

MEETING OF THE BOARD OF GOVERNORS

MEETING NUMBER FIVE HUNDRED AND NINETEEN OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE TO BE HELD ON MONDAY, JULY 13, 2020 FROM 4:00 PM – 6:00 PM, BY ZOOM VIDEO/TELECONFERENCE:

Register in advance for this webinar:

https://algonquincollege.zoom.us/webinar/register/WN_I16pHckTEOIsJ_JtT1xjw

AGENDA		Presenter	Time
1.	CONSTITUTION OF THE MEETING AND APPROVAL OF THE AGENDA	Jim Brockbank	1 m.
2.	DECLARATIONS OF CONFLICT OF INTEREST	Jim Brockbank	1 m.
3.	APPROVAL OF PREVIOUS MEETING MINUTES AND THE CONSENT AGENDA		
	3.1 Minutes of the Board of Governors’ meeting of June 8, 2020	Jim Brockbank	1 m.
	3.2 Audit and Risk Management Committee Report Appendix A: Transmittal Corporate Risk Profile Restatement Appendix B: 2019 Corporate Risk Profile COVID-19 Restatement Executive Summary	Kelly Sample	5 m.
4.	BUSINESS ARISING FROM THE MINUTES		
	4.1 College Response to COVID-19 and Financial Risk Assessment	Colin Bonang Grant Perry Duane McNair	20 m.
	4.2 Transforming Indigenization Initiatives Update Appendix A: Indigenization and Burnt Water Business Case and Social Imperative	Ron McLester	20 m.
5.	NEW BUSINESS		
	5.1 Advancement - Building Communities, Together	Mark Savenkoff	20 m.
6.	DECISION ITEMS AND REPORTS		
	6.1 Fourth Quarter 2019-20 Financial Report Appendix A: Fourth Quarter 2019-20 Financial Report Appendix B: Fourth Quarter 2019-20 Compliance Schedule	Grant Perry Duane McNair	20 m.
	6.2 Restatement of 2020-22 Business Plan Appendix A: DRAFT Restated 2020-21 Business Plan	Laura Stanbra	15 m.
	6.3 First Quarter 2020-21 Financial Projection Appendix A: First Quarter 2020-21 Financial Report Appendix B: First Quarter 2020-21 Compliance Schedule	Grant Perry Duane McNair	30 m.

7.	ITEMS FOR INFORMATION		
	7.1 Public College – Private Partnership	Ernest Mulvey Duane McNair	0
8.	UPCOMING EVENTS	Date	
	• AC Vision Event - August 27, 2020	<i>(To be Confirmed)</i>	
	• 2020 New Board of Governors Orientation Part 1 - August 20, 2020	<i>(To be Confirmed)</i>	
	• 2020 New Board of Governors Orientation Part 2 - September 13, 2020 morning	<i>(To be Confirmed)</i>	
	• 2020 Fall Board of Governors Retreat - September 13 & 14, 2020	<i>(To be Confirmed)</i>	
	• Board of Governors Meeting	October 26, 2020	
	• Remembrance Day Ceremony	November 11, 2020	
	• Board of Governors Meeting	December 7, 2020	
	• Board of Governors Holiday Dinner	December 11, 2020	
	• Board of Governors Meeting	February 22, 2021	
	• 2021 Spring Board of Governors Retreat	March 27, 2021	
	• Board of Governors Meeting	April 19, 2021	
	• Board of Governors Meeting & Annual General Meeting	June 7, 2021	
	• President’s End of Year Dinner – For Board of Governors	June 25, 2021 (Tentative)	
	• 2021 New Governors Orientation Part 1	August 19, 2021	
	• 2021 New Governors Orientation Part 2	September 12, 2021	
	• 2021 Fall Board of Governors Retreat	September 12 & 13, 2021	
9.	REGULAR MEETING ADJOURNMENT		

DRAFT

BOARD OF GOVERNORS MEETING MINUTES

MINUTES OF THE MEETING NUMBER FIVE HUNDRED AND EIGHTEEN OF THE BOARD OF GOVERNORS OF ALGONQUIN COLLEGE, HELD ON MONDAY, JUNE 8, 2020 AT 4:00 PM, BY ZOOM VIDEO/TELECONFERENCE:

Register in advance for this meeting:

https://algonquincollege.zoom.us/meeting/register/tJYpd-mvrzsrG9ZBunjDndibf-zw_1lw8y75

<p><u>Present:</u> Jim Brockbank, Board Chair Claude Brulé, President & CEO Jim Robblee (Board Vice Chair) Audrey Claire Lawrence Cyril McKelvie Enrico DeFrancesco Gail Beck Ikram Zouari Jamie McCracken Jay McLaren Jeff Darwin Kelly Sample Krisha Stanton Stephen Tudor Steve Barkhouse Valerie Sayah Wayne Johnson</p> <p><u>Regrets:</u> Yadwinder Singh</p>	<p><u>Algonquin College Executive Team:</u> Chris Janzen, Senior Vice President, Academic Diane McCutcheon, Vice President, Human Resources Duane McNair, Vice President, Finance & Administration Laura Stanbra, Vice President, Student Services Mark Savenkoff, Vice President, Advancement Ron Deganadus McLester, Vice President, Truth, Reconciliation and Indigenization Tracy McDougall, Director, Communications & President’s Office</p> <p><u>Presenters/Guests:</u> Colin Bonang, Director, Risk Management Grant Perry, Chief Financial Officer Ryan Southwood, Associate Director -Facility Planning and Sustainability, Facilities Management</p> <p><u>Recorder:</u> Victoria Tiqui-Sanford, Board Assistant</p>
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WELCOME REMARKS

Governor Brockbank, Board Chair welcomed members and observers to the meeting at 4:00 p.m.

1. CONSTITUTION OF THE MEETING & APPROVAL OF THE AGENDA

Governor Brockbank constituted the meeting at 4:04 p.m. and asked whether any Governors wished to remove or add an item to the agenda. No items were removed or added.

RESOLUTION

MOVED & SECONDED: V. Sayah & A. Lawrence

THAT the Board of Governors approves the meeting agenda of June 8, 2020.

CARRIED.

DECLARATION OF CONFLICT OF INTEREST

Governor Brockbank asked members to declare any conflicts of interest with items on the agenda. There were no conflicts of interest declared.

2. APPROVAL OF PREVIOUS MEETING MINUTES AND THE CONSENT AGENDA

3.1 Minutes of the Board of Governors' meeting of April 20, 2020

Approval of the Board of Governors Meeting minutes of April 20, 2020.

RESOLUTION

MOVED & SECONDED: S. Tudor & K. Stanton

THAT the Board of Governors approves the April 20, 2020 meeting minutes.

CARRIED.

3.2 Board Executive Committee Report

Governor Brockbank informed members that at the May 28, 2020 Board Executive Committee meeting, the Committee focused on the 2020-21 Board Chair, Board Executive Committee Succession, and Committee memberships, and the President's 2019-20 Performance Review.

Members accepted this report for information.

3.3 Academic and Student Affairs Committee Report

Members accepted this report for information. Board of Governors approvals were requested for the following:

Program Title Modification and Cooperative Education Delivery Option: Marketing Research and Business Intelligence, Ontario College Graduate Certificate

RESOLUTION

MOVED & SECONDED: J. McLaren & S. Tudor

THAT the Board of Governors approves of a cooperative education delivery option for the Marketing Research and Business Intelligence, Ontario College Graduate Certificate program, effective Fall 2021.

CARRIED.

And

RESOLUTION

MOVED & SECONDED: J. McLaren & S. Tudor

THAT the Board of Governors approves of the program title modification from Marketing Research and Business Intelligence, Ontario College Graduate Certificate to Marketing Research and Analysis, Ontario College Graduate Certificate, effective Fall 2021.

CARRIED.

Program Proposal: Drawing Foundations for Animation and Illustration, Ontario College Certificate

RESOLUTION

MOVED & SECONDED: J. McLaren & S. Tudor

THAT the Board of Governors approves of the Drawing Foundations for Animation and Illustration, Ontario College Certificate effective Fall 2021.

CARRIED.

Program Proposal: Design Foundations, Ontario College Certificate

RESOLUTION

MOVED & SECONDED: J. McLaren & K. Stanton

THAT the Board of Governors approves of the Design Foundations, Ontario College Certificate effective Fall 2021.

CARRIED.

Program Proposal: Music, Media and Film Foundations, Ontario College Certificate

RESOLUTION

MOVED & SECONDED: J. McLaren & A. Lawrence

THAT the Board of Governors approves of the Music, Media and Film Foundations, Ontario College Certificate effective Fall 2021.

CARRIED.

Program Proposal: Human Services Foundations, Ontario College Certificate

RESOLUTION

MOVED & SECONDED: J. McLaren & S. Tudor

THAT the Board of Governors approves of the Human Services Foundations, Ontario College Certificate effective Fall 2021.

OPPOSED: Enrico DeFrancesco

CARRIED.

3.4 Audit and Risk Management Committee Report

Members accepted this report for information. Agenda items discussed at the May 26, 2020 Audit and Risk Management Committee meeting will be presented later in the agenda.

3.5 Governance Committee Report

Members accepted this report for information. The 2020-21 Board of Governors Officers and Committee Membership Appointments will be presented later in the Annual General Meeting. Board of Governors approval was requested for the following:

BG I-07 Board Succession Planning Policy

RESOLUTION

MOVED & SECONDED: G. Beck & J. McCracken

THAT the Board of Governors approves BG I-07 Board Succession Planning Policy as presented.

CARRIED.

3. BUSINESS ARISING FROM THE MINUTES

4.1 College Response to COVID-19 and Financial Risk Assessment

President Brulé commended the entire College community for its efforts in managing the COVID-19 pandemic situation. He informed members that the College's top priorities continue to be: to ensure the safety and well-being of the College's employees and learners; and the continuity of the learning process, and seeing to student success, to the greatest extent possible during the period of the provincially declared emergency orders.

C. Bonang, Director, Risk Management presented members with an update since the last presentation at the April 20, 2020 Board of Governors meeting. The update focused on the current

implementation of recovery efforts. A flexible framework and recovery plan has been developed in order to be able to effectively respond to a phased approach to re-opening by the provincial government and to incorporate adjustments based on ongoing recommendations from Public Health Agencies, as well as College system influences from the Ministry of Colleges and Universities, College Employer Council and Colleges Ontario. The framework establishes an occupational health and safety approach and draws on customary processes for the development of a policy and guidelines for implementation. Both the occupational health and safety guidelines and the workplace recovery plan reflect the efforts identified as part of the academic continuity planning. The workplace recovery plan promoted continued work from home practices and remote service delivery, with only necessary onsite support for academic activity.

College management is making daily decisions to respond to the COVID-19 pandemic and its potential impacts on College enrolment and financial position.

Questions from members were answered.

G. Perry, Chief Financial Officer informed members that impacts from the COVID-19 event pose a significant risk to the financial outlook for the College in the 2020-21 fiscal year, as well as future years as the College's Net Assets balance will reflect the long term financial costs of these events. Since the April 20, 2020 Board meeting, the College's Academic Continuity Plan has informed the direction that the College followed as it continued to offer high quality program offerings to learners through a variety of hybrid delivery modalities. This ongoing work has provided an opportunity to refine enrolment projections and two scenarios: Current Case and Worst Case. A projected overall enrolment has remained relatively aligned to the best case scenario presented at the April 20, 2020 Board meeting. The worst case scenario at this time considers the impacts of protracted delays to the reduction of physical distancing requirements and to reduced number of international students being able to travel as a result of the pandemic impacts and financial hardships.

