</b> <hr/> |

## 5. Due to student associations:

The funds due to Seneca College Student Associations are unsecured, due on demand and non-interest bearing.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

## 6. Deferred contributions:

Deferred contributions represent unspent externally restricted funding that has been received and relates to expenses of future years. Changes in the contributions deferred to future years are as follows:

|                                                   | 2019                | 2018                |
|---------------------------------------------------|---------------------|---------------------|
| Balance, beginning of year                        | \$ 7,854,341        | \$ 8,973,991        |
| Add amount received from:                         |                     |                     |
| Set aside tuition                                 | 8,807,140           | 8,333,503           |
| Other sources                                     | 1,912,251           | 2,003,426           |
| Realized investment income on endowments (note 9) | 1,225,739           | 1,065,848           |
| Unrealized loss on endowments (note 9)            | (172,497)           | (51,126)            |
| Less amounts disbursed:                           |                     |                     |
| Set aside tuition                                 | 8,074,382           | 9,902,947           |
| Other sources                                     | 2,369,094           | 2,568,354           |
| <b>Balance, end of year</b>                       | <b>\$ 9,183,498</b> | <b>\$ 7,854,341</b> |
| Deferred contributions comprise:                  |                     |                     |
| Scholarships and bursaries                        | \$ 1,565,703        | \$ 757,347          |
| Joint employment stability reserve                | 699,993             | 588,450             |
| Endowment income:                                 |                     |                     |
| Ontario Trust for Student Support and other       | 6,917,802           | 6,508,544           |
|                                                   | <b>\$ 9,183,498</b> | <b>\$ 7,854,341</b> |

## 7. Deferred contributions for capital assets:

Deferred contributions for capital assets represent the unamortized amount of grants and other contributions received or receivable for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the consolidated statement of operations and is amortized in relation to the asset to which it relates. The changes in the deferred contributions for capital asset balances are as follows:

|                                                           | 2019                  | 2018                  |
|-----------------------------------------------------------|-----------------------|-----------------------|
| Balance, beginning of year                                | \$ 120,174,319        | \$ 106,414,796        |
| Amortization of deferred contributions for capital assets | (9,424,428)           | (7,763,133)           |
| Contributions received/committed for capital assets       | 86,280,036            | 21,522,656            |
| <b>Balance, end of year</b>                               | <b>\$ 197,029,927</b> | <b>\$ 120,174,319</b> |



# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

## 8. Post-employment benefits and compensated absences:

The following tables outline the liability components of the College's post-employment benefits and compensated absences:

| 2019                                         | Post-employment benefits | Non-vesting sick leave | Vesting sick leave | Total liability      |
|----------------------------------------------|--------------------------|------------------------|--------------------|----------------------|
| Accrued employee future benefits obligations | \$ 2,186,000             | \$ 7,104,000           | \$ 1,107,661       | \$ 10,397,661        |
| Value of plan assets                         | (398,000)                | –                      | –                  | (398,000)            |
| Unamortized actuarial gains (losses)         | (2,000)                  | 1,501,000              | (139,000)          | 1,360,000            |
| <b>Total liability</b>                       | <b>\$ 1,786,000</b>      | <b>\$ 8,605,000</b>    | <b>\$ 968,661</b>  | <b>\$ 11,359,661</b> |

| 2018                                         | Post-employment benefits | Non-vesting sick leave | Vesting sick leave  | Total liability      |
|----------------------------------------------|--------------------------|------------------------|---------------------|----------------------|
| Accrued employee future benefits obligations | \$ 2,126,000             | \$ 6,920,000           | \$ 1,321,000        | \$ 10,367,000        |
| Value of plan assets                         | (467,000)                | –                      | –                   | (467,000)            |
| Unamortized actuarial gains (losses)         | 33,000                   | 1,762,000              | (127,000)           | 1,668,000            |
| <b>Total liability</b>                       | <b>\$ 1,692,000</b>      | <b>\$ 8,682,000</b>    | <b>\$ 1,194,000</b> | <b>\$ 11,568,000</b> |

