

# Business Plan & Annual Budget 2016-17

## 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 2016-17



## 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 in Ontario College Credentialed programs to have a work-integrated learning experience.

### 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			2016-17 Initiatives/Leveraged Action		2016-17 Overarching Measures
<b>Goal 1: Deliver an exemplary applied education and training experience.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	ACADEMIC Develop a success improvement plan for courses where the failure rate exceeds 25%.	1	ACADEMIC Course success improvement strategy presented to Deans and Directors Council by February, 2017.
Graduation Rate	68%	70%	ACADEMIC & STUDENT SERVICES Implement cross-College intervention initiatives focused on student retention for domestic and international markets.	2	ACADEMIC & STUDENT SERVICES (1a) First term retention increased by 1.5%. (1b) College-wide Strategic Enrolment Management Conference and annual professional development “Kaleidoscope” conference held in May, 2016 as a three-day merged conference for all employees with a focus on Student and Employee Success. The event target attendance includes 450 participants with an overall 75% satisfaction rate. (1c) Implemented top two retention recommendations from the Strategic Enrolment Management Committee by March, 2017.
Retention Rate	88%	89%			
			ACADEMIC Assess and validate College hybrid and online offerings against the Hybrid and Online Quality Assurance Standards (HOQAS)	3	ACADEMIC (1) Day Programs: 300 hybrid and online offerings assessed and validated against the Hybrid and Online Quality Assurance Standards (HOQAS) by June, 2017. (2) Centre for Continuing and Online Learning: 145 online courses assessed and validated against Hybrid and Online Quality Assurance Standards by June, 2017.
			ACADEMIC Prepare for the institutional-level Program Quality Assurance Process Accreditation (PQAPA) in 2016.	4	ACADEMIC Report to the Board of Governors submitted on the Program Quality Assurance Process Accreditation recommendations with appropriate actions by March, 2017.
			INTERNATIONAL & STRATEGIC PLANNING Complete and begin implementation of the College's 2017-2022 Strategic Plan	5	INTERNATIONAL & STRATEGIC PLANNING (1) Draft 2017-2022 Strategic Plan presented to the Algonquin College Board of Governors by June, 2016. (2) Initial Strategic Plan implementation strategy presented to the Board of Governors by June, 2016.
<b>Goal 2: Create a unique suite of programs, products and services geared to meet the needs and expectations of our clients and students.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	ACADEMIC & STUDENT SERVICES Cross-College intervention initiatives for student enrolment growth implemented for domestic and international markets.	6	ACADEMIC & STUDENT SERVICES (1a) Overall College enrolment growth of 1% achieved by March, 2017. (1b) Implemented top two enrolment growth recommendations from the Strategic Enrolment Management Committee by March, 2017.
Enrolment (PSE) and others	20,750	21,107	ACADEMIC, FINANCE & ADMINISTRATION, 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.	7	ACADEMIC, FINANCE & ADMINISTRATION, STUDENT SERVICES (1) Healthy Living Education (HLE) project business case and funding options presented to the Algonquin College Foundation Board of Directors by May, 2016, for approval and recommendation to the Board of Governors. (2) Healthy Living Education (HLE) project business case and funding options presented to the Board of Governors by June, 2016.
Enrolment (online – FTE equivalents)	3,500	3,500			
Enrolment (PSE international – FTE equivalents)	1,355	1,400	ACADEMIC Enhance the choice and flexibility of student learning options by increasing the availability of fully online offerings.	8	ACADEMIC (1) 200 additional FTEs achieved through new online full-time day courses by March, 2017. (2) 85 additional FTEs achieved through new Centre for Continuing and Online Learning courses by March, 2017.
			INTERNATIONAL & STRATEGIC PLANNING (1) Draft and pilot new sales and marketing plan for India and China. (2) Draft and implement sales and marketing plan to increase the number of English for Academic Purpose (EAP) students applying to Algonquin post-secondary programs.	9	INTERNATIONAL & STRATEGIC PLANNING (1) India applications increased by 5% and China applications increased by 3% by March, 2017. (2) Algonquin English for Academic Purpose (EAP) applying to Algonquin post-secondary programs increased by 3% by March, 2017.

## OPERATIONAL OUTCOMES MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2016-17 Initiatives/Leveraged Action		2016-17 Overarching Measures
<b>Goal 2: cont'd</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	ACADEMIC & STUDENT SERVICES Continue the development and marketing of new degree programs.	10	ACADEMIC & STUDENT SERVICES (1) Two degree programs submitted to the Ministry of Training Colleges & Universities/Post-secondary Education Quality Assessment Board (PEQAB) by March, 2017. (2) Twenty presentations made to High School U level (university preparatory stream) and/or Specialist High Skills Major (SHSM) classes by December, 2016.
Students enrolled in applied degree	531	575			
Students enrolled in graduate certificates	920	1000			
			ACADEMIC Launch four on-campus graduate certificates.	11	ACADEMIC Four new graduate certificates launched in 2016/2017 (day programs) by January, 2017.
			COMMUNICATIONS, MARKETING AND EXTERNAL RELATIONS, STUDENT SERVICES Deliver on the 50th Anniversary Plan.	12	COMMUNICATIONS, MARKETING AND EXTERNAL RELATIONS, STUDENT SERVICES (1) Initial Coat of Arms branding strategy submitted to the Board of Governors by October, 2016. (2) Event held to unveil College Coat of Arms by March, 2017. (2) 50th Anniversary Communications Plan implemented. (3) SuperHost 150 website and app successfully launched and all eligible College programs engaged in Ottawa 2017 activities. (4) 50th Anniversary Website launched by March, 2017. (5) 50th Anniversary Plans announced at President's BBQ in June, 2016.
<b>Goal 3: Leverage technology to enhance the educational experience.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	ACADEMIC Implement Curriculum Services hybrid and online program development plan.	13	ACADEMIC Ten new daytime online courses offered in 2016/2017 by January, 2017.
Online courses offered	140	150			
Unique hybrid courses offered	1,280	1,424	ACADEMIC Implement the 2016/2017 portion of the hybrid course development plan from Curriculum Services.	14	ACADEMIC 144 hybrid courses created in 2016/2017 by March, 2017.
Enrolment (PSE - Bring Your Own Device)	95%	100%	ACADEMIC Continue to build on past experience to enhance and expand the Bring-Your-Own-Device initiative as a program delivery format.	15	ACADEMIC Three remaining eligible postsecondary programs offered in Bring Your Own Device format by September, 2016.
			ACADEMIC Continue to build on past experience to enhance and expand the Bring-Your-Own-Device initiative as a program delivery format.	16	ACADEMIC Twenty eligible programs implemented eText and digital resources as appropriate by January, 2017. <i>(An e-Text program is one that has at least one course with an eText or digital resource.)</i>
<b>Goal 4: Provide opportunities for every full-time student in Ontario College Credentialed programs to have a work-integrated learning experience.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	ACADEMIC Implement Year-4 roll-out of the Work-Integrated Learning (WIL) program initiative.	17	ACADEMIC Thirteen remaining programs reviewed for Work-Integrated Learning (WIL) eligibility, and WIL activities implemented accordingly where appropriate by March, 2017.
Programs with work experience opportunities	93%	100%			
Students engaged in applied research and development	890	950	ACADEMIC Establish five new stand-alone and 18 new in-class applied research projects.	18	ACADEMIC One applied research project application submitted to the Natural Sciences and Engineering Research Council College and Community Innovation program by March, 2017.

