

Business Plan & Annual Budget 2014-15

PRESIDENT'S LETTER

Dear Colleagues,

I am honoured to present to the College community the 2014-15 Business Plan and Annual Budget, the result of a maturing process aimed at ensuring all stakeholders feel engaged and consulted in the setting of the institution's annual priorities. Changing client expectations, shrinking government funding, shifting demographics, and the rise of competitive alternatives will continue to place a heavy emphasis on the need for transformation, both across the sector and at Algonquin.

Fortunately, the College has a long history of adapting to the changing needs of the marketplace. As an example, Algonquin was the first Ontario college to embrace the use of technology, realizing early on that investments in IT had the unique ability to improve access, increase quality and lower costs. This willingness to lead has been a hallmark of the institution, and the skills and culture that have allowed Algonquin to be an early adopter in so many areas will become increasingly more important in the years ahead.

The initiatives detailed and funded in our 2014-15 Business Plan and Annual Budget continue the efforts begun over the last few years to broaden the markets we serve and prepare ourselves for the ongoing transformation of higher education.

This year, the College Leadership Council identified four areas of particular priority;

- Student Success and Retention
- International
- Digital
- Employee Engagement and Innovation

Student Success and Retention

The greatest effort and investment in this year's business plan and budget is focused appropriately on enhancing our commitment to applied education and student success. To ensure the entire college community is aware of the academic directions being set, each School and Institute will draft and share their respective vision and business plan. 2014-15 will also continue our efforts to make available work-integrated learning (WIL) activities to all interested full-time students, expanding co-ops, internships, placements, applied research and volunteer opportunities.

The coming year will also see the College make significant investments in both academic equipment and new facilities. Renewed efforts on the fundraising front will be matched by a request to use a small portion of the college's accumulated surplus to enable the repatriation of the Hairstyling and Esthetician programs from Confederation High School and support the launch the first phase of our a Healthy Living Education initiative.

In support of our students, 2014-15 will see the college host its first Student Success Symposium, shining the light on best practices being implemented by leading faculty and staff, both at Algonquin and at other leading institutions across North America. Armed with new insights, the College will work to implement its Strategic Enrollment Plan, craft a student success plan, and with the invaluable support of the Students' Association improve the overall student experience.

International

With our recently updated vision for international education, the coming year will see the college focus its efforts on both offshore and onshore activities. Abroad, our sights are set on putting into practice a revised program quality assurance process, delivering on our commitments in Saudi Arabia, and opening our new campus in Kuwait. Domestically, we will look to offset expected declines in Canadian enrollments brought on by demographic changes with an increase in recruitment of students from around the world. Aligned with this effort is a commitment to invest in the required services and employee training needed to ensure all students receive the support they need to be successful.

Digital

This coming year will also see the College set aside time for a broad college-wide discussion on the opportunities and challenges brought on by advances in technology. The impact of technology on higher education has and will continue to be significant. Taking the time to listen to those most affected by the changes is an essential step in charting our future path.

At the same time that we work on a renewed digital strategy, we will continue to make investments in areas we know bring great value to our stakeholders. In 2014-15, we will work to improve the reliability of our wireless network, finish the conversion of appropriate mobile learning programs, expand the e-textbook initiative and work to eliminate time consuming paper-based processes.

Perhaps most exciting, 2014-15 will usher in the launch of the Institute for Digital Education at Algonquin, a research-driven incubator that tests, scales and shares emerging educational pedagogies and technologies.

Employee Engagement and Innovation

Over the past few years, no area of the College has had a greater amount of focus than employee engagement. The 2014-15 Business Plan continues that commitment with plans to formally complete the priorities established by the Employee Engagement Tiger Team. In addition, we will expand professional development across the college and continue to grow our commitment to open leadership. At Algonquin, we realize our greatest differentiator is the talent of our employees and believe it is critical that we continue to invest in this area.

While too numerous to mention, the initiatives detailed and funded in the 2014-15 Business Plan and Annual Budget continue our efforts to deliver on the strategies and targets set out in the 2012-17 Strategic Plan. They tackle head-on the challenges and opportunities faced by the fast-changing higher education market while moving us a step closer to realizing our vision of being “a global leader in digitally-connected applied education and training”.

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 black ink that reads "K. MacDonald". The signature is written in a cursive, flowing style.

Dr. Kent MacDonald
President

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 2014-15

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			2014-15 Initiatives/Leveraged Action	2014-15 Measures
Goal 1: Deliver an exemplary applied education and training experience.				
Metric	2014-15 Target	2016-17 Target	ACADEMIC Enhance first year student persistence through effective intervention and remedial activities.	ACADEMIC Overall term to term retention rate increased by 1% over 2013/2014.
Graduation Rate	66.5%	70%	ACADEMIC Enhance student mobility and graduation by creating more efficient program pathways, laddering and articulations.	ACADEMIC Pathways, laddering and credit transfer plans developed for each School.
Retention Rate	87%	89%		
			ADVANCEMENT Implement Year 1 of the Strategic Enrolment Management (SEM) Plan.	ADVANCEMENT (1) Benchmark metrics established for Recruitment, Admissions, Orientation, Student Support Specialists & Retention. (2) Top 3 Strategic Enrolment Management (SEM) projects completed. (3) First College-wide Strategic Enrolment Management (SEM) conference with 100 faculty & 100 support staff in attendance hosted with participants ranking the event an average of 4 out of 5 in total satisfaction.
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	2016-17 Target	ADVANCEMENT Integrate marketing, recruitment and admission processes to create a comprehensive admission funnel.	ADVANCEMENT College applications outperform the system average by 2%.
Enrolment (PSE) and others	20,345	21,107	ACADEMIC Create a vision document and business case for each School.	ACADEMIC Deans vision document and business case developed for each School by end of Fall 2014.
Enrolment (online – FTE equivalents)	3,300	3,500		
Enrolment (PSE international – FTE equivalents)	1,140	1,400	ACADEMIC Enhance the choice and flexibility of student learning options by increasing the availability of fully online offerings.	ACADEMIC 3,300 full-time equivalent students (FTEs) enrolled in online and hybrid course offerings.
Students enrolled in applied degrees	575	800	ACADEMIC Implement onshore initiatives from International Education Strategy.	ACADEMIC 1,140 full-time international equivalent students enrolled in onshore programs of study.
Students enrolled in graduate certificates	840	1,000	ACADEMIC Increase number of international students in high-demand programs.	ACADEMIC 50 additional international students in high-demand programs.
			ACADEMIC Widen access by developing new programs of study and diversifying delivery modalities.	ACADEMIC (1) 575 students enrolled in applied degrees and 840 graduate certificates. (2) Year 3 of the sector programming plans developed. (3) 3% increase to post-secondary enrolment over 2013/14 baseline.
			ACADEMIC & ADVANCEMENT Draft and implement the Healthy Living Education (HLE) advocacy plan.	ACADEMIC & ADVANCEMENT 1) Healthy Living Education advocacy plan approved by President's Council. 2) Hair Stylist and Esthetician programs re-patriated to Woodroffe campus.

