



Fleming College

**Fleming College
Financial Plan
2012-2013**

April 2012

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I. Summary

Total revenues in this Financial Plan are \$93 million, up marginally from the 2011/12 Update Budget. Total expenditures are \$93 million, also up marginally from Update. The financial plan provides a balanced budget for the year.

Total net assets are budgeted to remain relatively unchanged.

Fleming College Financial Plan Preliminary Budget 2012/13

SUMMARY

(\$ 000's)

	2012/13 Preliminary Budget	2011/12 Update Budget	Increase (Decrease)
Revenue			
Grants & Reimbursements	\$ 44,994	\$ 44,444	\$ 550
Tuition & Other	32,594	30,735	1,859
Amortization	3,640	3,748	(108)
Skills, Bursaries, Ancillary & Projects	11,836	12,771	(935)
Adjustment to Deferred Derivative Liability	-	680	(680)
Revenue	93,064	92,378	686
Operating Expenses	74,944	73,400	1,544
Amortization Expense	5,673	5,487	186
Skills, Bursaries, Ancillary & Projects	12,447	12,811	(364)
Expenses	93,064	91,698	1,366
Excess of Revenue over Expenditures	\$ -	\$ 680	\$ (680)

	Projected Balance Mar 31/13	Budgeted Balance Mar 31/12	Change
NET ASSETS			
Invested in Capital Assets			
As of April 1, 1997	\$ 2,417	\$ 2,417	\$ -
Since April 1, 1997	8,978	8,970	8
Total Invested in Capital Assets	11,395	11,387	8
Unrestricted			
Operating (Board Reserves)	1,112	1,120	(8)
Accrued vacation pay, Future Benefits and Derivative & Sick Leave	(7,533)	(7,533)	-
Total Unrestricted	(6,421)	(6,413)	(8)
Internally Restricted Residences/Commitments	956	956	-
Subtotal Net Assets	5,930	5,930	-
Externally restricted	5,637	5,637	-
TOTAL NET ASSETS	\$ 11,567	\$ 11,567	\$ -

II. Revenue

College revenues are budgeted at \$ 93.1 million; an increase of 0.7% from revenues in the 2011/12 Update Budget.

Increase in tuition revenue, grants and other income were offset by decreases in adjustment to deferred derivative liability, Skills Programs, and revenues for facilities renewal and other funded projects.

	Current Year		Previous Year	
	Preliminary Budget 2013	Update Budget 2012	Change	%
Revenue				
Grants and Reimbursements	\$ 44,994,190	\$ 44,443,568	\$ 550,622	1.2%
Student Tuition Fees	20,713,339	19,498,277	1,215,062	6.2%
Contract Training	756,656	501,341	255,315	50.9%
Other Income				
Other Income	7,155,488	6,842,225	313,263	4.6%
Ancillary Fees	3,969,235	3,893,346	75,889	1.9%
Non-Operating Revenue	-	-	-	-
Total Other Income	11,124,723	10,735,571	389,152	3.6%
Amortization of Deferred Capital Contributions	3,639,964	3,747,923	(107,959)	-2.9%
Total Operating Revenues	81,228,872	78,926,680	2,302,192	2.9%
Skills Programs	2,866,169	3,340,257	(474,088)	-14.2%
Tuition Holdback Bursaries	2,220,000	2,297,000	(77,000)	-3.4%
Ministry Bursaries	832,655	1,036,660	(204,005)	-19.7%
Special Projects	1,738,268	1,705,569	32,699	1.9%
Facilities Renewal and Renovation Projects	244,455	552,576	(308,121)	-55.8%
Ancillary Operations	3,933,956	3,839,572	94,384	2.5%
Adjustment to Deferred Derivative Liability	-	680,000	(680,000)	-
Total Revenue	93,064,375	92,378,314	686,061	0.7%

1. Grants and Reimbursements

Grants are budgeted to increase by \$550,000 from the Update Budget as follows: (\$ 000's)

	<u>Preliminary</u> <u>2012-13</u>	<u>Update</u> <u>2011-12</u>	<u>Change</u>
Basic Operating Grant	\$31,000	\$31,000	\$ -
Enrolment Growth Grants	3,500	2,250	1,250
Federal Supported Training	0	363	(363)
BScN Grant	3,967	3,854	113
Second Career Grant	1,315	1,845	(530)
Northern & Rural Funding Grant	2,229	2,229	-
Apprentice Grant	684	697	(13)
Performance Funding Grant	505	505	-
Special Needs & Interpreter Grant	682	627	55
Municipal Tax Credit	484	474	10
CO-OP Diploma Apprentice Grant	0	118	(118)
Rental Grants	203	188	15
Medical & Clinical Grant	110	110	-
Misc. Recoveries	315	184	131
Grants and Reimbursements	\$44,994	\$44,444	\$550

The Operating grants are based on the initial allocations from the Ministry. The Basic Operating grant has remained unchanged.

