



Fleming College Financial Plan 2011-2012

APPROVED: by the Board of Governors, June 22, 2011 #9.3

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I. Summary

Total revenues in this Financial Plan are \$93 million, down marginally from the 2010/11 Update Budget. Total expenditures are \$93 million, also down marginally from Update. The financial plan provides a balanced budget for the year prior to the adjustment to deferred derivative liability, (\$0.68 million).

The excess of revenue over expenditures for the year has been budgeted at \$0.68 million.

Total net assets are budgeted to increase by \$680,000. This is due to the adjustment to deferred derivative liability of the same amount.

The total invested in capital assets has increased by \$2.7 million mainly due to the cafeteria renovations. Unrestricted operating (Board Reserves) has decreased by a similar amount.

Fleming College Financial Plan 2011/12

SUMMARY

(\$ 000's)

	2011/12 Preliminary Budget	2010/11 Update Budget	Increase (Decrease)
Revenue			
Grants & Reimbursements	\$ 44,713	\$ 44,525	\$ 188
Tuition & Other	31,508	28,582	2,926
Amortization	3,748	3,447	301
Skills, Bursaries, Ancillary & Projects	12,757	16,314	(3,557)
Revenue	92,726	92,868	(142)
Operating Expenses	74,705	72,023	2,682
Amortization Expense	5,487	4,992	495
Skills, Bursaries, Ancillary & Projects	12,534	15,853	(3,319)
Expenses	92,726	92,868	(142)
Excess of Revenue over Expenditures before Adjustment to Deferred Derivative Liability	-	-	-
Adjustment to Deferred Derivative Liability	680	800	(120)
Excess of Revenue over Expenditures	\$ 680	\$ 800	\$ (120)

	Projected Balance Mar 31/12	Actual Balance Mar 31/11	Change
NET ASSETS			
Invested in Capital Assets			
As of April 1, 1997	\$ 2,417	\$ 2,417	\$ -
Since April 1, 1997	6,470	3,760	2,710
Total Invested in Capital Assets	8,887	6,177	2,710
Unrestricted			
Operating (Board Reserves)	3,620	6,286	(2,666)
Accrued vacation pay, Future Benefits and Derivative & Sick Leave	(7,533)	(8,213)	680
Total Unrestricted	(3,913)	(1,927)	(1,986)
Internally Restricted Residences/Commitments	956	1,000	(44)
Subtotal Net Assets	5,930	5,250	680
Externally restricted	5,637	5,637	-
TOTAL NET ASSETS	\$ 11,567	\$ 10,887	\$ 680

II. Revenue

College revenues are budgeted at \$ 92.7 million a decrease of 0.2% from revenues in the 2010/11 Update Budget.

Increase in tuition revenue and other income were offset by decreases in Skills Program and revenues for facilities renewal and other funded projects.

	Current Year	Previous Year	Change	%	Ref
	Preliminary Budget 2012	Update Budget 2011			
Revenue					
Grants and Reimbursements	44,713,127	44,525,260	187,867	0.4%	1
Student Tuition Fees	19,582,645	18,415,657	1,166,988	6.3%	2
Contract Training	755,886	746,402	9,484	1.3%	
Other Income					
Other Income	7,234,321	5,653,119	1,581,202	28.0%	3
Ancillary Fees	3,935,346	3,766,313	169,033	4.5%	4
Non-Operating Revenue	-	-	-		
Total Other Income	11,169,667	9,419,432	1,750,235	18.6%	
Amortization of Deferred Capital Contributions	3,747,923	3,447,226	300,697	8.7%	5
Total Operating Revenues	79,969,248	76,553,977	3,415,271	4.5%	
Skills Programs	3,481,082	5,011,947	(1,530,865)	-30.5%	6
Tuition Holdback Bursaries	2,297,000	2,250,287	46,713	2.1%	
Ministry Bursaries	1,036,660	1,126,355	(89,695)	-8.0%	
Special Projects	1,509,628	1,668,984	(159,356)	-9.5%	
Facilities Renewal and Funded Projects	561,870	2,383,702	(1,821,832)	-76.4%	7
Ancillary Operations	3,870,538	3,872,812	(2,274)	-0.1%	
Total Revenue	92,726,026	92,868,064	(142,038)	-0.2%	