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2014-15 Initiatives/Leveraged Action	2014-15 Measures
Goal 3: Leverage technology to enhance the educational experience				
Metric	2014-15 Target	2016-17 Target	ACADEMIC Enhance the choice and flexibility of student learning options.	ACADEMIC A total of 1,140 courses offered as hybrid courses.
Online courses offered	127	150	ACADEMIC Improve the quality of online learning options.	ACADEMIC 50% of online programs assessed and validated against the College's quality assurance standards.
Unique hybrid courses offered	1,140	1,424	ACADEMIC Articulate the vision and strategy that will further the College's leadership in the Digital domain.	ACADEMIC Digital strategy developed and presented to President's Council by November, 2014.
Enrolment (PSE – mobile)	90%	100%	ACADEMIC Implement the final year of the four-year mobile learning plan.	ACADEMIC 100% of eligible full-time post-secondary education programs converted to mobile programs.
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	2016-17 Target	ACADEMIC Implement Year 2 of the work-integrated learning plan.	ACADEMIC 85% of programs have a work-integrated learning component.
Programs with work experience opportunities	85%	100%	ACADEMIC Continue to imbed applied research activities in full-time programs of study	ACADEMIC 825 students engaged in applied research projects
Students engaged in applied research and development	825	950		
Goal 5: Deliver exceptional service to our diverse student and client populations.				
Metric	2014-15 Target	2016-17 Target	ACADEMIC Create a comprehensive student success strategy.	ACADEMIC (1) Student success strategy developed and presented to Presidents Council. (2) College services inventory completed and presented to College Leadership Council. (3) Top two (2) student success strategy projects completed.
Student Satisfaction	82.1%	83.5%		
Employer Satisfaction	93%	94%		
Alumni Satisfaction	87.5%	90%	STUDENT SUPPORT SERVICES Enhance overall College experience for students.	STUDENT SUPPORT SERVICES (1) Increase College orientation participation rate by 10%. (2) Increase the percentage of those very satisfied with the College orientation program from 25% to 35%. (3) Lower the percentage of students reporting they need help knowing who to turn to for assistance from 50% to 40%. (4) Serve 1500 individual students via the student experience "Hub". (5) Respond to 10,000 requests for information via the student information desk.
			REGISTRAR'S OFFICE & STUDENT SUPPORT SERVICES Update the current Student Services strategy to improve the student experience and maximize efficiencies.	REGISTRAR'S OFFICE & STUDENT SUPPORT SERVICES (1) Student Services goals and metrics established for each department. (2) Student satisfaction benchmark established for each department. (3) Plan of action developed for each department based upon student satisfaction goals and metrics.
			ADVANCEMENT (1) Complete Employer Engagement survey to identify current employer opinions and identify opportunities. (2) Draft Employer Engagement Plan.	ADVANCEMENT Survey results and Employer Engagement Plan presented to College Leadership Council for review and feedback.

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2014-15 Initiatives/Leveraged Action	2014-15 Measures
Goal 5: Deliver exceptional service to our diverse student and client populations. Cont.				
			FOUNDATION Based on 2013/14 Alumni survey results: (1) Enhance alumni benefit program. (2) Enhance alumni networking opportunities. (3) Enhance awareness of Algonquin College employment services as a resource for alumni.	FOUNDATION 1) Add 2 new benefits to alumni benefit program. 2) Host 2 alumni networking events. 3) Increase service to alumni through Employment Services by 10%.
			ACADEMIC & STUDENT SERVICES Improve international student preparedness for College studies and associated support services.	ACADEMIC & STUDENT SERVICES Conduct a gap analysis and prepare an action plan based upon results.
Goal 6: Leverage technology to automate and modernize our business processes, fostering an environment of continuous improvement.				
Metric	2014-15 Target	2016-17 Target	FINANCE & ADMINISTRATION Improve employee and student experience through the transformation of key business processes.	FINANCE & ADMINISTRATION (1) Business process transformation results in the repurposing of 75 person weeks that enables employees to re-direct efforts to improve the student experience. (2) Initiate Project Fusion, the acquisition and implementation of a unified Finance and Human Resource enterprise resource planning system..
Business processes developed to measurably lower cost and/or improve productivity.	30	50		
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	2016-17 Target	HUMAN RESOURCES Complete the top three (3) Employee Engagement priorities.	HUMAN RESOURCES Employee Engagement overall survey results increased to 3.90.
Employee Engagement	3.90	4.00	HUMAN RESOURCES Provide timely professional development sessions to meet the priorities of the College.	HUMAN RESOURCES (1)The Human Resources-sponsored professional development plan developed by April, 2014. (2) Set of goals and metrics established.
Goal 8: Create and foster an environment in which the College's model of leadership competencies and behaviours is supported.				
Metric	2014-15 Target	2016-17 Target	FINANCE & ADMINISTRATION Complete the development of the 2015/16 annual budget utilizing appropriate Responsibility Centre Management (RCM) accountability, governance principles and processes that effectively couples academic authority with financial responsibility.	FINANCE & ADMINISTRATION (1) Responsibility Centre Management (RCM) budget principles and processes approved by President's Council. (2) 100% of College Leadership Council complete professional development in RCM policies and processes training.
Leadership training (Employee Engagement Survey)	3.70	4.00	HUMAN RESOURCES Enhance employee engagement focus at the Live, Laugh, Learn Retreat.	HUMAN RESOURCES 80 employees participate in the 2014 Live, Laugh, Learn Retreat.
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	2016-17 Target	FINANCE & ADMINISTRATION Complete the first full year of operations at the new Jazan Campus in the Kingdom of Saudi Arabia	FINANCE & ADMINISTRATION \$10 M in gross revenues realized from Jazan Campus by August, 2014.
Alternative revenues	31%	32%	ACADEMIC Continue Algonquin's commitment to international campus expansion.	ACADEMIC (1) Algonquin College Kuwait launched. (2) Pending successful contract award, launch Colleges of Excellence Wave 2 cluster.
Number of organizations served through Corporate Training	325	400		

OPERATIONAL OUTCOMES, MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2014-15 Initiatives/Leveraged Action	2014-15 Measures
Goal 10: Expand non-funded opportunities to increase revenue.				
			ACADEMIC Expand program licensing partnership agreements to offshore international activities.	ACADEMIC One (1) new program licensing partnership agreement approved.
			ACADEMIC Increase the number of client organizations receiving Corporate Training services	ACADEMIC 325 client organizations that have received training through Corporate Training.
Goal 11: Leverage strategic business partnerships to meet the capital needs of the College.				
Metric	2014-15 Target	2016-17 Target	FOUNDATION Launch year-one of multi-year fundraising plan.	FOUNDATION 1) \$750K raised from stewarding & renewal of campaign pledges. 2) \$1M raised from alumni revenue, annual & endowment student bursary/scholarship contributions. 3) \$800K in interest disbursed and stewarded from donor named endowment funds. 4) \$750K raised from new major gift-in-kind and cash donations.
Cash, in-kind contributions, and returns from alternative financing	\$6.5M	\$10M		
			FINANCE & ADMINISTRATION Complete Phase 1 and Phase 2 of ESCO Energy Savings Project.	FINANCE & ADMINISTRATION Successful renewal of B Building HVAC infrastructure, replacement of plant cooling tower and optimizing strategies for building controls.
Goal 12: Create the technological foundation to align with the digital direction.				
Metric	2014-15 Target	2016-17 Target	FINANCE & ADMINISTRATION Enhance College Leadership Council's ability to access College data to support decision-making for academic programming and services.	FINANCE & ADMINISTRATION Accessible College data improves to 50%.
College data accessible through a common BI portal	50%	100%		
Availability of wireless network to all stakeholders	96%	99.9%	FINANCE & ADMINISTRATION Develop a scenario-based planning framework and suite of tools that enables the Board of Governors and Management to assess the feasibility of alternative strategic directions.	FINANCE & ADMINISTRATION A scenario-based software planning tool will be developed and demonstrated at the Fall 2014 Board of Governors Retreat.
Availability of College networks and internet access	96%	99.9%	FINANCE & ADMINISTRATION Continue investment in the College's Information Technology (IT) network to ensure a consistent level of internet, wireless and network connectivity.	FINANCE & ADMINISTRATION (1) Internet connectivity performance improves to 96% by Sept 2014. (2) Availability of wireless network improves to 96%.