Due to the evolving nature of the pandemic and accuracy of its projected trajectory, financial impacts on the College's net contribution for the 2020-21 fiscal year will be restated in the First Quarter Projection report at a special meeting of the Board of Governors on July 13, 2020.

Questions from members were answered. Members accepted this report for information.

Governor C. McKelvie joined the meeting at 4:50 p.m.

5. NEW BUSINESS

5.1 Integrated College Development Planning (ICDP) Framework Principles

D. McNair, Vice President, Finance and Administration provided a brief overview and introduced R. Southwood, Associate Director, Facilities Planning, and J. Tattersall, Executive Director, Facilities Management. Since 2014, the College has evolved and the ICDP Framework was updated to remain relevant. Facilities Management undertook a five-month process to renew the ICDP Framework Principles by interviewing key members of the Algonquin College Leadership Team and conducting engagement sessions at Ottawa, Perth and Pembroke campuses. Three approaches to updating the principles were considered:

- **Approach 1:** Maintain the current framework and update the principles to reflect consultations and add meaning.

- **Approach 2:** Align the framework to the four capacity pillars.
- **Approach 3:** Start fresh with the framework to reflect current values and priorities.

Each approach was evaluated in terms of how effectively each framework could support the College’s key priorities. An ongoing communications campaign titled “Imagine 2030” has been initiated and executed by the Campus Services marketing and communications team since the fall and will continue until completion of the Master Campus Development Plan.

Members accepted this report for information.

6. DECISION ITEMS & REPORTS

6.1 2019-20 Draft Audited Financial Statements

D. McNair presented the 2019-20 Draft Audited Financial Statements. The Draft Audited Financial Statements of Algonquin College are prepared in the format required by the Ministry of Colleges and Universities that complies with financial reporting standards set by the Public Sector Accounting Board. The 2019-20 Financial Results highlights include:

- \$14.7M surplus in 2019-20 (\$14.9M : 2018-19)
- College “financial health” indicators are above benchmarks
- Increase in enrolment of 5% over 2018-19
- \$38M of investments in Strategic Investment Priorities Projects

Current assets have decreased by \$9 million primarily due to a decrease in cash holdings offset by moderate increases to short-term investments and accounts receivable. The decrease in cash is related to a reduction of accounts payable and accrued liabilities of \$16.5 million as compared to the previous year-end. Long-term assets have decreased by \$7.2 million primarily due to minimal capital asset additions in 2019-20, offset by \$8.9 million in annual depreciation expenditures.

Governor Brockbank, President Brulé, and Governor Sample congratulated the Finance Team for successfully completing the audit. The 2019-20 Draft Audited Financial Statements and related recommendations were approved at the Annual General Meeting.

Questions from members were answered.

RECOMMENDATIONS:

- THAT** the Board of Governors approves the 2019-20 Draft Audited Financial Statements of Algonquin College (Appendix A: 2019-20 Draft Audited Financial Statements – Algonquin College),
AND
- THAT** the Board of Governors approves the transfer of \$15,832,871 from unrestricted net assets to internally restricted net assets,
AND
- THAT** the Board of Governors accepts for information, the 2019-20 Audited Financial Statements for 2364193 Ontario Inc. (Appendix B: 2019-20 Audited Financial Statements – 2364193 Ontario Inc.).

7. ITEMS FOR INFORMATION

7.1 Fourth Quarter 2019-20 Business Plan Performance

L. Stanbra, Vice President, Student Services provided members with a brief presentation for the Fourth Quarter 2019-20 Business Plan Performance. The annual business plan is a tool used by management to set the direction for the College to achieve annual goals and targets in the context of the Strategic Plan. The leadership team of the College navigate a balance of setting business plan objectives that deliver on aspirational strategic goals while balancing the operational needs and capacity at the College. The 2019-20 Business Plan had 40 individual initiatives and 34 were fully accomplished which equated to an overall 85% completion rate. Four initiatives are leveraged actions or 10% that required additional time to complete and will be completed in the 2021 academic or fiscal year. Only two initiatives (5%) of leveraged actions were not fully completed.

Questions from members were answered. Members accepted this report for information.

7.2 Annual Report 2019-20 and Progress against Strategic Plan 2017-22

T. McDougall, Director, Communications and President's Office provided members with a brief presentation of the Annual Report 2019-20 and Progress against Strategic Plan 2017-22. This report charts the College's achievement of the operational outcomes established in the business plan for the year, including audited financial statements. The Annual Report creation and assembly provides a summary of the College's achievements and success for the past year. College staff from all areas of the College provide accountability on the business plan goals and highlight efforts supporting student and employee success.

Members commended the entire team responsible for producing the annual report for the exceptional work in putting the annual report together. Members accepted this report for information.

RESOLUTION

MOVED & SECONDED: S. Tudor & A. Lawrence

THAT the Board of Governors approves the 2019-20 Algonquin College Annual Report.

CARRIED.

7.3 Freedom of Information and Protection of Privacy Act 201-87 Annual Report

The report provided members with a summary of the Freedom of Information activity for 2019 and the Year-End Statistical Report for the Information and Privacy Commissioner of Ontario - Statistical Report of Algonquin College.

Members accepted this report for information.

7.4 People Plan

The report provided members with the progress Algonquin College has made on the 2017-22 People Plan.

Members accepted this report for information.

7.5 Report from the Board Chair

Highlights from the report included:

- College Sector cancellations of the following events due to the COVID-19 pandemic :
 - 2020 Colleges and Institutes Canada (CICan) Conference (originally scheduled May 3 - 5, 2020)
 - Skills Ontario 2020 Competition (originally scheduled May 4 - 6, 2020)
 - Polytechnics Canada Annual General Meeting and Conference (originally scheduled May 14-15, 2020)
- Postponed events due to the COVID-19 pandemic:
 - President's Year-End Dinner
 - 2020 Spring Convocation Ceremonies
- Recognition of Retiring Governors

Members accepted this report for information.

7.6 Report from the President

Highlights from the report included:

- Virtual meetings with key external contacts and community leaders;
- David Conley – Online Showcase – April 27, 2020;
- Virtual Ministerial Advisory Council consultation; and
- Highlights from the Committee of Presidents meeting – COVID-19 Coordination Calls.

President Brulé thanked retiring Governors for their commitment, dedication, and for providing industry expertise to the Board of Governors and to the College.

Members accepted this report for information.

7.7 Management Summary Report

Members accepted this report for information.

7.8 2020-21 Board of Governors Workplan - Review for upcoming Academic Year

Members accepted the 2020-21 Board of Governors Workplan for information.

8. UPCOMING EVENTS

Board Chair Brockbank informed members that some upcoming events have been cancelled or postponed until the College returns to normal operations.

9. REGULAR MEETING ADJOURNMENT

There being no further business, the motion to adjourn the meeting was moved by Governor S. Tudor.

The regular meeting adjourned at 6:28 p.m.

ANNUAL GENERAL MEETING

The Annual General Meeting of the Board of Governors began at 6:29 p.m. and adjourned at 6:37 p.m.

10. IN CAMERA

An In Camera session was held beginning at 6:47 p.m. with Board members only.

Jim Brockbank, Chair

Victoria Tiqui-Sanford, Recorder

APPENDIX A: Observers:

Agnes Tamang, Student, Volunteer Centre and Navigators
Alanna McDonell, Director of Marketing
Andre O'Bonsawin, Director, Indigenization
Annette Bouzi, Local President, OPSEU Local 415 (Academic union)
Aruna Dilawri, Talent and Performance Advisor
Carmen Hust, Full-Time Professor, Nursing Studies
Carolyn McCluskey, Senior Financial Analyst, Academic Operations and Planning
Christopher Dore, Full-Time Professor, Marketing, Entrepreneurship and Office Studies
Christopher Hahn, Dean, Perth Campus
Claire Ramsay, Manager, Workday Support
Colin Bonang, Director, Risk Management
Cresdelle Zubrycki, Senior Financial Analyst, Finance and Administrative Services
Cristy Montgomery, Manager, Academic Operations and Planning
Dan Melone, Contractor
Daniel Kelly, Clerk, Applied Science & Environmental Technology
Daphne Thomson, Executive Assistant, Vice President, Human Resources
David Gabie, Skilled Trades - Plumbing, Technical Services and Energy Conservation
Debbie McGrath, Sales Associate, Retail Store Operations (Connections)
Doreen Jans, Acting Manager, Financial Services
Emily Woods, Director, Finance
Eric Marois, Chair, Electrical, Civil and Building Science, Dean, Algonquin Centre for Construction Excellence
Erin Langevin, Director, Labour Relations
Ernest Mulvey, Director, International
Fatima Matar, Acting Executive Assistant, Vice President Truth, Reconciliation, and Indigenization
Fiona Murray, Manager, School of Advanced Technology
Grant Perry, Chief Financial Officer
Heba Teamah, Full-Time Professor, Electrical, Civil and Building Science
Howard Rosenblum, Full-Time Professor, ICT, Applications & Programming
Jacquie Kummel, Full-Time Professor, Nursing Studies
Jacquie Miller, Postmedia Company
Jamie Bramburger, Manager, Community and Student Affairs
Janet Hunter, Communications Manager
Jennifer Thurston, Supervisor, Enrolment and Student Financial Support
Jennifer Vanderburg, Library Technician, Learning Resource Centre
Jessica DeVries, Chair, Academic Development, Academic Development
Jessica House, Manager, Business Process Review
Jessica Scallen, Registered Educator, Early Childhood Education
Jim Kyte, Dean, School Of Hospitality and Tourism, Academic Services
Jim Panchuk, Part-Time Academic - Non-Teaching, Allied Health
Joanne Guibord, Support Specialist, Comparator, Academic Manager
Jodi Jaffray, Chair, Community Studies
John Omura, Project Manager, Applied Research, Innovation and Entrepreneurship
John Tattersall, Executive Director, Facilities Management
John Weerdenburg (Governor in-waiting)
Julia Fortey, Acting Associate Chair, Algonquin Centre for Construction Excellence

