

Business Plan & Annual Budget 2015-16

PRESIDENT'S LETTER

Dear Colleagues,

I am truly honoured to present my first business plan and budget as President of Algonquin College. This is a special place and one of Canada's preeminent postsecondary institutions.

The Algonquin team has worked diligently over many months to deliver a focused business plan and balanced budget, designed to achieve the goals set out in Algonquin's 2012-2017 Strategic Plan. The initiatives outlined in the plan were informed by both our budget planning process and the President's Listening Tour. The final result is a Business Plan and Annual Budget that works to deliver on our vision of being a *global leader in digitally-connected applied education and training*.

In building the 2015-16 Business Plan and Annual Budget, the College Leadership Council identified two areas of particular priority;

- Retention
- Employee Engagement

Retention

Retention remains one of the most studied, most persistent and most perplexing challenges facing postsecondary education. Withdrawing from college can deal a crushing blow to a student's self-confidence, self-esteem, and financial position. For the institution and society, student attrition is considered a waste of precious resources and talent. Finding solutions that work for Algonquin students is critical to our reputation and our financial position.

This year's Business Plan and Annual Budget boldly sets its sights on increasing both graduation and first term retention rates by 1.5%. As a first step, we will work to gain broad cross-College support for a common definition of retention. In addition, we will pilot a program completion strategy for final semester students, invest in a one-stop physical and digital environment for onshore international students, and continue to mature our strategic enrolment management practices.

Building on the success of last year's event, 2015-16 will see the college host its second Student Success Conference, shining the light on retention best practices being implemented by leading faculty and staff, both at Algonquin and across North America. Retention plans will then be built for each School based on these best practices.

Finally, we will focus on ensuring our academic programs and courses, whether in the classroom or online, meet the highest of standards. We will assess and validate College hybrid and online offerings against the Hybrid and Online Quality Assurance Standards (HOQAS), adapted from the Quality Matters TM (QM) rubric, at the same time as we prepare for our institutional-level Program Quality Assurance Process Accreditation in 2016.

Employee Engagement

The second key priority is employee engagement. Working together, we have created a very positive work environment at Algonquin, recognized most recently by our selection as a National Capital Top Employer. Yet, even with this recognition there is a belief that more can be done to create a truly engaged workplace.

Following on the heels of our second Employee Engagement Survey, 2015-16 will see us constitute a new Employee Engagement Tiger Team, host follow up town halls, and identify and action the top three employee selected engagement priorities. Concurrently, we will be making additional investments in the areas of professional development, and leadership training.

In addition, we will begin phasing in a new financial management model called Responsibility Center Management. Under this model, schools and departments are responsible for managing their direct revenues and expenses, providing units with greater control and autonomy, while using incentives to encourage even greater cross-College collaboration and teamwork.

Summary

Collectively, these two documents take into account the current funding model and anticipated cost pressures. Beyond retention and employee engagement, the 2015-16 Business Plan and Annual Budget identifies initiatives covering the breadth of the organization, including our commitments to applied education and training, student and client success, empowered people and financial sustainability.

I believe that the 2015-16 Business Plan and Annual Budget strikes a balance in responsible planning, allowing us to meet the needs of our stakeholders while maintaining a strong financial foundation.

Please join me in thanking all those who have worked so diligently on our behalf. To all those who attended departmental planning sessions, prepared countless documents, and worked on the College's Budget Committee, you have our sincere appreciation.

Yours sincerely,

A handwritten signature in blue ink that reads "Cheryl Jensen". The signature is written in a cursive, flowing style.

Cheryl Jensen
President and CEO

MISSION, VISION AND VALUES

Algonquin's organizational philosophy is defined by its mission, vision and core values. Through the course of the recent strategic planning process, stakeholders paid tribute to the current set of College values believing they accurately reflect the principles and beliefs shared by the community. At the same time, they encouraged the College to revise the current mission and vision statements to more accurately reflect our aspirations for the future.

The following are intended to serve as points of inspiration and provide clear differentiation from other colleges, carefully articulating our purpose.

OUR MISSION

To transform hopes and dreams into skills and knowledge, leading to lifelong career success.

OUR VISION

To be a global leader in digitally-connected applied education and training.

OUR VALUES

Caring

We have a sincere and compassionate interest in the well-being of the individual.

Integrity

We believe in trust, honesty and fairness in all relationships and transactions.

Learning

We believe in the pursuit of knowledge, personal growth and development.

Respect

We value the dignity and uniqueness of the individual.
We value equity and diversity in our community.

Business Plan 2015-16

STRATEGIC PLAN 2012 - 2017

At Algonquin, we believe students learn best by applying knowledge through experience. We believe that understanding is not a destination but rather the product of a lifelong 'knowledge journey', made richer and more compelling when mixed with the power of technology. Experiential education is about being able to utilize new concepts in non-textbook contexts; to conceptually make sense of complex, real-world situations and to express such concepts meaningfully to others. Such learning also gives students the opportunity to improve their life skills – self-direction, collaboration and teamwork, information gathering, and clear communication.



These are the traits today's employers seek in their employees. This kind of technologically enhanced, experiential knowledge fuels economic growth and community prosperity. It is the fundamental speciality of Algonquin College and the foundation of our aspiration to be The Connected College offering the greatest range of choices for all students. Today's economic realities make delivering on this mission increasingly more challenging. This Strategic Plan addresses the current fiscal realities head on, seeking to be efficient stewards of public funds while building a strong financial foundation from which to make strategic investments which will enhance the overall experience of our students.

To deliver on our mission and vision we have identified 4 strategic pillars and 12 supporting goals. These commitments guide our strategic priorities and budget process.

APPLIED EDUCATION AND TRAINING

- Goal 1:** Deliver an exemplary applied education and training experience.
- Goal 2:** Create a unique suite of programs, products and services geared to meet the needs and expectations of our clients and students.
- Goal 3:** Leverage technology to enhance the educational experience
- Goal 4:** Provide opportunities for every full-time student to have a work experience outside of the classroom.

STUDENT AND CLIENT SUCCESS

- Goal 5:** Deliver exceptional service to our diverse student and client populations.
- Goal 6:** Leverage technology to automate and modernize our business processes, fostering an environment of continuous improvement.

EMPOWERED PEOPLE

- Goal 7:** Attract, develop and retain employees who have the knowledge and skills to be fully contributing members of the College.
- Goal 8:** Create and foster an environment in which the College's model of leadership competencies and behaviours is supported.

FINANCIAL SUSTAINABILITY

- Goal 9:** Align our funded operational expenditures with provincial funding
- Goal 10:** Expand non-funded opportunities to increase revenue.
- Goal 11:** Leverage strategic business partnerships to meet the capital needs of the College.
- Goal 12:** Create the technological foundation to align with the digital direction.

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2015-16 Initiatives/Leveraged Action	2015-16 Measures
Goal 1: Deliver an exemplary applied education and training experience.				
Metric	2014-15 Target	2015-16 Target	ACADEMIC Develop and pilot a program completion strategy for final semester students who are missing one or two courses to graduate	ACADEMIC 200 students provided a program completion plan during their final semester.
Graduation Rate	66.5%	68%		
Retention Rate	87%	88%	STUDENT SERVICES & ACADEMIC Implement cross-College intervention initiatives in 1st term classes to assist students experiencing academic challenges.	STUDENT SERVICES & ACADEMIC (1) First term retention increased by 1.5%. (2) Top three Strategic Enrolment Management Committee (SEMC) projects completed. (3) College-wide Strategic Enrolment Management conference held with 300 in attendance.
			INTERNATIONAL & STRATEGIC PRIORITIES, ACADEMIC & STUDENT SERVICES Create a one-stop physical and digital environment for onshore international students.	INTERNATIONAL & STRATEGIC PRIORITIES, ACADEMIC & STUDENT SERVICES (1) International student retention increased from 92% to 93%. (2) International Student Support Case Management system piloted using Client Relationship Management platform with final report to be presented to College Technology Committee and Strategic Enrolment Management Committee. (3) Two International sessions presented at Strategic Enrolment Management Conference. (4) 35% of new to Algonquin international students attend the International Orientation Session.
			ACADEMIC Assess and validate College hybrid and online offerings against the Hybrid and Online Quality Assurance Standards (HOQAS), adapted from the Quality Matters TM (QM) rubric.	ACADEMIC 300 hybrid and online offerings assessed and validated against the Hybrid and Online Quality Assurance Standards (HOQAS).
			ACADEMIC Prepare for the institutional-level Program Quality Assurance Process Accreditation in 2016.	ACADEMIC (1) Application for accreditation quality assessment and completed self-audit document submitted by December 2015. (2) Preparation by relevant academic and service areas completed in time for site visit.
Goal 2: Create a unique suite of programs, products and services geared to meet the needs and expectations of our clients and students.				
Metric	2014-15 Target	2015-16 Target	ADVANCEMENT, ACADEMIC & STUDENT SERVICES Coordinate marketing, recruitment and admission efforts across 25 targeted programs.	ADVANCEMENT, ACADEMIC & STUDENT SERVICES (1) 10% increase in website visits to 25 targeted programs. (2) 5% increase in email open rates to 25 targeted programs. (3) 5% increase in applications to 25 targeted programs. (4) 10% increase in confirmations to 25 targeted programs. (5) Six postsecondary programs to be launched. (6) Two off-campus promotional visits completed per program by Academic Area employees. (7) A prospect-to-registrant customer journey map presented to the Strategic Enrolment Management Committee (SEMC).
Enrolment (PSE) and others	20,345	20,750		
Enrolment (online – FTE equivalents)	3,300	3,500		
Enrolment (PSE international – FTE equivalents)	1,140	1,355		
Students enrolled in applied degrees	575	531	ACADEMIC, FINANCE & ADMINISTRATION AND STUDENT SERVICES Healthy Living Education (HLE) initiative establishes a planned Centre of Excellence with learning enterprises that will enhance the health and wellness of the College community and National Capital Region through the provision of academic programming, products, services, training and graduates.	ACADEMIC, FINANCE & ADMINISTRATION AND STUDENT SERVICES (1) Infrastructure funding model for a new College HLE facility developed. (2) HLE Project submitted to the Ministry of Training Colleges & Universities and the Ministry of Finance. (3) Functional program requirements for the HLE facility completed. (4) Plan developed to restructure School of Health and Community Studies and the School of Hospitality and Tourism to reflect health and wellness program clusters. (5) HLE Capital Campaign concept presented to the Algonquin College Foundation Board of Directors for approval.
Students enrolled in graduate certificates	840	920		