Annual Budget 2014-15

TREASURER’S REPORT OF THE 2014-15 ANNUAL BUDGET

In compliance with both Board of Governors direction and Ministry operating directives, the 2014-15 Annual Budget returns a net operating surplus and maintains the College’s commitment to balancing government funded activities with expenses.

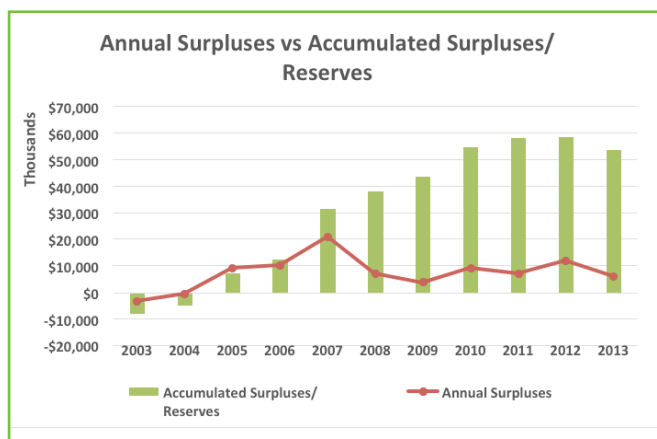
The 2014-15 Annual Budget also provides the College with the resources required to deliver on the commitments detailed in the 2014-15 Business Plan and the College’s 2012-17 Strategic Plan.

At the same time, the College’s annual budget preparation process concludes with a budgeted net contribution of (\$2,655,000), the result of President’s Council’s request to use internally restricted funds to finance needed capital investments and strategic investments through accumulated surpluses.

Accumulated Surplus

Last year, the College concluded fiscal year 2012-13 with a net contribution of \$6.1 million, which exceeded the 2012-13 Approved Budget surplus of \$3.3 million by \$2.8 million. In addition to various operating savings, this positive variance was achieved primarily due to securing greater than budgeted enrolment growth (5.5% actual vs 3.5% budgeted) and not utilizing contingency budgets.

The College has consistently achieved surpluses and grown its accumulated surplus balance over the past 9 years in the Internally Restricted Net Asset accounts. These funds are managed and grown to provide resources to fund Strategic Investment Priorities that will enhance the overall experience of students.



Business Plan Priorities Aligned with the College’s Strategic Plan

This year, in alignment with the direction confirmed in Algonquin’s 2012-17 Strategic Plan, the College Leadership Council identified four key areas of priority:

- Student Success and Retention
- International
- Digital
- Employee Engagement and Innovation

Through a business planning process that continues efforts 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 the drawing down of funds from internally restricted accounts.

The President is submitting a recommendation to the Board of Governors to approve spending from the College’s Specific Reserve funds for the following significant capital projects in 2014/15:

	Expenditures from Internally Restricted Funds - Specific Reserves	Total Project Budget
Enterprise Resource Planning Project (Finance/Human Resources)	\$ 2,000,000	\$ 4,050,000
Dental Programs Facilities/Re-Patriation of HairStylist and Esthetician Programs to Woodroffe Campus	\$ 3,500,000	\$ 6,700,000 *
College Ancillary Services - Residence Upgrades, Point-of-Sale/Accounting Software System, Equipment Renewal	\$ 1,400,000	\$ 1,400,000
Total Expenditures from Internally Restricted Funds - Specific Reserves	\$ 6,900,000	<i>* Design in progress, scope and final estimated costs still under development</i>

General Reserve Funds

The 2014-15 Annual Budget also includes a provision to increase the General Reserve Funds by \$2 million. Additional contributions to General Reserve Funds will be realized as cash donations are received to return funds utilized to complete construction of the new Perth and Pembroke campuses and the Algonquin Centre for Construction Excellence.

The sale of the former Pembroke campus is still pending and is not reflected in this annual budget. Once this property sale has been finalized, the College will update its financial projections to reflect the impact on its Statement of Operations and internally restricted net assets.

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

Unrestricted Net Assets	\$ 1,000,000
Internally Restricted Net Assets	
Appropriations	1,000,000
Specific Reserves	
Other Projects and Initiatives	6,183,000
Ancillary Services Reserve Fund	5,427,000
Infrastructure Renewal Fund	250,000
Employment Stabilization Fund	560,000
Other Student Aid	16,000
Contingency Reserve Fund	7,636,000
General Reserve Funds	26,248,000
Total Unrestricted and Internally Restricted Net Assets	\$ 48,320,000

Challenges and Opportunities Facing the College

Delivering a budget that returns a net operating surplus has not been without its challenges. In March 2012, the Ontario Government accurately predicted that our economy would experience lackluster expansion. In 2013, the Province re-stated its commitment to eliminating the Ontario deficit by 2017-18 and followed through on planned reductions to Ontario colleges funding. The annualized impact of these reductions to Algonquin's 2014-15 base funding is approximately \$4.5 million.

Provincial Budget Measure	Algonquin Impact	
	2013/14	2014/15
International Student Recovery Fee	\$ (442,125)	\$ (936,908)
Elimination of Small Northern and Rural Grant	(922,425)	(1,844,850)
'Policy Levers' - Operating Grant Reductions	(807,522)	(1,745,543)
International Student Municipal Tax	(86,000)	(86,000)
TOTAL IMPACT ON ALGONQUIN COLLEGE	\$ (2,258,072)	\$ (4,613,301)

* Note: The Ontario Special Bursary Program was also eliminated and replaced by the Ontario 30% Tuition Grant.

More positively, Algonquin saw enrolments to the College increase 5.5% year-over-year, with the majority of these increases coming as a result of new program development, online offerings, and international enrolments. Recent Ministry restrictions placed on new program development and projected demographic declines will continue to place pressure on the College to think creatively and look for new ways of transforming education.

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 2014-15 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 sixth 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 3% over 2013-14 enrolment levels due to growth in existing programs, the launch of new programs, and improved retention; and
- 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.

TREASURER’S REPORT OF THE 2014-15 ANNUAL BUDGET

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 launch of the e-text strategy for students that will result in lower costs for students and provide increased flexibility for learning;
- Launch the acquisition and implementation of a unified Finance and Human Resources Enterprise Resource Planning system;
- Initiate upgrades to the dental programs facilities
- Repatriate Hair Stylist, Hairstylist Apprenticeship and Esthetician programs and facilities to the Woodroffe campus (design and final cost estimates still under development);
- Enhance and expand the College’s client relationship management system;
- Implement strategies to improve employee engagement; and
- Continue to upgrade and improve the service and reliability of wired and wireless networks.