Julie Beauchamp, Dean, School of Business
Katherine Root, Chair, Marketing, Entrepreneurship & Office Studies, School of Business
Kellea Cole, Change Manager
Kelly Doucet, Financial Services Supervisor
Keltie Jones, Dean, Algonquin College, Pembroke
Kina Simmonds, Administrative Assistant, Finance and Administrative Services
Krista Pearson, Registrar
Linda Nguyen, Budget Officer, School of Business, School of Business
Lisa Inderwick, Prospect Researcher and Data Analyst, Development and Fundraising
Lois Pollock, Chief Digital Officer
Louise Boudreault, Full-Time Professor, Nursing Studies
Lynn Cummings, Full-Time Professor, Academic Development, Chair's Office
Maggie Cusson, Dean, Academic Development
Marina Spivak, Senior Financial Analyst, Financial Services
Mark Leduc, Executive Director, Academic Operations and Planning
Michael Qaqish, Manager, Government Relations and Special Advisor to the President
Michelle Tait Eburne, Manager, Digital Strategy
Nathan Sassi, Corporate Business Administrator, Corporate Budgeting
Paul Gardener, Senior Manager, Internal Control, Risk Management
Paula Benbow, Full-Time Professor, Allied Health
Rebecca Volk, Manager, Centre for Organizational Learning
Richard Hagemeyer, Partial Load Professor, School of Advanced Technology
Robyn Heaton, Dean, Faculty, Arts, Media and Design
Rodney Hudgin, Business Administrator, Business Operations - Innovation and Strategy
Rodney Wilson (Governor in-waiting)
Ryan Southwood, Acting Executive Director, Facilities Management
Sandra Brancatelli, Chair, Information and Communications Technology
Sandra Larwill, Acting Leadership and Organizational Learning Manager, Centre for Organizational Learning
Sarah Aikin-Ayre, Business Administrator, Innovation and Strategy
Shannon Findlay, Program Quality Assurance Associate, Academic Development
Sheri Levine, Communications Officer, Communications
Shivang Dhawan, Student Governor Elect 2020-21
Stefano Bianco, Project Coordinator, College Marketing
Susan Mainse, Manager, Risk Management
Tamara O'Connor, Support Services Officer
Tamra Alexander, Full-Time Professor, Financial, Accounting, and Legal Studies
Teri Kinnunen, Manager, Corporate Budgeting
Yusuf Khan (Governor in-waiting)

MEMO

DATE: July 13, 2020
TO: Board of Governors
FROM: Governor Kelly Sample, Chair, Audit & Risk Management Committee
SUBJECT: **Audit & Risk Management (ARM) Committee meeting of June 29, 2020**

Board members can review meeting materials from the June 29, 2020 meeting by accessing the Board of Governors [‘Teams site’ Audit & Risk Management Committee, June 29, 2020 meeting folder.](#)

A. ITEMS REQUIRING BOARD OF GOVERNORS’ APPROVAL

1) First Quarter 2020-21 Financial Projection

Members were referred to the First Quarter 2020-21 Financial Projection. As the College is not currently in compliance with Board of Governors Policy BGII-02 Financial Management Policy, Board approval is required for this non-compliance. The full report will be presented later in the agenda under item 6.3 First Quarter 2020-21 Financial Projection with a recommendation for Board of Governors approval.

RESOLUTION

MOVED & SECONDED: S. Tudor & I. Zouari

THAT the Audit and Risk Management Committee recommends the First Quarter 2020-21 Financial Projection for approval to the Board of Governors.

CARRIED.

2) Corporate Risk Profile Update

Members were provided a verbal update on the 2019 Corporate Risk Profile Update. The Board of Governors approved the 2019 Corporate Risk Profile on December 16, 2019 and that risk profile included seven high risks for ongoing monitoring and reporting. The emergence of COVID-19 has resulted in a restatement of the Corporate Risk Profile to account for the significant changes to the risk landscape and the influence of these changes on College business planning. These risks were grouped into three risk groups: Information Technology, Financial and COVID-19. It is proposed that this review be conducted again within a year to capture changes in the ever-evolving external risk landscape and to update on the College progress and revised perspective on high-risk elements. Details of the restatement are provided in Appendix A: Transmittal Corporate Risk Profile Restatement and Appendix B: 2019 Corporate Risk Profile COVID-19 Restatement Executive Summary.

RESOLUTION

MOVED & SECONDED: S. Tudor & J. Darwin

THAT the Audit and Risk Management Committee recommends to the Board of Governors the approval of the 2019 Corporate Risk Profile COVID-19 Restatement Executive Summary as presented.

CARRIED.

B. ITEMS THE COMMITTEE HAS APPROVED – FOR INFORMATION TO THE BOARD

1) Request for Proposal Results – Investment Management Services

Members were referred to the Request for Proposal Results – Investment Management Services included in their meeting materials. The Request for Proposal solicited a strong response with eighteen proposals from a variety of Investment Managers, including some of the oldest and largest in Canada. The proposals varied in quality and in terms of the proponent’s understanding of the Scope of Work, as demonstrated in their responses. A short list was established and included: Leith Wheeler, Jarislowsky Fraser, and Addenda Capital. Based on the presentations and proposed investment approaches, the committee is recommending that Leith Wheeler be approved as the new Investment Manager for the College for the next five-year period.

RESOLUTION

MOVED & SECONDED: J. Brockbank & J. Darwin

THAT the Audit and Risk Management Committee approves College management to enter into a five-year investment services agreement with Leith Wheeler to manage the College’s Endowment Funds and College Operating Funds.

CARRIED.

C. ITEMS THE COMMITTEE HAS REVIEWED – FOR INFORMATION TO THE BOARD

1) College Response to the COVID-19 and Financial Risk Assessment

Members were presented with an update on the current activities surrounding re-opening plans. On June 10, 2020, the Ministry of Colleges and Universities announced that in July 2020, Ontario’s postsecondary institutions, including publicly-assisted colleges and universities, Indigenous Institutes and private career colleges may re-open their campuses during the summer for priority in-person education and training on a pilot basis. The Workplace Recovery Workgroup has been working with faculty and technicians, Facilities Planning, Procurement, the Occupational Health and Safety Unit and the Joint Occupational Health and Safety Committee to assess the required spaces and identify the required measures for health and safety, in accordance with the pilot program requirements. These include: screening, the use of non-medical masks, cleaning protocols, hand hygiene promotion, cough/sneeze etiquette promotion, physical distancing requirements, supporting signage, and personal protective equipment where applicable. The academic continuity plan has been advanced and anticipates continuing to limit face-to-face instruction during the Fall term, by advancing the continued preference for remote delivery and focusing on-campus in-person academic activities on only required applied hands-on learning.

Members accepted this update for information.

2) Fourth Quarter 2019-20 Financial Report

Member were presented with the Fourth Quarter 2019-20 Financial Report. The full report will be presented later in the agenda under item 6.1 Fourth Quarter 2019-20 Financial Report.

3) Exemption – Exception Report on 2019-20 Non-competitive Procurement Activity

The report provided the Audit and Risk Management Committee with an Exemption - Exception Report on Limited Tendering Procurement for purchases with values greater than \$100,000 for the year ending March 31, 2020.

Members accepted this report for information.

4) 2019-20 Bi-Annual Report on Cyber Security

Members were referred to the 2019-20 Bi-Annual Report on Cyber Security. This update is in response to a request from the Audit and Risk Management Committee to provide a bi-annual update on the state of cyber security. Ernst & Young identified ten key findings with corresponding recommendations, with the goal of improving the College's current state security maturity rating with a target rating of 2.50 (on a 5-point scale) to effectively manage cyber risks. Regular updates will be provided to the Audit and Risk Management Committee.

Members accepted this report for information.

3.2 Appendix A

Report title:	Corporate Risk Profile Update
Report to:	Board of Governors
Date:	July 13, 2020
Author/Presenter:	Duane McNair, Vice President, Finance and Administration

1. RECOMMENDATION:

THAT the Board of Governors approves the 2019 Corporate Risk Profile COVID-19 Restatement Executive Summary as presented.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this report is to present the 2019 Corporate Risk Profile COVID-19 Restatement Executive Summary.

3. BACKGROUND:

The Board of Governors approved the 2019 Corporate Risk Profile on December 16, 2019, that included the identification of seven (7) high risks for ongoing monitoring and mitigation reporting. The emergence of COVID-19 has resulted in a restatement of the Corporate Risk Profile to account for the significant changes to the risk landscape and the influence of these changes on College business planning.

4. DISCUSSION:

2019 Corporate Risk Profile COVID-19 Restatement

The 2019 Corporate Risk Profile that identified the high risks for ongoing monitoring and mitigation reporting was developed in the context of normal operations with consideration to the strategy, business plan elements and financial realities that were relevant at the time. The profound effects of the COVID-19 pandemic on College operations and the near-term and intermediate-term risk landscape has driven the restatement of the Corporate Risk Profile to account for these changes and identify the high risks that will form the basis for ongoing reporting and monitoring.

This restatement of the Corporate Risk Profile was prepared following a similar, but compressed, process as the 2019 Corporate Risk Profile. All members of the Algonquin

3.2 Appendix A

College Executive Team and the Algonquin College Leadership Team were engaged in an assessment exercise to re-assess the existing high risks and identify and assess new risks that have been brought to the forefront by the COVID-19 pandemic. These risks were grouped into three risk groups: Information Technology, Financial and COVID-19.

Risks in the Information Technology group continue to capture previously identified high risks for the College and continue to be reflective of the external risk landscape across private, non-profit and post-secondary education sectors. Risks in the Financial and COVID-19 groups reflect the considerable increase in significance and scope of risks resulting from the COVID-19 pandemic.

Currently, economic and social influences are responsible for increases in both the dimensions of change and the pace of change, with resulting effects on College operations. For this reason, it is recommended in the Executive Summary that another review and restatement of the Corporate Risk Profile occur by June of 2021. The Executive Summary is found at Appendix B: 2019 Corporate Risk Profile Restatement Executive Summary.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One Establish Algonquin as the leader in personalized learning across all Ontario colleges.	<input checked="" type="checkbox"/>	CONNECTED Goal Four Become an integral partner to our alumni and employers.	<input type="checkbox"/>
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	<input checked="" type="checkbox"/>	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	<input checked="" type="checkbox"/>
Goal Three Attain national standing in quality, impact and innovation within each school and service.	<input checked="" type="checkbox"/>	PEOPLE Goal Six Be recognized by our employees and the community as an exceptional place to work.	<input checked="" type="checkbox"/>

6. STUDENT IMPACT:

An effective Enterprise Risk Management program supports the mitigation of Strategic / Reputation, Legal / Compliance, Operational / Hazard and Financial risks that influence the achievement of Business Plan goals and impact on the operations of the College. Effectively

3.2 Appendix A

mitigating these risks contributes to organizational performance across the entire business entity and mitigates in part impact on activities related to student success.

7. FINANCIAL IMPACT:

The ongoing effort to mature the Enterprise Risk Management program leads to increased performance management, budget efficiency, continuous process improvement and improved decision making on resource allocation.

8. HUMAN RESOURCES IMPACT:

The ongoing development of Enterprise Risk Management has involved presentations and workshops with various areas of the College as well as exposure to risk assessment processes and mitigation planning exercises for management. This has generated a greater understanding of risk management and increased the awareness of the value of the process. This awareness training will be sustained as the program matures.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

While there is not currently a Ministry of Colleges and Universities Binding Policy Directive that requires Ontario colleges to implement and maintain an Enterprise Risk Management program, there is an expectation from the Ministry staff that colleges undertake risk assessments when carrying out major capital projects and entrepreneurial activities. Increasingly, risk assessment is becoming a standard requirement related to funding and financial and business agreements. Several provincially funded service agreements require that the College undertake regular risk assessments of those funded operations.

10. COMMUNICATIONS:

As the Enterprise Risk Management program continues to evolve, updates are communicated to the College's employees, the Audit and Risk Management Committee and the Board of Governors. The Risk Management website is continuing to evolve as an information source and portal to services provided in this area.

11. CONCLUSION:

The 2019 Corporate Risk Profile has been restated because the COVID-19 pandemic has had a profound and unprecedented effect on College operations and strategy.