The following tables outline the expense component of the College's post-employment benefits and compensated absences:

| 2019                                   | Post-employment benefits | Non-vesting sick leave | Vesting sick leave | Total expense     |
|----------------------------------------|--------------------------|------------------------|--------------------|-------------------|
| Current year benefit costs             | \$ 128,000               | \$ 364,000             | \$ 47,000          | \$ 539,000        |
| Interest on accrued benefit obligation | 6,000                    | 182,000                | 32,000             | 220,000           |
| Amortized actuarial losses (gains)     | (20,000)                 | (26,000)               | 4,000              | (42,000)          |
| <b>Total expenses</b>                  | <b>\$ 114,000</b>        | <b>\$ 520,000</b>      | <b>\$ 83,000</b>   | <b>\$ 717,000</b> |

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

## 8. Post-employment benefits and compensated absences (continued):

| 2018                                   | Post-employment benefits | Non-vesting sick leave | Vesting sick leave | Total expense |
|----------------------------------------|--------------------------|------------------------|--------------------|---------------|
| Current year benefit costs             | \$ (155,000)             | \$ 374,000             | \$ 46,000          | \$ 265,000    |
| Interest on accrued benefit obligation | 4,000                    | 134,000                | 30,000             | 168,000       |
| Amortized actuarial losses (gains)     | (22,000)                 | (5,000)                | 48,000             | 21,000        |
| Total expenses                         | \$ (173,000)             | \$ 503,000             | \$ 124,000         | \$ 454,000    |

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

### (a) Pension plan:

All full-time employees of the College, and any part-time employees who opt to participate, are members of the Plan, which is a multi-employer, jointly sponsored defined benefit plan for eligible employees of public colleges and other 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. Since the Plan is a multi-employer plan, the College's contributions are accounted for as if the plan were a defined contribution plan with the College's contributions being expensed in the period they come due.

Any pension surplus or deficit is a joint responsibility of the members and employers and may affect future contribution rates related to full-time members. 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, 2019 indicated an actuarial surplus of \$2.6 billion. The College made contributions to the Plan and its associated retirement compensation arrangement of \$19,453,826 in 2019 (2018 - \$17,863,961), which has been included in the consolidated statement of operations.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 8. Post-employment benefits and compensated absences (continued):

### (b) Post-employment benefits:

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

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

#### (i) Discount rate:

The present value, as at March 31, 2019, of the future benefits was determined using a discount rate of 2.2% (2018 - 2.6%).

#### (ii) Drug costs:

Drug costs were assumed to increase at a rate of 8.0% in 2018 and decrease proportionately thereafter to an ultimate rate of 4.0% in 2040.

#### (iii) Other medical:

Other medical costs and vision/hearing care were assumed to increase at 4.0% per annum.

#### (iv) Dental costs:

Dental costs were assumed to increase at 4.0% per annum.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 8. Post-employment benefits and compensated absences (continued):

### (c) Compensated absences:

#### (i) Vesting sick leave:

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

#### (ii) Non-vesting sick leave:

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

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

|                            | 2019          | 2018          |
|----------------------------|---------------|---------------|
| Wage and salary escalation | 1.50% - 2.00% | 1.50% - 2.00% |
| Discount rate              | 2.20%         | 2.60%         |

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 23.70% and 0 to 48 days, respectively, for age groups ranging from 20 and under to 65 and over in bands of five years.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 9. Externally restricted endowments:

Externally restricted net assets include endowment funds which have been donated for specific purposes. The principal sum must be held for investment, while the income earned is expendable for the specific purposes outlined when the funds are donated. 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 are provided.

Endowment funds of \$23,298,796 (2018 - \$21,343,031) consist of restricted cash and investments. The fair value of the restricted cash and investments at March 31, 2019 is \$29,743,579 (2018 - \$26,337,734), which represents funds restricted as to use and are not available for general operations.

Unrealized losses and realized investment income earned on endowment funds during the year, and reported in deferred contributions is as follows:

|                            |              |             | 2019         | 2018         |
|----------------------------|--------------|-------------|--------------|--------------|
|                            | OTSS         | Non-OTSS    | Total        | Total        |
| Unrealized losses          | \$ (137,710) | \$ (34,787) | \$ (172,497) | \$ (51,126)  |
| Realized investment income | 978,548      | 247,191     | 1,225,739    | 1,065,848    |
|                            | \$ 840,838   | \$ 212,404  | \$ 1,053,242 | \$ 1,014,722 |

Investment income on externally restricted endowments that was disbursed during the year has been recorded in the consolidated statement of operations since this income is available for disbursement as scholarships and bursaries and the donor's conditions were met.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

