

**Fleming College**

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**Fleming College  
Financial Plan  
Update  
2018-2019**

APPROVED: by the Board of Governors, November 28, 2018 # 2

**Table of  
Contents**

<b>I.</b>	<b>Summary .....</b>	<b>3</b>
<b>II.</b>	<b>Revenue .....</b>	<b>5</b>
<b>III.</b>	<b>Expenditures.....</b>	<b>7</b>
<b>IV.</b>	<b>Capital.....</b>	<b>9</b>

# I. Summary

Financial Plan for 2018-2019

Total revenues for this Updated Financial Plan are \$150.4 million, an increase of 3.6% over the 2018-2019 Preliminary Budget. Total expenditures have also been projected to increase to \$141.7 million, leaving \$8.8 million available as a contribution to College reserves.

Capital investment is budgeted at \$17.1 million, an increase of \$3.9 million from Preliminary Budget.

Net Assets are projected to be \$35.1 million at March 31, 2019.

## Fleming College Financial Plan Update Budget 2018/2019

### SUMMARY

(\$ 000's)

	Update Budget 2018/2019	Preliminary Budget 2018/2019	\$ Increase (Decrease)	% Increase (Decrease)
<b>Revenue</b>				
Grants & Reimbursements	\$ 51,333	\$ 49,520	\$ 1,813	3.7%
Student Tuition Fees	59,834	56,694	3,141	5.5%
Contract Training	934	1,006	(71)	-7.1%
Other Income	15,482	15,842	(360)	-2.3%
Amortization	4,393	4,450	(58)	-1.3%
Skills, Bursaries, Ancillary & Projects	18,437	17,630	807	4.6%
<b>Revenue</b>	<b>150,413</b>	<b>145,141</b>	<b>5,271</b>	<b>3.6%</b>
<b>Operating Expenses</b>				
Operating Expenses	111,144	111,216	(73)	-0.1%
Amortization Expense	6,604	6,442	162	2.5%
Skills, Bursaries, Ancillary & Projects	23,905	21,600	2,305	10.7%
<b>Expenses</b>	<b>\$ 141,653</b>	<b>\$ 139,259</b>	<b>2,395</b>	<b>1.7%</b>
<b>Excess of Revenue over Expenditures</b>	<b>\$ 8,759</b>	<b>\$ 5,883</b>	<b>2,876</b>	<b>48.9%</b>

	Projected Balance Mar 31/19	Year End Balance Mar 31/18	\$ Increase (Decrease)	% Increase (Decrease)
<b>NET ASSETS</b>				

### NET ASSETS

<b>Invested in Capital Assets</b>				
As of April 1, 1997	\$ 2,417	\$ 2,417	\$ -	
Since April 1, 1997	20,254	20,460	\$ (206)	
<b>Total Invested in Capital Assets</b>	<b>22,671</b>	<b>22,877</b>	<b>(206)</b>	<b>-0.9%</b>
<b>Unrestricted</b>				
Operating (Board Reserves)	14,115	5,359	8,755	
Accrued vacation pay, Future Benefits and Derivative & Sick Leave & PSA *	(9,329)	(9,329)	-	
<b>Total Unrestricted</b>	<b>4,786</b>	<b>(3,970)</b>	<b>8,755</b>	<b>-220.6%</b>
<b>Internally Restricted</b>	<b>1,136</b>	<b>926</b>	<b>210</b>	
<b>Subtotal Net Assets</b>	<b>28,593</b>	<b>19,833</b>	<b>8,759</b>	<b>44.2%</b>
<b>Externally restricted</b>	<b>6,502</b>	<b>6,502</b>	<b>-</b>	
<b>TOTAL NET ASSETS</b>	<b>\$ 35,095</b>	<b>\$ 26,335</b>	<b>\$ 8,759</b>	<b>33.3%</b>

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## II. Revenue

College revenues are budgeted at \$150.4 million, an increase of 3.6% from revenues projected in the 2018-2019 Preliminary Budget.