Risks

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

RISK SCHEDULE			
Risk Identification	Impact in 2014-15	Likelihood in 2014-15	Risk Management
Enrolment Less than Projection resulting in Reduced Tuition Fee Revenue	Low	Low	<ul style="list-style-type: none"> • New Programs • Conversion of Applications to Registrations • Retention Initiatives • Reduce Expenditures • Increase Winter Intakes
Provincial Operating Grants Less than Budgeted	Moderate	Low	<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	Low	<ul style="list-style-type: none"> • International Initiatives • Contract Training
Labour Relations	Moderate	Moderate	<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	Moderate	<ul style="list-style-type: none"> • Upgraded IT Infrastructure • Contingency Accounts Available • Business Continuity/Disaster Recovery Planning
Facilities Quality and Space Constraints	Moderate	Low	<ul style="list-style-type: none"> • Develop Alternative Growth Strategies • Leverage use of Technology • Energy Services Contract
Jazan Campus Contributes less than Budgeted	Moderate	Low	<ul style="list-style-type: none"> • Contract Training Opportunities • Additional Winter Term Intakes • Cost Containment

Budget Reductions	Impact
Various operating expenses	\$100,000 Bad Debt Expense \$50,000 Legal Fees \$300,000 Miscellaneous Operating Expenditure Reductions
Debt Servicing	\$400,000 Debt Servicing expenditures for Police and Public Safety Institute
Budget Expansion	Impact
Full-Time Enrolment Increase	\$6 million increase in full-time tuition fee revenues and \$3.6 million increase in the Enrolment Growth Grant.
International Education Centre	\$2.1 million increase net contribution

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):

- Linda Rees (Chair), Dean, Centre for Continuing and Online Learning
- Michelle Curran (Recorder), Budget Officer, Centre for Continuing and Online Learning
- Cathy Dempsey (Resource), Director, Finance and Administrative Services
- Mike Gawargy, Director, Information Technology Services
- Glenn MacDougall, Director, Learning and Teaching Services
- Peter Mackie, Director, Sales and Student Recruitment
- Jeff Macnab, Registrar
- Diane McCutcheon, Director, Labour Relations
- Doug Ouderkirk, Executive Director, Academic Operations and Planning
- John Tattersall, Director, Physical Resources

Re-configured in 2012, the CBC was established to deepen awareness, foster cross-unit collaboration, and broaden responsibility for tackling the financial challenges and opportunities facing the College. Through the dedication of the members of the CBC, we have achieved what we set out to accomplish - deliver a balanced budget while setting the College on a path for a more engaged budget process.



Duane McNair
Treasurer and Vice-President, Finance and Administration

Algonquin College - Annual Budget 2014-15

PRO FORMA SUMMARY

(all figures in \$,000's)

	Actual 2012/2013	Annual Budget 2013/2014	Q3 Projection 2013/2014	Annual Budget 2014/2015	Pro Forma 2015/2016	Pro Forma 2016/2017
Funded Activity/College Operations						
Revenue	\$ 196,969	\$ 197,985	\$ 199,782	\$ 211,669	\$ 218,905	\$ 225,050
Expenditures *	186,477	194,385	193,124	203,944	214,525	221,285
Net Contribution	10,492	3,600	6,658	7,725	4,380	3,765
Contract Activity & Other Non-Funded Activity						
Revenue	26,187	27,866	27,564	26,870	27,675	28,505
Expenditures	23,428	25,902	25,769	25,830	26,605	27,400
Net Contribution	2,759	1,964	1,795	1,040	1,070	1,105
College Ancillary Services						
Revenue	39,774	40,285	40,963	41,378	44,210	46,750
Expenditures *	34,256	33,613	35,159	34,795	36,810	38,790
Net Contribution	5,518	6,672	5,804	6,583	7,400	7,960
International Education Centre						
Revenue	14,775	14,864	15,655	19,769	24,930	29,370
Expenditures	10,105	11,262	11,647	13,587	15,650	17,360
Net Contribution	4,670	3,602	4,008	6,182	9,280	12,010
Strategic Investment Priorities						
Revenue	20,469	2,900	5,581	1,872	600	600
Expenditures **	53,116	16,433	20,491	23,695	18,160	21,400
Net Contribution	(32,647)	(13,533)	(14,910)	(21,823)	(17,560)	(20,800)
Non-Cash Revenue Adjustments						
Capital Grants recorded as Deferred Capital Contributions	(18,277)	(2,560)	(1,560)	(900)	(700)	(400)
Amortization of Deferred Capital Contributions	8,024	7,900	7,810	7,000	7,000	7,000
Non-Cash Expenditure Adjustments						
Expenditures to be Capitalized	40,287	7,000	4,240	6,000	4,000	4,000
Amortization Expense	(14,811)	(15,000)	(14,500)	(14,000)	(14,000)	(14,000)
Change in Vacation, Sick Leave & Post-Employment Benefits	38	1,168	1,477	(462)	66	7
Net Contribution as per Public Sector Accounting Standards (PSAS) ***	\$ 6,053	\$ 813	\$ 822	\$ (2,655)	\$ 936	\$ 647

* 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.

*** 2012/2013 Actuals, 2013/2014 Approved Budget, and 2013/2014 Q3 Projection Net Contributions are presented as per Generally Accepted Accounting Principles (GAAP).

Algonquin College - Annual Budget 2014-15

PRO FORMA SUMMARY

(all figures in \$,000's)

	Actual 2012/2013	Annual Budget 2013/2014	Q3 Projection 2013/2014	Annual Budget 2014/2015	Pro Forma 2015/2016	Pro Forma 2016/2017
Net Assets						
Unrestricted	1,000	1,000	1,000	1,000	1,000	1,000
Investment in Capital Assets	48,918	55,731	50,830	51,389	50,298	49,668
Vacation, Sick Leave and Post-Employment Benefits ****	(19,863)	(13,842)	(18,386)	(18,848)	(18,782)	(18,775)
Internally Restricted						
Appropriations	2,195	-		1,000	1,000	1,000
Specific Reserves	25,610	8,585	19,805	12,235	10,565	8,403
Contingency Reserve Fund	4,500	-	7,184	7,656	8,130	8,542
General Reserve Funds	20,333	22,970	23,083	26,429	29,586	32,606
Interest Rate Swaps	(13,723)	(8,744)	(9,286)	(7,247)	(5,692)	(4,280)
Endowments	17,911	15,871	18,510	19,110	19,710	20,310
TOTAL NET ASSETS	\$ 86,881	\$ 81,571	\$ 92,740	\$ 92,724	\$ 95,815	\$ 98,474

STATEMENT OF FINANCIAL POSITION

(all figures in \$ 000's)