## OPERATIONAL OUTCOMES MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2016-17 Initiatives/Leveraged Action		2016-17 Overarching Measures
<b>Goal 5: Deliver exceptional service to our diverse student and client populations.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	STUDENT SERVICES, FINANCE & ADMINISTRATION REGISTRAR'S OFFICE (1) Implement scheduling solution enhancements for all domestic campuses. (2a) Enhance existing Library space and implement Phase 1 of the Library vision in Summer, 2016. (2b) Implement Career Services Review recommendations.	19	STUDENT SERVICES, FINANCE & ADMINISTRATION REGISTRAR'S OFFICE (1) Scheduling solution enhancements for all domestic campuses live and in production by March, 2017. (2a) Library Key Performance Indicator (KPI) satisfaction increased from 68.6% to 70% by April, 2017. (2b) Top two Career Services recommendations implemented by March, 2017.
Student satisfaction	82.5%	83.5%			
Employer Satisfaction	93.5%	94%			
Alumni Satisfaction	88.5%	90%	FINANCE & ADMINISTRATION Develop a student housing strategy that will help ensure students are accommodated on campus or in our community in environments that will aim to support student success.	20	FINANCE & ADMINISTRATION (1) Consulted, engaged and collaborated with the City of Ottawa and local student housing landlords on the development of a student housing strategy. (2) Presented a student housing strategy to Algonquin College Executive Team for approval by March, 2017.
			INTERNATIONAL & STRATEGIC PLANNING Develop and implement an International Student Satisfaction Strategy.	21	INTERNATIONAL & STRATEGIC PLANNING Top two International Satisfaction Strategy initiatives implemented by March, 2017.
			HUMAN RESOURCES Develop the second Accessibility for Ontarians with Disabilities Act (AODA) multi-year plan 2016-2021.	22	HUMAN RESOURCES The Accessibility for Ontarians with Disabilities Act plan is presented to Algonquin College Executive Team and implementation begun by April, 2016.
			COMMUNICATIONS, MARKETING & EXTERNAL RELATIONS Establish an Algonquin College benchmark around Employer satisfaction.	23	COMMUNICATIONS, MARKETING & EXTERNAL RELATIONS Presented findings and recommendations from the Employer satisfaction survey to the Board of Governors by March, 2017.
			FOUNDATION Conduct an Alumni Satisfaction Survey after Alumni Awareness and Engagement Plan is implemented.	24	FOUNDATION Implemented top three alumni engagement initiatives by March, 2017.
<b>Goal 6: Leverage technology to automate and modernize our business processes, fostering an environment of continuous improvement.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	DIGITAL TECHNOLOGIES & INNOVATION (1) Continue delivery of process automation and optimization initiatives, as recommended by the Automation Task Force and prioritized by College Technology Committee and the Algonquin College Executive Team. (2) Process optimization strategy and methodology developed, and prioritization framework in place.	25	DIGITAL TECHNOLOGIES & INNOVATION (1) Ten new business process automation initiatives live and in production by March, 2017. (2) Continuous improvement strategy, including process automation and optimization prioritization framework, presented to Algonquin College Executive Team by December 2016, and ready for presentation to Board of Governors by March, 2017.
Business processes developed to measurably lower cost and/or improve productivity.	40	50			
			DIGITAL TECHNOLOGIES & INNOVATION, HUMAN RESOURCES, FINANCE & ADMINISTRATION Complete delivery of Project Fusion with upgraded software application platforms and business processes for the Human Resources, Payroll, Budgeting and Finance enterprise resource planning systems.	26	DIGITAL TECHNOLOGIES & INNOVATION, HUMAN RESOURCES, FINANCE & ADMINISTRATION All modules of the upgraded enterprise resource planning systems 'live' and in production by April, 2017.
			STUDENT SERVICES, DIGITAL TECHNOLOGIES & INNOVATION, ACADEMIC Request for Information (RFI) prepared for a Student Information System.	27	STUDENT SERVICES, DIGITAL TECHNOLOGIES & INNOVATION, ACADEMIC Student Information System RFI process is completed by March, 2017.
			FINANCE & ADMINISTRATION, ACADEMIC, INTERNATIONAL, & STRATEGIC PLANNING, STUDENT SERVICES, HUMAN RESOURCES Continue applied research project Education Program Efficiency 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.	28	FINANCE & ADMINISTRATION, ACADEMIC, INTERNATIONAL, & STRATEGIC PLANNING, STUDENT SERVICES, HUMAN RESOURCES Reviews completed of core services such as Academic Services, College organizational structure, alternative revenue generation and relationship between the College and Foundation by March, 2017.



## OPERATIONAL OUTCOMES MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2016-17 Initiatives/Leveraged Action		2016-17 Overarching Measures
<b>Goal 7: Attract, develop and retain employees who have the knowledge and skills to be fully contributing members of the College.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	HUMAN RESOURCES, FINANCE & ADMINISTRATION, ACADEMIC, INTERNATIONAL & STRATEGIC PLANNING, COMMUNICATIONS, MARKETING & EXTERNAL RELATIONS, STUDENT SERVICES Implement the top three initiatives/priorities determined by the 2014/2015 Employee Engagement Survey.	29	HUMAN RESOURCES, FINANCE & ADMINISTRATION, ACADEMIC, INTERNATIONAL & STRATEGIC PLANNING, COMMUNICATIONS, MARKETING & EXTERNAL RELATIONS, STUDENT SERVICES (1) College-wide and department-specific actions implemented and reported to Algonquin College Executive Team by December, 2016. (2) Next Employee Engagement survey implemented by March, 2017.
Employee engagement	60%	62%			
			HUMAN RESOURCES Develop a College-wide multi-year People Plan/HR Strategy to support the strategic priorities of the College (2017-2022).	30	HUMAN RESOURCES People Plan 2017-2022 presented to the Board of Governors for information by March, 2017.
<b>Goal 8: Create and foster an environment in which the College's model of leadership competencies and behaviours is supported.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	HUMAN RESOURCES, FINANCE & ADMINISTRATION, ACADEMIC, INTERNATIONAL & STRATEGIC PLANNING, COMMUNICATIONS, MARKETING & EXTERNAL RELATIONS, STUDENT SERVICES, DIGITAL TECHNOLOGIES & INNOVATION Continue to offer modules focusing on leadership development and management practices as part of the Management Academy for all Administrators.	31	HUMAN RESOURCES, FINANCE & ADMINISTRATION, ACADEMIC, INTERNATIONAL & STRATEGIC PLANNING, COMMUNICATIONS, MARKETING & EXTERNAL RELATIONS, STUDENT SERVICES, DIGITAL TECHNOLOGIES & INNOVATION (1) 100% of the 2014/2015 inaugural cohort of Administrators with supervisory responsibility have completed the Management Academy by March, 2017. (2) All offerings of Algonquin Leadership in Education Institute (ALEI) I, II and III are fully registered by March, 2017.
Leadership training	50.0%	51.50%			
			FINANCE & ADMINISTRATION, ACADEMIC Implement second fiscal year framework of Responsibility Centre Management model, based on approved Responsibility Centre Management principles to encourage innovation and align academic authority with financial accountability.	32	FINANCE & ADMINISTRATION, ACADEMIC (1) Responsibility Centre Management framework feedback process developed and implemented by March, 2017 with Algonquin College Leadership Team to ensure continuous improvement and alignment with strategic direction of the College. (2) Transition of Responsibility Centre Management framework is completed from project evaluation phase to integration by March, 2017.
<b>Goal 9: Align our funded operational expenditures with provincial funding.</b>					
Completed. Standard operating procedure at the College.					
<b>Goal 10: Expand non-funded opportunities to increase revenue.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	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.	33	ACADEMIC (1) Three strategic sectors (Federal Government, Information and Communications Technology, Nunavut Government) engaged by March, 2017. (2) Overall Corporate Training activities result in \$200,000 net contribution by March, 2017.
Number of organizations served through Corporate Training	375	400			
Alternative revenues	31%	32%	INTERNATIONAL & STRATEGIC PLANNING Review and update the International Education Strategic Plan.	34	INTERNATIONAL & STRATEGIC PLANNING (1a) International Education Strategic Plan review completed and presented to Algonquin College Executive Team by April, 2017. (1b) Language Institute Vision Exercise completed and presented to Language Institute employees by December, 2016. (2) \$3.1 million in net contribution raised from international efforts by March, 2017.
			FINANCE & ADMINISTRATION Continue execution of 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.	35	FINANCE & ADMINISTRATION College Ancillary Services' net contribution increased by 40% over 2012/2013 baseline net contribution by March, 2017.

## OPERATIONAL OUTCOMES MAJOR ACTIONS AND MEASURES

2012-17 Strategic Goals			2016-17 Initiatives/Leveraged Action		2016-17 Overarching Measures
<b>Goal 11: Leverage strategic business partnerships to meet the capital needs of the College.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	<b>FOUNDATION</b> Complete Year 3 of the 5 Year Fundraising Plan.	36	<b>FOUNDATION</b> (1) \$3.1 million in total contributed from fundraising: \$1.5 million raised from alumni revenue, annual and endowment contributions. \$850,000 raised from gifts-in-kind and major gift cash and pledges. \$715,000 disbursed from annual and endowment funds. (2) Capital Campaign Plan for the Healthy Living Education Initiative Capital Campaign developed by December, 2016.
Cash, in-kind contributions, and returns from alternative financing.	\$15.8 M	\$10 M			
			<b>FINANCE &amp; ADMINISTRATION</b> 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	37	<b>FINANCE &amp; ADMINISTRATION</b> (1) \$32 million in total investments in ESCO2 measures made by March 31, 2017. (2) \$2 million in annual savings achieved by March, 2017. (3) Greenhouse gas emissions reduced by 2,635 metric tonnes from baseline emissions of 10,035 metric tonnes by March, 2017.
<b>Goal 12: Create the technological foundation to align with the digital direction.</b>					
<b>Metric</b>	<b>2015-16 Target</b>	<b>2016-17 Target</b>	<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> Complete the process of making College data accessible through a common BI portal, via the underlying Enterprise Data Warehouse.	38	<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> 100% of critical College data available via the Enterprise Data Warehouse by March, 2017.
College data accessible through a common Business Intelligence (BI) portal.	75%	100%			
			<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> (1) Internet infrastructure upgrades to improve capacity and reliability. (2) Access and core network upgrades to improve redundancy and increase performance. (3) Wireless network upgrades, leveraging 802.11ac technology, to improve capacity and performance.	39	<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> (1) 99.5% availability of internet access achieved by March, 2017. (2) 99.5% availability of core network achieved by March, 2017. (3) 99.5% availability of wireless network achieved by March, 2017.
Availability of College networks and internet access. Availability of wireless networks to all stakeholders.	98.50%	99.90%			
			<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> As part of a continued focus on Information Security, implement an Identity and Access Management solution on key systems.	40	<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> Identity Access Management solution deployed across the initial strategic applications, such as the College's new Enterprise Resource Planning solution, Salesforce and the Microsoft Office365 environment by March, 2017
			<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> Establish a framework to address IT deferred maintenance and guide investments in upgrading key elements of the technical infrastructure.	41	<b>DIGITAL TECHNOLOGIES &amp; INNOVATION</b> IT deferred maintenance framework presented to the Algonquin College Executive Team by October, 2016.