This restatement of the 2019 Corporate Risk Profile is provided as an interim assessment of the current risk landscape resulting from the effects of the COVID-19 pandemic. It is proposed

3.2 Appendix A

that this review be conducted again within a year to capture changes in the ever-evolving external risk landscape and to update the College progress and revised perspective on high-risks.

Respectfully submitted:



Duane McNair
Vice President, Finance and Administration

Approved for submission:



Claude Brulé
President and CEO

Appendices:

Appendix B: 2019 Corporate Risk Profile Restatement Executive Summary

2019 Corporate Risk Profile

COVID-19 Restatement

June, 2020

Executive Summary

1.0 Introduction

The 2019 Corporate Risk Profile was developed through an iterative process that included inputs during the risk identification stage from the Board of Governors, the Algonquin College Leadership Team (ACLT), Algonquin College Executive Team (ACET) as well as key individual stakeholders.

Following the completion of a broad risk identification survey in June, 2019, the results were refined and assessed by ACLT in an interactive workshop setting. ACET reviewed the assessment results and provided additional input for the September, 2019 risk assessment, which provided the context of the finalized risk statements.

Over the past several years, the College has reached a cadence of producing a Corporate Risk Profile every two years, which has served College planning efforts well and has been sensitive enough to allow for adjustments related to shifts in College planning and the external risk landscape.

The 2019 Corporate Risk Profile was produced in the context of the Strategic Plan, the two-year Business Plan and the fiscal realities and financial outlook that were valid at the time. The identification of high-risks for the College is a function of these enterprise-wide perspectives.

The organizational sense for risk appetite and risk tolerance is the basis for risk assessment and is heavily dependent on these perspectives. During the assessment of risks, the contemplation of “impact”, which is integral to the overall risk score, is a function of the current context for risk appetite and risk tolerance.

COVID-19 Pandemic

The 2019 Corporate Risk Profile was approved by the Board of Governors in December, 2019, however, the College began monitoring a previously unknown risk in January, 2020; the emergence of the COVID-19 disease caused by the SARS-CoV-2 coronavirus.

By March 11, 2020, the World Health Organization declared a pandemic related to COVID-19 and the full attention of College operational capabilities were re-directed to the response and College management of the impact of this event.

The COVID-19 pandemic quickly brought unprecedented, pervasive change that will have long-lasting impacts across the global economic and social landscapes. There is still a great deal of uncertainty that is associated with these changes over the near-term and the fluidity of change requires constant adjustment of planning efforts. This instability will necessitate reconsideration of the College strategy and will significantly alter business planning for the foreseeable future.

As a result, it is imperative to re-state the Corporate Risk Profile to account for the new risk landscape and begin to document the risks that will influence strategic and business planning. This also begins the process mitigation planning, in the context of College operations, to continue to contribute to the ongoing success of the organization in achieving its goals amid these changing parameters.

2.0 Risk Assessment

During May 2020, using the 2019 Corporate Risk Profile as a basis, the Algonquin College Executive Team and the Algonquin College Leadership Team were asked to re-assess the identified high risks for the College, in the current context of known risks related to the COVID-19 pandemic. These groups were able to consider the scope of the impact based on College response plans that had already been initiated such as the Academic Continuity Plan, the Workforce Pandemic Mitigation Plan and the Workplace Recovery planning process.

In addition to the previously documented high-risks, several additional risks, specific to COVID-19, were added for their consideration. The tool utilized also provided an opportunity for the identification of additional risks by these groups for consideration, assessment and weighting.

In rating the impact and likelihood, respondents are asked to consider the four primary categories of risk, which have been endorsed by the Board of Governors, and utilized as a basis for all risk assessments to enable relative comparative analysis, both cross-organizationally and historically.

- **Strategic / Reputation**

Risks that may influence the strategic direction of the College or are created by strategic goals. Risks that act upon the College brand or reputation and which may influence our ability to attract students and investment. (e.g. Unanticipated political, social or economic forces that might interrupt or avert the execution of a strategic plan, various events that might result in negative communications or media exposure about the College or that might otherwise influence the College reputation within the business, industry or post-secondary sectors)

- **Operational / Hazard**

Risks that arise from within the operation of the College (People, Process, Systems) or risks associated with perils that might impact the operation of the College. (e.g. Safety, Security, Fire, Natural Disaster, etc.)

- **Financial**

The risk of financial loss due to the effect of market forces on financial assets or liabilities. (e.g. loss of market share, liquidity, credit, funding formula, enrolment, government financial policy)

- **Legal / Compliance**

The risk of loss arising from within the regulatory arena and risks associated with the legal affairs of the College. (e.g. fines and other punitive measures associated with non-compliance with federal, provincial and municipal acts and regulations, internal policies, legal actions taken against the College, legal actions initiated by the College)

Each risk is assessed by multiplying the impact score (1-5) by the likelihood score (1-5) to arrive at a total risk score ranging from 1-25, which coincides with the Risk Score Matrix shown below (Fig. 1).

		Likelihood				
		Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Impact	Catastrophic (5)	Moderate Risk	Moderate Risk	High Risk	Critical Risk	Critical Risk
	Major (4)	Low Risk	Moderate Risk	High Risk	High Risk	Critical Risk
	Moderate (3)	Low Risk	Moderate Risk	Moderate Risk	High Risk	High Risk
	Minor (2)	Low Risk	Low Risk	Moderate Risk	Moderate Risk	Moderate Risk
	Insignificant (1)	Low Risk	Low Risk	Low Risk	Low Risk	Moderate Risk

Fig. 1

Following the collection of data from respondents, assessments were reviewed for alignment and discrepancies. The mean scores were compiled across the two data sets and the risk statements were refined and grouped where there were strong thematic similarities in the risk statements.

3.0 Risk Analysis

A review of the external risk landscape is essential to complete the risk profile. The current risk landscape reports and projections of several respected business, risk and insurance advisory organizations were reviewed to validate the nature of the re-stated high-risks that have been identified by the College. These sources include such firms as the World Economic Forum, Marsh, Corporate Compliance Insights, KPMG, Deloitte, AXA, Risk.net, RIMS and Eurasia Group.

This review indicated that Information Technology risks are still being captured as a predominant high-risk area across various sectors, including government and non-government organizations and for-profit as well as non-profit entities. Information Technology risk is further delineated below.

- Information Technology (IT) systems related to:
 - Data Compromise (privacy and intentional cyber-threats);
 - IT Disruption (hardware based or cyber-threat based, such as malware and ransomware); and
 - IT Failure (infrastructure and systems based).

A common thread throughout, indicates both geopolitical and geo-economic factors at play on a global basis (Fig.2). These factors ultimately influence economies at the local and sector levels. This affirms the uncertainty that was assessed for the College surrounding government regulations and government funding to our communities and to the College. Fragile macro-economic structures and financial inequality cause a downward pressure on global economies.

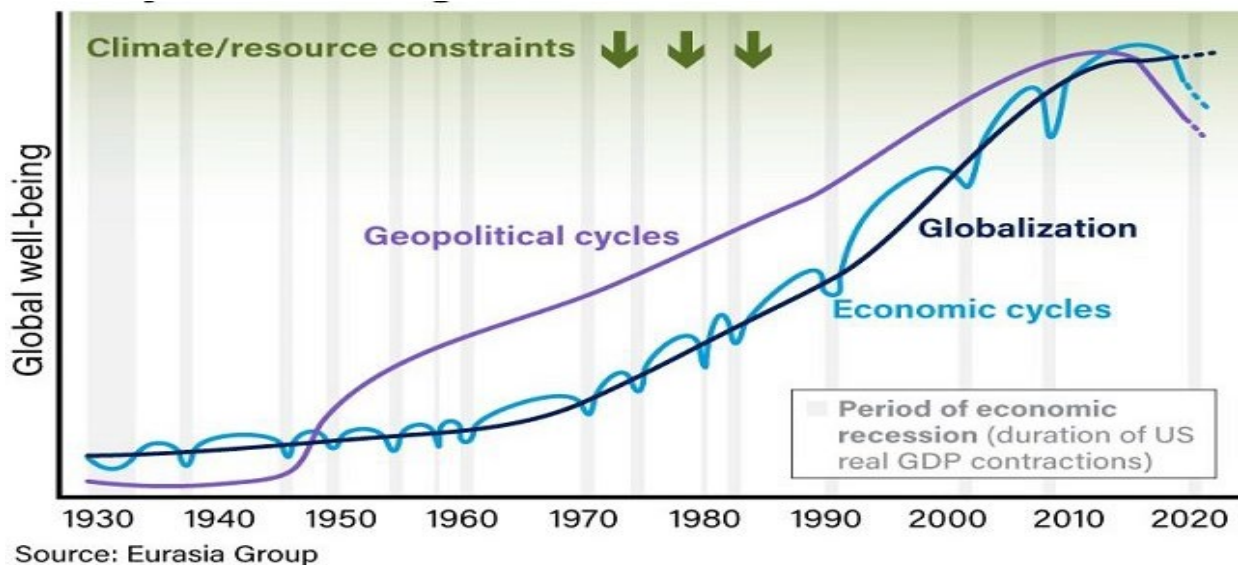


Fig. 2

There is a historical shift in globalization where democratic countries are stepping back twenty years to implement a more nationalistic position. With the rise of populism, countries are also looking inward for support and resources, which in effect accelerates the imminent recession and process of de-globalization.

Tensions between the world's two power-countries, US and China, have most recently heightened over national security, with ongoing conflict over cultural values and influence, while sanctions, export controls and boycotts have heightened. Trade on a global basis is expected to become nearly impossible between these two countries, with a growing likelihood of an inevitable cold war between the US and China; inevitably at the expense of their allies.

The focus of businesses to remain viable post-COVID-19 is noted and captured under a risk area summarized as business continuity and recovery. This aligns with the College efforts and risks associated with the implementation of various new strategies such as the Academic Continuity Plan and Workplace Pandemic Mitigation Plan to stabilize College operations.

How this will all unfolds in the coming months is yet to be seen. It is clear, however, that these global shifts will have an impact to our country's foreign policy, which in turn will directly influence the College's strategic planning and recruitment of international students.

4.0 High-Risks

As a result of this restatement exercise, the following table of high-risk groups have been identified for ongoing monitoring (Fig. 3). As previously noted, both the influence of COVID-19 risk and impacts that have already been realized, are prevalent across many areas of operation of the College. These influences are reflected within the Information Technology and Financial risk groups. Additionally, COVID-19 has been identified as a stand-alone risk group to reflect the risks associated with specific pandemic response measures that also suggest primary impacts that are predominantly characterized as reputational or operational.