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2015-16 Initiatives/Leveraged Action	2015-16 Measures
Goal 2: con't				
			<p>ACADEMIC Enhance the choice and flexibility of student learning options by increasing the availability of fully online offerings through the Centre for Continuing and Online Learning (CCOL).</p>	<p>ACADEMIC (1) Five online Graduate certificate programs developed and delivered. (2) Three stackable programs developed by Winter 2016. (A stackable credential is part of a sequence of credentials that can be accumulated over time to build qualifications and move along a career pathway.) (3) 200 additional online full-time equivalents (FTEs) (Full-time: 150 FTEs, Part-time: 50 FTEs).</p>
			<p>INTERNATIONAL & STRATEGIC PRIORITIES (1) Expand recruitment and business development efforts in China, India & Nigeria. (2) Improve student recruitment conversion processes. (3) Pilot the use of remote technologies to deliver English for Academic Purposes (EAP) overseas. (4) Increase international student access to bursaries & scholarships.</p>	<p>INTERNATIONAL & STRATEGIC PRIORITIES (1a) 10% Increase in enrolment from designated countries. (1b) Website analytics benchmarks established for designated countries. (2a) 1.5% increase in international student conversion rate (confirmed to registered). (2b) Three international pre-orientation webinars hosted. (2c) Secret shopper report presented to Strategic Enrolment Management Committee. (3) Online English as a Second Language program launched with a minimum of 10 students. (4) 1% of international tuition premium revenues used to establish international scholarship fund.</p>
			<p>ACADEMIC & ADVANCEMENT (1) Continue the development of new degree programs. (2) Create and implement a degree marketing and recruitment plan.</p>	<p>ACADEMIC & ADVANCEMENT (1) Four degree programs submitted to the Ministry/ Postsecondary Education Quality Assessment Board. (2a) Degree bridging programs promoted in Fall 2015 to students in final year of diploma studies. (2b) Dedicated degree marketing strategy reflective of competitive analysis and best practices developed and implemented by November, 2015 .</p>
			<p>ACADEMIC Develop four on-campus graduate certificates.</p>	<p>ACADEMIC Four on-campus graduate certificates launched.</p>
Goal 3: Leverage technology to enhance the educational experience				
Metric	2014-15 Target	2015-16 Target	ACADEMIC Implement Curriculum Services hybrid and online program development plan.	ACADEMIC 13 new (non Centre for Continuing and Online Learning) online courses offered.
Online courses offered	127	140	ACADEMIC Implement Curriculum Services hybrid and online program development plan.	ACADEMIC 100 new hybrid courses created.
Unique hybrid courses offered	1,140	1,230	ACADEMIC Enhance and expand the Bring-Your-Own-Device initiative as a program delivery format.	ACADEMIC 175 full-time day programs (95%) offered in Bring Your Own Device format.
			ACADEMIC Expand the eText initiative to additional programs.	ACADEMIC 100 programs participating in the eText initiative.

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2015-16 Initiatives/Leveraged Action	2015-16 Measures
Goal 4: Provide opportunities for every full-time student in Ontario College Credentialed programs to have a work-integrated learning experience.				
Metric	2014-15 Target	2015-16 Target	ACADEMIC Implement Year-3 roll-out of the Work-Integrated Learning (WIL) program initiative.	ACADEMIC Curriculum amended during Annual Curriculum Review cycle to reflect the addition of work-integrated learning activities in 13 eligible programs of study.
Programs with work experience opportunities	85%	93%	ACADEMIC Establish five new stand-alone and 18 new in-class applied research projects.	ACADEMIC 65 additional students involved in applied research projects.
Students engaged in applied research and development	825	890		
Goal 5: Deliver exceptional service to our diverse student and client populations.				
Metric	2014-15 Target	2015-16 Target	STUDENT SERVICES, ACADEMIC, FINANCE & ADMINISTRATION Align initiatives with Key Performance Indicators (KPI) survey questions and results to enhance student satisfaction.	STUDENT SERVICES, ACADEMIC, FINANCE & ADMINISTRATION (1) A cross-College task group established to provide on-going guidance and support of leveraged actions. (2) Initiatives created as appropriate for questions in sub-categories under the capstone related to "Student Satisfaction". (3) Library refurbishment process launched. (3) Student awareness campaign enhanced for "Student Satisfaction" KPI questions.
Student Satisfaction	82.1%	82.5%		
Employer Satisfaction	93%	94%		
Alumni Satisfaction	87.5%	88.5%		
			STUDENT SERVICES Increase number of employers in the annual survey pool.	STUDENT SERVICES Awareness campaign for graduating students completed explaining the importance of providing employer information for employer survey.
			FOUNDATION Enhance alumni awareness and engagement.	FOUNDATION (1) Alumni Awareness Campaign developed. (2) 5% increase in affinity program participation. (3) 3% increase in alumni participation in alumni benefit program. (4) Fifty additional alumni prospects identified to engage as donors.
				INTERNATIONAL & STRATEGIC PRIORITIES (1) International students alumni database created. (2) International alumni chapter created with a minimum of ten participants.

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2015-16 Initiatives/Leveraged Action	2015-16 Measures
Goal 6: Leverage technology to automate and modernize our business processes, fostering an environment of continuous improvement.				
Metric	2014-15 Target	2015-16 Target	FINANCE & ADMINISTRATION, HUMAN RESOURCES, STUDENT SERVICES, ACADEMIC Informed by the College's Digital Strategy, complete the College's Information Technology (IT) Strategy	FINANCE & ADMINISTRATION, HUMAN RESOURCES, STUDENT SERVICES, ACADEMIC (1) Human Resources (HR) Pay phase of Enterprise Resource Planning Project Fusion completed on-time and on-budget. (2) Student Information System Advisory Committee established, Request for Information completed, and options presented to College community for review and feedback. (3) Revised governance model for automation projects and business process re-engineering presented to President's Council. (4) 10 business process automation projects completed. (5) IT Strategy presented to President's Council for approval.
Business processes developed to measurably lower cost and/or improve productivity.	30	40	FINANCE & ADMINISTRATION, STUDENT SERVICES, HUMAN RESOURCES Initiate applied research project in collaboration with KPMG to review College services and identify opportunities to enhance student and client experience, improve efficiencies, implement service metrics and achieve sustainable efficiencies.	FINANCE & ADMINISTRATION, STUDENT SERVICES, HUMAN RESOURCES (1) Complete first phase of execution of the project and achieve milestones established during the planning phase. (2) Identify and present to President's Council opportunities for service operation savings equivalent to 0.5% of total 2015-16 operating budget. (3) Identify and present to President's Council opportunities to enhance measurable value to students and clients for services provided by at least four service departments. (4) Key service metrics identified and implemented for each department participating in first phase of execution upon President's Council approval.
Goal 7: Attract, develop and retain employees who have the knowledge and skills to be fully contributing members of the College.				
Metric	2014-15 Target	2015-16 Target	HUMAN RESOURCES Implement the top three initiatives/priorities determined by the 2014-15 Employee Engagement Survey.	HUMAN RESOURCES (1) New Employee Engagement Tiger Team constituted. (2) Three Employee Engagement Town Halls hosted to analyze 2014-15 survey results. (3) Top three priorities identified and presented at the President's BBQ. (4) Plan to address top three priorities drafted and presented, with funding requirements, to College community and Board of Governors.
Employee Engagement	3.90	NA	HUMAN RESOURCES Ensure Professional Development opportunities support all employee groups.	HUMAN RESOURCES Needs analysis survey of college-wide professional development offerings completed and reported to President's Council.
Goal 8: Create and foster an environment in which the College's model of leadership competencies and behaviors is supported.				
Metric	2014-15 Target	2015-16 Target	HUMAN RESOURCES Continue to offer modules of leadership through the Management Academy to all Administrators.	HUMAN RESOURCES (1) Year 2 of the Management Academy completed. (2) All levels of the Algonquin Leadership in Education Institute (ALEI) training continue to be offered.
Leadership training	3.90	NA	FINANCE & ADMINISTRATION Implement first full fiscal year framework of Responsibility Centre Management model, based on approved Responsibility Centre Management principles to encourage innovation and align authority with financial accountability.	FINANCE & ADMINISTRATION (1) Faculties and Schools received allocation of grant revenues and central administration costs. (2) Development of Service Level Agreements for 50% of the non-academic departments and their administrative support services for schools are completed.