### SIR SANDFORD FLEMING COLLEGE

*Financial Plan - Update Budget*

*Fiscal Year 2019*

	Update Budget 2019	Preliminary Budget 2019	Change	%
<b>Revenue</b>				
Grants and Reimbursements	(51,333,224)	(49,520,380)	(1,812,844)	3.7%
Student Tuition Fees	(59,834,437)	(56,693,743)	(3,140,694)	5.5%
Contract Training	(934,366)	(1,005,753)	71,387	-7.1%
<b>Other Income</b>				
Other Income	(9,810,428)	(10,170,498)	360,070	-3.5%
Ancillary Fees	(5,671,340)	(5,671,340)	-	0.0%
Non-Operating Revenue	-	-	-	
<b>Total Other Income</b>	<b>(15,481,768)</b>	<b>(15,841,838)</b>	<b>360,070</b>	<b>-2.3%</b>
<b>Amortization of Deferred Capital Contributions</b>				
	(4,392,500)	(4,450,000)	57,500	-1.3%
<b>Total Operating Revenues</b>	<b>(131,976,295)</b>	<b>(127,511,714)</b>	<b>(4,464,581)</b>	<b>3.5%</b>
<b>Investments</b>				
Skills Programs	(3,650,253)	(3,650,253)	-	0.0%
Tuition Holdback Bursaries	(3,050,000)	(3,050,000)	-	0.0%
<b>Ministry Bursaries</b>				
Special Projects	(582,300)	(282,300)	(300,000)	106.3%
Facilities Renewal and Renovation Projects	(4,470,615)	(4,139,536)	(331,079)	8.0%
Ancillary Operations	(676,325)	(809,700)	133,375	-16.5%
	(6,007,025)	(5,697,895)	(309,130)	5.4%
<b>Total Non-Operating Revenues</b>	<b>(18,436,518)</b>	<b>(17,629,684)</b>	<b>(806,834)</b>	<b>4.6%</b>
<b>Total Revenue</b>	<b>\$ (150,412,813)</b>	<b>\$ (145,141,398)</b>	<b>\$ (5,271,415)</b>	<b>3.6%</b>

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## **1. Grants and Reimbursements**

Additional grants were added to the college financial plan as they have been confirmed with the funders. Most notably, a \$1.74 million one-time grant was awarded to the College from the Ministry to be used to supplement College operating expenditures.

## **2. Student Tuition**

Student tuition is projected to increase by \$3.1 million over Preliminary Budget as a result of favourable summer and fall enrolments

## **3. Other Income**

Other income in total is projected to show a decline from the preliminary budget due to a change in the model for collection of international student health insurance. This fee is an ancillary charge with a direct offsetting expenditure that has also been reduced. The overall reduction is net of Conference Centre increases in facility rentals along with an increase in college investment interest.

## **4. Non-Operating Revenues**

The revenue recorded in this category represents funding received from multiple sources including a variety of funds secured for bursaries and projects with third party partners (i.e. funding for CAWT research) and a variety of Ministry grants. Of note, additional funding of \$348,160 was provided to enhance College's applied learning options under the Career Ready Fund. An increase in Ministry Bursaries of \$300,000 represents plans for distribution of student bursaries from College endowment funds and other donor awards. These increases are offset fully by increases in matching expenditures.

Additionally, \$133,375 of grant funding provided for facility renewal projects was reclassified as capital assets.

Ancillary Operations represents revenues from the College Residence and Parking Revenues. The primary increase in revenue is for the added residence beds made available through a collaborative leasing arrangement.

### III. Expenditures

College expenditures are budgeted at \$141.7 million, an increase of 1.7% from preliminary budget.

#### SIR SANDFORD FLEMING COLLEGE

*Financial Plan - Update Budget*

*Fiscal Year 2019*

	Update Budget 2019	Preliminary Budget 2019	Change	%
<b>Expenditures</b>				
<b>Salaries and Benefits</b>				
Salaries, Full Time	46,282,848	47,824,085	(1,541,237)	-3.2%
Salaries, Part Time	19,189,543	18,749,521	440,022	2.3%
Benefits	14,214,046	14,335,987	(121,941)	-0.9%
<b>Total Salaries and Benefits</b>	<b>79,686,437</b>	<b>80,909,593</b>	<b>(1,223,156)</b>	<b>-1.5%</b>
<b>Non-Salary Expenses</b>				
Instructional Support Costs	6,291,841	5,761,985	529,856	9.2%
Travel and Professional Development	2,039,552	1,878,524	161,028	8.6%
Advertising	1,226,996	1,069,396	157,600	14.7%
Telephone, Audit, Legal & Insurance	3,453,942	3,745,746	(291,804)	-7.8%
Equipment Maintenance	655,218	642,519	12,699	2.0%
Plant and Security	2,842,118	2,996,736	(154,618)	-5.2%
Rentals and Taxes	1,043,808	1,052,633	(8,825)	-0.8%
Utilities	2,557,366	2,557,366	-	0.0%
Contract Services Trent	2,280,436	2,280,436	-	0.0%
Services & Other	8,983,662	8,133,998	849,664	10.4%
Long Term Debt Interest	82,449	187,500	(105,051)	-56.0%
Amortization of Capital Assets	6,604,426	6,442,289	162,137	2.5%
<b>Total Non-Salary Expenses</b>	<b>38,061,814</b>	<b>36,749,128</b>	<b>1,312,686</b>	<b>3.6%</b>
<b>Total Operating Expenditures</b>	<b>117,748,251</b>	<b>117,658,721</b>	<b>89,530</b>	<b>0.1%</b>
Investments	3,632,501	2,423,663	1,208,838	49.9%
Investments - contingency	2,000,000	1,500,000	500,000	33.3%
Skills Programs	3,650,253	3,650,253	-	0.0%
Tuition Holdback Bursaries	3,050,000	3,050,000	-	0.0%
Ministry Bursaries	582,300	282,300	300,000	106.3%
Special Projects	4,470,615	4,139,536	331,079	8.0%
Facilities Renewal Projects	703,509	918,700	(215,191)	-23.4%
Ancillary Operations	5,816,053	5,635,359	180,694	3.2%
<b>Total Expenditures</b>	<b>\$ 141,653,482</b>	<b>\$ 139,258,532</b>	<b>\$ 2,394,950</b>	<b>1.7%</b>
<b>Net</b>	<b>\$ (8,759,331)</b>	<b>\$ (5,882,866)</b>	<b>\$ (2,876,465)</b>	<b>48.9%</b>