The Enrolment Growth grants consisted of the Enrolment Bridging grant of \$665,500 which has been eliminated, and the Enrolment Growth grant which has increased by \$1,915,500 to \$3.5 million. This has resulted in a net increase in enrolment growth grants of \$1.25 million.

The Federal Supported Training grant of \$363,000 has been eliminated.

The Second Career grant has decreased by \$530,000. This is due to the change in criteria, implemented two years ago, resulting in a continued decline in individuals qualifying for Second Career funding. The intake of new Second Career students is to be budgeted the same as last year's intake numbers.

The Co-Op grant decrease is due to the completion of this program.

Miscellaneous Recoveries are mainly grants to cover recovery of expenses incurred such as staff secondments to the ministry.

2. Tuition Fees

Tuition fee revenue is expected to be \$20.7 million up \$1.2 million or six percent from last year's update budget. Tuition fees have been increased as of Sept 1, 2012 as per board approved rates, an average of just under five percent.

Revenue from International enrolment has been budgeted to double from \$.9 million to \$1.8 million.

Part time enrolment is budgeted to remain unchanged from update budget.

3. Contract Training

Contract training revenue has increased by \$255,000 from the update budget mainly in the School of Business and Technology.

4. Other Income

Other income has increased by \$313,000 over the update budget.

OCAS application fee revenues will now be recorded by the college resulting in new revenue of \$589,000. Offsetting expenditures will also be recorded in Contract Services of \$539,000. An increase of \$154,000 has been budgeted for the completion of the Aboriginal Heritage Interpretation program. Increases have also been budgeted for Supply Fees and Administrative Fees.

School College Work Initiative is expected to decline by \$355,000 from the update budget.

5. Amortization of Deferred Capital Contribution

Amortization of Deferred Capital Contribution revenues have decreased by \$108,000 due to decreases in capital funded from operating. This is offset by lower amortization expense for these funded items. 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 \$474,000 as continuation of the Targeted Initiative for Older Workers has not been confirmed. Offsetting this revenue reduction is an expenditure reduction of \$435,000.

7. Facilities Renewal and Funded Projects

Facilities renewal and funded project revenues have decreased by \$308,000 to a total of \$244,000. 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. The mix of capital and expense will change from year to year.

The College Equipment Renewal Fund (CERF) will fund academic equipment and information technology this year totalling \$276,000 of which \$146,000 will be expense. This revenue will replace class room equipment across the college.

The balance of \$98,000 represents the expensed portion of Facilities Renewal grant and donated expenses.

III. Expenditures

SIR SANDFORD FLEMING COLLEGE
 Financial Plan - Preliminary Budget
 Fiscal Year 2013



	Current Year	Previous Year	Change	%
	Preliminary Budget 2013	Update Budget 2012		
Expenditures				
Salaries and Benefits				
Salaries, Full Time	37,143,734	35,882,519	1,261,215	3.5%
Salaries, Part Time	10,548,797	11,256,156	(707,359)	-6.3%
Benefits	9,840,625	9,376,336	464,289	5.0%
Total Salaries and Benefits	57,533,156	56,515,011	1,018,145	
Non-Salary Expenses				
Instructional Support Costs	4,372,351	4,501,635	(129,284)	-2.9%
Travel and Professional Development	1,163,232	1,190,107	(26,875)	-2.3%
Advertising	829,967	854,005	(24,038)	-2.8%
Telephone, Audit, Legal & Insurance	805,038	795,302	9,736	1.2%
Equipment Maintenance	380,068	376,172	3,896	1.0%
Plant and Security	2,240,444	2,314,752	(74,308)	-3.2%
Rentals and Taxes	984,655	951,672	32,983	3.5%
Utilities	1,953,873	1,990,531	(36,658)	-1.8%
Contract Services Trent	1,803,614	1,717,134	86,480	5.0%
Services & Other	2,786,168	2,075,010	711,158	34.3%
Long Term Debt Interest	90,800	118,847	(28,047)	-23.6%
Amortization of Capital Assets	5,673,234	5,486,960	186,274	3.4%
Total Non-Salary Expenses	23,083,444	22,372,127	711,317	3.2%
Total Operating Expenditures	80,616,600	78,887,138	1,729,462	2.2%
Investments	1,051,755	331,468	720,287	217.3%
Skills Programs	2,511,494	2,946,974	(435,480)	-14.8%
Tuition Holdback Bursaries	2,220,000	2,297,000	(77,000)	-3.4%
Ministry Bursaries	832,655	1,036,660	(204,005)	-19.7%
Special Projects	1,738,268	1,705,570	32,698	1.9%
Facilities Renewal and Renovation Projects	244,455	552,576	(308,121)	-55.8%
Ancillary Operations	3,849,148	3,940,928	(91,780)	-2.3%
Total Expenditures	\$93,064,375	\$91,698,314	\$1,366,061	1.49%
Net	\$0	\$680,000	(\$680,000)	-100.00%