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2015-16 Initiatives/Leveraged Action	2015-16 Measures
Goal 9: Align our funded operational expenditures with provincial funding.				
			Completed. Standard operating procedure at the College.	
Goal 10: Expand non-funded opportunities to increase revenue.				
Metric	2014-15 Target	2015-16 Target	ACADEMIC Deploy an account management sales model, implement a suite of educational technology options for the corporate audience, and enhance self-service capacity to increase the number of Corporate Training client organizations served.	ACADEMIC 375 client organizations have received training through Corporate Training resulting in net \$200,000 contribution.
Number of organizations served through Corporate Training	325	375		
Alternative revenues	31%	31%	INTERNATIONAL & STRATEGIC PRIORITIES Implement Year 2 of the College's International Education Strategic Plan.	INTERNATIONAL & STRATEGIC PRIORITIES (1) \$8,038,654 in net contribution raised from international efforts: - \$5,392,872 Postsecondary Education (PSE) - \$1,733,675 English for Academic Purposes (EAP) - \$231,756 Jazan - \$449,572 Kuwait - \$230,779 Contract Training & Program Licensing (2) Two new offshore campus opportunities presented to President's Council for consideration.
			FINANCE & ADMINISTRATION Develop College Ancillary Services roadmap to achieve strategic objectives that enhance services to students and employees, increase sales, improves productivity and provides more resources for strategic investment priorities.	FINANCE & ADMINISTRATION College Ancillary Services net contribution increased by 25% over 2012-13 baseline net contribution.
Goal 11: Leverage strategic business partnerships to meet the capital needs of the College.				
Metric	2014-15 Target	2015-16 Target	FOUNDATION Complete Year 2 of the 5 Year Fundraising Plan.	FOUNDATION (1) \$3.6M in total contributed from fundraising: - \$500,000 secured from previous campaign pledge fulfillment. - \$1,050,000 raised from alumni revenue, annual and endowment contributions. - \$850,000 raised from gifts-in-kind and major gift cash and pledges. - \$500,000 raised in cash and pledges for new capital campaign. - \$715,000 disbursed from endowment funds. (2) Upon approval of a multi-million dollar College Capital Project, a Capital Campaign Plan will be completed. (3) Prospect module linked to Cornerstone funds and 300 prospects identified. (4) Donor appreciation and recognition programs updated. (5) Fundraising training delivered to College Leadership Council.
Cash, in-kind contributions, and returns from alternative financing.	\$6.5M	\$15.8M		
			FINANCE & ADMINISTRATION Lead the implementation of the second Energy Savings Contract (ESCO2) facility improvement measures to achieve energy savings, reduce greenhouse gas emissions and encourage a culture of sustainability.	FINANCE AND ADMINISTRATION (1) \$12.2M in total contributed from ESCO2 measures (2) \$1,426,846 in annual savings achieved in 2015-16. (3) Greenhouse gas emission reduced by 1,687 metric tonnes, compared to FY2010-11 baseline emissions of 10,035 tonnes. (4) Co-generation plant installed and in service by December 2015.

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2015-16 Initiatives/Leveraged Action	2015-16 Measures
Goal 12: Create the technological foundation to align with the digital direction.				
Metric	2014-15 Target	2015-16 Target	FINANCE & ADMINISTRATION Increase the College's capacity to leverage Business Intelligence (BI) enabling decisions that are supported by data.	FINANCE & ADMINISTRATION BI reports are available and utilized by targeted College departments.
College data accessible through a common BI portal	50%	75%	PRESIDENT'S COUNCIL Improve the College's capacity to define, collect, analyze and disseminate institutional data, information and research in service of the institution's planning, decision-making and performance measurement needs.	PRESIDENT'S COUNCIL A formal Institutional Research and Planning function is established in the College with dedicated leadership and operating resources.
Availability of College networks and internet access	96%	98.5%	FINANCE & ADMINISTRATION Upgrade network, internet and wireless infrastructure to ensure a consistent level of connectivity for students and employees.	FINANCE & ADMINISTRATION (1) Progress on all network, internet, and wireless infrastructure projects are reported quarterly to the College Technologies Committee. (2) A framework to establish an information, communications, and technology infrastructure maintenance strategy is presented to President's Council.
Availability of wireless network to all stakeholders	96%	98.5%		

Annual Budget 2015-16

TREASURER’S REPORT OF THE 2015-16 ANNUAL BUDGET

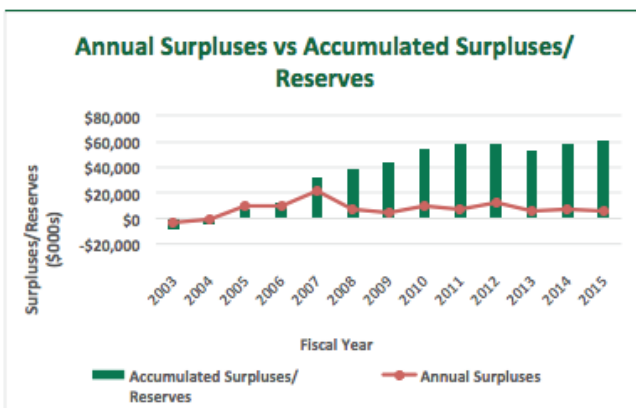
The College’s annual budget development process has concluded with an estimated net contribution of \$1,487,558. In compliance with both Board of Governors direction and Ministry of Training Colleges and Universities operating directives, the 2015-16 Annual Budget returns a net surplus and maintains the College’s commitment to balancing government funded activities with expenses.

The 2015-16 Annual Budget also provides the College with the resources required to deliver on the commitments detailed in the 2015-16 Business Plan and the College’s 2012-17 Strategic Plan.

INTERNALLY RESTRICTED NET ASSETS/ACCUMULATED SURPLUSES

Last year, the College concluded fiscal year 2013-14 with a net contribution of \$7.1 million which exceeded the 2013-14 Annual Budget net contribution of \$813,000; a variance of 2.1% as a percentage of total budgeted expenditures. In addition to various operating savings, this positive variance was achieved primarily due to increased enrolment and net revenues from the International Education Centre and the deferral of some spending on strategic investment priorities to the next fiscal year.

The College has consistently achieved surpluses and grown its accumulated surplus balance over the past 10 years in the Internally Restricted Net Asset accounts. These funds are managed and have grown to provide resources to fund Strategic Investment Priorities that will enhance the overall experience of students.



Through a business planning process that continues to engage all areas of the College, a series of major initiatives aimed at addressing improvements to academic facilities, student services and business process automation were identified that require drawing down funds from internally restricted accounts.

The President is submitting a recommendation to the Board of Governors to approve spending from the College’s Specific Reserves funds for the following significant capital projects and initiatives in 2015/16:

2015/16 Expenditures from Internally Restricted Funds – Specific Reserves	
2014/15 Approved Strategic Investment Priorities Expenditures Deferred to 2015/16	\$2,692,000
Information Technology and Physical Infrastructure Renewal Projects	625,000
College Ancillary Services – Residence Upgrades, Equipment Renewal, and Point-of-Sale Systems	1,400,000
Enterprise Resource Planning Solution – Human Resources, Payroll, and Finance	2,000,000
Total Expenditures from Internally Restricted Funds – Specific Reserves	\$6,717,000

The College continues to plan for medium and long-term investment requirements and has budgeted for the following additions to our internally restricted funds:

Internally Restricted Funds	2015/16 Budgeted Contributions
Specific Reserves	
▪ Ancillary Services Reserve Funds	\$1,062,000
▪ Information Technology and Physical Infrastructure Renewal Fund	500,000
Contingency Reserve Fund	192,000
General Reserve Funds – Future Capital Expansion	2,552,000
Total Budgeted Contributions to Internally Restricted Funds	\$4,306,000

Refer to the Net Assets Continuity Schedule for more information on budgeted contributions and expenditures from Internally Restricted Funds.

The budgeted 2015-16 fiscal year-end total balance of unrestricted net assets plus internally restricted net assets are as follows:

Unrestricted and Internally Restricted Net Assets	
Unrestricted Net Assets	\$1,000,000
Internally Restricted Net Assets	
▪ Appropriations	250,000
▪ Specific Reserves	
o Other Projects and Initiatives	16,300,000
o Ancillary Services Reserve Fund	5,155,000
o Employment Stabilization Fund	570,000
o Other Student Aid	20,000
▪ Contingency Reserve Fund	7,990,000
▪ General Reserve Funds	30,409,000
Total Unrestricted and Internally Restricted Net Assets	\$61,694,000

CHALLENGES AND OPPORTUNITIES FACING THE COLLEGE

Delivering a budget that returns a positive net contribution has not been without its challenges. In 2014, the Province re-stated its commitment to eliminating the Ontario deficit by 2017-18 and committed to continue on planned reductions to Ontario colleges funding. The annualized impact of these reductions to Algonquin's 2015-16 base funding is approximately \$6.5million.

Provincial Budget Measure	Algonquin College Impact		
	2013/14	2014/15	2015/16
International Student Recovery Fee	\$ (442,125)	\$ (876,131)	\$ (1,099,351)
Elimination of Small Northern and Rural Grant	(992,425)	(1,844,850)	(1,844,850)
Policy Levers – Operating Grant Reductions	(807,909)	(1,721,837)	(2,741,739)
Estimated Reductions Announced in the July 2014 Provincial Budget	-	(357,000)	(715,000)
International Student Municipal Tax	(63,093)	(84,525)	(101,633)
Total Impact of Provincial Budget Measures	\$ (2,235,552)	\$ (4,884,843)	\$ (6,502,603)

In the spring of 2014, the College received an audit report on its deferred maintenance that stated that the College's physical deferred maintenance liability had grown from \$41 million in 2010 to \$87 million in 2014. While the Province has committed to increasing funding for deferred maintenance for the college sector over the coming years (\$26 million in 2014-15 increasing to \$100 million by 2019-20), Algonquin's share will not be sufficient to reduce this liability. With \$700 million in facilities and infrastructure, the College should be investing approximately \$14 million (or 2% of the \$700 million replacement value) each year. In addition, the College has in excess of \$80 million in information, communications and technology (ICT) infrastructure that should be renewed at a rate of about 4% per year (at least \$3.2 million). Aging academic equipment is another major concern as the College receives insufficient funding to keep our technology current.

More positively, Algonquin saw enrolments to the College increase almost 2% year-over-year in 2014-15, with the majority of these increases coming as a result of new program development, online offerings, and increase to international enrolment. International enrolments continue to exceed expectations with enrolment growth of 17% in 2014-15.

The College's 2nd Energy Savings Contract (ESCO2) in partnership with Siemens is an incredible success story with \$14 million in new facility improvement investments to date generating \$1 million in annual energy savings.