	March 31, 2014 Annual Budget	March 31, 2014 Q3 Projection	March 31, 2015 Proposed Budget
ASSETS			
Current Assets			
Cash and Short Term Investments	\$ 25,452	\$ 25,120	\$ 25,067
Accounts Receivable	22,500	17,000	16,000
Inventory	1,700	1,900	1,900
Prepaid Expenses	1,400	1,400	1,300
	51,052	45,420	44,267
Investments	47,269	46,652	46,553
Endowment Assets	17,656	18,510	19,110
Capital Assets	275,799	269,459	261,459
TOTAL ASSETS	\$ 391,776	\$ 380,041	\$ 371,389
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable & Accrued Liabilities	20,000	15,000	14,000
Accrued Salaries & Employee Deductions Payable	6,000	6,000	7,500
Deferred Revenue	20,000	20,000	21,000
Current Portion of Long Term Debt	2,647	2,459	2,609
	48,647	43,459	45,109
Long Term Debt	59,718	56,479	53,870
Vacation, Sick Leave & Post-Employment Benefits	19,147	18,386	18,848
Deferred Capital Contributions	158,294	159,691	153,591
Interest Rate Swaps	13,916	9,286	7,247
Net Assets			
Unrestricted	1,000	1,000	1,000
Investment in Capital Assets	55,140	50,830	51,389
Vacation, Sick Leave & Post-Employment Benefits	(19,147)	(18,386)	(18,848)
Internally Restricted	51,321	50,072	47,320
Interest Rate Swaps	(13,916)	(9,286)	(7,247)
Endowment Fund	17,656	18,510	19,110
	92,054	92,740	92,724
TOTAL LIABILITIES AND NET ASSETS	\$ 391,776	\$ 380,041	\$ 371,389

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 2014/2015	Q3 Projection 2013/2014	Annual Budget 2013/2014	Actual 2012/2013
Full-Time Salaries & Benefits									
Full-Time Salaries & Benefits - Academic	\$ 63,094	\$ 2,169	\$ -	\$ -	\$ -	\$ 65,263	\$ 61,716	\$ 64,161	\$ 61,459
Full-Time Salaries & Benefits - Administration	18,768	2,312	1,781	754	-	23,615	21,874	22,337	20,398
Full-Time Salaries & Benefits - Support	34,030	2,054	4,329	521	-	40,934	37,857	39,165	35,564
Total Full-Time Salaries & Benefits	115,892	6,535	6,110	1,275	-	129,812	121,447	125,663	117,421
Other Staff Salaries & Benefits									
Other Staff Salaries & Benefits - Academic	21,767	2,469	-	3	-	24,239	25,580	23,450	23,982
Other Staff Salaries & Benefits - Administration	1,370	2,933	51	242	-	4,596	3,170	4,007	2,907
Other Staff Salaries & Benefits - Support	5,310	1,611	1,732	30	-	8,683	9,635	8,424	8,964
Total Other Staff Salaries & Benefits	28,447	7,013	1,783	275	-	37,518	38,384	35,881	35,853
TOTAL SALARY & BENEFITS	144,339	13,548	7,893	1,550	-	167,330	159,831	161,544	153,274
Other Operating									
Mandated Student Aid	5,605	-	-	5	-	5,610	4,864	4,862	6,054
Contingencies	5,775	-	-	-	-	5,775	3,487	5,342	4,598
Long Term Debt Interest	922	-	2,581	-	-	3,503	4,680	3,600	3,594
Contract Services	9,118	6,428	1,645	1,841	-	19,032	17,222	19,325	14,744
Instructional Supplies & Equipment	3,794	1,694	-	3	-	5,491	5,268	4,676	5,043
Information Technology	5,835	590	158	51	-	6,634	6,353	6,137	5,311
Promotion	2,292	549	250	310	-	3,401	3,289	3,088	2,738
Building Maintenance & Utilities	10,758	32	2,365	10	-	13,165	12,698	11,343	10,772
Flow-Through Student Aid	1,218	-	-	-	-	1,218	1,710	1,710	1,400
Cost of Goods Sold	1,145	-	16,866	-	-	18,011	18,282	17,509	18,149
Internal Transfer of International Revenue	-	-	-	7,476	-	7,476	6,483	5,948	5,618
Other	13,143	2,989	3,037	2,341	-	21,510	21,532	20,078	22,971
TOTAL OTHER OPERATING	59,605	12,282	26,902	12,037	-	110,826	105,868	103,618	100,992
FUNDING FOR STRATEGIC INVESTMENT PRIORITIES	-	-	-	-	23,695	23,695	20,491	16,433	53,116
TOTAL EXPENDITURES	\$ 203,944	\$ 25,830	\$ 34,795	\$ 13,587	\$ 23,695	\$ 301,851	\$ 286,190	\$ 281,595	\$ 307,382

Funded Activity/College Operations	\$ 203,944
Contract Activity & Other Non-Funded Activity	25,830
College Ancillary Services	34,795
International Education Centre	13,587
Strategic Investment Priorities	23,695
Total Expenditures	\$ 301,851

Funded Activity/College Operations	\$ 193,124
Contract Activity & Other Non-Funded Activity	25,769
College Ancillary Services	35,159
International Education Centre	11,647
Strategic Investment Priorities	20,491
Total Expenditures	\$ 286,190

Funded Activity/College Operations	\$ 194,385
Contract Activity & Other Non-Funded Activity	25,902
College Ancillary Services	33,613
International Education Centre	11,262
Strategic Investment Priorities	16,433
Total Expenditures	\$ 281,595

Funded Activity/College Operations	\$ 186,477
Contract Activity & Other Non-Funded Activity	23,428
College Ancillary Services	34,256
International Education Centre	10,105
Strategic Investment Priorities	53,116
Total Expenditures	\$ 307,382

FUNDING FOR STRATEGIC INVESTMENT PRIORITIES SCHEDULE

(all figures in \$,000's)

	Grants & Fundraising	College Funded	Annual Budget 2014/2015	Q3 Projection 2013/2014	Annual Budget 2013/2014	Actual 2012/2013
Revenue						
Facilities Renewal Grant	\$ 600	\$ -	\$ 600	\$ 600	\$ 600	\$ 601
College Equipment Renewal Fund Grant	-	-	-	559	-	559
Knowledge Infrastructure Program	-	-	-	-	-	-
Apprenticeship Enhancement Fund Grant	-	-	-	980	-	938
Students' Association Contribution	-	-	-	-	-	-
(Student Commons & Pembroke)	257	-	257	314	-	13,548
Capital Campaign	835	-	835	700	-	1,406
Digital College	180	-	180	2,428	2,300	2,308
Enabling Accessibility Fund	-	-	-	-	-	977
Other	-	-	-	-	-	132
TOTAL SOURCE OF REVENUE	1,872	-	1,872	5,581	2,900	20,469
Expenditures						
Campus Expansion						
Re-patriation of Hair Stylist/Esthetician Program Facilities	-	4,150	4,150	-	-	-
Dental Clinic Upgrades	-	1,000	1,000	-	-	-
Digital College	-	-	-	3,591	3,900	3,819
Algonquin Centre for Construction Excellence	-	200	200	500	-	-
Pembroke Campus	-	700	700	700	-	15,628
Student Commons	257	193	450	550	-	20,711
Total Campus Expansion	257	6,243	6,500	5,341	3,900	40,158
Other						
College Technologies	-	4,734	4,734	1,228	2,650	1,179
College Space & Infrastructure	600	2,950	3,550	3,917	2,650	3,615
New Program Initiatives	-	1,250	1,250	845	1,000	245
Academic & Other Equipment	-	1,960	1,960	1,620	1,800	1,455
Initiatives & Opportunities	-	4,701	4,701	4,741	4,433	5,531
Appropriations	-	1,000	1,000	1,819	-	933
Apprenticeship Enhancement Fund	-	-	-	980	-	-
Total Other	600	16,595	17,195	15,150	12,533	12,958
TOTAL EXPENDITURES	857	22,838	23,695	20,491	16,433	53,116
NET CONTRIBUTION	\$ 1,015	\$ (22,838)	\$ (21,823)	\$ (14,910)	\$ (13,533)	\$ (32,647)

