

**Fleming College**

**Fleming College  
Financial Plan  
Update  
2019-2020**

APPROVED: By the Board of Governors, November 27, 2019, #11

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## I. Summary

Total revenues for this Updated Financial Plan are \$143.0 million, an increase of 2.1% over the 2019-2020 Preliminary Budget. Total expenditures have also been projected to increase to \$140.7 million, leaving \$2.3 million available as a contribution to College reserves.

Capital investment is budgeted at \$7.8 million, an increase of \$1.1 million from Preliminary Budget.

Net Assets are projected to be \$42.3 million at March 31, 2020.

### Fleming College Financial Plan Update Budget 2019/2020 SUMMARY (\$ 000's)

	Update Budget 2019/2020	Preliminary Budget 2019/2020	\$ Increase (Decrease)	% Increase (Decrease)
<b>Revenue</b>				
Grants & Reimbursements	\$ 45,893	45,636	257	0.6%
Student Tuition Fees	55,522	56,147	(625)	-1.1%
Contract Training	1,369	1,015	353	34.8%
Other Income	16,199	16,237	(38)	-0.2%
Amortization	4,638	4,487	151	3.4%
Skills, Bursaries, Ancillary & Projects Revenue	19,358	16,520	2,838	17.2%
	<b>142,980</b>	<b>140,044</b>	<b>2,936</b>	<b>2.1%</b>
<b>Operating Expenses</b>				
Operating Expenses	113,834	113,939	(106)	-0.1%
Amortization Expense	7,156	7,046	110	1.6%
Skills, Bursaries, Ancillary & Projects Expenses	19,677	16,917	2,760	16.3%
	<b>\$ 140,667</b>	<b>137,902</b>	<b>2,765</b>	<b>2.0%</b>
<b>Excess of Revenue over Expenditures</b>	<b>\$ 2,313</b>	<b>2,142</b>	<b>171</b>	<b>8.0%</b>
	Projected Balance Mar 31/20	Year End Balance Mar 31/19	\$ Increase (Decrease)	% Increase (Decrease)
<b>NET ASSETS</b>				
<b>Invested in Capital Assets</b>				
As of April 1, 1997	\$ 2,417	2,417	0	
Since April 1, 1997	21,929	24,223	(2,293)	
<b>Total Invested in Capital Assets</b>	<b>24,346</b>	<b>26,640</b>	<b>(2,293)</b>	<b>-8.6%</b>
<b>Unrestricted</b>				
Operating (Board Reserves)	19,400	14,804	4,596	
Accrued vacation pay, Future Benefits and Derivative & Sick Leave & PSA *	(9,294)	(9,294)	0	
<b>Total Unrestricted</b>	<b>10,106</b>	<b>5,510</b>	<b>4,596</b>	<b>83.4%</b>
<b>Internally Restricted</b>	<b>1,178</b>	<b>1,168</b>	<b>10</b>	
<b>Subtotal Net Assets</b>	<b>35,630</b>	<b>33,318</b>	<b>2,313</b>	<b>6.9%</b>
<b>Externally restricted</b>	<b>6,628</b>	<b>6,628</b>	<b>0</b>	
<b>TOTAL NET ASSETS</b>	<b>\$ 42,258</b>	<b>39,946</b>	<b>2,313</b>	<b>5.8%</b>

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## II. Revenue

College revenues are budgeted at \$143.0 million, an increase of 2.1% from revenues projected in the 2019-2020 Preliminary Budget.

	Update Budget Submission 2020	Preliminary Budget 2020	Change	%
<b>Revenue</b>				
Grants and Reimbursements	(45,893,250)	(45,636,458)	(256,792)	0.6%
Student Tuition Fees	(55,522,292)	(56,146,846)	624,554	-1.1%
Contracted Educational Services	(1,368,843)	(1,015,405)	(353,438)	34.8%
Other Income				
Other Income	(10,866,102)	(10,308,030)	(558,072)	5.4%
Ancillary Fees	(5,333,030)	(5,929,463)	596,433	-10.1%
Non-Operating Revenue	-	-	-	
Total Other Income	(16,199,132)	(16,237,493)	38,361	-0.2%
Amortization of Deferred Capital Contributions	(4,637,657)	(4,487,000)	(150,657)	3.4%
Total Operating Revenues	(123,621,174)	(123,523,202)	(97,972)	0.1%
Skills Programs	(3,301,606)	(3,278,133)	(23,473)	0.7%
Tuition Holdback Bursaries	(3,380,000)	(3,380,000)	-	0.0%
Ministry Bursaries	(680,800)	(280,800)	(400,000)	142.5%
Special Projects	(4,927,926)	(2,688,321)	(2,239,605)	83.3%
Facilities Renewal and Renovation Projects	(614,225)	(526,792)	(87,433)	16.6%
Ancillary Operations	(6,453,901)	(6,366,401)	(87,500)	1.4%
Total Non-Operating Revenues	(19,358,458)	(16,520,447)	(2,838,011)	17.2%
Total Revenue	(142,979,632)	(140,043,649)	(2,935,983)	2.1%

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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, additional grants were secured for pre-apprentice programs.

## **2. Student Tuition**

Student tuition is projected to decrease by \$0.6 million over Preliminary Budget as a result of summer and fall enrolments and resulting adjustment to winter enrolment projections.

## **3. Contracted Education Services**

Additional contracts were awarded related to international education services.