# Annual Budget 2016-17

## TREASURER’S REPORT OF THE 2016-17 ANNUAL BUDGET

In compliance with both Board of Governors direction and Ministry of Training Colleges and Universities operating directives, the 2016-17 Annual Budget returns a net surplus on funded activity/college operations of \$10.2 million and maintains the College’s commitment to balancing student tuition revenue and government funded activities with associated operating expenditures.

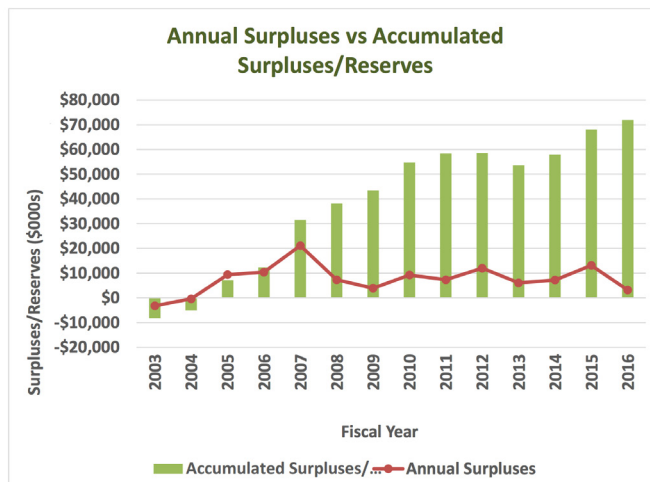
The 2016-17 Annual Budget also provides the College with the resources required to deliver on the commitments detailed in the 2016-17 Business Plan and the College’s 2012-17 Strategic Plan.

While the College has once again balanced its annual operating budget, the complete budget has an estimated net contribution of \$(6.8) million. This is due to several extraordinary capital expenditures such as the investment in a new enterprise resource planning system, investments in energy savings measures, B Building window replacements and upgrades to the electrical plant transformers. These one-time costs will be partly funded from Internally Restricted Net Assets accumulated from prior year surpluses.

### INTERNALLY RESTRICTED NET ASSETS/ACCUMULATED SURPLUSES

Last year, the College concluded fiscal year 2014-15 with a net contribution of \$13.1 million which exceeded the 2014-15 Annual Budget net contribution of \$(2.76) million; a variance of 5.2% as a percentage of total budgeted expenditures. In addition to various operating savings, this positive variance was achieved primarily due to increased enrolment, net revenues from the International Education Centre, increased contract revenues, 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. The accumulated surpluses and healthy balance of the Internally Restricted Net Assets enables the College to address significant capital investment requirements resulting in a net contribution deficit while maintaining balanced operating budgets for 2016-17.



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 within its Internally Restricted Net Assets for the following significant capital projects and initiatives in 2016/17:

2016/17 Expenditures from Internally Restricted Funds – Specific Reserves	
Enterprise Resource Planning Solution – Human Resources, Payroll, and Finance	\$8,412,000
Information Technology and Physical Infrastructure Renewal Projects	2,391,498
Electrical Transformers Upgrade	2,850,000
Energy Savings Contract 2 (ESCO2) – Energy Savings Measures	4,200,000
Academic and Administrative Equipment	500,000
2015/16 Approved Multi-Year Strategic Investment Priorities Expenditures Deferred to 2016/17	995,724
<b>Total Expenditures from Internally Restricted Funds – Specific Reserves</b>	<b>\$19,349,222</b>

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

Internally Restricted Net Assets	2016/17 Budgeted Contributions
Specific Reserves	
• Ancillary Services Reserve Funds	\$1,062,000
• Information Technology and Physical Infrastructure Renewal Fund	1,000,000
Contingency Reserve Fund	192,000
General Reserve Funds – Future Capital Expansion	2,216,900
<b>Total Budgeted Contributions to Internally Restricted Funds</b>	<b>\$4,470,900</b>

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

The budgeted 2016-17 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	100,000
• Specific Reserves	
o Other Projects and Initiatives	6,749,000
o Ancillary Services Reserve Fund	5,033,000
o Employment Stabilization Fund	560,000
o Other Student Aid	35,000
• Contingency Reserve Fund	8,300,000
• General Reserve Funds	34,430,000
<b>Total Unrestricted and Internally Restricted Net Assets</b>	<b>\$56,207,000</b>

### CHALLENGES AND OPPORTUNITIES FACING THE COLLEGE

Delivering a budget that returns a positive net operating surplus has not been without its challenges. In 2015, the Province re-stated its commitment to eliminating the Ontario deficit by 2017-18 and committed to maintain previously announced reductions to Ontario colleges funding. The annualized impact of these reductions to Algonquin's 2016-17 base funding is approximately \$5.9 million.

Provincial Budget Measure	Algonquin College Impact		
	2014/15	2015/16	2016/17
International Student Recovery Fee	\$ (876,131)	\$ (1,099,351)	\$ (1,197,000)
Elimination of Small Northern and Rural Grant	(1,844,850)	(1,844,850)	(1,844,850)
Policy Levers – Operating Grant Reductions	(1,721,837)	(2,741,739)	(2,741,739)
International Student Municipal Tax	(84,525)	(101,633)	(73,000)
<b>Total Impact of Provincial Budget Measures</b>	<b>\$ (4,527,343)</b>	<b>\$ (5,787,573)</b>	<b>\$ (5,856,589)</b>

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 \$24 million in new facility improvement investments to date generating \$1.2 million in annual energy savings. The ESCO2 project will help to reduce the College's physical deferred maintenance liability. In addition, the College has committed to build a reserve to address both digital and physical deferred maintenance.

## TREASURER’S REPORT OF THE 2016-17 ANNUAL BUDGET

### 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 2016-17 follows:

#### Revenues

- General Purpose Operating Grant will be held stable and the Growth funding will continue but at a lower year over year increase due to lower enrolment growth than past years;
- 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 1% over 2015-16 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:
  - Contract Activity
  - International Premium and Tuition
  - 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 and are based on current collective agreements and legislation; Other expenditures will increase at a rate consistent with the rate of inflation, or will remain constant; and
- The accounting policy will be adopted to allow capitalization of a portion of enterprise resource planning system implementation costs (Project Fusion).

#### 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;
- Develop 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

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

RISK SCHEDULE			
Risk Identification	Impact in 2016/17	Likelihood in 2016/17	Risk Management
Enrolment Less than Projection resulting in Reduced Tuition Fee Revenue	Moderate	Possible	<ul style="list-style-type: none"> <li>• New Programs</li> <li>• Conversion of Applications to Registrations</li> <li>• Retention Initiatives</li> <li>• Reduce Expenditures</li> <li>• Increase Winter Intakes</li> </ul>
Provincial Operating Grants Less than Budgeted	Moderate	Unlikely	<ul style="list-style-type: none"> <li>• Reduce Direct Expenses</li> <li>• Further Review Programs and Services for Efficiencies</li> <li>• Defer Strategic Investments</li> </ul>
Other Revenues Less than Budgeted	Moderate	Possible	<ul style="list-style-type: none"> <li>• International Initiatives</li> <li>• Contract Training</li> </ul>
Labour Relations	Minor	Unlikely	<ul style="list-style-type: none"> <li>• Monitor Government Actions</li> <li>• Advocate for additional Government Funding</li> </ul>
Information Technology Assets and Services – Business Interruption	Moderate	Unlikely	<ul style="list-style-type: none"> <li>• Upgraded IT Infrastructure</li> <li>• Contingency Accounts Available</li> <li>• Business Continuity/Disaster Recovery Planning</li> </ul>
Facilities Quality and Space Constraints	Minor	Possible	<ul style="list-style-type: none"> <li>• Develop Alternative Growth Strategies</li> <li>• Leverage use of Technology</li> <li>• Energy Savings Contract</li> </ul>

**BUDGET IMPACT**

The 2016-17 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 operating budget, a number of budget reduction and expansion initiatives were implemented including:

Budget Reductions	Impact
Various Operating Expenses	\$100,000 Contract Services \$190,000 Marketing and Promotions \$810,000 Miscellaneous Expense
ITS Mobile Computing Fee	\$1,334,000 Reduction in ITS Mobile Computing Fee Revenues
Budget Expansion	Impact
Full-Time Enrolment Increase	\$4,385,000 Increase in Full-Time Tuition Fee Revenues, and \$2,215,000 Increase in the Enrolment Growth Grant

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; and
- Digital and physical infrastructure support.