ASSUMPTIONS

A number of assumptions were made in the preparation of estimates to be included in the budget. A list of the most significant assumptions for 2015-16 follows:

Revenues

- Grant projections are based on the assumption that the existing College Funding Framework (released in June 2009) for operating and enrolment growth grants will be extended for a seventh year and will be funded at the reduced rates most recently communicated by the Ministry;
- Tuition fee rates for funded programs has been budgeted with a 3% increase;
- Enrolment growth in full-time post-secondary programs is projected to increase by 2% over 2014-15 enrolment levels due to growth in existing programs, the launch of new programs, and improved retention; and

TREASURER’S REPORT OF THE 2014-15 ANNUAL BUDGET

Revenues con’t

- The following other non-funded revenue sources have been updated to respond to the projected enrolment changes, the economy, international opportunities and anticipated market conditions:
 - o Contract Activity
 - o International Premium and Tuition
 - o College Ancillary Services

OPERATING EXPENDITURES

Wage increases for all faculty and staff will not exceed the current range of wage increases in the public sector;

The College will augment its existing faculty complement with additional hires to accommodate projected enrolment growth; and

Other expenditures will increase at a rate consistent with the rate of inflation.

FUNDING FOR STRATEGIC INVESTMENT PRIORITIES

Through the alignment of operating revenues and expenditures within the Province’s funding and tuition fee framework, the College is able to direct contributions from non-funded activities to strategic investment priorities. Priority setting has been based on investments that are deemed to be ‘essential’, support the College’s strategic directions, renew curriculum and develop new programs, deliver high quality instructional equipment for students, and mitigate the risk of physical and technological infrastructure failure.

More specifically, the annual budget provides funding for the following initiatives:

- Adapt teaching environments to accommodate students with mobile devices as part of the mobile learning program project;
- Developing additional hybrid courses, online programs, graduate certificates and degree programs to meet the needs of today’s student;
- Continue with the rollout of the e-text strategy for students that will result in lower costs for students and provide increased flexibility for learning;
- Continue with the acquisition and implementation of a Finance and Human Resources Enterprise Resource Planning system;
- Implement strategies to improve employee engagement; and
- Continue to upgrade and improve the service and reliability of wired and wireless networks.

RISKS

Staff believe that this budget is reasonable under the circumstances. The following identifies and assesses major risks:

RISK SCHEDULE			
Risk Identification	Impact in 2015/16	Likelihood in 2015/16	Risk Management
Enrolment Less than Projection resulting in Reduced Tuition Fee Revenue	Moderate	Possible	<ul style="list-style-type: none"> • New Programs • Aggressive of Applications to Registrations • Retention Initiatives • Reduce Expenditures • Increase Winter Intakes
Provincial Operating Grants Less than Budgeted	Moderate	Unlikely	<ul style="list-style-type: none"> • Reduce Direct Expenses • Further Review Programs and Services for Efficiencies • Defer Strategic Investments
Other Revenues Less than Budgeted	Moderate	Possible	<ul style="list-style-type: none"> • International Initiatives • Contract Training
Labour Relations	Minor	Unlikely	<ul style="list-style-type: none"> • Monitor Government Actions • Advocate for additional Government Funding • Budget Provision for additional Positions • Management of the Arbitration Process and Costs
Information Technology Assets and Services – Business Interruption	Moderate	Unlikely	<ul style="list-style-type: none"> • Upgraded IT Infrastructure • Contingency Accounts Available • Business Continuity/Disaster Recovery Planning
Facilities Quality and Space Constraints	Minor	Possible	<ul style="list-style-type: none"> • Develop Alternative Growth Strategies • Leverage use of Technology • Energy Services Contract

BUDGET IMPACT

The 2015-16 Annual Budget provides adequate resources for programs and services to operate the College and fund initiatives that support the 2012-17 Strategic Plan. In order to produce a balanced budget, a number of budget reduction and expansion initiatives were implemented including:

Budget Reductions	Impact
Various Operating Expenses	\$340,000 of Miscellaneous Operating Expenditure Reductions

Budget Expansion	Impact
Full-Time Enrolment Increase	\$3,700,000 Increase in Full-Time Tuition Fee Revenues, and \$5,500,000 Increase in the Enrolment Growth Grant
International Education Centre	\$1,000,000 Increase in Revenue

THANK YOU TO THE COLLEGE BUDGET COMMITTEE

Budget Impact con't

More specifically, this budget includes provisions for the following program and service improvements:

- Digital college and online learning initiatives;
- Effective academic advising and retention initiatives;
- Professional development opportunities for employees ;
- Development of business intelligence capabilities to obtain information to support strategic decision making;
- Additional faculty positions in the Academic area; and
- Additional positions in other areas that support the
- College's strategic directions.

Additional details of new initiatives are included in the College's annual Business Plan.

THANK YOU TO THE COLLEGE BUDGET COMMITTEE

I would like to conclude by thanking all of those involved in the development of the Annual Budget for their hard work and ongoing commitment to the College, with a special mention of the efforts of the College Budget Committee (CBC):

- Mark Hoddenbagh (Chair), Acting Executive Director, Partnerships and Applied Research
- Victoria Tiqui-Sanford (Recorder), Assistant to the Director, Finance and Administration
- Cathy Dempsey (Resource), Director, Finance and Administrative Services
- Christopher Janzen (College Space and Infrastructure Committee Chair), Dean, Faculty of Technology and Trades
- Dave Donaldson, Dean, School of Business
- Diane McCutcheon, Director, Labour Relation
- Glenn MacDougall (College Technologies Committee Chair), Director, Learning and Teaching Services
- Jeff Macnab, Registrar, Registrar's Office
- John Tattersall, Director, Physical Resources
- Linda Rees, Dean, Centre for Continuing and Online Learning
- Michael Gawargy, Director, Information Technology Services
- Peter Fortura, Acting Executive Director, Academic Operations and Planning
- Grant Perry (Resource), Manager, Finance and Administrative Services



Duane McNair

Treasurer and Vice President, Finance and Administration

PRO FORMA SUMMARY

(all figures in \$ 000's)

	Actual 2013/2014	Annual Budget 2014/2015	Q3 Projection 2014/2015	Annual Budget 2015/2016	Pro Forma 2016/2017	Pro Forma 2017/2018
Funded Activity/College Operations						
Revenue	\$ 205,118	\$ 211,669	\$ 214,142	\$ 222,264	\$ 230,477	\$ 239,272
Expenditures *	194,028	203,944	203,651	213,930	219,147	226,617
Net Contribution	11,090	7,725	10,491	8,334	11,330	12,655
Contract Activity & Other Non-Funded Activity						
Revenue	26,788	26,870	29,337	24,822	25,319	25,825
Expenditures	25,130	25,830	27,658	23,189	23,659	24,126
Net Contribution	1,659	1,040	1,679	1,633	1,660	1,699
College Ancillary Services						
Revenue	39,894	41,378	42,202	43,420	44,508	45,529
Expenditures *	34,961	34,795	35,735	36,458	37,089	37,693
Net Contribution	4,933	6,583	6,467	6,962	7,419	7,836
International Education Centre						
Revenue	18,080	19,769	20,162	21,089	22,141	24,069
Expenditures	14,003	13,587	15,197	16,068	16,556	17,421
Net Contribution	4,077	6,182	4,965	5,021	5,585	6,648
Strategic Investment Priorities						
Revenue	6,378	1,872	3,166	1,479	1,509	1,711
Expenditures **	17,982	23,695	23,262	19,565	29,166	25,591
Net Contribution	(11,604)	(21,823)	(20,096)	(18,086)	(27,657)	(23,880)
Net Gain on Sale of Former Pembroke Campus						
			896			
Non-Cash Revenue Adjustments						
Capital Grants recorded as Deferred Capital Contributions	(3,712)	(900)	(1,400)	(1,000)	(1,000)	(1,000)
Amortization of Deferred Capital Contributions	8,299	7,000	7,000	7,500	7,500	7,500
Non-Cash Expenditure Adjustments						
Expenditures to be Capitalized	6,981	6,000	9,000	4,500	4,500	4,500
Amortization Expense	(15,521)	(14,000)	(14,000)	(14,000)	(14,000)	(14,000)
Change in Vacation, Sick Leave & Post-Employment Benefits	966	(462)	381	624	446	439
Net Contribution as per Public Sector Accounting Standards (PSAS) ***	\$ 7,168	\$ (2,655)	\$ 5,383	\$ 1,488	\$ (4,217)	\$ 2,397

* Expenditures do not include 'Contributions to Reserve Funds' and 'Principal Repayments of Debt'.

** Strategic Investment Priorities Expenditures includes authorized and proposed spending from Internally Restricted Net Assets.

*** 2013/2014 Actuals, 2014/2015 Approved Budget, and 2014/2015 Q3 Projection Net Contributions are presented as per Generally Accepted Accounting Principles (GAAP).

PRO FORMA SUMMARY

(all figures in \$ 000's)

	Actual 2013/2014	Annual Budget 2014/2015	Q3 Projection 2014/2015	Annual Budget 2015/2016	Pro Forma 2016/2017	Pro Forma 2017/2018
Net Assets						
Unrestricted	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Investment in Capital Assets	50,804	51,389	53,333	52,931	52,689	52,616
Vacation, Sick Leave and Post-Employment Benefits	(18,897)	(18,848)	(18,516)	(17,892)	(17,446)	(17,007)
Internally Restricted						
Appropriations	1,000	1,000	500	250	250	250
Specific Reserves	24,464	12,235	23,932	22,045	14,381	13,179
Contingency Reserve Fund	7,607	7,656	7,797	7,990	8,277	8,637
General Reserve Funds	23,883	26,429	27,199	30,409	33,365	36,238
Interest Rate Swaps	(9,931)	(7,247)	(10,185)	(8,994)	(7,827)	(6,686)
Endowments	20,810	19,110	21,410	22,010	22,610	23,210
TOTAL NET ASSETS	\$ 100,741	\$ 92,724	\$ 106,470	\$ 109,749	\$ 107,299	\$ 111,437



STATEMENT OF FINANCIAL POSITION

(all figures in \$ 000's)