1. Grants and Reimbursements

Grants are budgeted to increase by \$188,000 from the Update Budget as follows:

	<u>Preliminary 2010-11</u>	<u>Update 2010-11</u>	<u>Change</u>
Operating Grant & Enrolment Growth	\$33,454	\$32,589	\$865
BScN Grant	4,144	4,016	128
Second Career Grant	1,844	2,529	(685)
Northern & Rural Funding Grant	2,229	2,229	-
Apprentice Grant	686	851	(165)
Performance Funding Grant	435	435	-
Special Needs & Interpreter Grant	627	559	68
Municipal Tax Credit	474	417	57
Fed Supported Training	363	363	-
CO-OP Diploma Apprentice Grant	118	206	(88)
Rental Grants	188	180	8
Medical & Clinical Grant	110	110	-
Reporting Entity Project	41	41	-
Grants and Reimbursements	\$44,713	\$44,525	\$188

The Operating and Enrolment Growth grants are based on the ministry initial allocations. Included in the operating grant revenue is an additional \$500,000 of yet to be announced funding. This additional funding was also included in the 2010/11 update budget. This represents a risk as unlike previous years there was no year end additional funding in 2010/11.

The Second Career grant has decreased by \$685,000. This is due to the change in criteria, implemented last year, resulting in fewer individuals qualifying for Second Career funding.

We have budgeted for the intake of new Second Career students to be the same as last year's intake numbers. The decrease is due to the decline in the second year enrolments.

The Apprentice grant has decreased by \$165,000 mainly due to one less offering and smaller classes of Electrical apprentice (\$82,000) and no further offerings of Cooks apprentice (\$45,000).

The Culinary Co-Op grant decrease is due to the first intake of students completing their studies last year. This is the last year for the Culinary Co-Op grant.

2. Tuition Fees

Total tuition fee revenue is expected to be \$19.6 million up \$1.2 million or six percent from last year's update budget. Tuition fees have been increased as of Sept 1, 2011 as per board approved rates, an average of four percent.

Overall full time enrolment revenue is budgeted to increase \$650,000 or by just under six percent. Post secondary enrolment is budgeted to increase slightly over last year. Revenue from International enrolment has been budgeted to more than double from \$260,000 to \$542,000.

Part time enrolment is budgeted to increase by \$260,000 or eleven percent from update budget in both funded and unfunded activity.

3. Other Income

Other income has increased by \$1.5 million over the update budget, mainly due to increased School College Work Initiative (\$1,045,000) budgeted at just under \$2.5 million. Other increases include cafeteria revenues (\$315,000), administrative fees from increased usage (\$47,000) and miscellaneous fee changes.

4. Ancillary Fees

Ancillary fees have increased by \$169,000. The increases in Ancillary fees are in line with tuition and intended to offset increased costs.

5. Amortization of Deferred Capital Contribution

Amortization of Deferred Capital Contribution revenues have increased by \$301,000 due to increased funded capital purchased in the prior year. This is offset by higher amortization expense. Details of funded capital are included in the Capital section of this financial plan.

6. Skills Programs

The Skills program revenues have declined by just over \$1.5 million. Offsetting this revenue reduction is an expenditure reduction of a similar amount.

The college is not running the Summer Job Service reimbursement program which was budgeted at \$936,000 last year.

The elimination of the Job Connect program at four college locations and the replacement of the new Employment Services program only at Peterborough and Haliburton has resulting in decreased revenues in this budget of \$255,000.

Ontario Basic Skills (OBS) revenue has been reduced from update budget by \$338,000 or 18 percent at all locations.