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), 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 (CSIC Chair), Dean, Faculty of Technology and Trades
- Dave Donaldson, Dean, School of Business
- Diane McCutcheon, Director, Labour Relations
- Eric Hollebhone (CTC Chair), Director, Marketing and Recruitment
- Ernest Mulvey, Director, International Education Centre
- Grant Perry (Resource), Manager, Finance and Administrative Services
- Mark Leduc, Executive Director, Academic Operations and Planning
- Michael Gawargy, Director, Information Technology Services
- Emily Woods (Interim), Manager, Business Systems Team



**Duane McNair**  
Treasurer and Vice President, Finance and Administration



# Algonquin College - Annual Budget 2016-17

## PRO FORMA SUMMARY

(all figures in \$ 000's)

	Actual 2014/2015	Annual Budget 2015/2016	Q3 Projection 2015/2016	Annual Budget 2016/2017	Pro Forma 2017/2018	Pro Forma 2018/2019
<b>Funded Activity/College Operations</b>						
Revenue	\$ 218,911	\$ 222,264	\$ 225,883	\$ 229,845	\$ 234,000	\$ 239,000
Expenditures <sup>1</sup>	204,227	213,930	215,412	219,628	222,000	226,000
Net Contribution	14,684	8,334	10,471	10,217	12,000	13,000
<b>Contract Activity &amp; Other Non-Funded Activity</b>						
Revenue	29,098	24,822	28,445	27,588	27,600	27,630
Expenditures	26,836	23,189	26,817	26,628	26,600	26,600
Net Contribution	2,262	1,633	1,628	960	1,000	1,030
<b>College Ancillary Services</b>						
Revenue	40,683	43,420	43,388	43,601	46,500	47,600
Expenditures <sup>1</sup>	33,970	36,458	36,220	35,929	38,500	39,000
Net Contribution	6,713	6,962	7,168	7,672	8,000	8,600
<b>International Education Centre</b>						
Revenue <sup>2</sup>	21,972	21,089	20,828	17,106	19,400	21,500
Expenditures	14,860	16,068	17,384	14,004	14,500	15,200
Net Contribution	7,112	5,021	3,444	3,102	4,900	6,300
<b>Strategic Investment Priorities</b>						
Revenue	3,092	1,479	3,236	1,757	2,100	2,500
Expenditures <sup>3</sup>	22,782	19,565	19,505	36,577	19,500	22,000
Net Contribution	(19,690)	(18,086)	(16,269)	(34,820)	(17,400)	(19,500)
<b>Net Gain on Sale of Former Pembroke Campus</b>						
	924					
<b>Non-Cash Revenue Adjustments</b>						
Capital Grants recorded as Deferred Capital Contributions	(2,630)	(1,000)	(2,000)	(2,000)	(2,000)	(2,000)
Amortization of Deferred Capital Contributions	8,233	7,500	8,000	8,000	8,000	8,000
<b>Non-Cash Expenditure Adjustments</b>						
Expenditures to be Capitalized	10,659	4,500	5,000	16,000	5,000	5,000
Amortization Expense	(15,048)	(14,000)	(15,000)	(16,500)	(18,500)	(18,500)
Change in Vacation, Sick Leave & Post-Employment Benefits	(77)	624	712	650	650	650
<b>Net Contribution as per Public Sector Accounting Standards (PSAS)</b>	<b>\$ 13,142</b>	<b>\$ 1,488</b>	<b>\$ 3,154</b>	<b>\$ (6,719)</b>	<b>\$ 1,650</b>	<b>\$ 2,580</b>

1 - Expenditures do not include contributions to reserve funds, nor does it include principal repayments of debt.

2 - Reflects a change for 2016-17 in the methodology for recording the split of international fee premiums between Funded Activity and the International Education Centre.

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

**PRO FORMA SUMMARY**

(all figures in \$ 000's)

	Actual 2014/2015	Annual Budget 2015/2016	Q3 Projection 2015/2016	Annual Budget 2016/2017	Pro Forma 2017/2018	Pro Forma 2018/2019
<b>Net Assets</b>						
Unrestricted	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Investment in Capital Assets	53,930	52,931	52,529	60,787	56,214	51,820
Vacation, Sick Leave and Post-Employment Benefits	(18,974)	(17,892)	(18,262)	(17,612)	(16,962)	(16,312)
Internally Restricted						
Appropriations	250	250	250	100	100	100
Specific Reserves	30,761	22,045	31,003	12,377	15,020	18,403
Contingency Reserve Fund	7,773	7,990	8,108	8,300	8,530	8,771
General Reserve Funds	28,263	30,409	31,530	34,430	37,130	39,830
Interest Rate Swaps	(11,444)	(8,994)	(10,384)	(8,898)	(7,598)	(6,466)
Endowments	24,708	22,010	25,308	25,908	26,508	27,108
<b>TOTAL NET ASSETS</b>	<b>\$ 116,267</b>	<b>\$ 109,749</b>	<b>\$ 121,082</b>	<b>\$ 116,392</b>	<b>\$ 119,942</b>	<b>\$ 124,254</b>

## Algonquin College - Annual Budget 2016-17

### STATEMENT OF FINANCIAL POSITION

(all figures in \$ 000's)

	March 31, 2016 Annual Budget	March 31, 2016 Q3 Projection	March 31, 2017 Proposed Budget
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash and Short Term Investments	\$ 29,679	\$ 33,910	\$ 29,367
Accounts Receivable	15,000	16,000	16,500
Inventory	2,000	2,000	2,000
Prepaid Expenses	1,400	2,000	2,500
	<b>48,079</b>	<b>53,910</b>	<b>50,367</b>
<b>Investments</b>	<b>57,115</b>	<b>64,981</b>	<b>54,540</b>
<b>Endowment Assets</b>	<b>22,010</b>	<b>25,308</b>	<b>25,908</b>
<b>Capital Assets</b>	<b>255,993</b>	<b>256,178</b>	<b>255,678</b>
<b>TOTAL ASSETS</b>	<b>\$ 383,197</b>	<b>\$ 400,377</b>	<b>\$ 386,493</b>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts Payable & Accrued Liabilities	\$ 14,500	\$ 16,000	\$ 16,500
Accrued Salaries & Employee Deductions Payable	7,000	7,000	7,700
Deferred Revenue	22,000	24,000	24,500
Current Portion of Long Term Debt	2,758	2,758	2,927
	<b>46,258</b>	<b>49,758</b>	<b>51,627</b>
<b>Long Term Debt</b>	<b>51,202</b>	<b>51,202</b>	<b>48,275</b>
<b>Vacation, Sick Leave &amp; Post-Employment Benefits</b>	<b>17,892</b>	<b>18,262</b>	<b>17,612</b>
<b>Deferred Capital Contributions</b>	<b>149,102</b>	<b>149,689</b>	<b>143,689</b>
<b>Interest Rate Swaps</b>	<b>8,994</b>	<b>10,384</b>	<b>8,898</b>
<b>Net Assets</b>			
Unrestricted	1,000	1,000	1,000
Investment in Capital Assets	52,931	52,529	60,787
Vacation, Sick Leave & Post-Employment Benefits	(17,892)	(18,262)	(17,612)
Internally Restricted	60,694	70,891	55,207
Interest Rate Swaps	(8,994)	(10,384)	(8,898)
Endowment Fund	22,010	25,308	25,908
	<b>109,749</b>	<b>121,082</b>	<b>116,392</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 383,197</b>	<b>\$ 400,377</b>	<b>\$ 386,493</b>

# Algonquin College - Annual Budget 2016-17

## 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 2016/2017	Q3 Projection 2015/2016	Annual Budget 2015/2016	Actual 2014/2015
<b>Grants</b>									
Post Secondary Activity	\$ 106,641	\$ -	\$ -	\$ -	\$ -	\$ 106,641	\$ 105,327	\$ 102,599	\$ 99,151
Capital & Equipment	-	-	-	-	1,540	1,540	2,684	927	2,339
Apprentice	5,099	-	-	-	-	5,099	5,110	4,476	5,114
Flow-Through Student Aid	1,658	-	-	-	-	1,658	1,343	1,343	1,590
<b>TOTAL GRANTS</b>	113,398	-	-	-	1,540	114,938	114,464	109,345	108,194
<b>Tuition Fees</b>									
Full-Time Post Secondary	69,643	-	-	17,646	-	87,289	83,872	82,904	79,291
Full-Time Non-Funded	-	1,719	-	-	-	1,719	1,662	2,069	2,059
Part-Time	9,413	1,578	-	-	-	10,991	10,637	10,091	11,066
Adult Training	1,177	-	-	-	-	1,177	1,139	1,097	1,141
Student IT & Mobile Computing Fees	7,716	-	-	-	-	7,716	9,138	9,050	8,838
<b>TOTAL TUITION FEES</b>	87,949	3,297	-	17,646	-	108,892	106,448	105,211	102,395
<b>Contract Educational Services</b>									
Provincially Funded Programs	-	12,243	-	-	-	12,243	11,987	9,494	11,994
Corporate & Other Programs	4,033	10,515	-	646	-	15,194	15,384	15,285	15,827
Grants, Fees & Other Income Associated with Contract Activity	-	1,277	-	-	-	1,277	1,897	1,813	2,354
<b>TOTAL CONTRACT EDUCATIONAL SERVICES</b>	4,033	24,035	-	646	-	28,714	29,268	26,592	30,175
<b>COLLEGE ANCILLARY SERVICES SALES</b>	-	-	43,601	-	-	43,601	43,388	43,420	40,683
<b>Other</b>									
Students' Association Contribution (Student Commons & Pembroke)	-	-	-	-	-	-	-	-	(342)
Capital Campaign	-	-	-	-	217	217	552	552	925
Early Learning Centre	918	-	-	-	-	918	950	950	931
Student Ancillary Fees	5,669	53	-	-	-	5,722	5,795	5,705	5,733
Investment Income	1,500	-	-	-	-	1,500	1,213	2,008	2,096
Internal Transfer of International Revenue <sup>1</sup>	6,104	203	-	-	-	6,307	10,237	9,037	9,206
Algonquin College - Saudi Arabia Net Equity Share of Gain/(Loss)	-	-	-	(1,500)	-	(1,500)	(1,512)	-	640
Miscellaneous	10,274	-	-	314	-	10,588	10,977	10,254	13,120
<b>TOTAL OTHER</b>	24,465	256	-	(1,186)	217	23,752	28,212	28,506	32,309
<b>TOTAL REVENUE</b>	\$ 229,845	\$ 27,588	\$ 43,601	\$ 17,106	\$ 1,757	\$ 319,897	\$ 321,780	\$ 313,074	\$ 313,756

1 - Reflects a change for 2016-17 in the methodology for recording the split of international tuition fee premium between Funded Activity and International.