<p>Information Technology</p>	<p>There has been an overall reduction in the area of IT risk and changes in both impact and likelihood for the risk of failure of IT infrastructure and cyber security have been made. While the impact of a failure is high, significant recent efforts to replace hardware such as servers, network and cabling have reduced the likelihood. Ongoing effort is required to continue this work and address load balancers, fibre installations and some applications.</p> <p>Similarly, mitigation efforts to enhance cyber security have resulted in a decrease in likelihood, although this is somewhat offset by heavier reliance on technology to support remote delivery activities during the COVID-19 pandemic response and an increase in cyber-attacks and exposure.</p>
<p>Financial</p>	<p>The COVID-19 pandemic has significantly increased financial risk for the College from the previous high-risk statement surrounding reliance on international enrolment and ongoing uncertainty surrounding government policy and the funding model. The re-stated risk group includes the impacts on strategic planning and diminished long-term financial health resulting from the use of capital reserves to offset the losses associated with the COVID-19 pandemic and the likelihood of inadequate government support to offset the direct losses.</p> <p>There are direct financial losses associated with resulting enrolment reduction for both domestic and international students as well as operating reimbursements and refunds across the College. The risk group includes anticipated risk associated with reduced international applicant demand amid changing policies by Immigration, Refugees and Citizenship Canada, as well as future capabilities to raise revenues stemming from internal management efforts to absorb the effects of the pandemic.</p>
<p>COVID-19</p>	<p>While business continuity and recovery efforts that serve to mitigate financial losses are a focus for College activity, the risk of inadequate performance in the implementation of various plans such as the Academic Continuity Plan, the Workforce Pandemic Mitigation Plan and the Workplace Recovery Plan carries operational risk surrounding the potential for serious harm to labour relations, operational instability and performance variability in recruitment, enrolment and delivery.</p> <p>The potential for a second wave of COVID-19 before immunity can be established is also considered high at this point in time. The impact of such an event, assuming a similar public response, could be devastating and would further drive foundational changes in higher education.</p> <p>The influence of the COVID-19 pandemic on the corporate risk profile is pervasive across all areas of College operations. This risk has been identified separately, as it relates directly to the efforts being taken in response to the pandemic and new risks that stem from these areas of activity.</p>

Fig. 3

The individual risk statements supporting these high-risk groups are shown on the following heat map (Fig. 4). It is noted that the risk score for information technology has been decreased in this presentation, however, this may be due in part to averaging and the natural shift in perception and relativity to the emergence of COVID-19. Although this risk area has received an overall lower score compared with the 2019 Corporate Risk Profile exercise, it is justifiably still included as a high-risk for monitoring purposes, given the significance of mitigation efforts that have already been undertaken and the commitment to ongoing large-scale investment that will continue to mitigate this risk area.

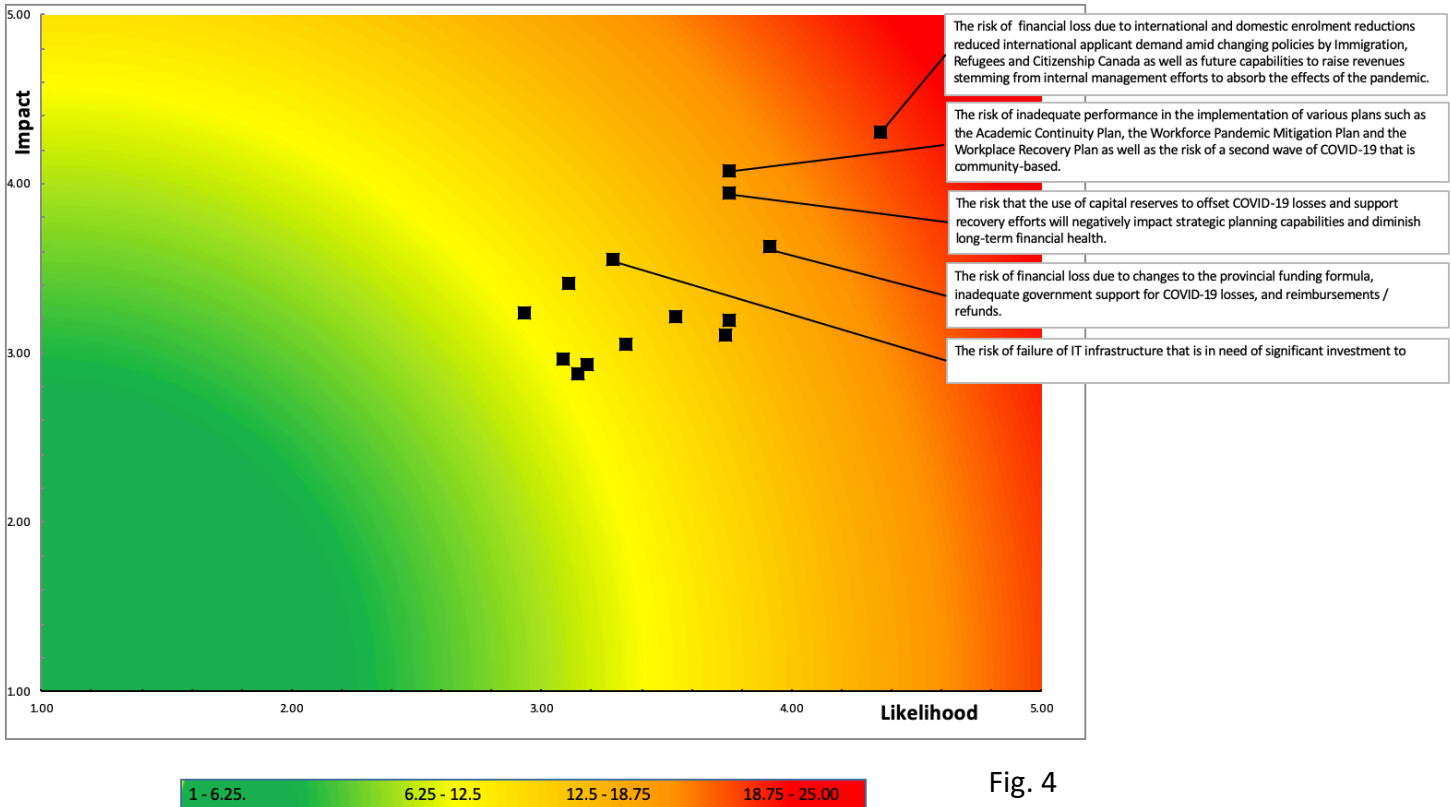


Fig. 4

5.0 Conclusion

The 2019 Corporate Risk Profile has been restated because the COVID-19 pandemic has had a profound and unprecedented effect on College operations and strategy.

The ongoing pandemic recovery, at all levels, from global to local, still presents a universe of unknowns that will require ongoing adjustments in every area of College operations. The final effects of the pandemic are subject to considerable speculation and are, as yet, incalculable in all respects. College strategic planning and business plans will need to evolve in a manner that considers the incredible risks that require sustained assessment and mitigation, while contemplating the opportunities that these risks may also bring to the forefront.

Further, the COVID-19 pandemic has initiated a wave of change that challenges traditional thinking in higher education and may bring about foundational changes to both the delivery of academic instruction and the constructs that support this activity at the operational level.

The planning and execution of mitigation plans associated with the high-risks identified in this restatement of the Corporate Risk Profile will be a focus for the College in the near term, however, there will be a need to take stock of the risk landscape and adjust accordingly. This review will be required again within a year to capture changes in the ever-evolving external risk landscape and to update the College progress and revised perspective on high-risks. While the pandemic has initiated a period of transformative change, the mission of the College remains steadfast, notwithstanding the turbulence that surrounds the means by which this mission may be achieved.

Report title:	College Response to COVID-19 and Financial Risk Assessment
Report to:	Board of Governors
Date:	July 13, 2020
Author/Presenter:	Duane McNair, Vice President, Finance and Administration Colin Bonang, Director, Risk Management Grant Perry, Chief Financial Officer

1. RECOMMENDATION:

THAT the Board of Governors accepts this report for information.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this report is to provide an update from the previous report on the measures the College is taking to respond to the COVID-19 pandemic, and to present a current view of financial scenarios and the potential impact of the pandemic on College enrolment and financial position.

3. BACKGROUND:

In late December 2019, the novel coronavirus, SARS-CoV-2 (also known by the disease it causes: COVID-19) outbreak commenced in Wuhan, the capital of Hubei province, China. The College began actively monitoring the emergence of the outbreak as it spread from China, through Europe and to North America, eventually being declared a pandemic by the World Health Organization on March 11, 2020.

The current and long-term economic and social impacts on our country and the College from this pandemic are unparalleled by any event that has been seen in recent history. The College is continuing to make decisions that put our students and employees first, while considering the measures that can be taken in the best interest of the College. As the College moves through the provincial re-opening stages, public health and regulatory guidance remain central tenets for decision-making.

In previous updates, the approach and measures taken by the College in response to the COVID-19 pandemic were detailed. This update is focused on the current activities surrounding re-opening activities.

4. DISCUSSION:

A flexible framework and recovery plan has been developed in order to be able to effectively respond to a phased approach to re-opening by the provincial government and to incorporate adjustments reflecting guidance from public health agencies, the Ministry of Colleges and Universities, College Employer Council and Colleges Ontario.

On June 10, 2020, the Ministry of Colleges and Universities announced that in July 2020, Ontario's postsecondary institutions, including publicly-assisted colleges and universities, Indigenous Institutes and private career colleges may re-open their campuses during the summer for priority in-person education and training on a pilot basis.

Algonquin College is now participating in the provincial pilot to deliver face-to-face instruction for a limited number of students during the summer months and commencing the planning and necessary assessment and fit-up in preparation for the Fall term.

The College pilot programs are detailed below:

Ottawa Campus

- Massage Therapy – 42 students
- Cardiovascular Technology - 20 students
- Diagnostic Cardiac Sonography – 24 students
- Diagnostic Medical Sonography – 21 students
- Welding and Fabrication Technician - 21 students
- Automotive Service Technician, Day Release level 1 – 10 students
- Automotive Service Technician, Day Release level 2 – 12 students
- Automotive Service Technician, Day Release level 3 – 10 students

Pembroke Campus

- Forestry – 31 Students

The Ottawa Campus face-to-face instructional activities are being coordinated for delivery across nine labs and shops in four buildings. The Pembroke activity will be primarily delivered in outdoors settings.

The Workplace Recovery Workgroup has been working with faculty and technicians, Facilities Planning, Procurement, the Occupational Health and Safety Unit and our Joint Occupational Health and Safety Committees to assess the required spaces and identify the required measures for health and safety, in accordance with the pilot program requirements. These include: screening, the use of non-medical masks, cleaning protocols, hand hygiene

promotion, cough/sneeze etiquette promotion, physical distancing requirements, supporting signage, and personal protective equipment.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One Establish Algonquin as the leader in personalized learning across all Ontario colleges.	<input checked="" type="checkbox"/>	CONNECTED Goal Four Become an integral partner to our alumni and employers.	<input checked="" type="checkbox"/>
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	<input checked="" type="checkbox"/>	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	<input checked="" type="checkbox"/>
Goal Three Attain national standing in quality, impact and innovation within each school and service.	<input type="checkbox"/>	PEOPLE Goal Six Be recognized by our employees and the community as an exceptional place to work.	<input checked="" type="checkbox"/>

6. STUDENT IMPACT:

On March 27, 2020, the decision was made to defer the start of the 2020 Spring term to May 19, 2020 with emergency remote delivery of programs. As the pandemic has evolved, these plans have been extended beyond the originally anticipated date. The academic continuity plan has been advanced and anticipates continuing to limit face-to-face instruction during the Fall term, by advancing the continued preference for remote delivery and focusing on-campus academic activities to only required face-to-face instruction for applied learning activities in labs and shops.

7. FINANCIAL IMPACT:

On February 24, 2020, the Board of Governors approved the 2020-21 Annual Budget with a projected net contribution of \$5.7M on all College activities. The 2020-21 Approved Annual Budget included provisions for capital, operating and Business Plan requirements and a requirement to use Internally Restricted Funds to support priority projects and initiatives in the Strategic Investment Priorities budget.