7. Facilities Renewal and Funded Projects

Facilities renewal and funded project revenues have decreased by \$1,822,000. Expenditures have also decreased by an equal amount.

The revenue recorded in this category represents funding received for facility and other projects as well funding received and allocated for items under \$5000 of value such as academic equipment and personal computers. Items over \$5000 are deemed capital.

In 2010-11 Update Budget Revenues included \$2,246,000 from the Strategic Capital Infrastructure Program. This program ended at March 31, 2011. This year's budget includes only \$92,000 in Facility Renewal Grant (FRG) allocated to expensed projects. The total FRG grant this year is \$295,000. The balance is allocated to capital items.

The College Equipment Renewal Fund (CERF) will fund academic equipment and information technology this year of \$342,000. This revenue will replace class room computers and audio visual equipment as well as other academic equipment across the college. The amount is similar to previous year but due to the change in capital limit from \$1000 to \$5000, the majority of this spending will be considered expense.

Revenues from the Dahl gift and the remaining SuperBuild funds has been budgeted to provide \$127,000 for academic equipment.

III. Expenditures

SIR SANDFORD FLEMING COLLEGE
Financial Plan - Preliminary Budget
Fiscal Year 2012



	Current Year Preliminary Budget 2012	Previous Year Update Budget 2011	Change	%	Ref
Expenditures					
Salaries and Benefits					
Salaries, Full Time	36,473,508	35,380,051	1,093,457	3.1%	8
Salaries, Part Time	11,168,506	10,723,073	445,433	4.2%	9
Benefits	9,528,122	9,087,810	440,312	4.8%	10
Total Salaries and Benefits	57,170,136	55,190,934	1,979,202		
Non-Salary Expenses					
Instructional Support Costs	5,105,235	4,409,872	695,363	15.8%	11
Travel and Professional Development	1,374,749	1,190,893	183,856	15.4%	12
Advertising	829,928	874,552	(44,624)	-5.1%	
Telephone, Audit, Legal & Insurance	757,839	839,006	(81,167)	-9.7%	13
Equipment Maintenance	351,756	382,440	(30,684)	-8.0%	
Plant and Security	2,122,659	2,031,527	91,132	4.5%	14
Rentals and Taxes	948,870	775,429	173,441	22.4%	15
Utilities	2,042,609	2,000,668	41,941	2.1%	
Contract Services Trent	1,843,625	2,138,726	(295,101)	-13.8%	16
Services & Other	2,039,016	2,039,976	(960)	0.0%	
Long Term Debt Interest	118,847	148,052	(29,205)	-19.7%	
Amortization of Capital Assets	5,486,960	4,992,435	494,525	9.9%	17
Total Non-Salary Expenses	23,022,093	21,823,576	1,198,517	5.5%	
Total Operating Expenditures	80,192,229	77,014,510	3,177,719	4.1%	
Investments	103,373	200,000	(96,627)	-48.3%	
Skills Programs	3,052,929	4,524,805	(1,471,876)	-32.5%	
Tuition Holdback Bursaries	2,297,000	2,250,287	46,713	2.1%	
Ministry Bursaries	1,036,660	1,126,355	(89,695)	-8.0%	
Special Projects	1,509,628	1,668,984	(159,356)	-9.5%	
Facilities Renewal and Funded Projects	561,870	2,383,702	(1,821,832)	-76.4%	
Ancillary Operations	3,972,337	3,699,421	272,916	7.4%	18
Total Expenditures	92,726,026	92,868,064	(142,038)	-0.2%	
Adjustment to Deferred Derivative Liability	(680,000)	(800,000)	120,000	-15.0%	
Excess of Revenue over Expenditures	\$ (680,000)	\$ (800,000)	\$ 120,000	-15.0%	

8. Full Time Salaries

Full time salaries have increased by \$1,093,000 from Update Budget. Full time Professor, Counsellor and Instructor salaries were budgeted based on the Collective Agreement that is currently in place.