Funded Activity/College Operations	\$ 229,845	\$ 225,883	\$ 222,264	\$ 218,911
Contract Activity & Other Non-Funded Activity	27,588	28,445	24,822	29,098
College Ancillary Operations	43,601	43,388	43,420	40,683
International Education Centre	17,106	20,828	21,089	21,972
Strategic Investment Priorities	1,757	3,236	1,479	3,092
<b>Total Revenue</b>	<b>\$ 319,897</b>	<b>\$ 321,780</b>	<b>\$ 313,074</b>	<b>\$ 313,756</b>

# Algonquin College - Annual Budget 2016-17

## 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 2016/2017	Q3 Projection 2015/2016	Annual Budget 2015/2016	Actual 2014/2015
<b>Full-Time Salaries &amp; Benefits</b>									
Full-Time Salaries & Benefits - Academic	\$ 67,287	\$ 2,374	\$ -	\$ -	\$ -	\$ 69,661	\$ 65,287	\$ 66,938	\$ 62,896
Full-Time Salaries & Benefits - Administration	20,406	2,412	1,833	1,130	-	25,781	23,992	24,944	23,018
Full-Time Salaries & Benefits - Support	35,662	2,885	4,395	692	-	43,634	41,352	43,113	38,287
<b>Total Full-Time Salaries &amp; Benefits</b>	<b>123,355</b>	<b>7,671</b>	<b>6,228</b>	<b>1,822</b>	<b>-</b>	<b>139,076</b>	<b>130,631</b>	<b>134,995</b>	<b>124,201</b>
<b>Other Staff Salaries &amp; Benefits</b>									
Other Staff Salaries & Benefits - Academic	23,633	2,274	-	74	-	25,981	28,224	25,041	27,213
Other Staff Salaries & Benefits - Administration	1,721	2,514	-	170	-	4,405	4,229	4,273	3,898
Other Staff Salaries & Benefits - Support	5,841	1,587	1,920	227	-	9,575	10,883	9,594	10,151
<b>Total Other Staff Salaries &amp; Benefits</b>	<b>31,195</b>	<b>6,375</b>	<b>1,920</b>	<b>471</b>	<b>-</b>	<b>39,961</b>	<b>43,336</b>	<b>38,908</b>	<b>41,262</b>
<b>TOTAL SALARY &amp; BENEFITS</b>	<b>154,550</b>	<b>14,046</b>	<b>8,148</b>	<b>2,293</b>	<b>-</b>	<b>179,037</b>	<b>173,967</b>	<b>173,903</b>	<b>165,463</b>
<b>Other Operating</b>									
Mandated Student Aid	6,159	-	-	5	-	6,164	6,381	5,778	5,839
Contingencies	5,880	-	-	-	-	5,880	3,365	6,686	4,400
Long Term Debt Interest	849	-	2,307	-	-	3,156	3,350	3,350	3,496
Contract Services	9,400	5,886	2,196	2,386	-	19,868	18,770	16,874	16,886
Instructional Supplies & Equipment	4,335	2,737	45	10	-	7,127	7,070	6,525	7,190
Information Technology	7,294	200	237	114	-	7,845	6,656	6,262	6,192
Marketing and Promotion	2,487	548	233	374	-	3,642	3,725	3,535	3,180
Building Maintenance & Utilities	11,574	85	2,924	-	-	14,583	15,384	14,782	13,895
Flow-Through Student Aid	1,658	-	-	-	-	1,658	1,351	1,351	1,601
Cost of Goods Sold	1,113	-	17,731	-	-	18,844	19,448	19,438	18,078
Internal Transfer of International Revenue <sup>1</sup>	-	-	-	6,307	-	6,307	10,237	9,037	9,206
Other	14,329	3,126	2,108	2,515	-	22,078	26,129	22,124	24,467
<b>TOTAL OTHER OPERATING</b>	<b>65,078</b>	<b>12,582</b>	<b>27,781</b>	<b>11,711</b>	<b>-</b>	<b>117,152</b>	<b>121,866</b>	<b>115,742</b>	<b>114,430</b>
<b>FUNDING FOR STRATEGIC INVESTMENT PRIORITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,577</b>	<b>36,577</b>	<b>19,505</b>	<b>19,565</b>	<b>22,782</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 219,628</b>	<b>\$ 26,628</b>	<b>\$ 35,929</b>	<b>\$ 14,004</b>	<b>\$ 36,577</b>	<b>\$ 332,766</b>	<b>\$ 315,338</b>	<b>\$ 309,210</b>	<b>\$ 302,675</b>

1 - Reflects a change for 2016-17 in the methodology for recording the split of international tuition fee premium between Funded Activity and International.

Funded Activity/College Operations	\$ 219,628	\$ 215,412	\$ 213,930	\$ 204,227
Contract Activity & Other Non-Funded Activity	26,628	26,817	23,189	26,836
College Ancillary Operations	35,929	36,220	36,458	33,970
International Education Centre	14,004	17,384	16,068	14,860
Strategic Investment Priorities	36,577	19,505	19,565	22,782
<b>Total Expenditures</b>	<b>\$ 332,766</b>	<b>\$ 315,338</b>	<b>\$ 309,210</b>	<b>\$ 302,675</b>

# Algonquin College - Annual Budget 2016-17

## STRATEGIC INVESTMENT PRIORITIES SCHEDULE

(all figures in \$ 000's)

	Grants & Fundraising	College Funded	Annual Budget 2016/2017	Q3 Projection 2015/2016	Annual Budget 2015/2016	Actual 2014/2015
<b>Source of Funds</b>						
Facilities Renewal Grant	\$ 980	\$ -	\$ 980	\$ 927	\$ 927	\$ 608
College Equipment Renewal Fund Grant	560	-	560	559	-	559
Apprenticeship Enhancement Fund Grant	-	-	-	1,198	-	1,026
Students' Association Contribution (Student Commons & Pembroke)	-	-	-	-	-	(342)
Capital Campaign	217	-	217	552	552	925
Digital College	-	-	-	-	-	146
Other	-	-	-	-	-	170
<b>TOTAL SOURCE OF FUNDS</b>	<b>1,757</b>	<b>-</b>	<b>1,757</b>	<b>3,236</b>	<b>1,479</b>	<b>3,092</b>
<b>Expenditures</b>						
<i>Campus Expansion</i>						
Repatriation of Hair Stylist/Esthetician Program Facilities	-	-	-	-	-	5,646
Dental Clinic Upgrades	-	-	-	-	-	428
Algonquin Centre for Construction Excellence	-	-	-	-	-	624
Pembroke Campus	-	-	-	-	-	154
<i>Total Campus Expansion</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>6,852</i>
<i>Other</i>						
Digital College	-	-	-	-	-	286
College Technologies	-	14,528	14,528	7,835	6,713	3,631
College Space & Infrastructure	980	11,872	12,852	5,491	5,402	3,120
New Program Initiatives	-	1,160	1,160	700	1,000	622
Academic & Other Equipment	560	1,049	1,609	1,500	1,500	2,191
Initiatives & Opportunities	-	4,928	4,928	5,235	3,300	3,499
College Ancillary Services	-	1,400	1,400	1,420	1,400	1,305
Appropriations	-	100	100	60	250	245
Apprenticeship Enhancement Fund	-	-	-	1,198	-	1,031
Adjustment for Anticipated Underspend	-	-	-	(3,934)	-	-
<i>Total Other</i>	<i>1,540</i>	<i>35,037</i>	<i>36,577</i>	<i>19,505</i>	<i>19,565</i>	<i>15,930</i>
<b>TOTAL EXPENDITURES</b>	<b>1,540</b>	<b>35,037</b>	<b>36,577</b>	<b>19,505</b>	<b>19,565</b>	<b>22,782</b>
<b>NET CONTRIBUTION</b>	<b>\$ 217</b>	<b>\$ (35,037)</b>	<b>\$ (34,820)</b>	<b>\$ (16,269)</b>	<b>\$ (18,086)</b>	<b>\$ (19,690)</b>