**9. Externally restricted endowments (continued):**

**Ontario Trust for Student Support ("OTSS") fund:**

The externally restricted endowments include monies provided by the Government of Ontario through the OTSS matching funds program to award student aid as a result of raising an equal amount of endowed donations. The College has recorded the following amounts under the program:

|                                                      | 2019                 | 2018                 |
|------------------------------------------------------|----------------------|----------------------|
| <b>Schedule of Changes in Endowment Fund Balance</b> |                      |                      |
| Fund balance, beginning of year                      | \$ 17,739,072        | \$ 16,941,248        |
| Cash donations received and receivable               | 861,211              | 797,824              |
| <b>Fund balance, end of year</b>                     | <b>\$ 18,600,283</b> | <b>\$ 17,739,072</b> |

|                                                                     | 2019                | 2018                |
|---------------------------------------------------------------------|---------------------|---------------------|
| <b>Schedule of Changes in Expendable Funds Available for Awards</b> |                     |                     |
| Balance, beginning of year                                          | \$ 5,569,659        | \$ 5,245,690        |
| Investment income                                                   | 978,548             | 885,867             |
| Bursaries awarded (total number - 1,033; 2018 - 856)                | (630,061)           | (519,405)           |
| Unrealized loss on endowment funds                                  | (137,710)           | (42,493)            |
| <b>Balance, end of year</b>                                         | <b>\$ 5,780,436</b> | <b>\$ 5,569,659</b> |

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

## 10. Investment in capital assets:

(a) Investment in capital assets represents the following:

|                                                       | 2019                  | 2018                  |
|-------------------------------------------------------|-----------------------|-----------------------|
| Capital assets                                        | \$ 508,387,069        | \$ 447,683,561        |
| Less amounts financed by:                             |                       |                       |
| Long-term debt (note 4)                               | 35,060,375            | 39,137,683            |
| Deferred contributions<br>for capital assets (note 7) | 197,029,927           | 120,174,319           |
|                                                       | <u>\$ 276,296,767</u> | <u>\$ 288,371,559</u> |

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

|                                                                          | 2019                   | 2018                   |
|--------------------------------------------------------------------------|------------------------|------------------------|
| Deficiency of revenue over expenses:                                     |                        |                        |
| Amortization of deferred contributions<br>related to capital assets      | \$ 9,424,428           | \$ 7,763,133           |
| Amortization of capital assets                                           | (36,538,878)           | (32,736,681)           |
| Gain on disposal of capital assets                                       | -                      | 154,584                |
|                                                                          | <u>\$ (27,114,450)</u> | <u>\$ (24,818,964)</u> |
| Net change in investment in capital assets:                              |                        |                        |
| Purchase of capital assets                                               | \$ 97,242,386          | \$ 137,753,906         |
| Proceeds on disposal of capital assets                                   | -                      | (154,584)              |
| Amounts funded by contributions<br>received/committed for capital assets | (86,280,036)           | (30,620,186)           |
| Principal payments of long-term debt                                     | 4,077,308              | 3,819,816              |
|                                                                          | <u>\$ 15,039,658</u>   | <u>\$ 110,798,952</u>  |

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 11. Commitments and contingent liabilities:

### (a) Service agreements and lease commitments:

The College has entered into various service agreements, as well as other commitments, to lease premises and equipment. The anticipated annual payments in each of the next five years and thereafter in aggregate under current arrangements are as follows:

---

|            |               |
|------------|---------------|
| 2020       | \$ 16,475,603 |
| 2021       | 10,644,828    |
| 2022       | 4,723,185     |
| 2023       | 3,128,735     |
| 2024       | 2,617,860     |
| Thereafter | 11,641,868    |
|            | <hr/>         |
|            | \$ 49,232,079 |

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### (b) Contractual commitments:

The primary services contracted by the College through contractual agreements with external companies include facilities management, security, grounds maintenance and print/copy services.

### (c) Contingent liabilities:

In the normal course of its operations, the College is subject to various litigation and claims. Where management has assessed the likelihood of financial exposure for a claim as more than likely and where a reasonable estimate as to the exposure can be made, an accrual has been recorded in these consolidated financial statements. In some instances, the ultimate outcome of these claims cannot be determined at this time. However, the College's management believes that the ultimate disposition of these matters will not have a material adverse effect on its consolidated financial position.

### (d) Letters of guarantee:

The College issues letters of guarantee through its financial institutions to provide guarantees to certain vendors. Outstanding letters of guarantee amount to \$2,937,786 as at March 31, 2019 (2018 - \$3,376,536).



# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 11. Commitments and contingent liabilities (continued):

### (e) Indemnification agreements:

In the normal course of business, the College enters into agreements that meet the definition of a guarantee. The College's primary guarantees subject to the disclosure requirements are as follows:

- (i) The College has provided indemnities under lease agreements for the use of various operating facilities and equipment. Under the terms of these agreements, the College agrees to indemnify the counterparties for various items, including, but not limited to, all liabilities, loss, suits and damages arising during, on or after the term of the agreement. The maximum amount of any potential future payment cannot be reasonably estimated.
- (ii) Indemnity has been provided to all directors and/or officers of the College for various items including, but not limited to, all costs to settle suits or actions due to association with the College, subject to certain restrictions. The College has purchased directors' and officers' liability insurance to mitigate the cost of any potential future lawsuits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as a trustee, director or officer of the College. The maximum amount of any potential future payment cannot be reasonably estimated.
- (iii) In the normal course of business, the College has entered into agreements that include indemnities in favour of third parties, such as student work placement agreements. These indemnification agreements may require the College to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparty as a consequence of the transaction. The terms of these indemnities are not explicitly defined and the maximum amount of any potential reimbursement cannot be reasonably estimated.

The nature of these indemnification agreements prevents the College from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the College has not made any significant payments under such or similar indemnification agreements and, therefore, no amount has been accrued in the consolidated statement of financial position with respect to these agreements.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

## 12. Financial instruments classification:

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

| 2019                                     | Fair value    | Amortized cost |
|------------------------------------------|---------------|----------------|
| Cash                                     | \$ 48,055,018 | \$ —           |
| Short-term investments (a)               | —             | 43,358,302     |
| Grants receivable                        | —             | 3,258,088      |
| Accounts receivable                      | —             | 8,967,829      |
| Long-term receivable                     | —             | 9,947,792      |
| Long-term investments (a)                | —             | 19,010,235     |
| Restricted cash and investments (b)      | 29,743,579    | —              |
| Accounts payable and accrued liabilities | —             | 52,703,389     |
| Current portion of long-term debt        | —             | 4,354,814      |
| Employee vacation accrual                | —             | 15,434,007     |
| Long-term debt                           | —             | 30,705,561     |
| Deferred derivative liability (c)        | 3,499,337     | —              |

| 2018                                     | Fair value    | Amortized cost |
|------------------------------------------|---------------|----------------|
| Cash                                     | \$ 49,043,970 | \$ —           |
| Short-term investments (a)               | —             | 35,905,131     |
| Grants receivable                        | —             | 806,445        |
| Accounts receivable                      | —             | 14,217,240     |
| Long-term investments (a)                | —             | 39,553,423     |
| Restricted cash and investments (b)      | 26,337,734    | —              |
| Accounts payable and accrued liabilities | —             | 119,348,719    |
| Current portion of long-term debt        | —             | 4,077,308      |
| Employee vacation accrual                | —             | 14,581,410     |
| Long-term debt                           | —             | 35,060,375     |
| Deferred derivative liability (c)        | 3,536,045     | —              |

(a) Excess operating funds are invested in liquid securities that are accessible when required. Short-term investments consist of T-bills, government and corporate bonds with maturities of less than one year. Long-term investments consist of government and corporate bonds with maturities that are greater than one year. All investments follow the Government of Ontario Binding Policy Directive on Banking, Investments and Borrowing.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 12. Financial instruments classification (continued):

Excess operating funds held in short-term investments have yields varying from 1.49% to 5.00% (2018 - 1.13% to 5.00%) with maturity dates ranging from April 2019 to January 2020 (2018 - April 2018 to December 2018). The fair value of short-term investments as at March 31, 2019 was \$ 43,310,599 (2018 - \$35,873,933). Excess operating funds held in long-term investments have yields varying from 1.37% to 4.50% (2018 - 1.37% to 5.00%) with maturity dates ranging from June 2020 to April 2024 (2018 - April 2019 to April 2024). The fair value of long-term investments as at March 31, 2019 was \$18,963,646 (2018 - \$39,183,643).