**2014/2015
NET ASSETS CONTINUITY SCHEDULE**
(all figures in \$ 000's)

	Q3 Projection March 31, 2014	2014/2015 Budgeted In Year Use of Funds	2014/2015 Budgeted Year End Adjustments	Budgeted Balance March 31, 2015
Appropriations	\$ -	\$ -	\$ 1,000	\$ 1,000
Specific Reserves				
Other Projects & Initiatives	13,607	7,452	28	6,183
Ancillary Services Reserve Fund	5,636	1,400	1,191	5,427
Infrastructure Renewal Fund	-	30	250	250
Employment Stabilization Funds	542	30	48	560
Other Student Aid	20	85	81	16
	19,805	8,967	1,598	12,436
Contingency Reserve Fund	7,184	-	452	7,636
Reserve Funds				
Future Capital Expansion	23,083	200	3,365	26,248
TOTAL INTERNALLY RESTRICTED NET ASSETS	\$ 50,072	\$ 9,167	\$ 6,415	\$ 47,320 *
TOTAL UNRESTRICTED NET ASSETS	\$ 1,000	\$ -	\$ -	\$ 1,000 *
Investment in Capital Assets	\$ 50,830	\$ -	\$ 559	\$ 51,389
Vacation, Sick Leave & Post-Employment Benefits **	(18,386)	-	(462)	(18,848)
Interest Rate Swaps	(9,286)	-	2,039	(7,247)
Endowment Fund	18,510	-	600	19,110
TOTAL NET ASSETS	\$ 92,740	\$ 9,167	\$ 9,151	\$ 92,724

* 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 2014/2015. 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 2013/2014			Proposed Budget 2014/2015			Positions Opened #	Positions Closed	Positions Transferred
	Admin	Support	Academic	Admin	Support	Academic			
President & Board of Governors									
President's Office	4	-	-	4	-	-			
Total	4	-	-	4	-	-			
Human Resources									
Human Resources	22	2	1	22	2	1			
Total	22	2	1	22	2	1			
Finance and Administration									
Vice-President's Office	2	-	-	2	-	-			
College Ancillary Services	17	70	-	17	70	-			
Finance & Administrative Services	8	28	-	8	28	-			
Information Technology Services	11	68	-	12	71	-			
Physical Resources	15	39	-	15	39	-			
Total	53	205	-	54	208	-			262
Student Services									
Vice-President's Office	2	-	-	2	-	-			
Student Support Services	9	37	18	9	39	18			
Algonquin College Foundation	4	2	-	4	2	-			
Registrar	10	58	-	10	58	-			
Total	25	97	18	25	99	18			142
Academic Services									
Vice-President's Office	17	6	13	15	8	18			
Associate Vice-President Academic ¹	-	-	-	2	-	-			
School/College Work Initiative	-	1	-	-	1	-			
Faculty of Arts, Media & Design	7	27	112	6	27	112			
School of Business	5	9	85	5	9	85			
School of Hospitality & Tourism	3	9	40	3	9	40			
Faculty of Technology & Trades	6	26	143	6	27	143			
Algonquin College Heritage Institute	3	10	12	3	10	12			
Faculty of Health, Public Safety & Community Studies	8	31	123	8	31	123			
Learning & Teaching Services	1	5	-	1	5	-			
Mobile Computing	1	7	-	1	7	-			
Centre for Continuing & Online Learning	4	18	-	7	18	-			
Personal Development Institute	2	2	-	2	2	-			
Applied Research & Development	2	1	-	2	1	-			
Business Development & Corporate Training	5	3	-	5	3	-			
International & Corporate Business Development	7	9	21	8	10	21			
Algonquin College in the Ottawa Valley	6	29	27	6	29	27			
Total	74	193	576	77	197	581			855
Advancement									
Executive Director's Office	3	2	-	3	3	-			
Recruitment	2	7	-	2	7	-			
Marketing Services	1	10	-	1	11	-			
Total	6	19	-	6	21	-			
COLLEGE TOTAL	184	516	595	188	527	600			1,315

Algonquin College - Annual Budget 2014-15

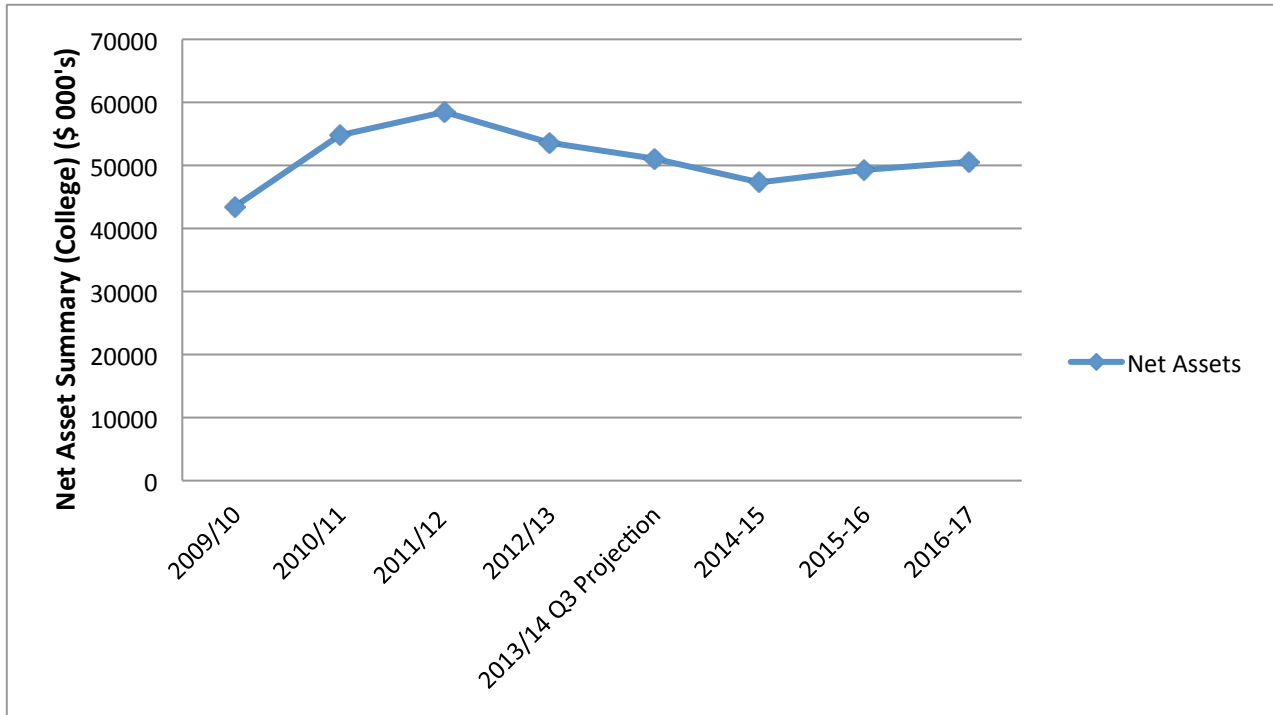
2014/2015 PROJECTED ENROLMENT vs. 2013/2014 ACTUAL ENROLMENT