The aforementioned impacts from the COVID-19 event pose a significant risk to the financial outlook for the College in the 2020-21 fiscal year, as well as future years as the College’s Net Assets balance will reflect the long term financial costs of these events.

Agenda Item No: 4.1

The College is proactively identifying and capturing the various costs and revenue losses resulting from responding to the ongoing COVID-19 pandemic. This process has helped to inform our First Quarter 2020-21 Financial Projection presented at the July 13, 2020 Board meeting. In addition, this process will support the need to report back to government on how the \$400,000 financial support payment received by Algonquin College on March 27 from the Ministry of Colleges and Universities under the “Helping Post-secondary Institutions Fight COVID-19” Program is being utilized to respond to COVID-19. To date, there is no indication that further financial assistance will be granted.

As a postsecondary institution, the reliance on enrolment to support the College’s continuing operations is very important. In the 2020-21 fiscal year, Annual Budget enrolment projections were comprised of 77% domestic student enrolment and 23% international student enrolment. The international enrolment population of the College is highly represented by students from China and India and, therefore, the risk to international enrolments remains elevated.

The College is proactively identifying the impacts from the COVID-19 pandemic, monitoring and projecting the resulting net contribution degradation not only from tuition fees, premiums and other enrolment related revenues, but also the effect to Campus Services business through lost food sales, bookstore sales, residence fees and parking fees. The College’s Contract Activity, that includes a growing Corporate Training department, derives revenue from government and non-governmental organizations and these organizations are also impacted by the COVID-19 pandemic.

Due to the evolving nature of the pandemic and accuracy of its projected trajectory, financial impacts on the College’s net contribution for the 2020-21 fiscal year will be restated in the First Quarter Projection report at a special meeting of the Board of Governors on July 13, 2020.

On April 20, 2020, the Board was presented with the results of the initial financial assessment based on three enrolment projection scenarios. Financial impacts to College operations were considered and included in the report. On June 8, 2020, the Board was presented with updated enrolment and financial assessments, showing the College’s best and worst case scenarios. Throughout this process, the College’s Academic Continuity Plan has been informing the direction that the College will follow as it continues to offer high quality program offerings to our learners through a variety of hybrid delivery modalities. This ongoing work has provided an opportunity to refine the College’s enrolment projections and to present updated scenarios constructed on the current view of the opportunities and risks that the College faces. Based on this new work and refinements, three updated scenarios are presented at the July 13, 2020 Board meeting: (1) Current view, which aligns to the First Quarter 2020-21 Projection, (2) a Moderate view, and (3) a Worst Case view.

Guidance provided by the Board on April 20, 2020 was for the College to contain the projected annual deficit for 2020-21 to the total amount of the Colleges' Contingency Reserve Fund of approximately \$10.4 million, plus the Unrestricted Net Asset balance of \$1 million, for a total of \$11.4 million.

Financial modeling is ongoing across the College under the leadership of the Finance Team. This work endeavours to project the negative impact to the 2020-21 net contribution and net assets of the College. The College is slowly gaining clarity regarding the possible length on the COVID-19 pandemic, the ensuing impacts to international and domestic student enrolment and the anticipated return to regular operations. It will, however, remain challenging to provide a reliable estimate of projected net contribution for 2020-21 until late summer. This is contingent on the continued easing of restrictions, the impact on international enrolment from the global responses to the pandemic, the ensuing global economic impact, and the absence of a second wave of COVID-19 outbreaks.

The First Quarter 2020-21 Financial Projection will provide a projected net contribution loss for most activities. A number of mitigation strategies have been developed to present a projected net contribution that appropriately balances three primary elements that indicate the success and sustainability of the College, including:

- Learner value and satisfaction with College programs and services;
- Employee engagement and well-being; and
- Continuing financial health of the College and cash flow to support operations.

Mitigation strategies developed include the following:

- Realization of cost savings due to reduced course sections from lower student enrolment;
- Reduction or delay of select capital projects and strategic investments;
- Management of vacant positions to capture salary savings;
- Reduction or suspension of expenditures through College-wide budget reduction exercises;
- Review of activities for suspension or exit that do not directly result in positive net contribution margin;
- Adjustment to other-than-full-time staffing complement to align with decreased program and service delivery requirements;
- Pursuing government funding opportunities identified as COVID-19 assistance funds;
- Undertaking a review of programs and services to identify areas to exit for operational savings;
- Suspension of planned contributions to reserves for the current year; and
- Expansion of online delivery of academic programs and corporate training.

8. HUMAN RESOURCES IMPACT:

To date, the College is unaware of any confirmed cases of COVID-19 arising from exposures on campuses. A substantial effort to inform, assure and communicate with College employees through this period has been mounted across a wide range of topics from health and wellness, mental health, employment matters, and public safety information.

The Human Resources Area has initiated a Workforce Pandemic Mitigation Plan that identifies several mitigation options in response to the COVID-19 pandemic. These mitigation options are designed to provide excellence in educational experience to our learners and to ensure that the teaching and learning process is maintained to the greatest extent possible during the period of the provincial declared emergency orders. This plan includes measures such as:

- Scheduling usage of accumulated and excess vacation
- Temporarily re-deploying employees to departments with greater need for support
- Allowing employees to take unpaid leaves of absence
- Offering employees reduced workloads
- Ending contracts for other-than-full-time employees
- Serving notice of reduction/termination of employment, and
- Serving notice of layoff.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

While the provincial re-opening plan commenced Stage 1 on May 19, 2020, the structure of the plan, with built-in implementation periods of two to four weeks, punctuated with two to four week periods of potential for slowdowns and reversals continues to present significant uncertainties. Stage 2 of the provincial re-opening plan was commenced on June 12, 2020.

Measures taken by the College throughout this event have been aligned with all regulatory requirements, such as the enactment of the provincial Emergency Management and Civil Protection Act and the local State of Emergency. The College has maintained close, transparent communications with the local bargaining units and has taken great effort to remain in compliance with all applicable regulatory requirements while operating through these challenges. The flexibility of College recovery plans is being maintained to be able to continue to meet the necessary requirements as the re-opening progresses.

10. COMMUNICATIONS:

Communications with College employees and students throughout this event commenced very early and have been regular and increasing in frequency to support their information

needs and provide assurances and information about the College response. Many communications channels have been used to ensure that centrally aligned messaging reaches as many people as possible. This has included communiqués from the President, monthly virtual town halls with college employees, a robust Frequently Asked Questions (FAQ) website, regular updates on myAC and Good Morning Algonquin and social media with significant reference to trusted public sources for information. Questions received from the College community on the FAQ site have been responded to by internal subject matter experts and cycled back into the FAQs for broader consumption.

11. CONCLUSION:

This represents a brief overview of the continued massive College effort throughout this period and of the College's planned response to minimize the financial impact of the pandemic. The College will continue to respond to this rapidly evolving situation through the coming weeks and months. The College continues to make decisions that reflect its values of caring, learning, integrity and respect, and maintain a balanced approach in responding to the needs of learners, well-being of employees, and the financial health of the College.

Respectfully submitted:



Duane McNair
Vice President, Finance and Administration

Approved for submission:



Claude Brulé
President and CEO

Report title:	Transforming Indigenization Initiatives Update
Report to:	Board of Governors
Date:	July 13, 2020
Author(s)/Presenter(s):	Ron McLester, Vice President, Truth, Reconciliation & Indigenization

1. RECOMMENDATION:

THAT the Board of Governors accepts this update for information.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this report is to provide the Board of Governors with an update on Indigenization work at Algonquin College that was undertaken since the December 16, 2019 Board of Governors report. This includes the work that has been done to advance the creation of the Algonquin College Indigenization Plan and the creation of a Business Case and Social Imperative for the Burnt Water agency.

3. BACKGROUND:

In December 2018, the Board approved the *Transforming Indigenization Initiatives Plan* which focused on an Environmental Scan of 43 Canadian postsecondary institutions. The report highlighted that over the next two years, the Indigenous Initiatives group would undergo an organizational realignment to ensure Indigenous Knowledge continues to take root within the institution. The report also identified the need for ongoing exploration and development of an Indigenous entrepreneurial entity. The Truth, Reconciliation and Indigenization office has since taken on a leadership role with the Algonquin College Leadership Team in order to identify, explore and embed traditional Indigenous Knowledge into governance systems.

Additionally, the Truth, Reconciliation and Indigenization office continued to work with this research and recommendations to further inculcate Indigenous ways of knowing into the organizational culture of Algonquin College, continue to embed Indigenous Knowledge into the AC-Way (Algonquin College’s adaption of Lean methodology), and explore new options for revenue generation through Indigenous initiatives.

At the June 10, 2019 board meeting, the Office of Truth, Reconciliation and Indigenization committed to the following:

- **First:** Convene a panel of Indigenous community leaders to gather input and feedback on both the Leadership Academy and the corporate product plan.

- **Second:** Test and gather feedback from prospective employers on the corporate product plan as discussed above. The focus of the corporate product plan will be on developing a deeper understanding of the Indigenous views concerning the desired outcomes to be achieved with the Burnt Water enterprise strategy.
- **Third:** Burnt Water will work with the Algonquin College Leadership Team to better understand the Haudenosaunee Thanksgiving Address teachings and through a consensus-based approach, build a framework for inclusion and operationalization. This framework will be a solid example of how traditional Indigenous Knowledge can be woven into the fabric of the organization resulting in clear examples of changes in behaviour and conduct for members of the college community.

At the December 16, 2019 board meeting, the Office of Truth, Reconciliation and Indigenization further committed to the following:

- **First:** Continue to explore the diametric opposition that is reflected in traditional Indigenous cosmology and found within earliest treaties (wampum belts) and ensure to include this in the Indigenization and reconciliation initiatives. The reflections will impact the Thanksgiving Address Framework as well as the way the Burnt Water Agency is organized.
- **Second:** Continue to work within the framework to the Seven Generations teachings, being mindful of future generational impacts. This will ensure that Indigenous ways of knowing are deeply embedded into business processes.
- **Third:** In consultation with community members, thought leaders, Algonquin College Indigenous Education Council and the Burnt Water Advisory Circle, begin the work on a business case for Burnt Water for the July 13, 2020 Board of Governors meeting.

4. DISCUSSION:

The work that has been completed since the December 16, 2020 Board of Governors meeting has focused heavily on continuing the external contract work secured by Burnt Water, formalizing the Indigenous Guiding Circle, and using Indigenous Knowledge and ways of knowing to help navigate business planning tools.

A variety of Indigenous concepts that helped to frame the thinking and approach are provided in Appendix A: Indigenization and Burnt Water Business Case and Social Imperative. These concepts include: Seven Generations teachings, Dish With One Spoon, The Great Law, Bundled Arrows, the Two-Row Wampum, and the Three Sisters. Each of these have provided theoretical and socio-cultural frameworks for the way this work is approached.