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## 1. Full Time Salaries

Full time (FT) salaries are budgeted based on the current College staff complement and all Collective Agreements that are currently in place. FT salaries also include approved staff sabbaticals and a provision for sick leaves. Overall, FT salary expenditures have decreased from Preliminary Budget by \$1.541 million due to delayed hires and unanticipated turnover.

## 2. Part Time Salaries

Part time (PT) salaries have increased by \$440,022 from the Preliminary Budget. While a portion of this increase relates to new hires to support one time in-year projects, the majority of the increase was due to the direct impact of changes in our enrolment mix from the original enrolment plan. Where programs experienced significant growth (for example with an influx of International students), more PT teaching resources were required for course delivery.

## 3. Benefits

Benefits have decreased accordingly with the change in staffing mix and delay of FT hires.

## 4. Non-Salary Expenses

Overall the Non-Salary Expenses project an increase of \$1.3 million (3.6%). This significant increase is due to a variety of sources including:

- **Instructional Supplies** have increased by \$529,856 which includes added investment in academic technology/software plus a small increase in supplies with added enrolments
- **Travel and Professional Development** has increased by \$161,028 as required for an increase in events hosted by the college conference centre and recreation and offset by an increase in facility rentals
- **Advertising** (increase \$157,600) represents a redistribution of budget from building services under **Plant and Security** for promotional events from the recreation department(s)
- **Telephone, Audit, Legal & Insurance** shows an overall decrease offsetting the decrease in other income regarding the change in health insurance model for our International students.
- **Services & Other** have projected to increase by \$849,664. \$500,000 of this increase was added as an investment in contract services/professional fees to conduct academic research and to assist in development of a revised college strategic plan. \$210,000 is an increase to the college credit card fees as charged as a requirement for the college accepting credit card payments. The balance of the increase is due to increases in payment of agent commissions associated with an increase in intake forecasted in our international student enrolment plan.

## 5. Non-Operating Expenses

As described with the increases to non-operating revenues, disbursements planned for bursaries and grant-funded project-related expenditures have increased by \$631,079

\$993,647 has been added to the college expense investments and facility renewal projects as part of the overall capital/investment plan moving funding from the year start contingency. Contingency was also distributed to offset other expenditure increases as outlined above in the non-salary expense detail (eg: investment in Instructional Supplies). An additional \$2 million has been added to contingency, pending project proposals for distribution of funds, and/or holding for emergency purposes.

Increased costs of \$180,694 in ancillary operations related to added leased residence space is fully offset by added student residence rental revenue.

## IV. Capital

Capital spending for the 2018-2019 Update Budget is planned at \$17.1 million. This represents an increase of \$3.9 million from Preliminary Budget.

Additional capital includes:

- \$3.0 million of activity/delivery within the Sutherland A-Wing and Frost GeoCentre Renovation (SIF) deferred from prior year
- \$0.2 million for projects related to energy efficiency including replacement of boilers, HVAC units and lighting \$6.4 million offset by GGCRP grant \$6.2 million.
- \$0.5 million invested in redesign and expansion of college computer labs and/or network systems allowing added capacity for technical programs.
- \$0.1 million for redesign and scope change for replacement of failing chillers within the data centre
- \$0.1 million added grant funding within applied research.

For the 2018-2019 Update Budget, Capital items budgeted are summarized below:

	College Base Capital	Enhanced College Capital Grants	Total	Preliminary Budget Forecast
Building Construction/Renovations	4,011,841	10,058,508	14,070,349	10,817,258
Network/IT Systems	1,400,467	-	1,400,467	1,209,295
Academic Equipment	821,251	353,556	1,174,807	805,971
Non-Acadmic Equipment	204,382	97,951	302,333	189,193
Residence Capital	165,000	-	165,000	155,000
	<b>\$ 6,602,941</b>	<b>\$ 10,510,015</b>	<b>\$ 17,112,956</b>	<b>\$ 13,176,717</b>