**NET ASSETS CONTINUITY SCHEDULE**

(all figures in \$ 000's)

	Q3 Projection March 31, 2016	2016/2017 Budgeted In Year Use of Funds	2016/2017 Budgeted Year End Adjustments	Budgeted Balance March 31, 2017
<b>Appropriations</b>	\$ 250	\$ 100	\$ (50)	\$ 100
<b>Specific Reserves</b>				
Other Projects & Initiatives	25,176	19,349	922	6,749
Ancillary Services Reserve Fund	5,246	1,400	1,187	5,033
Employment Stabilization Funds	550	50	60	560
Other Student Aid	31	95	99	35
	31,003	20,894	2,268	12,377
<b>Contingency Reserve Fund</b>	8,108	-	192	8,300
<b>Reserve Funds</b>				
Future Capital Expansion	31,530	-	2,900	34,430
<b>TOTAL INTERNALLY RESTRICTED NET ASSETS <sup>1</sup></b>	<b>\$ 70,891</b>	<b>\$ 20,994</b>	<b>\$ 5,310</b>	<b>\$ 55,207</b>
<b>TOTAL UNRESTRICTED NET ASSETS <sup>1</sup></b>	<b>\$ 1,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,000</b>
<b>Investment in Capital Assets</b>	\$ 52,529	\$ -	\$ 8,258	\$ 60,787
<b>Vacation, Sick Leave &amp; Post-Employment Benefits</b>	(18,262)	-	650	(17,612)
<b>Interest Rate Swaps</b>	(10,384)	-	1,486	(8,898)
<b>Endowment Fund</b>	25,308	-	600	25,908
<b>TOTAL NET ASSETS</b>	<b>\$ 121,082</b>	<b>\$ 20,994</b>	<b>\$ 16,304</b>	<b>\$ 116,392</b>

1 - Budgeted balances of Internally Restricted Net Assets and Unrestricted Net Assets includes the impact of budgeted expenditures from Appropriations, Specific Reserves and Reserve Funds, as well as contributions to Reserve Funds for the fiscal year 2016/2017. The Board of Governors Financial Management Policy requires that the Board of Governors approve any spending from Reserve Funds.

# Algonquin College - Annual Budget 2016-17

## SUMMARY OF FUNDED POSITIONS

Reflects the structure of the organization prior to the reorganization announcement of January 13, 2016.

	3rd Quarter 2015/2016				Position Changes			Proposed Budget 2016/2017					
	Admin	Support	Academic	Total	Opened	# Closed	Transferred	Admin	Support	Academic	Total		
<b>President &amp; Board of Governors</b>													
President's Office	4	-	-	4	-	-	-	4	-	-	4		
Total	4	-	-	4	-	-	-	4	-	-	4		
<b>Human Resources</b>													
Human Resources	22	2	1	25	-	-	-	22	2	1	25		
Total	22	2	1	25	-	-	-	22	2	1	25		
<b>Finance and Administration</b>													
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2		
College Ancillary Services	17	71	-	88	-	-	1	17	72	-	89		
Finance & Administrative Services	10	28	-	38	-	-	-	10	28	-	38		
Physical Resources	16	41	-	57	-	-	(8)	9	40	-	49		
Risk Management <sup>1</sup>							8	7	1	-	8		
Total	45	140	-	185	-	-	1	45	141	-	186		
<b>Student Services</b>													
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2		
Student Support Services	10	46	19	75	-	-	-	10	46	19	75		
Algonquin College Foundation	3	2	-	5	-	-	-	3	2	-	5		
Marketing and Recruitment	3	19	-	22	-	-	-	3	19	-	22		
Registrar	10	60	-	70	-	-	-	10	60	-	70		
Total	28	127	19	174	-	-	-	28	127	19	174		
<b>International and Strategic Priorities</b>													
Vice-President's Office	1	-	-	1	-	-	2	2	1	-	3		
International & Corporate Business Development	10	11	21	42	2	-	-	12	11	21	44		
Public Relations and Communications	3	3	-	6	-	-	(2)	2	2	-	4		
Total	14	14	21	49	2	-	-	16	14	21	51		
<b>Academic Services</b>													
Vice-President's Office	12	6	15	33	-	-	(1)	12	6	14	32		
Partnerships and Applied Research	2	1	-	3	-	-	(1)	1	1	-	2		
School/College Work Initiative	-	1	-	1	-	-	2	1	2	-	3		
Faculty of Arts, Media & Design	6	28	115	149	-	-	(2)	6	28	113	147		
School of Business	5	9	87	101	-	-	1	5	9	88	102		
School of Hospitality & Tourism	3	10	41	54	-	-	-	3	10	41	54		
Faculty of Technology & Trades	6	27	148	181	-	-	2	6	26	151	183		
Algonquin College Heritage Institute	3	10	13	26	-	-	-	3	10	13	26		
Faculty of Health, Public Safety & Community Studies	8	31	124	163	-	-	(2)	8	31	122	161		
Mobile Learning & Teaching Services	2	10	-	12	-	-	-	2	10	-	12		
Centre for Continuing & Online Learning	8	18	-	26	-	-	-	8	18	-	26		
Personal Development Institute	-	1	-	1	-	-	-	-	1	-	1		
Applied Research & Development	2	2	-	4	-	-	(1)	2	1	-	3		
Business Development & Corporate Training	6	12	-	18	-	-	-	6	12	-	18		
Algonquin College in the Ottawa Valley	6	30	28	64	-	-	1	6	30	29	65		
Total	69	196	571	836	-	-	(1)	69	195	571	835		
<b>Digital Technologies and Innovation</b>													
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2		
Information Technology Services	13	78	-	91	-	-	-	13	78	-	91		
Total	15	78	-	93	-	-	-	15	78	-	93		
<b>COLLEGE TOTAL</b>	<b>197</b>	<b>557</b>	<b>612</b>	<b>-</b>	<b>1,366</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>199</b>	<b>557</b>	<b>612</b>	<b>-</b>	<b>1,368</b>

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 other than April 1st.



# Algonquin College - Annual Budget 2016-17

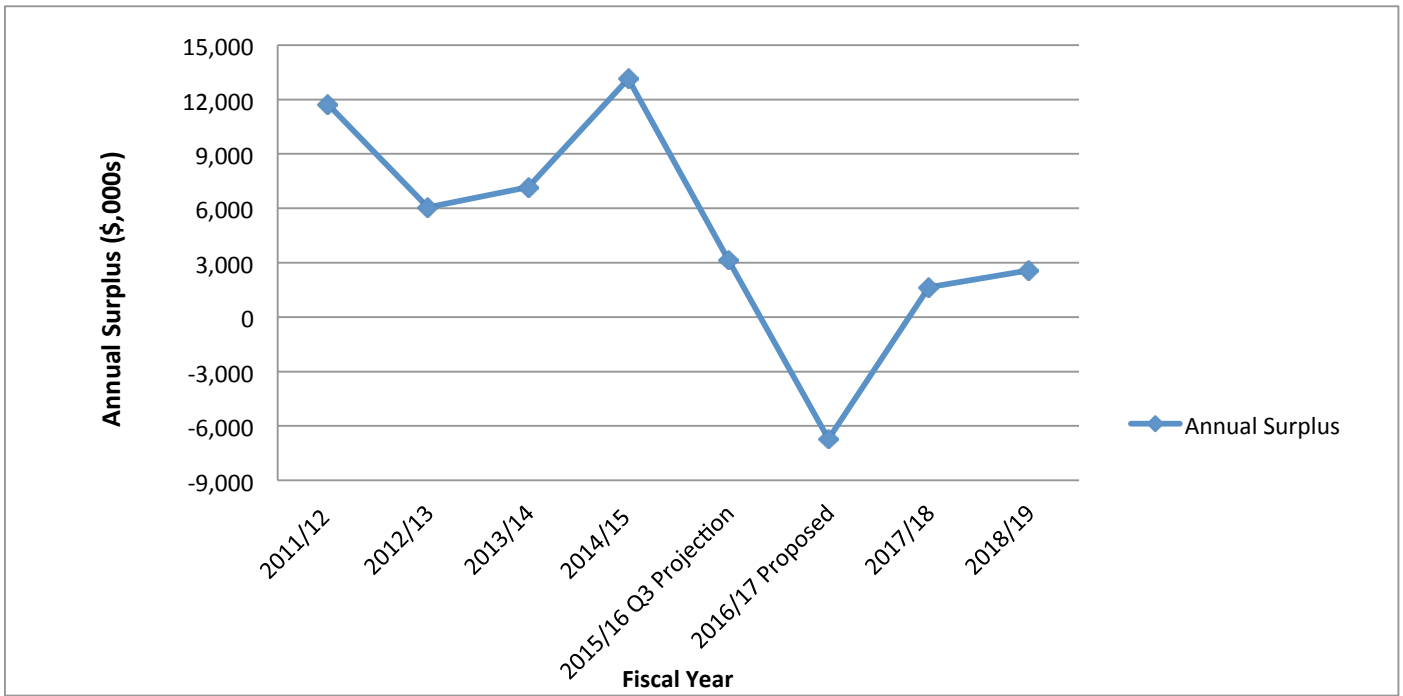
## 2016/2017 PROJECTED ENROLMENT VERSUS 2015/2016 ACTUAL ENROLMENT