## **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 \$1.7 million was secured under new skill advancement programs. An increase in Ministry Bursaries of \$400,000 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, \$87,433 of grant funding provided for facility renewal & academic equipment projects was reclassified from capital assets.

Ancillary Operations represents revenues from the College Residence and Parking Revenues. The primary increase in revenue is for the added housing revenue from conference centre activity.

### III. Expenditures

College expenditures are budgeted at \$140.7 million, an increase of 2.0% from preliminary budget.

	Update Budget Submission 2020	Preliminary Budget 2020	Change	%
<b>Expenditures</b>				
<b>Salaries and Benefits</b>				
Salaries, Full Time	48,629,148	49,365,704	(736,556)	-1.5%
Salaries, Part Time	18,169,661	18,007,551	162,110	0.9%
Benefits	14,302,656	15,002,597	(699,941)	-4.7%
<b>Total Salaries and Benefits</b>	<b>81,101,465</b>	<b>82,375,852</b>	<b>(1,274,387)</b>	<b>-1.5%</b>
<b>Non-Salary Expenses</b>				
Instructional Support Costs	6,630,510	6,403,822	226,688	3.5%
Travel and Professional Development	2,274,852	2,116,319	158,533	7.5%
Advertising	1,411,368	1,281,281	130,087	10.2%
Telephone, Audit, Legal & Insurance	2,963,039	2,828,352	134,687	4.8%
Equipment Maintenance	722,210	714,860	7,350	1.0%
Plant and Security	2,851,590	2,859,044	(7,454)	-0.3%
Rentals and Taxes	1,062,664	995,607	67,057	6.7%
Utilities	2,737,261	2,636,129	101,132	3.8%
Contract Services Trent	2,355,850	2,355,850	-	0.0%
Services & Other	9,601,155	8,944,145	657,010	7.3%
Long Term Debt Interest	121,794	178,009	(56,215)	-31.6%
Amortization of Capital Assets	7,155,855	7,045,853	110,002	1.6%
<b>Total Non-Salary Expenses</b>	<b>39,888,148</b>	<b>38,359,271</b>	<b>1,528,877</b>	<b>4.0%</b>
<b>Total Operating Expenditures</b>	<b>120,989,613</b>	<b>120,735,123</b>	<b>254,490</b>	<b>0.2%</b>
<b>Investments</b>	<b>1,677,602</b>	<b>1,427,654</b>	<b>249,948</b>	<b>17.5%</b>
<b>Skills Programs</b>	<b>3,301,606</b>	<b>3,278,133</b>	<b>23,473</b>	<b>0.7%</b>
<b>Tuition Holdback Bursaries</b>	<b>3,380,000</b>	<b>3,380,000</b>	<b>-</b>	<b>0.0%</b>
<b>Ministry Bursaries</b>	<b>680,800</b>	<b>280,800</b>	<b>400,000</b>	<b>142.5%</b>
<b>Special Projects</b>	<b>4,927,926</b>	<b>2,688,321</b>	<b>2,239,605</b>	<b>83.3%</b>
<b>Ancillary Operations</b>	<b>5,709,540</b>	<b>6,112,118</b>	<b>(402,578)</b>	<b>-6.6%</b>
<b>Total Expenditures</b>	<b>140,667,087</b>	<b>137,902,149</b>	<b>2,764,938</b>	<b>2.0%</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 \$0.7 million due to delayed hires and unanticipated turnover.

## 2. Part Time Salaries

Part time (PT) salaries have increased by \$162,110 from the Preliminary Budget due to additional backfill and temporary hires as replacement for FT staff turnover.

## 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 \$1.5 million (4.0 %).

This significant increase is due to a variety of sources including:

- **Instructional Supplies** have increased by \$226,688 which includes added investment in academic technology/software plus a small increase in supplies with added pre-apprentice contracts.
- **Travel and Professional Development** has increased by \$158,533 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 \$130,087) represents an increase in promotions for skill fairs and Tech. Trade events along with added advertising for staff hires.
- **Telephone, Audit, Legal & Insurance** has increased with an offsetting increase in other income due to added health insurance for our International students.
- **Services & Other** have projected to increase by \$657,010 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 \$2.6 million.

\$249,948 has been added to the college expense investments and facility renewal projects as part of the overall college strategy to enhance college welcoming environment.

Decrease costs of \$402,578 in ancillary operations is related to deferred hiring with staff turnover and deferral of planned paving projects.

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## IV. Capital

Capital spending for the 2019-2020 Update Budget is planned at \$7.8 million. This represents an increase of \$1.1 million from Preliminary Budget.

Additional capital includes:

- \$850,000 added grant funding with applied research.
- \$166,000 added cost to facility/residence projects.
- \$130,000 added cost to student digital displays and system servers.
- \$46,000 savings from Academic equipment purchases.

For the 2019-2020 Update Budget, Capital items budgeted are summarized below:

	<b>College Base Capital</b>	<b>Enhance College Grants</b>	<b>Total</b>	<b>Preliminary Budget Forecast</b>
Building Construction/Renovations	1,226,895	425,247	1,652,142	1,445,371
Network/IT Systems	1,191,155		1,191,155	1,060,000
Academic Equipment	1,425,748	386,551	1,812,299	1,858,990
Applied Research	855,202	2,204,525	3,059,727	2,207,644
Residence Capital	65,000		65,000	105,000
	<b>4,764,000</b>	<b>3,016,323</b>	<b>7,780,323</b>	<b>6,677,005</b>