	March 31, 2015 <i>Annual Budget</i>	March 31, 2015 <i>Q3 Projection</i>	March 31, 2016 <i>Proposed Budget</i>
ASSETS			
Current Assets			
Cash and Short Term Investments	\$ 25,067	\$ 28,990	\$ 29,679
Accounts Receivable	16,000	15,000	15,000
Inventory	1,900	1,900	2,000
Prepaid Expenses	1,300	1,300	1,400
	44,267	47,190	48,079
Investments	46,553	55,838	57,115
Endowment Assets	19,110	21,410	22,010
Capital Assets	261,459	265,493	255,993
TOTAL ASSETS	\$ 371,389	\$ 389,931	\$ 383,197
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable & Accrued Liabilities	14,000	14,000	14,500
Accrued Salaries & Employee Deductions Payable	7,500	6,600	7,000
Deferred Revenue	21,000	22,000	22,000
Current Portion of Long Term Debt	2,609	2,598	2,758
	45,109	45,198	46,258
Long Term Debt	53,870	53,960	51,202
Vacation, Sick Leave & Post-Employment Benefits	18,848	18,516	17,892
Deferred Capital Contributions	153,591	155,602	149,102
Interest Rate Swaps	7,247	10,185	8,994
Net Assets			
Unrestricted	1,000	1,000	1,000
Investment in Capital Assets	51,389	53,333	52,931
Vacation, Sick Leave & Post-Employment Benefits	(18,848)	(18,516)	(17,892)
Internally Restricted	47,320	59,428	60,694
Interest Rate Swaps	(7,247)	(10,185)	(8,994)
Endowment Fund	19,110	21,410	22,010
	92,724	106,470	109,749
TOTAL LIABILITIES AND NET ASSETS	\$ 371,389	\$ 389,931	\$ 383,197

REVENUE SCHEDULE

(all figures in \$ 000's)

	Funded Activity/ College Operations	Contract Activity & Other Non-Funded Activity	College Ancillary Services	International Education Centre	Strategic Investment Priorities	Annual Budget 2015/2016	Q3 Projection 2014/2015	Annual Budget 2014/2015	Actual 2013/2014
Grants									
Post Secondary Activity	\$ 101,599	\$ -	\$ -	\$ -	\$ -	\$ 101,599	\$ 98,854	\$ 96,066	\$ 94,729
Capital & Equipment	-	-	-	-	927	927	2,331	780	4,421
Apprentice	4,476	-	-	-	-	4,476	4,710	4,779	5,085
Flow-Through Student Aid	1,343	-	-	-	-	1,343	1,424	1,226	1,450
TOTAL GRANTS	107,418	-	-	-	927	108,345	107,319	102,851	105,685
Tuition Fees									
Full-Time Post Secondary	64,432	-	-	19,472	-	83,904	79,225	78,197	71,903
Full-Time Non-Funded	-	2,069	-	-	-	2,069	1,961	1,714	1,705
Part-Time	9,359	732	-	-	-	10,091	10,399	10,812	11,154
Adult Training	1,097	-	-	-	-	1,097	1,252	1,291	1,239
Student IT & Mobile Computing Fees	9,050	-	-	-	-	9,050	8,388	7,780	6,624
TOTAL TUITION FEES	83,938	2,801	-	19,472	-	106,211	101,225	99,794	92,625
Contract Educational Services									
Provincially Funded Programs	-	9,494	-	-	-	9,494	12,002	11,277	12,250
Corporate & Other Programs	3,549	10,392	-	1,344	-	15,285	16,217	17,708	13,235
Grants, Fees & Other Income Associated with Contract Activity	-	1,813	-	-	-	1,813	1,213	1,402	2,103
TOTAL CONTRACT EDUCATIONAL SERVICES	3,549	21,699	-	1,344	-	26,592	29,432	30,387	27,588
COLLEGE ANCILLARY SERVICES SALES	-	-	43,420	-	-	43,420	42,202	41,378	39,894
Other									
Students' Association Contribution (Student Commons & Pembroke)	-	-	-	-	-	-	-	257	260
Capital Campaign	-	-	-	-	552	552	835	835	1,324
Early Learning Centre	950	-	-	-	-	950	933	960	907
Student Ancillary Fees	5,650	55	-	-	-	5,705	5,456	5,370	5,113
Investment Income	2,008	-	-	-	-	2,008	1,528	1,528	1,199
Internal Transfer of International Revenue	8,770	267	-	-	-	9,037	8,580	7,476	8,570
Miscellaneous	9,981	-	-	273	-	10,254	11,499	10,723	13,094
TOTAL OTHER	27,359	322	-	273	552	28,506	28,831	27,149	30,467
TOTAL REVENUE	\$ 222,264	\$ 24,822	\$ 43,420	\$ 21,089	\$ 1,479	\$ 313,074	\$ 309,009	\$ 301,558	\$ 296,259

Funded Activity/College Operations	\$ 222,264	\$ 214,142	\$ 211,669	\$ 205,118
Contract Activity & Other Non-Funded Activity	24,822	29,337	26,870	26,788
College Ancillary Operations	43,420	42,202	41,378	39,894
International Education Centre	21,089	20,162	19,769	18,080
Strategic Investment Priorities	1,479	3,166	1,872	6,378
Total Revenue	\$ 313,074	\$ 309,009	\$ 301,558	\$ 296,259

EXPENDITURES SCHEDULE

(all figures in \$ 000's)

	Funded Activity/ College Operations	Contract Activity & Other Non-Funded Activity	College Ancillary Services	International Education Centre	Strategic Investment Priorities	Annual Budget 2015/2016	Q3 Projection 2014/2015	Annual Budget 2014/2015	Actual 2013/2014
Full-Time Salaries & Benefits									
Full-Time Salaries & Benefits - Academic	\$ 64,576	\$ 2,362	\$ -	\$ -	\$ -	\$ 66,938	\$ 63,133	\$ 65,263	\$ 61,353
Full-Time Salaries & Benefits - Administration	20,171	2,189	1,795	789	-	24,944	23,025	23,615	22,041
Full-Time Salaries & Benefits - Support	35,309	2,926	4,354	524	-	43,113	39,571	40,934	37,068
Total Full-Time Salaries & Benefits	120,056	7,477	6,149	1,313	-	134,995	125,729	129,812	120,462
Other Staff Salaries & Benefits									
Other Staff Salaries & Benefits - Academic	22,502	2,474	-	65	-	25,041	25,917	24,239	26,183
Other Staff Salaries & Benefits - Administration	1,490	2,461	-	322	-	4,273	4,676	4,596	3,638
Other Staff Salaries & Benefits - Support	5,760	1,919	1,791	124	-	9,594	9,733	8,683	9,475
Total Other Staff Salaries & Benefits	29,752	6,854	1,791	511	-	38,908	40,326	37,518	39,296
TOTAL SALARY & BENEFITS	149,808	14,331	7,940	1,824	-	173,903	166,055	167,330	159,758
Other Operating									
Mandated Student Aid	5,773	-	-	5	-	5,778	5,610	5,610	4,854
Contingencies	6,686	-	-	-	-	6,686	4,836	5,775	4,215
Long Term Debt Interest	890	-	2,460	-	-	3,350	3,513	3,503	4,646
Contract Services	9,954	3,090	1,650	2,180	-	16,874	19,578	19,032	16,216
Instructional Supplies & Equipment	4,071	1,829	187	15	-	6,102	6,294	5,491	5,375
Information Technology	6,080	554	-	51	-	6,685	7,944	6,634	5,956
Promotion	2,471	457	246	361	-	3,535	3,457	3,401	2,975
Building Maintenance & Utilities	11,667	24	3,091	-	-	14,782	13,772	13,165	13,607
Flow-Through Student Aid	1,351	-	-	-	-	1,351	1,416	1,218	1,450
Cost of Goods Sold	1,101	-	18,337	-	-	19,438	19,074	18,011	18,040
Internal Transfer of International Revenue	-	-	-	9,037	-	9,037	8,580	7,476	8,570
Algonquin College - Saudi Arabia Net Equity Share of Loss	-	-	-	-	-	-	-	-	730
Other	14,078	2,904	2,547	2,595	-	22,124	22,112	21,510	21,731
TOTAL OTHER OPERATING	64,122	8,858	28,518	14,244	-	115,742	116,186	110,826	108,365
FUNDING FOR STRATEGIC INVESTMENT PRIORITIES	-	-	-	-	19,565	19,565	23,262	23,695	17,982
TOTAL EXPENDITURES	\$ 213,930	\$ 23,189	\$ 36,458	\$ 16,068	\$ 19,565	\$ 309,210	\$ 305,503	\$ 301,851	\$ 286,105

Funded Activity/College Operations	\$ 213,930	\$ 203,651	\$ 203,944	\$ 194,028
Contract Activity & Other Non-Funded Activity	23,189	27,658	25,830	25,130
College Ancillary Operations	36,458	35,735	34,795	34,961
International Education Centre	16,068	15,197	13,587	14,003
Strategic Investment Priorities	19,565	23,262	23,695	17,982
Total Expenditures	\$ 309,210	\$ 305,503	\$ 301,851	\$ 286,105

FUNDING FOR STRATEGIC INVESTMENT PRIORITIES SCHEDULE

(all figures in \$ 000's)