FACULTY/SCHOOL	Post Secondary / Post Diploma			Applied Degree			% Change
	Projected 2016/2017	Actual (unaudited) 2015/2016	Change	Projected 2016/2017	Actual (unaudited) 2015/2016	Change	
<b>Algonquin College Heritage Institute</b>							
Level 1	235	230	5	-	-	-	
Returning	436	428	8	-	-	-	
<b>TOTAL</b>	<b>671</b>	<b>658</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Algonquin College in the Ottawa Valley</b>							
Level 1	495	514	(19)	-	-	-	
Returning	882	858	24	-	-	-	
<b>TOTAL</b>	<b>1,377</b>	<b>1,372</b>	<b>5</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Centre for Continuing &amp; Online Learning</b>							
Level 1	982	849	133	-	-	-	
Returning	1,303	1,162	141	-	-	-	
<b>TOTAL</b>	<b>2,285</b>	<b>2,011</b>	<b>274</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Faculty of Arts, Media &amp; Design</b>							
Level 1	2,491	2,629	(138)	35	35	-	
Returning	4,096	4,107	(11)	181	220	(39)	
<b>TOTAL</b>	<b>6,587</b>	<b>6,736</b>	<b>(149)</b>	<b>216</b>	<b>255</b>	<b>(39)</b>	
<b>Faculty of Health, Public Safety &amp; Community Studies</b>							
Level 1	2,222	2,246	(24)	36	-	36	
Returning	5,415	5,337	78	16	-	16	
<b>TOTAL</b>	<b>7,637</b>	<b>7,583</b>	<b>54</b>	<b>52</b>	<b>-</b>	<b>52</b>	
<b>Faculty of Technology &amp; Trades</b>							
Level 1	2,566	2,572	(6)	22	17	5	
Returning	5,705	5,595	110	70	87	(17)	
<b>TOTAL</b>	<b>8,271</b>	<b>8,167</b>	<b>104</b>	<b>92</b>	<b>104</b>	<b>(12)</b>	
<b>International Education</b>							
Level 1	115	108	7	-	-	-	
Returning	225	253	(28)	-	-	-	
<b>TOTAL</b>	<b>340</b>	<b>361</b>	<b>(21)</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>School of Business</b>							
Level 1	1,968	1,978	(10)	61	64	(3)	
Returning	4,763	4,655	108	359	346	13	
<b>TOTAL</b>	<b>6,731</b>	<b>6,633</b>	<b>98</b>	<b>420</b>	<b>410</b>	<b>10</b>	
<b>School of Hospitality &amp; Tourism</b>							
Level 1	1,065	1,046	19	35	33	2	
Returning	1,608	1,545	63	209	220	(11)	
<b>TOTAL</b>	<b>2,673</b>	<b>2,591</b>	<b>82</b>	<b>244</b>	<b>253</b>	<b>(9)</b>	
<b>TOTAL Level 1</b>	<b>12,139</b>	<b>12,172</b>	<b>(33)</b>	<b>189</b>	<b>149</b>	<b>40</b>	<b>0.1%</b>
<b>TOTAL Returning</b>	<b>24,433</b>	<b>23,940</b>	<b>493</b>	<b>835</b>	<b>873</b>	<b>(38)</b>	<b>1.8%</b>
<b>TOTAL</b>	<b>36,572</b>	<b>36,112</b>	<b>460</b>	<b>1,024</b>	<b>1,022</b>	<b>2</b>	<b>1.2%</b>

In addition to the above, the budget supports: 2,138 semestered enrolments in the Collaborative Programs; 1,555 semestered enrolments in Full-Time Non-Funded Programs; and 2,655 Seat Purchases in the Apprentice Programs.

2016/2017 Pro Forma Summary  
Financial Sustainability Metrics

Operating Results: Annual Surplus



**Objective:**

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

**Benchmark:**

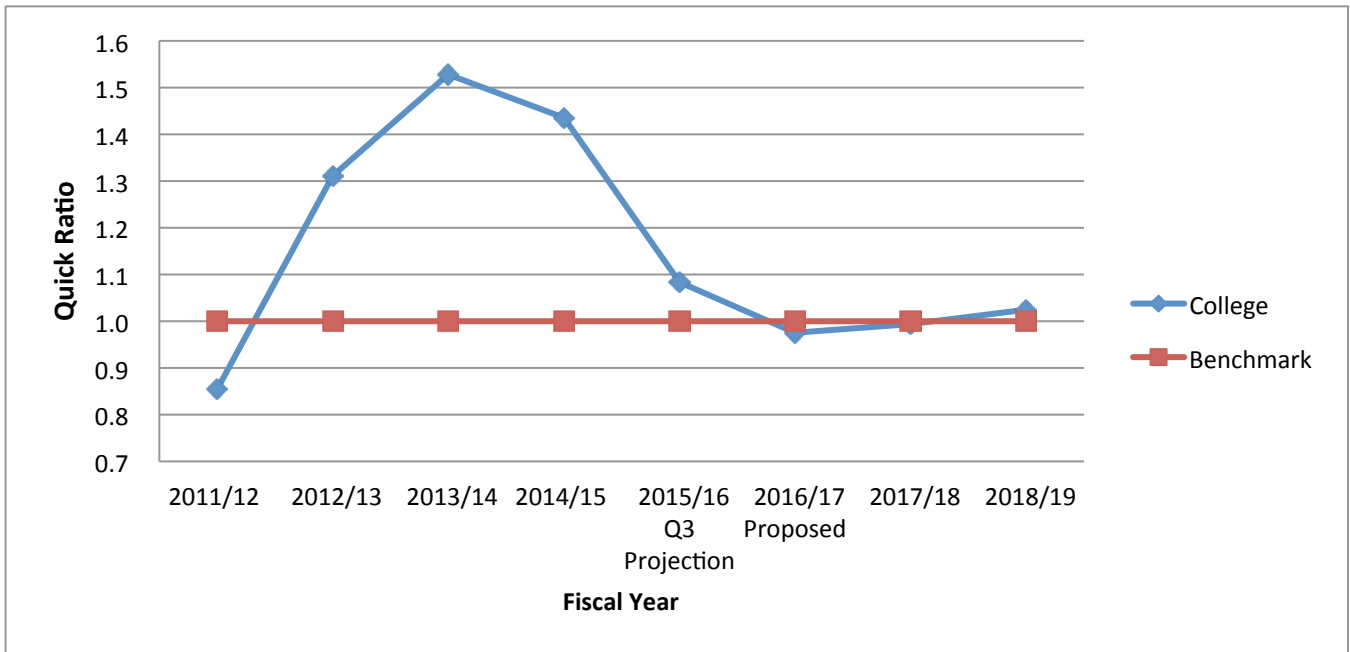
Must be greater than \$0.