FACULTY/SCHOOL	Post Secondary / Post Diploma			Applied Degree			Co-op Diploma Apprenticeship			% Change
	Projected 2014/2015	Actual (unaudited) 2013/2014	Change	Projected 2014/2015	Actual (unaudited) 2013/2014	Change	Projected 2014/2015	Actual (unaudited) 2013/2014	Change	
Arts, Media & Design										
Level 1	2,650	2,588	62	45	41	4	-	-	-	
Returning	4,483	4,136	347	189	221	(32)	-	-	-	
TOTAL	7,133	6,724	409	234	262	(28)	-	-	-	
Business										
Level 1	1,895	1,931	(36)	60	60	-	-	-	-	
Returning	5,003	4,759	244	328	301	27	-	-	-	
TOTAL	6,898	6,690	208	388	361	27	-	-	-	
Hospitality & Tourism										
Level 1	1,215	1,058	157	40	39	1	-	-	-	
Returning	1,636	1,603	33	195	147	48	-	-	-	
TOTAL	2,851	2,661	190	235	186	49	-	-	-	
Technology & Trades										
Level 1	2,363	2,352	11	24	7	17	-	-	-	
Returning	5,398	5,253	145	90	6	84	-	-	-	
TOTAL	7,761	7,605	156	114	13	101	-	-	-	
Health, Public Safety & Community Studies										
Level 1	2,142	2,154	(12)	-	-	-	-	-	-	
Returning	5,148	5,217	(69)	-	-	-	-	-	-	
TOTAL	7,290	7,371	(81)	-	-	-	-	-	-	
Centre for Continuing & Online Learning										
Level 1	845	786	59	-	-	-	-	-	-	
Returning	939	838	101	-	-	-	-	-	-	
TOTAL	1,784	1,624	160	-	-	-	-	-	-	
Business Development										
Level 1	97	105	(8)	-	-	-	-	-	-	
Returning	163	102	61	-	-	-	-	-	-	
TOTAL	260	207	53	-	-	-	-	-	-	
Algonquin College Heritage Institute										
Level 1	216	213	3	-	-	-	-	-	-	
Returning	449	390	59	-	-	-	-	-	-	
TOTAL	665	603	62	-	-	-	-	-	-	
Algonquin College in the Ottawa Valley										
Level 1	484	483	1	-	-	-	18	19	(1)	
Returning	870	853	17	-	-	-	26	20	6	
TOTAL	1,354	1,336	18	-	-	-	44	39	5	
TOTAL Level 1	11,907	11,670	237	169	147	22	18	19	(1)	2.2%
TOTAL Returning	24,089	23,151	938	802	675	127	26	20	6	4.5%
TOTAL	35,996	34,821	1,175	971	822	149	44	39	5	3.7%

In addition to the above, the budget supports: 1,999 semestered enrolments in the Collaborative Programs; 1,687 semestered enrolments in Full-Time Non-Funded Programs; and 2,597 Seat Purchases in the Apprentice Programs.

2014-15 PRO FORMA SUMMARY Financial Health Indicators - Net Assets

Net Assets: Net assets Summary



Objective:

To measure a net asset balance for operating purposes.

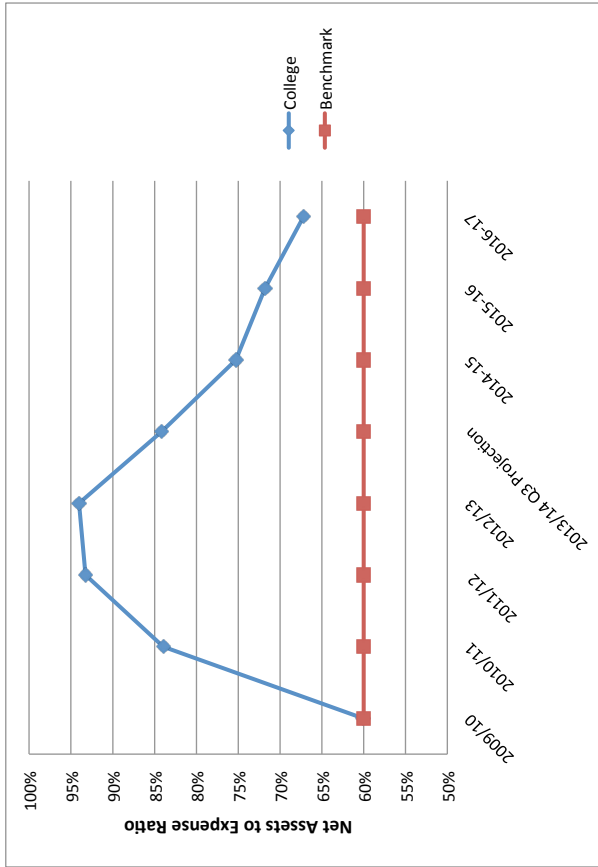
Benchmark:

Less than zero indicates an accumulated deficit.

Note: Compare with 2003/04 Net Assets Summary of **\$(5,143k)**

2014-15 PRO FORMA SUMMARY Financial Health Indicators - Operating Results

Operating Results: Net Assets to Expense Ratio

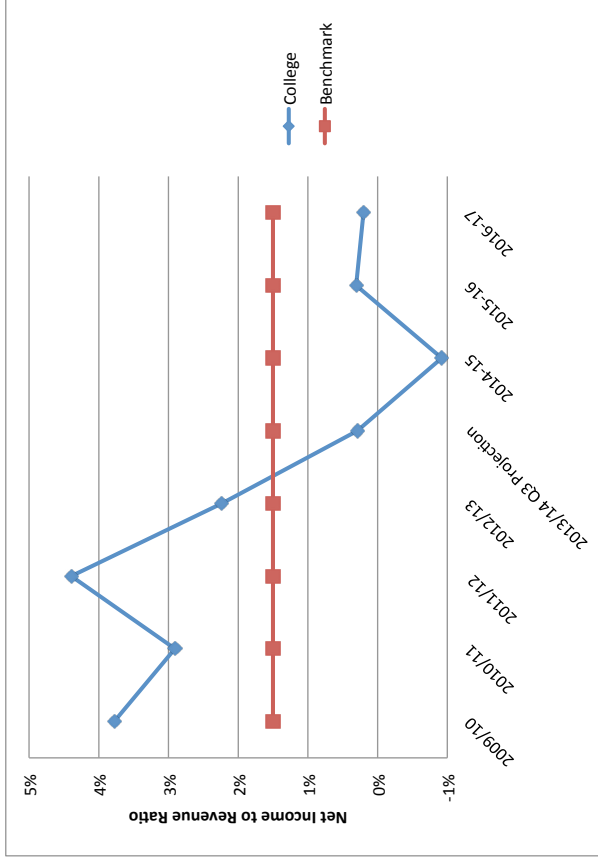


Objective: A traditional indicator to ascertain the ability of a college to continue operations in the event there is a delay in revenue streams.