The progress of this work made it clear that proceeding with Indigenization work using normal business tools, business language and frameworks highlight the diametrical opposition that often exists between western worldviews and Indigenous ways of knowing. To make the development of a business case more relevant, the need for a social imperative needs to be considered. As described in detail at Appendix A: Burnt Water Business Case and Social Imperative Report, it states that the social imperative seeks to add a lens that is not found within a traditional business case and therefore allows the College community to arrive at new understandings. Looking through this lens, the College will begin to shape a powerful story of Algonquin College’s unique role in responding to the Truth and Reconciliation Commission’s Calls to Action. The following list has been used to create this social imperative framework:

1. The Truth and Reconciliation Commission’s Calls to Action;
2. Acknowledging Truth while working towards Reconciliation;
3. The Capital Region;
4. Symbolism;
5. Valuing Indigenous Knowledge;
6. Sustainability;
7. Medicine needed to navigate a complex and tense global environment;
8. Reputation; and
9. The right thing to do.

Collectively, these nine items define the social imperative for a transformative investment in *Indigenization* answering the *Calls to Action* and advancing Algonquin College’s leadership on the national and global stage as part of the Capital Region.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One Establish Algonquin as the leader in personalized learning across all Ontario colleges.	<input type="checkbox"/>	CONNECTED Goal Four Become an integral partner to our alumni and employers.	<input type="checkbox"/>
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	<input type="checkbox"/>	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	<input checked="" type="checkbox"/>
Goal Three	<input type="checkbox"/>	PEOPLE Goal Six	<input type="checkbox"/>

<p>Attain national standing in quality, impact and innovation within each school and service.</p>	<p>Be recognized by our employees and the community as an exceptional place to work.</p>	
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6. STUDENT IMPACT:

The college has begun to understand that Indigenous Knowledge represents unrealized opportunities within every executive division; opportunities that will be realized when the Thanksgiving Address framework is launched across the organization. The College will continue to embed Indigenous ways of knowing deeper into the organization, thereby impacting learners in the following ways:

- a) Exposing learners to the 94 recommendations of the Truth and Reconciliation Commission’s Calls to Action, and in particular those related to education.
- b) Students will benefit from additional investments in Indigenous Knowledge transmission and acquisition through renovations and adaptations to learning spaces, as well as investment in Indigenous pedagogy.
- c) By working towards reducing the duplication of specialized Indigenous student service oversight, the freed up capacity of the Office of Truth, Reconciliation and Indigenization will help support the transmission of traditional Indigenous Knowledge throughout the college community.

7. FINANCIAL IMPACT:

As a result of the new work plan, The Office of Truth, Reconciliation and Indigenization, along with Burnt Water, is not seeking as large of an investment as had original been envisaged by way of a new external space during the 2020-21 academic year. Due to the COVID-19 pandemic, additional external contracts and the focus on growing internal Indigenous initiatives, the plan to leverage the resources generated will enhance Indigenous activities. Over the last 18 months, Burnt Water has successfully secured six external projects and now has national exposure to Indigenous communities, thought leaders and prospective clients.

8. HUMAN RESOURCES IMPACT:

The Indigenous Initiatives unit is working closely with Student Services as well as the Algonquin Students’ Association to build programs that will reduce duplication of activities caused by the current organizational structure. New partnerships with executive peers have been formed and realignment will occur once there is clarity on the recovery phase of the COVID-19 pandemic. Once implemented, a new model will increase support staff connections with peers from across the College and reduce duplication of tasks while maintaining or increasing service provision to learners. The capacity that is being generated by this realignment is being redeployed as an investment into Burnt Water. The launch of a new

Indigenous Leadership Academy, supported by a new *Elders on Campus* program, working closely with the AC-Way team, will prove to be an innovative and exciting partnership.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

This project/initiative does not have a material impact on specific government or regulatory requirements.

10. COMMUNICATIONS:

Quarterly College community playback sessions will provide updates in a town hall format that is consistent with Indigenous governance models. The Indigenization Plan and the development of Burnt Water has also become a standing agenda item at the Indigenous Education Council meetings as well as timely Indigenous Gathering Council meetings. Additionally, every Algonquin College Leadership Team meeting will continue to include a focus, to varying degrees, on Indigenization as well as on Truth and Reconciliation.

11. CONCLUSION:

This update and the body of work helps the College understand the promising practices that exist within Canada as they relate to Indigenization. The research, strategy evolution, college community interest and accomplishments confirm the ability to maintain the College's leadership position within the Indigenous Education sector. Most importantly, it confirms the need to focus on relationship building thus enabling the creation of a personalized response towards Truth and Reconciliation while generating resources for the perpetual sustainment of Algonquin College and the communities it serves.

Respectfully submitted:



Ron McLester
Vice President, Truth, Reconciliation and
Indigenization

Approved for submission:



Claude Brulé
President and CEO

Appendices:

Appendix A: Indigenization and Burnt Water Business Case and Social Imperative
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4.2 Appendix A

A new world. A second chance. A powerful warning. A time to reset. Embracing *Knew* Knowledge for a New Beginning.

We are in the midst of one of the most powerful shifts recorded in modern history. Currently, we are the most connected people of all time. We live in the most crowded and dense centers in history. We enjoy greater mobility than ever and technology supports our everyday lives. Advances in science and medicine mean that we are living longer than ever. Education is widely accessible and knowledge is shared freely over the internet. So why are we also the loneliest civilization of all time? Why are our people the most anxious and most depressed in human history?

The warning signs have been here for a long time. Other viruses that we failed to heed the warning from or we didn't act soon enough. We are working longer and life-work balance is an ideal versus a reality for most. We are addicted to social media and 24-hour news cycle. We are quickly losing the ability to seek for and understand the difference between objective truth and fake news. Our youth have lost fundamental coping skills and many of us are sad, anxious or depressed far longer and deeper than we should be. We've lost understanding of community and our neighbours to our south (that share *Turtle Island*) believe in gun rights over human rights. We've lost touch with nature, put down our traditional teachings and act with indifference to the *Four Legged, Swimmers and Flyers* even though the *Thanksgiving Address*, passed on for thousands of years, is *sitting in circle* and in community waiting to be shared, remembered and honored again. We judge others rather than inviting newcomers to join us under the *Great Tree* asking them to share this land and honour it as the First peoples invited the French and British to join: peace, friendship and respect. Today, in First Nations across *Turtle Island*, traditional *Pipe Carriers* continue to offer *ceremony to the Creator, to give thanks to the sky world, to our elder brother the sun, to our grandmother moon and the thunder beings (to name but a few), to share our gratitude for all our relation. We do this to acknowledge that we are here, we respect and honour the land we live on, the water we drink, the air we breathe and for our relatives that give up their lives to feeds us and all the beings and spirits that share this land.*

This winter, there was *hardly a blanket to wrap Mother with*. The *big sleep* came and went without any deep freeze that Ottawa is known for. She has been warming for some time and sending us messengers through fires, tornados, hurricanes, rising sea levels, polluted areas and species dying off at an alarming rate. Today, we are fighting a new virus. More powerful than some in the past. The gravity felt more than ever in our lives. So, what we do with this is a question that will determine our future.

A chance for leaders to lead and society to follow. A chance to restore faith in government during a bi-partisan era. A chance to avoid spending on wars and instead spend on the poor, the sick, the struggling. A time to embrace *land-based* education. To slow down. To get healthy. To help others. To plant new gardens. What follows is *Algonquin College's story or narrative*. It has been in the works for some time. A family sharing stories and *beading* a new *Wampum Belt* together. It is time to write the next chapter for Algonquin College and the communities it serves. Then that *Wampum Belt* will be there for all to share, learn from. This time embracing that there is only *One Dish with One Spoon*. Take what one needs today, make sure there is enough for everyone and do one's part to replenish the dish.

So, before we start with the next chapter or ending, let's pause. Let's learn the teachings about our garden and how to plant it properly. Let's learn from *our Elders, our little ones, the Seven Generations* and let's leave the *garden* for the next *Seven Generations*.

The Three Sisters

Corn, beans and Squash. Indigenous knowledge is thousands of years old and provides for some key *teachings* that can be applied to everyday life, planning and strategy.

Truth and reconciliation is a platform to *acknowledge* past and current wrongs and find *new ways* of moving forward. One such way is *acknowledging the truth* that the Canadian government's historic, and, in some cases current policies have left important aspects of *Indigenous knowledge, ways of knowing and being* out of the mainstream. In fact, there has never been a wide scale effort to understand this type of knowledge and tap into it, respecting the incredible *tradition* and history that it is built upon.

The Three Sisters is a *teaching* that shares proven traditional knowledge about mutually beneficial and perpetual sustaining garden the is extremely reliable in the harsh Canadian terrain and how planting these three items together results in much better results than if one was planted on its own.

In other words, we can yield more and achieve more by leveraging "*Knew*" knowledge that has been in use for thousands of years by *Indigenous people*. This is what lies beyond *Truth and Reconciliation*: a time when we value and respect different *ways of knowing and being* and combine them with the best of various traditions to meet complex challenges in a collaborative way. It is a recipe to deal with our new reality and there has never been a better time to consider how we conduct ourselves on the other side of this pandemic.

This document draws upon the various research reports, strategic sessions and inputs gathered through the consensus building stage at Algonquin to propose a bold new vision for the College to embrace and to take a central role in *Truth and Reconciliation* on the national stage.

What this document is not is a typical business case. To provide a standard business case is in many ways, contrary to the very idea, purpose and role of the Office of Truth, Reconciliation and Indigenization. So instead, this document is written through a social imperative lens and in doing so, draws upon some of the same components of a business case but also draws heavily upon *Indigenous knowledge and ways of knowing, being and doing*. The business case is a common tool used within "western approaches". Together, they combine to tell an important social imperative about why *Burnt Water* is a critical *vessel* to move our fragile society forward in a *good way*.

A Social Imperative

When something is described as socially **imperative**, it is something very relative to that community. The word **social** as an adjective **means** "relating to society or its organization." The word **imperative** as a noun **means** "an essential or urgent thing."

word.com

It is in this context that we propose the Social Imperative versus a standardized business case. An example of a typical Western approach that disadvantages Indigenous leaders and does not recognize the incredible value of *Indigenous Knowledge and Ways of Knowing Being and Doing* is the Business Case or other standardized methodologies that does not allow for or encourage *story telling*.

¹The term **Western civilization** is a catchall to refer to the many cultures of European heritage that share common cultural ideas, philosophical foundations, and ancestral beliefs. Basically, the idea is that these cultures all have a common heritage, which has been important in the development of each. Feb 5, 2018

A Truth Moment

In order to justify investment in Indigenous Initiatives, Ron McLester, Vice President Truth, Reconciliation and Indigenization was asked to develop a Business Case. This on the surface is an equal treatment of all Executive members. All Executive members have been asked to use the same format to demonstrate a need for essential and limited college resources. The Office of Truth, Reconciliation and Indigenization is the smallest of all institutional portfolios, it has the least number of staff, it is a distinct Board priority and the demands on the Office are intense.

Sorting through these demands in a timely, logical way is hefty, and, in every case, it requires a justification in *Two Worlds*. What does the Board and Executive need? What does the Indigenous Education Council and community need? In short, will these initiatives be acceptable to *Two Worlds*?

Let's examine a Business Case for a moment. Wikipedia defines a Business Case as follows:

A **business case** captures the reasoning for initiating a [project](#) or task. It is often presented in a well-structured written document, but may also come in the form of a short verbal agreement or [presentation](#). The [logic](#) of the business case is that, whenever [resources](#) such as money or effort are consumed, they should be in support of a specific business need. An example could be that a [software upgrade](#) might improve [system performance](#), but the "business case" is that better performance would improve [customer satisfaction](#), require less task processing time, or reduce system maintenance costs. A compelling business case adequately captures both the quantifiable and non-quantifiable characteristics of a proposed project.