	Grants & Fundraising	College Funded	Annual Budget 2015/2016	Q3 Projection 2014/2015	Annual Budget 2014/2015	Actual 2013/2014
Source of Funds						
Facilities Renewal Grant	\$ 927	\$ -	\$ 927	\$ 600	\$ 600	\$ 601
College Equipment Renewal Fund Grant	-	-	-	559	-	559
Apprenticeship Enhancement Fund Grant	-	-	-	1,026	-	980
Students' Association Contribution (Student Commons & Pembroke)	-	-	-	-	257	260
Capital Campaign	552	-	552	835	835	1,324
Digital College	-	-	-	146	180	2,282
Other	-	-	-	-	-	373
TOTAL SOURCE OF FUNDS	1,479	-	1,479	3,166	1,872	6,378
Expenditures						
<i>Campus Expansion</i>						
Re-patriation of Hair Stylist/Esthetician Program Facilities	-	-	-	5,770	4,150	-
Dental Clinic Upgrades	-	-	-	585	1,000	-
Digital College	-	-	-	324	-	-
Algonquin Centre for Construction Excellence	-	-	-	690	200	151
Pembroke Campus	-	-	-	139	700	657
Student Commons	-	-	-	-	450	450
<i>Total Campus Expansion</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>7,508</i>	<i>6,500</i>	<i>1,258</i>
<i>Other</i>						
Digital College	-	-	-	-	-	3,297
College Technologies	-	6,713	6,713	4,168	4,734	1,032
College Space & Infrastructure	927	4,475	5,402	3,728	3,550	2,789
New Program Initiatives	-	1,000	1,000	825	1,250	787
Academic & Other Equipment	-	1,500	1,500	2,426	1,960	1,650
Initiatives & Opportunities	-	3,300	3,300	4,306	3,301	3,411
College Ancillary Services	-	1,400	1,400	1,368	1,400	1,426
Appropriations	-	250	250	277	1,000	1,352
Apprenticeship Enhancement Fund	-	-	-	1,026	-	980
Adjustment for Anticipated Underspend	-	-	-	(2,370)	-	-
<i>Total Other</i>	<i>927</i>	<i>18,638</i>	<i>19,565</i>	<i>15,754</i>	<i>17,195</i>	<i>13,427</i>
TOTAL EXPENDITURES	927	18,638	19,565	23,262	23,695	17,982
NET CONTRIBUTION	\$ 552	\$ (18,638)	\$ (18,086)	\$ (20,096)	\$ (21,823)	\$ (11,604)



2015/2016
NET ASSETS CONTINUITY SCHEDULE
 (all figures in \$ 000's)

	Q3 Projection March 31, 2015	2015/2016 Budgeted In Year Use of Funds	2015/2016 Budgeted Year End Adjustments	Budgeted Balance March 31, 2016
Appropriations	\$ 250	\$ 250	\$ 250	\$ 250
Specific Reserves				
Other Projects & Initiatives	18,225	5,317	3,392	16,300
Ancillary Services Reserve Fund	5,381	1,400	1,174	5,155
Employment Stabilization Funds	560	50	60	570
Other Student Aid	16	95	99	20
	<u>24,182</u>	<u>6,862</u>	<u>4,725</u>	<u>22,045</u>
Contingency Reserve Fund	7,797	-	193	7,990
Reserve Funds				
Future Capital Expansion	27,199	-	3,210	30,409
TOTAL INTERNALLY RESTRICTED NET ASSETS	\$ 59,428	\$ 7,112	\$ 8,378	\$ 60,694 *
TOTAL UNRESTRICTED NET ASSETS	\$ 1,000	\$ -	\$ -	\$ 1,000 *
Investment in Capital Assets	\$ 53,333	\$ -	\$ (402)	\$ 52,931
Vacation, Sick Leave & Post-Employment Benefits **	(18,516)	-	624	(17,892)
Interest Rate Swaps	(10,185)	-	1,191	(8,994)
Endowment Fund	21,410	-	600	22,010
TOTAL NET ASSETS	\$ 106,470	\$ 7,112	\$ 10,391	\$ 109,749

* Budgeted balances of Internally Restricted Net Assets and Unrestricted Net Assets includes the impact of budgeted expenditures from Appropriations, Specific Reserves and Reserve Funds and contributions to Reserve Funds for the fiscal year 2015/2016. The Board of Governors Financial Management Policy requires that the Board of Governors approve any spending from Reserve Funds.

SUMMARY OF FUNDED POSITIONS

	3rd Quarter 2014/2015				Position Changes			Proposed Budget 2015/2016			
	Admin	Support	Academic	Total	Opened	Closed	Transferred	Admin	Support	Academic	Total
President & Board of Governors											
President's Office	4	-	-	4	-	-	-	4	-	-	4
Total	4	-	-	4	-	-	-	4	-	-	4
Human Resources											
Human Resources	22	2	1	25	-	-	-	22	2	1	25
Total	22	2	1	25	-	-	-	22	2	1	25
Finance and Administration											
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2
College Ancillary Services	17	72	-	89	-	-	-	17	72	-	89
Finance & Administrative Services	8	28	-	36	2	-	-	10	28	-	38
Information Technology Services	12	71	-	83	2	-	3	12	76	-	88
Physical Resources	15	39	-	54	2	-	-	16	40	-	56
Total	54	210	-	264	6	-	3	57	216	-	273
Student Services											
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2
Student Support Services	9	39	18	66	3	-	-	10	41	18	69
Algonquin College Foundation	3	2	-	5	-	-	-	3	2	-	5
Registrar	11	58	-	69	1	-	-	11	59	-	70
Total	25	99	18	142	4	-	-	26	102	18	146
International and Strategic Priorities											
Vice-President's Office	2	-	-	2	2	-	-	3	1	-	4
International & Corporate Business Development	8	10	21	39	-	-	-	8	10	21	39
Total	10	10	21	41	2	-	-	11	11	21	43
Academic Services											
Vice-President's Office	13	9	9	31	13	-	(6)	13	12	13	38
Associate Vice-President Academic	1	-	-	1	-	-	-	1	-	-	1
School/College Work Initiative	-	1	-	1	1	-	1	1	2	-	3
Faculty of Arts, Media & Design	6	28	112	146	-	-	4	6	28	116	150
School of Business	5	9	87	101	-	-	-	5	9	87	101
School of Hospitality & Tourism	3	9	40	52	1	-	1	3	10	41	54
Faculty of Technology & Trades	6	27	149	182	-	-	-	6	27	149	182
Algonquin College Heritage Institute	3	10	13	26	-	-	-	3	10	13	26
Faculty of Health, Public Safety & Community Studies	8	31	123	162	-	-	1	8	31	124	163
Learning & Teaching Services	1	5	-	6	-	-	-	1	5	-	6
Mobile Computing	-	7	-	7	2	-	(3)	1	5	-	6
Centre for Continuing & Online Learning	7	18	-	25	1	-	-	8	18	-	26
Personal Development Institute	-	2	-	2	-	-	(1)	-	1	-	1
Applied Research & Development	2	1	-	3	-	-	-	2	1	-	3
Business Development & Corporate Training	5	3	-	8	-	-	-	5	3	-	8
Algonquin College in the Ottawa Valley	6	29	27	62	1	-	-	6	29	28	63
Total	66	189	560	815	19	-	(3)	69	191	571	831
Advancement											
Executive Director's Office	3	3	-	6	-	-	-	3	3	-	6
Recruitment	2	7	-	9	-	-	-	2	7	-	9
College Marketing	2	11	-	13	-	-	-	2	11	-	13
Total	7	21	-	28	-	-	-	7	21	-	28
COLLEGE TOTAL	188	531	600	1,319	31	-	-	196	543	611	1,350

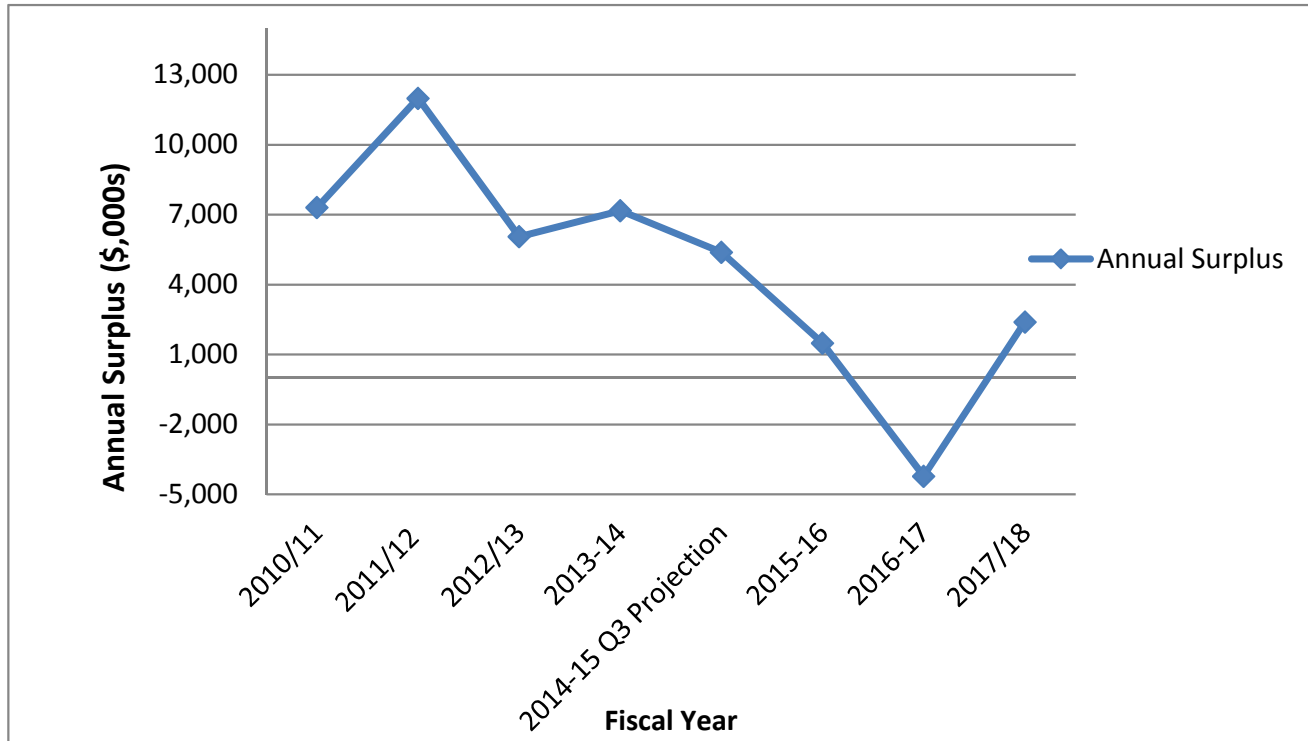
The complement report represents the total number of positions for each of the College's major areas. Not all positions are 100% funded in the budget as some positions are vacant at the start of the year and other positions have a start date projected for other than April 1st.