Benchmark: Less than 60% may be a concern since it could indicate that a college may not have sufficient internally accumulated resources in the future to fund operations and may be heading towards a deficit position. A negative percentage indicates the college is already in a deficit position.

Note: Compare with 2003/04 Net Assets to Expense Ratio of **48%**

Operating Results: Net Income to Revenue Ratio



Objective: This ratio is an indicator of fiscal performance that measures the extent of a balanced budget.

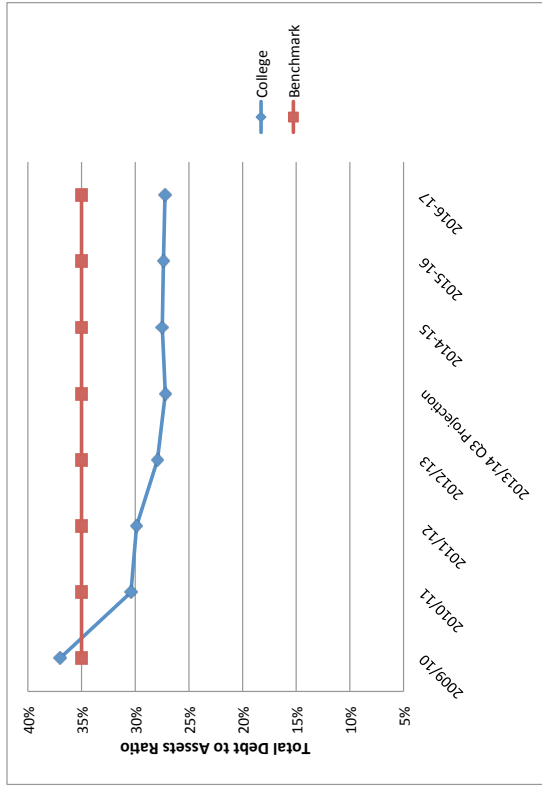
Benchmark: Less than 1.5% may be a concern because it may indicate that the college may not be able to recover from a deficit position in a reasonable period of time.

Note: Compare with 2003/04 Net Income to Revenue Ratio of **10.24%**

2014-15 PRO FORMA SUMMARY

Financial Health Indicators - Debt Management

Managing Debt: Total Debt to Assets Ratio

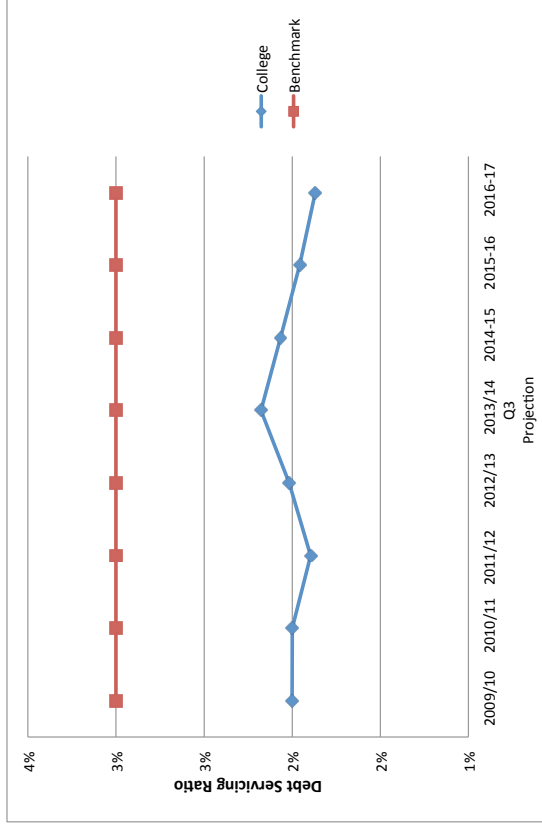


Objective: Measures the proportion of total assets that are financed by debt. A high or increasing value may be predictive of future liquidity problems or a reduced ability to borrow money in the future.

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.

Note: Compare with 2003/04 Total Debt to Assets Ratio of 52%

Managing Debt: Debt Servicing Ratio



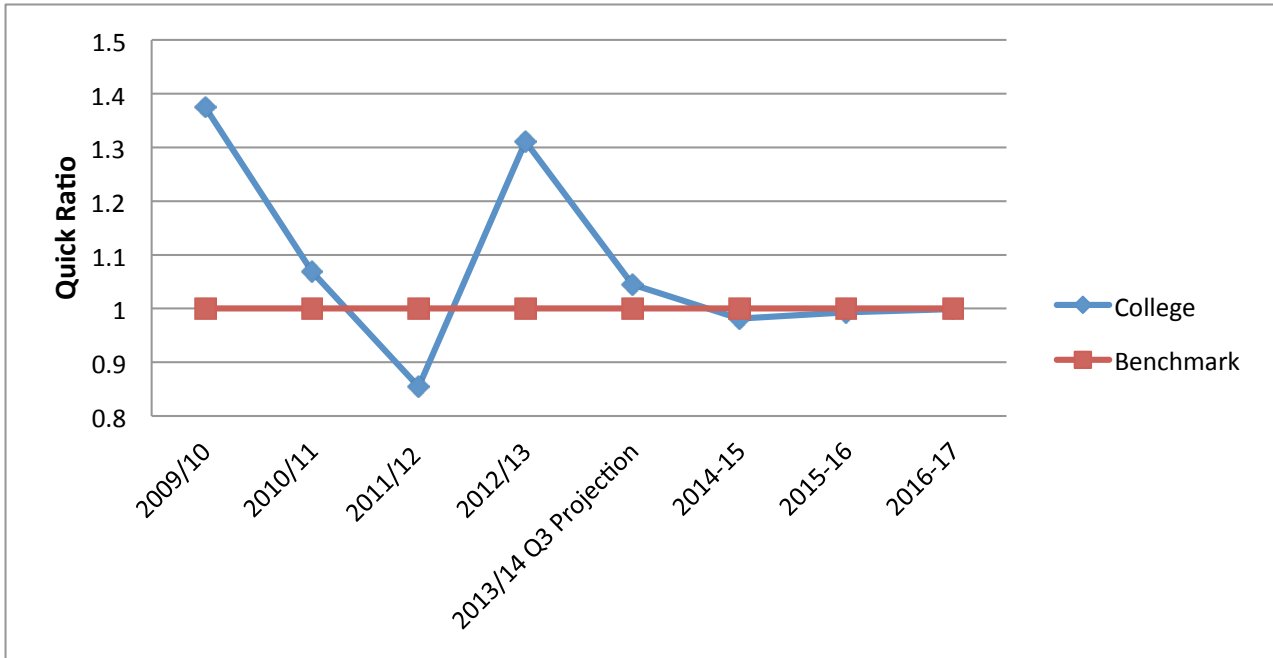
Objective: This ratio measures the College's spending on servicing the debt portfolio and could be used as an indicator that the college may be over-leveraged in debt.

Benchmark: A ratio greater than 3% indicates that the college is spending less than 97% on core services which leads to a possibility that the college may be over-leveraged with debt payments.

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

2014-15 PRO FORMA SUMMARY Financial Health Indicators - Liquidity

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:

Less than 1.00 is typically a concern because it begins to indicate that a college may not be able to meet its short term obligations.

Note: When including surplus cash invested in longer term investments (greater than 1 year) Algonquin's Quick Ratio is at 2.0 for 2014/15.