**Rationale:**

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

**2016/2017 Pro Forma Summary  
Financial Sustainability Metrics**

**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).

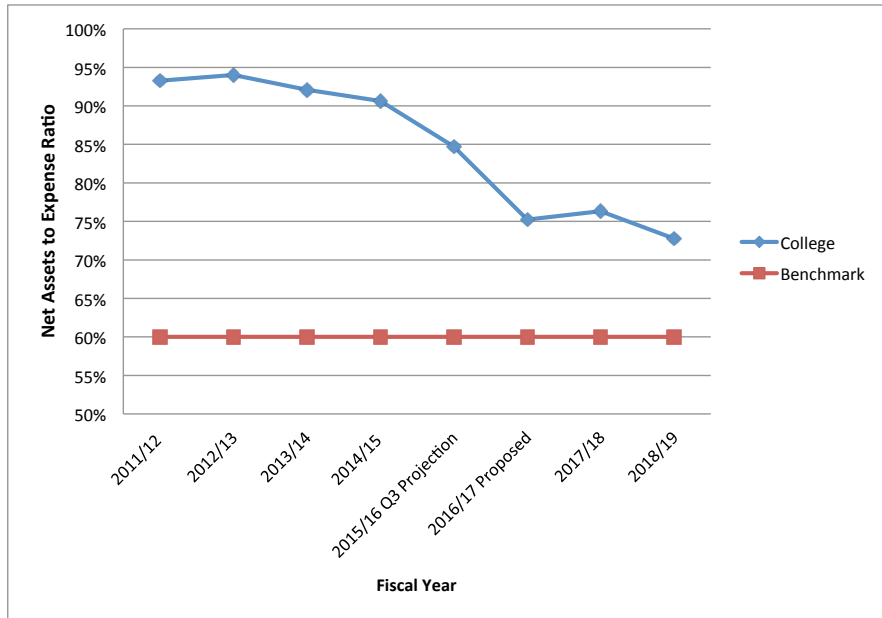
**Benchmark:**

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

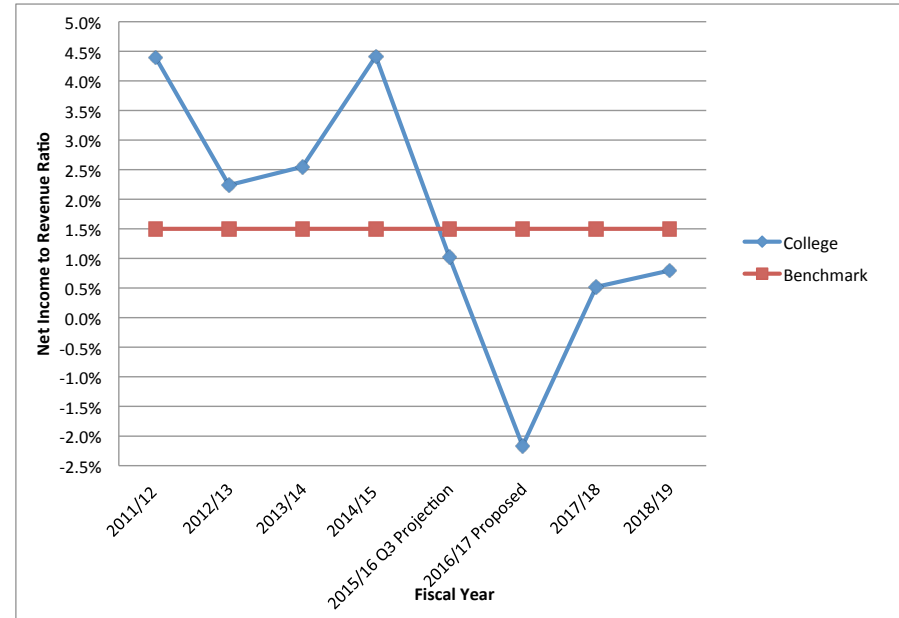
**Rationale:** A ratio of 1 is a typical business standard. Less than 1 may indicate that a college is not able to meet its short term obligations. When including surplus cash invested in longer term investments (greater than 1 year) Algonquin's Quick Ratio is at 2.03 for 2016/17.

2016/2017 Pro Forma Summary  
Financial Sustainability Metrics

Operating Results: Net Assets to Expense Ratio



Operating Results: Net Income to Revenue 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.

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

**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.

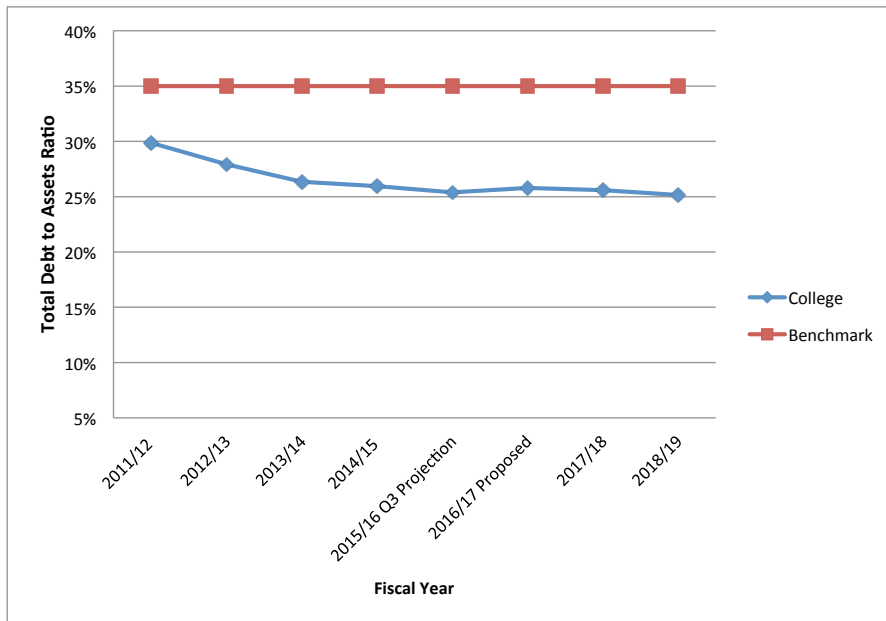
**Rationale:**

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

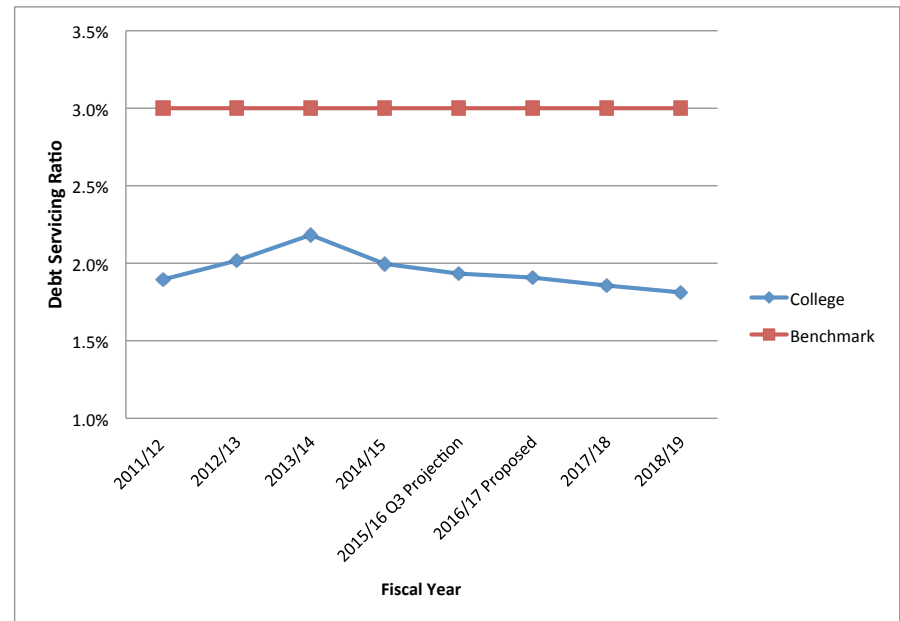
**Note:** Compare with 2003/04 Net Income to Revenue Ratio of **(0.24)%**

2016/2017 Pro Forma Summary  
Financial Sustainability Metrics

Managing Debt: Total Debt to Assets Ratio



Managing Debt: Debt Servicing 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.

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

**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.

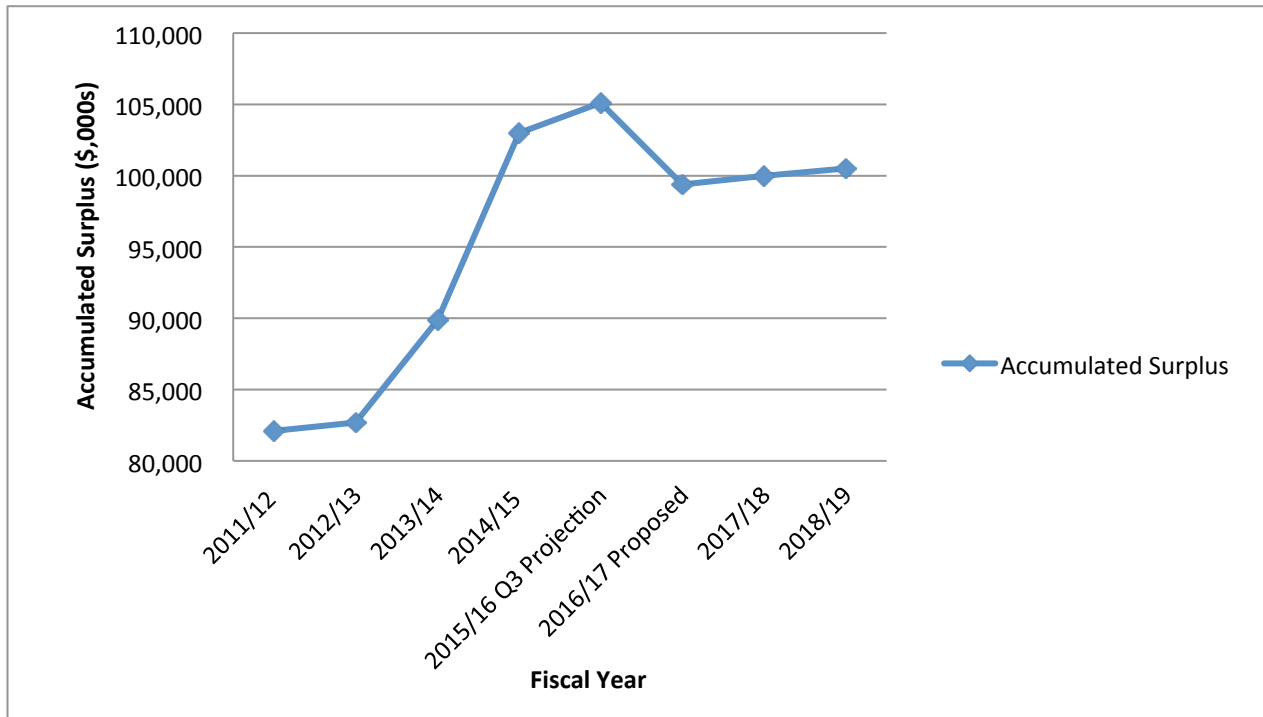
**Rationale:**

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%**

2016/2017 Pro Forma Summary  
Financial Sustainability Metrics

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.