2015/2016 PROJECTED ENROLMENT vs. 2014/2015 ACTUAL ENROLMENT

FACULTY/SCHOOL		Post Secondary / Post Diploma			Applied Degree			% Change
		Projected 2015/2016	Actual (unaudited) 2014/2015	Change	Projected 2015/2016	Actual (unaudited) 2014/2015	Change	
Arts, Media & Design								
	Level 1	2,499	2,488	11	35	31	4	
	Returning	4,143	3,969	174	222	236	(14)	
	TOTAL	6,642	6,457	185	257	267	(10)	
Business								
	Level 1	1,922	1,910	12	59	59	-	
	Returning	4,837	4,801	36	315	308	7	
	TOTAL	6,759	6,711	48	374	367	7	
Hospitality & Tourism								
	Level 1	1,021	1,009	12	36	36	-	
	Returning	1,664	1,608	56	219	209	10	
	TOTAL	2,685	2,617	68	255	245	10	
Technology & Trades								
	Level 1	2,515	2,513	2	22	22	-	
	Returning	5,563	5,527	36	90	61	29	
	TOTAL	8,078	8,040	38	112	83	29	
Health, Public Safety & Community Studies								
	Level 1	2,145	2,125	20	-	-	-	
	Returning	5,244	5,127	117	-	-	-	
	TOTAL	7,389	7,252	137	-	-	-	
Centre for Continuing & Online Learning								
	Level 1	924	907	17	-	-	-	
	Returning	1,243	1,074	169	-	-	-	
	TOTAL	2,167	1,981	186	-	-	-	
International Education								
	Level 1	107	117	(10)	-	-	-	
	Returning	203	212	(9)	-	-	-	
	TOTAL	310	329	(19)	-	-	-	
Algonquin College Heritage Institute								
	Level 1	211	193	18	-	-	-	
	Returning	414	401	13	-	-	-	
	TOTAL	625	594	31	-	-	-	
Algonquin College in the Ottawa Valley								
	Level 1	483	470	13	-	-	-	
	Returning	877	874	3	-	-	-	
	TOTAL	1,360	1,344	16	-	-	-	
	TOTAL Level 1	11,827	11,732	95	152	148	4	0.8%
	TOTAL Returning	24,188	23,593	595	846	814	32	2.6%
	TOTAL	36,015	35,325	690	998	962	36	2.0%

In addition to the above, the budget supports: 2,017 semestered enrolments in the Collaborative Programs; 1,926 semestered enrolments in Full-Time Non-Funded Programs; and 2,464 Seat Purchases in the Apprentices Programs.

Operating Results: Annual Surplus



Objective:

Measures the excess of revenues over expenses in a given year.

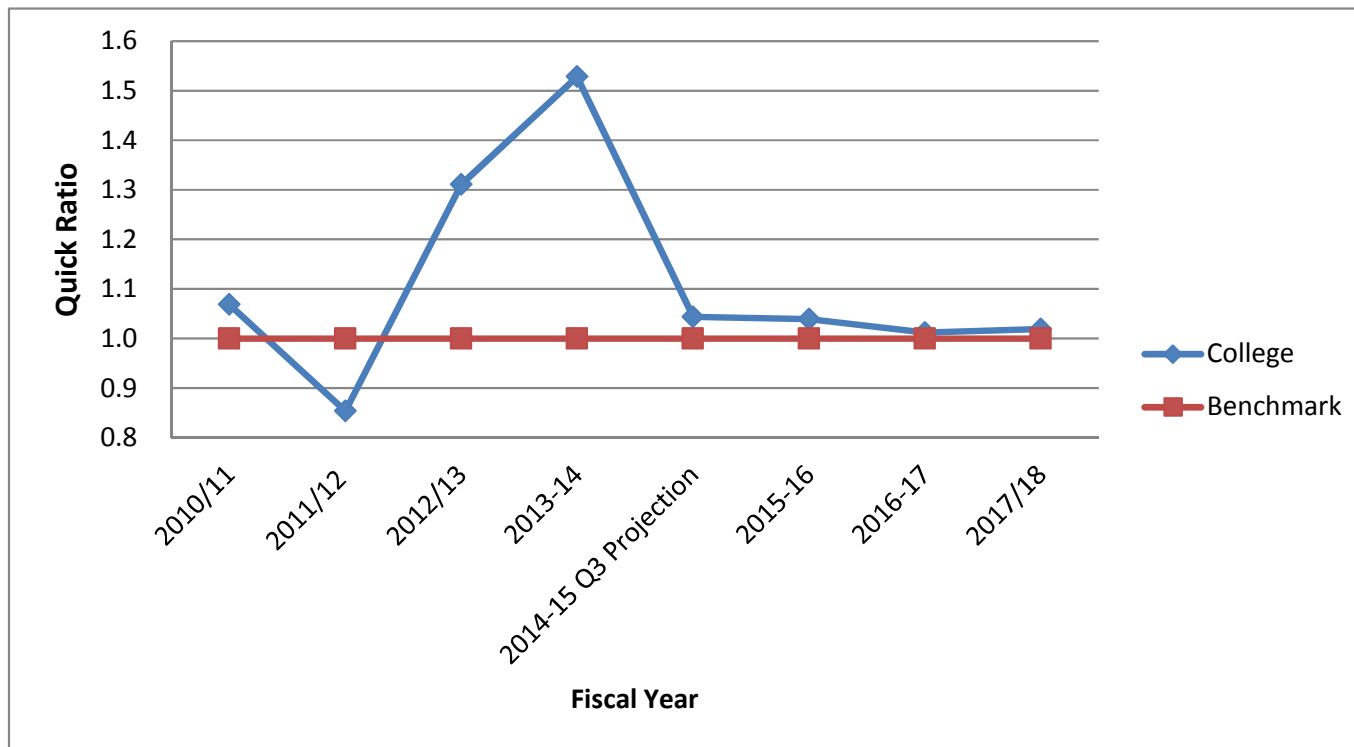
Benchmark:

Must be greater than \$0.

Rationale:

An annual deficit or declining surpluses may indicate a decline in an institution's financial health.

Measuring Liquidity: Quick Ratio



Objective:

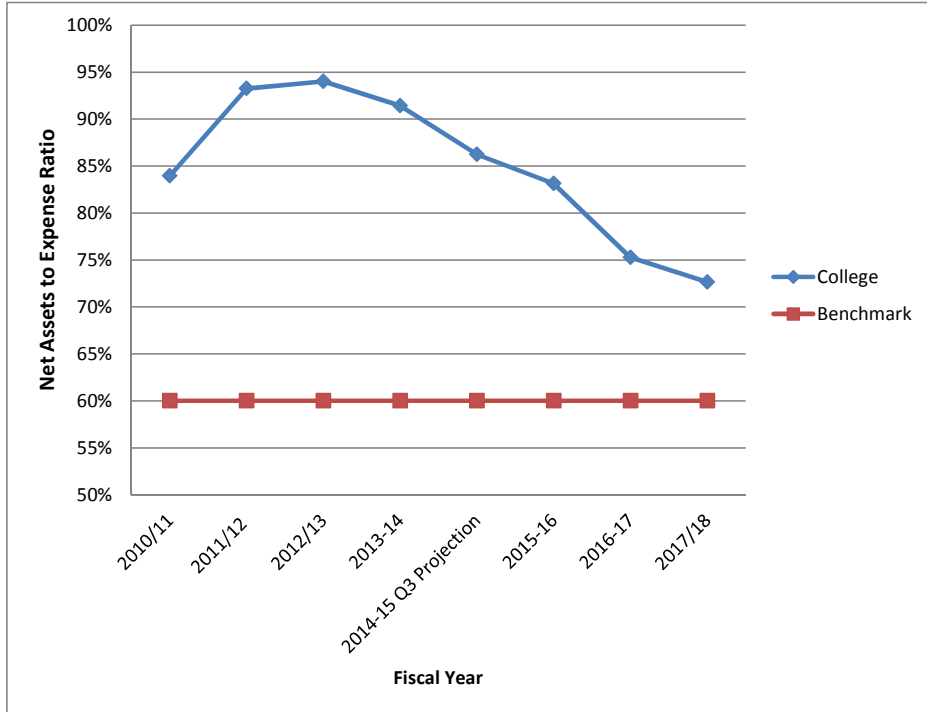
Fiscal performance indicator testing the college’s ability to pay its short term maturing obligations (e.g. biweekly payroll payments).

Benchmark:

A ratio of 1 or higher indicates that a college should be able to meet its short term obligations.

Rationale: A ratio of 1 is a typical business standard. Less than 1 may indicate that a college is not able to meet its short term obligations. When including surplus cash invested in longer term investments (greater than 1 year) Algonquin’s Quick Ratio is at 2:1 for 2014/15.

Operating Results: Net Assets to Expense Ratio



Objective:

A traditional indicator to ascertain the ability of a college to continue operations in the event there is a delay in revenue streams.

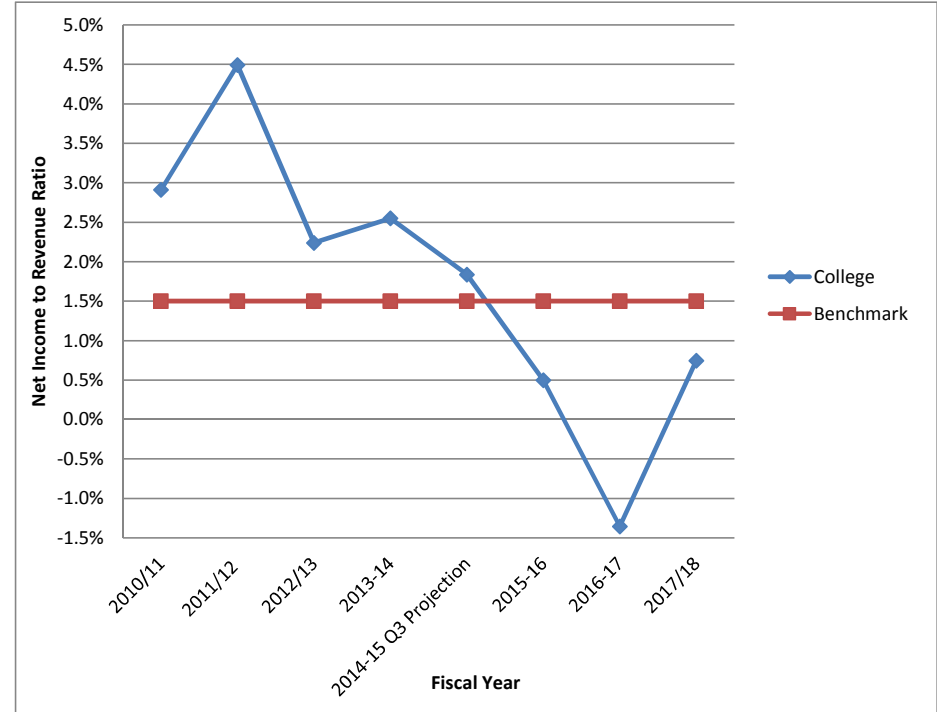
Benchmark:

60% or higher.