- (b) Restricted cash and investments are externally restricted for endowment purposes (note 9) and consist of pooled funds invested in money market, bonds and Canadian and international equity funds.
- (c) The College entered into an interest rate swap agreement in a prior year to economically manage the floating interest rate of the bankers' acceptance loan (note 4(d)). Under the terms of the interest rate swap agreement, the College has contracted with the counterparty to pay a fixed rate of interest of 5.607% (2018 - 5.607%), while receiving interest at a variable rate to be set quarterly based on the bankers' acceptance rates which ranged from 1.74% to 2.30% (2018 - 0.96% to 1.72%) during the year. The effective date of the interest rate swap agreement was June 25, 2004, with a maturity date of June 25, 2029. The notional value of the interest rate swap agreement at March 31, 2019 is \$17,859,000 (2018 - \$19,072,000) and is amortized quarterly during the term of the interest rate swap agreement. The fair value of the interest rate swap agreement at March 31, 2019 is \$3,499,337 (2018 - \$3,536,045) and is recorded as a deferred derivative liability on the consolidated statement of financial position.

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

- Level 1 - fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities using the last bid price;
- Level 2 - fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 12. Financial instruments classification (continued):

- 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).

All cash and restricted cash and investments are classified as Level 1 financial instruments, except for \$27,562,010 (2018 - \$25,252,480) invested in a Canadian Equity Fund, a US Equity Fund, a Fixed Income Fund and an International Equity Fund, which are classified as Level 2 financial instruments. The deferred derivative liability is classified as a Level 3 financial instrument.

There were no transfers among levels for the years ended March 31, 2019 and 2018. For a sensitivity analysis of financial instruments recognized in Level 3, see note 13, interest rate risk, as the prevailing interest rate is the most significant input into the fair value of the instrument.

## 13. Financial instruments risk management:

### (a) Credit risk:

Credit risk is the risk of financial loss to the College if a debtor fails to make payments of interest and principal when due. The College is exposed to this risk relating to its cash and accounts receivable. The College holds its cash accounts with federally regulated chartered banks which are insured by the Canadian Deposit Insurance Corporation. In the event of default, the College's cash accounts are insured up to \$100,000 (2018 - \$100,000).

The College's investment policy operates within the constraints of the investment guidelines issued by the Government of Ontario Binding Policy Directive on Banking, Investments and Borrowing and puts limits on the bond portfolio, including portfolio composition limits, issuer type limits, bond quality limits, aggregate issuer limits, corporate sector limits and general guidelines for geographic exposure. All fixed income portfolios are measured for performance on a quarterly basis and monitored by management on a monthly basis. The guidelines permit the College's funds to be invested in government bonds, bank-listed Schedule I or Schedule II or a branch in Canada of an authorized foreign bank under the Bank Act. Externally restricted and endowment funds, which are generally money and donations for scholarships and bursaries, can be invested in corporate bonds with a credit rating of A(R-1) or better. All other College funds are restricted to corporate bonds with a rating of AAA.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

## 13. Financial instruments risk management (continued):

The maximum exposure to investment credit risk is outlined in note 12.

Accounts receivable are primarily due from students, government and other corporations. Credit risk is mitigated by financial approval processes before a student is enrolled and the highly diversified nature of the student population.

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

| 2019                       | Total                | 1 - 30 days          | Past due          |                     |                      |
|----------------------------|----------------------|----------------------|-------------------|---------------------|----------------------|
|                            |                      |                      | 31 - 60 days      | 61 - 90 days        | > 90 days            |
| Grants receivable          | \$ 3,258,088         | \$ 3,258,088         | \$ -              | \$ -                | \$ -                 |
| Accounts receivable        | 11,608,688           | 7,019,030            | 229,468           | 1,641,614           | 2,718,576            |
| Long-term receivable       | 9,947,792            | -                    | -                 | -                   | 9,947,792            |
| Gross receivables          | 24,814,568           | <u>\$ 10,277,118</u> | <u>\$ 229,468</u> | <u>\$ 1,641,614</u> | <u>\$ 12,666,368</u> |
| Less impairment allowances | 2,640,859            |                      |                   |                     |                      |
|                            | <u>\$ 22,173,709</u> |                      |                   |                     |                      |

| 2018                       | Total                | 1 - 30 days         | Past due          |                     |                      |
|----------------------------|----------------------|---------------------|-------------------|---------------------|----------------------|
|                            |                      |                     | 31 - 60 days      | 61 - 90 days        | > 90 days            |
| Grants receivable          | \$ 806,445           | \$ 806,445          | \$ -              | \$ -                | \$ -                 |
| Accounts receivable        | 26,173,560           | 6,118,655           | 127,488           | 8,101,143           | 11,826,274           |
| Gross receivables          | 26,980,005           | <u>\$ 6,925,100</u> | <u>\$ 127,488</u> | <u>\$ 8,101,143</u> | <u>\$ 11,826,274</u> |
| Less impairment allowances | 11,956,320           |                     |                   |                     |                      |
|                            | <u>\$ 15,023,685</u> |                     |                   |                     |                      |

Student receivables not impaired are collectible based on the College's assessment and past experience regarding collection rates.