8. Full Time Salaries

Full time salaries have increased by \$1,261,000 from the Update Budget. Full time support salaries were budgeted based on the Collective Agreement that is currently in place.

9. Part Time Salaries

Part time salaries have decreased by \$707,000 from the Update Budget across the college. Part time academic salaries have decreased by \$607,000 or six percent. Support part time salaries have decreased by \$77,000 or five percent. Student salaries have also declined slightly.

10. Benefits

Benefits have increased \$464,000 from the Update Budget mainly due to an increase in the pension costs of \$356,000.

11. Instructional Support Costs

Instructional Support costs have decreased \$129,000 from last year's Update Budget. Decreases have occurred mainly in Office Supplies (\$29,000), Small Non Academic Items (\$65,000), and Rental Copier (\$30,000).

12. Plant and Security

Plant and Security expenses have decreased by \$74,000 from the Update Budget. The previous year included strike related additional Security expenses of \$43,000. Increases in Contract Cleaning and Building expenses of \$34,000 to cover inflationary increases have been budgeted. Plant Maintenance and Renovation expenses are budgeted to decrease by \$53,000.

13. Services and Other

Services and Other expenses have increased by \$711,000 from the Update Budget.

As mentioned under other income new OCAS application expenses of \$539,000 have been included and are covered by the new income. The increase in international enrolment has resulted in additional commission and contract service expenses of \$104,000.

Various other strategic initiatives such as Lean and E-learning strategy have also been included.

14. Amortization of Capital Assets

Amortization expenses have increased by \$186,000 from the update budget, mainly due to annualizing the cafeteria renovation amortization expense. .

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

15. Investments

Investments totalling \$1,052,000 have been budgeted. These expenditures are for items such as student computer labs and classroom equipment (\$236,000), renovations (\$385,000), staff computers (\$83,200), student service software and equipment renewal (\$25,600) and network servers, storage and switches (\$25,000).

The balance of the investments is for strategic projects such as group wise migration, virtual desktop and active directory. These projects will provide cost savings to the college, increased student satisfaction, better utilization of resources and will support the E-learning strategy.

16. Adjustment to Deferred Derivative Liability

The adjustment to deferred derivative liability of \$680,000, in the previous year, was mainly due to the Brealey Residence swap which ended in October 2011.

IV. Capital

Capital spending in 2012/13 is budgeted at \$12.4 million of which \$10.7 million is from funded sources. The balance of \$1.7 million is capital from operating.

This level of capital expenditures will increase our Invested in Capital Assets as at March 31, 2013 to \$11.4 million, a slight increase from last year's budgeted level.

The budgeted funded capital sources include funding of KTTC (\$10,000,000), the Apprentice Equipment Fund (AEF) (\$205,000), Facility Renewal Program (FRG) (\$235,000), Donated capital (\$130,000) and College Equipment Renewal Fund (CERF) (\$130,000).

The remaining capital from operating includes academic capital (\$209,000), IT equipment and web registration software (\$844,000), residence capital (\$210,000), Building Renovations (\$115,000), marketing equipment (\$60,000), student services equipment (\$48,000), and an unallocated amount for emergency and new academic requirements (\$250,000).

Capital budgeted for 2012/13 is summarized below:

KTTC Building	\$10,000,000
Building Renovations	480,000
Residence Capital	210,000
Academic Equipment	543,545
Network Equipment, Web Registration software	844,000
Unallocated Capital equipment	250,000
Other Capital equipment	<u>107,914</u>
	\$12,435,459