Rationale:

A net balance that is less than 60% of annual expenses may indicate a lower tolerance for variable or volatile revenues.

Operating Results: Net Income to Revenue Ratio



Objective:

This ratio measures the return an institution generates on each dollar of revenue.

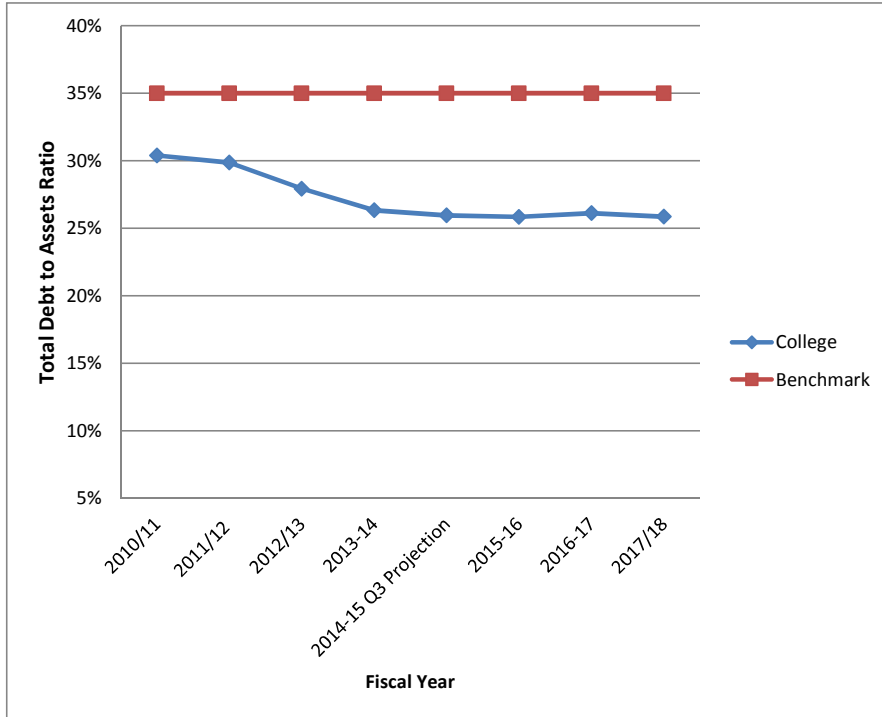
Benchmark:

Less than 1.5% may be a concern because it may indicate that the college may not be able to recover from a deficit position in a reasonable period of time.

Rationale:

A surplus less than 1.5% of revenues indicates that small changes in expenses or revenues may result in annual deficits for the institution.

Managing Debt: Total Debt to Assets Ratio



Objective:

Measures the proportion of total assets that are financed by debt. A high or increasing value may be predictive of future liquidity problems or a reduced ability to borrow money in the future.

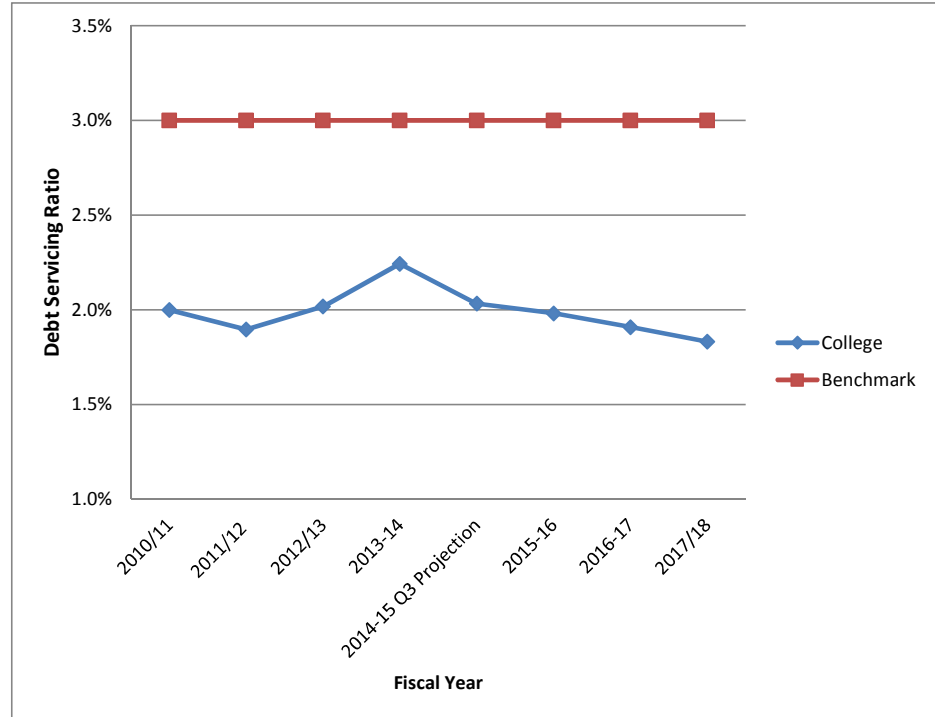
Benchmark:

Greater than 35% leads to a concern as this may indicate that a college will not be able to finance their ongoing operations due to the debt burden.

Rationale:

A high debt burden may indicate that the institution is vulnerable to its creditors, or will have reduced liquidity or a reduced ability to borrow in the future.

Managing Debt: Debt Servicing Ratio



Objective:

This ratio measures the College's spending on servicing the debt portfolio.

Benchmark:

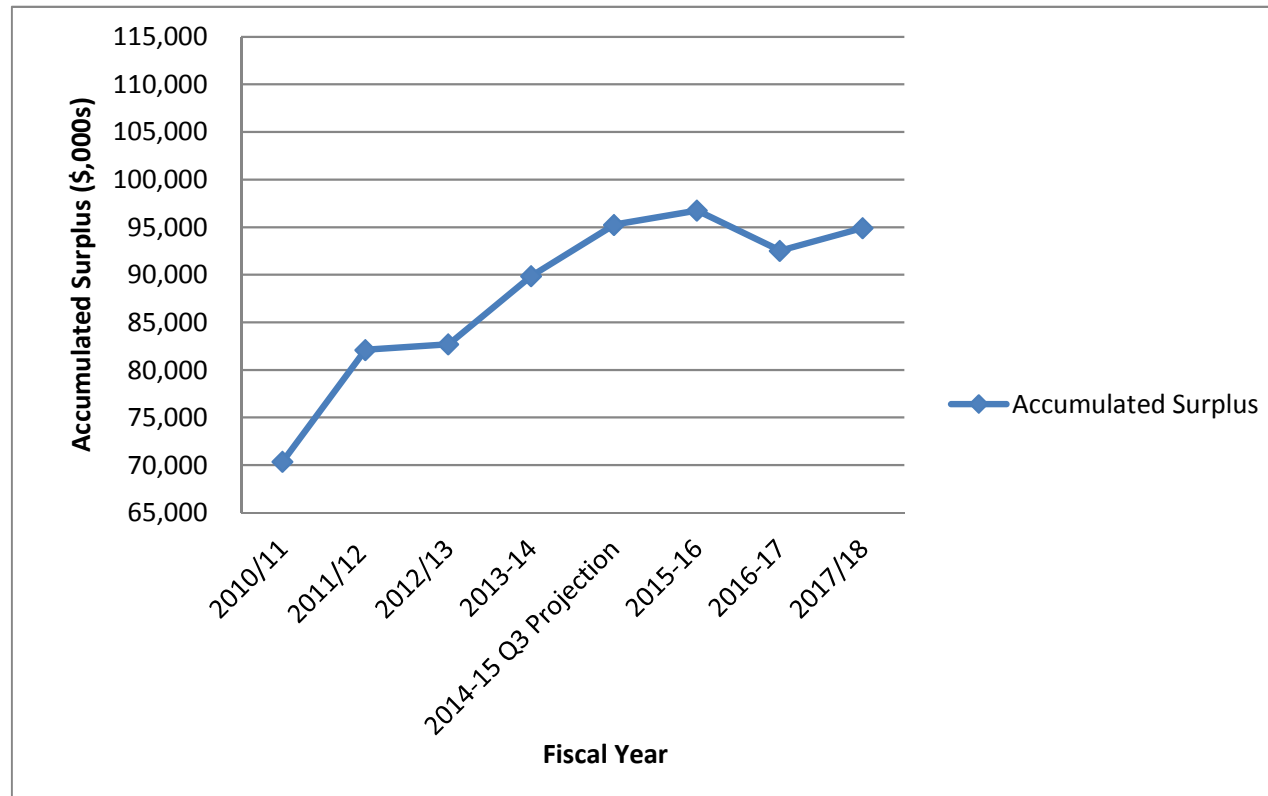
A ratio of 3% or lower, based on historical trend analysis and industry standard.

Rationale:

A ratio of greater than 3% may indicate a reduced or restricted cash flow as the College is spending less than 97% of revenues on core services.

Note: Compare with 2003/04 Debt Servicing Ratio of 2.7%

Accumulated Surplus/(Deficit)



Objective:

Represents the cumulative wealth that an institution has under its own control to assist with ongoing operations.

Benchmark:

Must be greater than \$0

Rationale: An accumulated deficit indicates that the college may have borrowed to support its past operations and will have to make up this difference in the future.