The Public Sector Compensation Restraint to Protect Public Services Act will freeze compensation in place as of March 31, 2010 for Administrators and as of September 1, 2011 for Support Staff.

9. Part Time Salaries

Part time salaries have increased by \$445,000 from the Update Budget.

Academic salaries have increased by \$207,000 mainly due to increased expenditures for part time coordinators.

Part time support staff have increased by \$123,000 due to increases in Sutherland Recreation, Special Needs and Marketing. As well part time student wages have increased by \$115,000 across the college.

10. Benefits

Benefits are up \$440,000 from the Update Budget mainly due to an increase in the pension costs (\$153,000) and full time support benefit costs (\$130,000).

11. Instructional Support Costs

Instructional Support costs have increased \$695,000 from last year's update budget.

Instructional supplies have increased by \$275,000 for the School Work Initiative program and new programs, (pharmacy, plumbing) have required additional instructional supplies of \$127,000.

The change in the capital limit from \$1,000 to \$5,000 per item has resulted in expenditures that were previously considered capital now being expensed in year and included as small items under Instructional Support costs. This resulted in an increased in this budget category of \$216,000. As well, small items, related to the cafeteria renovations, have been budgeted at \$115,000.

12. Travel and Professional Development

These expenses have been budgeted to increase by \$183,000 from the Update Budget mainly due to an increase in Travel of \$111,000 for the School Work Initiative.

13. Telephone, Audit, Legal and Insurance

Telephone, audit, legal and insurance expenses were decreased by \$81,000 due to decreased expenditures for telephone equipment and internet fees.

14. Plant and Security

Plant and security expenses have increased \$91,000 from the Update Budget mainly due to increases in snow ploughing expenses (\$44,000) and increased contract services security (\$68,000). Maintenance building expenses have been decreased to partially offset.

15. Rentals and Taxes

Rentals and taxes expenses have increased \$173,000 from the Update Budget. Rental expenses have increased \$104,000 due the annualization of the portables at Brealey as well as new rental facilities required for the Plumbing program. The Municipal taxes have also increased by \$57,000, however this is offset by Municipal grant revenue.

16. Contract Services Trent

BScN Trent service expenses have decreased by \$295,000 from update budget due to efficiencies budgeted for the program by Trent.

17. Amortization Expense

Amortization expenses have increased by \$494,000 from the update budget. This is offset by the increase in amortization revenue leaving a net increase of \$193,000.

Details of funded capital are included in the Capital section of this financial plan.

18. Adjustment to Deferred Derivative Liability

The adjustment to deferred derivative liability of \$680,000 is mainly due to the Brealey Residence swap which will end in October 2011. This will leave the balance of the deferred derivative liability at \$123,000.

IV. Capital

Capital spending in 2011/12 is budgeted at \$6.8 million of which \$0.7 million is from funded sources. The balance of \$6.1 million is capital from operating, of which \$2.5 million will be secured from a bank loan.

This level of capital expenditures will increase our Invested in Capital Assets as at March 31, 2012 to \$8.9 million, an increase of \$2.7 million from last year's actual level.

The budgeted funded capital sources include the Facility Renewal Program (\$203,000), Natural Science and Engineering Research Council (NSERC) (\$207,000), Donated capital (\$225,000) and Apprentice Equipment Fund (AEF) (\$100,000).

The remaining capital from operating includes cafeteria renovations and equipment (\$4,954,000), heavy equipment capital (\$180,000), academic and IT equipment (\$401,000), residence capital (\$148,500) and building renovations (\$388,000).

Capital budgeted for 2011/12 is summarized below:

Cafeteria renovations & equipment	\$4,953,736
Building Renovations	797,000
Residence Capital	148,500
Academic Equipment	570,016
Student Printers, Audio Visual, Web Registration software & Network Equipment	295,668
Other Capital equipment	<u>20,000</u>
	\$6,784,920