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

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 13. Financial instruments and risk management (continued):

### (b) Market risk:

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

The College's investment policy operates within the constraints of the investment guidelines 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 investment policy outlines an asset mix comprising:

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|                                 |           |
|---------------------------------|-----------|
| Fixed income                    | 25% - 50% |
| Equities                        | 50% - 65% |
| Cash and short-term investments | 0% - 15%  |

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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.

### (c) Currency risk:

Currency risk relates to the College operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange rates when adverse changes in foreign currency rates occur. The College does not have any material transactions or financial instruments denominated in foreign currencies.

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

### (d) 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.

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

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## 13. Financial instruments and risk management (continued):

The College is exposed to this risk through the fixed income securities and long-term debt.

The College mitigates interest rate risk on its long-term debt (note 4(d)) through a derivative financial instrument that exchanges the variable rate inherent in the long-term debt for a fixed rate (note 12). Therefore, fluctuations in market interest rates would not impact future cash flows and operations relating to the term debt. In addition, the College's other long-term debt, as described in note 4(a) to (c), would not be impacted as the inherent rates are fixed.

Fixed income securities have yields varying from 0.46% to 4.33% (2018 - 0.52% to 4.50%) with maturity dates ranging from April 2019 to December 2064 (2018 - April 2018 to December 2064).

At March 31, 2019, a 1% fluctuation in interest rates, with all other variables held constant, would have an estimated impact on the fair value of the bonds and the interest rate swap of \$1,359,886 (2018 - \$1,635,393) and \$1,050,790 (2018 - \$1,205,100), respectively.

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

### (e) 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 the equity holdings with its investment portfolio. At March 31, 2019, a 10% movement in the stock markets with all variables held constant would have an estimated effect on the fair values of the College's equities of \$1,654,227 (2018 - \$1,554,964).

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

# SENECA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Notes to Consolidated Financial Statements (continued)

Year ended March 31, 2019

## 13. Financial instruments and risk management (continued):

### (f) Liquidity risk:

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

| 2019                                           | Within<br>6 months   | 6 months<br>to 1 year | 1 - 5<br>years       | Greater<br>than 5 years | Total                 |
|------------------------------------------------|----------------------|-----------------------|----------------------|-------------------------|-----------------------|
| Accounts payable<br>and accrued<br>liabilities | \$ 50,431,885        | \$ 495,664            | \$ 1,775,840         | \$ -                    | \$ 52,703,389         |
| Employee vacation<br>accrual                   | 15,434,007           | -                     | -                    | -                       | 15,434,007            |
| Current portion of<br>long-term debt           | 2,142,121            | 2,212,693             | -                    | -                       | 4,354,814             |
| Long-term debt                                 | -                    | -                     | 21,296,892           | 9,408,669               | 30,705,561            |
|                                                | <u>\$ 68,008,013</u> | <u>\$ 2,708,357</u>   | <u>\$ 23,072,732</u> | <u>\$ 9,408,669</u>     | <u>\$ 103,197,771</u> |

| 2018                                           | Within<br>6 months    | 6 months<br>to 1 year | 1 - 5<br>years       | Greater<br>than 5 years | Total                 |
|------------------------------------------------|-----------------------|-----------------------|----------------------|-------------------------|-----------------------|
| Accounts payable<br>and accrued<br>liabilities | \$ 117,542,194        | \$ 1,806,525          | \$ -                 | \$ -                    | \$ 119,348,719        |
| Employee vacation<br>accrual                   | 14,581,410            | -                     | -                    | -                       | 14,581,410            |
| Current portion of<br>long-term debt           | 2,005,049             | 2,072,259             | -                    | -                       | 4,077,308             |
| Long-term debt                                 | -                     | -                     | 22,708,599           | 12,351,776              | 35,060,375            |
|                                                | <u>\$ 134,128,653</u> | <u>\$ 3,878,784</u>   | <u>\$ 22,708,599</u> | <u>\$ 12,351,776</u>    | <u>\$ 173,067,812</u> |

Derivative financial liabilities mature, as described in note 12.

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