Business cases can range from comprehensive and highly structured, as required by formal [project management](#) methodologies, to informal and brief. Information included in a formal business case could be the background of the project, the expected business benefits, the options considered (with reasons for rejecting or carrying forward each option), the expected costs of the project, a [gap analysis](#) and the expected risks. Consideration should also be given to the option of doing nothing including the costs and risks of inactivity. From this information, the justification for the project is derived. Note that it is not the job of the [project manager](#) to build the business case, this task is usually the responsibility of [stakeholders](#) and sponsors.^[1]

As one can see, this is an acquired skill, a methodology, a process and a resource intensive exercise. It is also about business needs versus an essential community need. It is also completely appropriate, given the mandate of a Vice President Finance and Administration, for most if not all areas to use a standardized format. While this is the example that is being used, it is critical to state that this is not an attack or an attempt to centre out one member of the team or a portfolio. In fact, it is an exercise to unpack and to apply *Indigenous knowledge* to the problem that is intended to be solved. When applied to many or most institutional processes, similar results will likely become evident.

If we apply an equity lens to this situation, we can quickly see that what is needed is a new approach to ensure equity. The Office of Truth, Reconciliation and Indigenization can provide a different but comparable justification based on Indigenous Knowledge. For example, an *oral narrative* would quickly demonstrate the case. Drawing upon *traditional teachings* such as *The Great Law*, *The Dish with One Spoon*, *Three Sisters*, *The Thanksgiving Address* or *Seven Generations* teachings each hold important lessons that Canadians have not availed themselves of and have instead relied solely on a Western approach or Western tools. Both have value and some would argue,

that *Indigenous Knowledge* would in fact suggest new ways aligned more closely with sustainable principles are needed to avoid Global Climate Catastrophe and make sense of the challenges that is now collectively faced. In conclusion, we find it necessary to begin this work from the lens of a social imperative. That said, we also understand that should we find the need to ask for a significant investment in the future, a more traditional business case will be expected by the college.

Now, let's examine the mandate of the Vice President Truth, Reconciliation and Indigenization. In order to do that, it warrants unpacking the title.

Truth

Truth and reconciliation has its roots in great movements led by Ghandi and Mandela among others to address the inequities created by colonialism as India and South Africa were rising out of a colonial past and into a new era of independence. It was by acknowledging the hard and uncomfortable truth of the past that these nations were able to chart a difficult path to reconciliation. Both examples demonstrate how difficult this work is, how complex, that it requires time and healing. It also shows that there is hope and it is grounded in peace and love for humanity – caring for one another – which is a core value of Algonquin College.

Applying this to the Canadian context we far too often jump to the act of reconciliation and spend too little time addressing and understanding the truth. In the educational context, the truth is that the government's policies to assimilate the *savage Indian* had a devastating impact on the family unit, language, social identity, governance structures and overall existence. The initial agreements reached between the Crown and First Nations were not respected and continue to be at the centre of disputes and challenges creating tension. Despite this, the Indigenous people of Canada continue to work with Canadians in the spirit of the *Great Law*.

In the postsecondary context, the government has provided a grant for Indigenous Education and that has for the most part been the extent of investment in Indigenous education in Ontario's colleges. But unpacking that for a moment, you quickly understand that First Nations, Metis and Inuit nations have prioritized postsecondary education as the great equalizer, have invested disproportionately in colleges and have in good faith sent generations of Indigenous youth to colleges like Algonquin. Consider for a moment the following:

In 2018-19, Algonquin had the following investment related to First Nations:

\$336k	Provincial funding – PEFAL Postsecondary Education Funding for Aboriginal Learners
1,100	Approximate # of students
\$6,000	Average weighted funding unit
\$3,600	Average tuition and ancillary fees
\$10.56M	Indigenous investment in Algonquin in 2018-19 Note: large portion was diverted from the various First Nations' own funds to support Indigenous learners depleting resources for other priorities and in many cases, resources are insufficient to cover learner needs

Now consider Algonquin's investment in Indigenous Education:

≤ \$500K annual operating costs

Note: in many institutions, the use of the institutional name is licensed. York University and University of Toronto for example charge a licensing fee to any provider using the name. By contrast, in what was supposed to be a gesture to First Nations by the Ontario government with the founding of the college system naming several colleges after great nations, this was done without consultation with or permission from the Algonquin nation or people. Permission was never sought or granted to the College and no licensing fee was ever negotiated.

Reconciliation in Action: Social Imperative versus Business Case

Therefore, it is respectfully asked that from an equity lens, the following Social Imperative rather than a traditional Business Case be considered to demonstrate the opportunity for and need to make a transformative investment in Indigenous Education. This is consistent with the Calls to Action from the Truth and Reconciliation Commission Report. It acknowledges that it was through government policy that education was used as a tool to assimilate, to build *residential schools* to enact brutal abuses on people that our ancestors entered into a *Wampum Belt* agreement with to share this land. This act of reconciliation can *honour* that shared experience and use it to guide us forward.

What follows is a narrative in the oral tradition of *Indigenous knowledge* using the written form and preferred style of western approaches. To that end, we will demonstrate this social imperative by telling Algonquin College's recent history, focus and approach.

A Focus on Student Services & Supports

Prior to 2016, Algonquin like most other colleges focused on providing a series of activities, services and supports for a small and isolated group of First Nations, Inuit and Metis students. Many students chose to, and, in fact still choose to keep their Indigenous identity private. Counselling was amongst these services and was mandated by the Ministry due to the incredible barriers and challenges that Indigenous learners must overcome to have any fair and equitable opportunity to realize success and prosperity.

Over time, the isolation of these services, the lack of subject matter expertise in some western approaches as well as a growing desire among all students, faculty and staff to gain a basic understanding of our shared history placed new demands on the small teams that colleges and universities tend to employ. Despite these demands, Indigenous Education and Student Services had a considerable amount of success working with students to enhance their likelihood of graduating for the small number of students that choose to identify and engage with the Centre. It did however, lead to staff unrest, burnout and an atmosphere that is not conducive to longer term strategic thinking or to properly take the time to infuse approaches with *Indigenous Knowledge*.

Similar challenges began to present themselves at colleges across Canada. One notable author focuses on the *Lateral Violence* that develops within the community when the conditions for success for all members of the community are not in place. Building on this research, Denise Findlay tackles this and advises organizations of the value of first understanding this and then action it by introducing *Lateral Kindness* to the dialogue which draws upon *Indigenous knowledge* and community based, sustainable principles. Within this context, let's examine the college's focus.

In late 2016, the College approved a significant research and strategic planning initiative titled: *Transforming Indigenous Initiatives through the Strategic Initiative Priorities program*. Conducting the Environmental Scan of Canadian postsecondary institutions including colleges, universities and Indigenous educational institutions, this research uncovered to the following four thematic areas:

1. Indigenous education initiatives
2. Specialized Indigenous support services
3. Indigenous community relationships and commitments, and
4. Indigenous policy development, human resource practices and current state of Indigenous Education Councils in terms of governance.

This research initiative was also tasked with uncovering any specific complements needed resulting from the Truth and Reconciliation Commissions (TRC) – Call to Action report and recommendations post 2015.

“Algonquin is one of the small handful of postsecondary institutions to make a meaningful investment into research & strategy. This groundbreaking approach infuses the best of western research methods & introduces an equal appreciation for Indigenous Knowledge. This will be recorded as a major turning point in the Canadian postsecondary landscape.”

Algonquin Steps Up & Honours the Calls to Action

The work on *Indigenization Activities within Canadian Post-Secondary Institutions - Environmental Scan* provides information about how individual post-secondary institutions have developed strategies, launched academic programs, and strengthened student services to support Indigenous students and communities while building awareness of the truth, and the need for reconciliation, as recommended by the Truth.

When looking at the Indigenization activities undertaken by these 43 institutions, many commonalities exist in terms of services provided. Novel approaches are taken to creating supports for Indigenous learners, thematic areas of focus emerge across the spectrum of activities. These themes have been identified as:

- Curriculum
- Personal
- Art and Expression
- Outreach
- Physical Space and
- Reconciliation Commission Calls to Action

The 43 institutions examined have similar efforts in many areas, and have shown the potential that exists for new, exciting approaches to better serve Indigenous learners in their educational journey. The data shows that 86% provide support services such as academic counselling and peer mentoring to Indigenous learners, while 69% have transition programs in place to support their journey from high school to post-secondary aspirations.

Despite these improvements in service, Indigenous learners continue to be underrepresented in the post-secondary landscape. In other words, the data shows an interesting duality. On one side, it portrays an image of substantial progress; on the other, there is significant room for growth.

Above all, it shows an incredible amount of duplication and very little innovation. To this end, the Indigenous Peoples’ Education Council as part of the College’s Ontario collaborative structure advised the Ministry of the need for investment in innovative new projects, pilots and approaches to advance both Indigenous initiatives, student success and the Calls to Action of the Truth and Reconciliation Commission.

This resulted in some interesting demonstration projects, new research and new approaches. These findings can and are being drawn upon to shape Algonquin’s proposed future path to reconciliation. Interdisciplinary, inter-institutional and intercommunal collaboration are key to ensure a successful journey toward reconciliation.

High-Caliber Research Paves the Way for Innovative New Approaches Grounded in “Knew” Knowledge

In November 2017, stage two of this research project was launched resulting in: *Understanding the Current Strengths, Limitations and Opportunities for Indigenous Education and Indigenization at Algonquin College*.

In addition, a survey of faculty members was conducted to seek their input for the development of the strategic call to action.

The research report was structured into three parts:

1. A summary of all strategic documents and plans at Algonquin College to determine the level of institutional focus on and commitment to Indigenous Education, Indigenous Peoples, truth and reconciliation, and to see how an Indigenous Strategic Roadmap can inform and support, rather than create, a new strategic plan.
2. A comprehensive profile of Indigenous students and Indigenous employees at Algonquin College. The Indigenous student profile includes: a list of sponsoring communities; the overall number of Indigenous learners; their enrolment in various faculties, schools and regional campuses; their enrolment in different parchments offered by the College; and their persistence rate. It also documents recent efforts by Human Resources to document the number of Indigenous employees at the College.
3. The findings from over 300 hours of community engagement with various members of the College community, at all three campuses, to learn from them about strengths and the limitations of current programs, services and initiatives, and to begin documenting opportunities for future endeavours.

Additionally, it infuses the findings of the faculty engagement survey, conducted online, during a two-week period following the end of the Winter 2018 semester, which sought input from the faculty members. In short, these collectively provide a summary of all strategic documents and plans at Algonquin College to determine the level of institutional focus on and commitment to Indigenous Education, Indigenous Peoples and efforts to advance the Calls to Action of the Truth and Reconciliation Commission.

This work uncovered several notable strengths, limitations, and opportunities.

Strengths included:

- A strong presence of Indigenous learners
- Strong organizational commitments
- The Mamidosewin Centre
- Academic programs
- DARE District
- Indigenous culture on campus.

Challenges included:

- Limited engagement and interactions with Indigenous learners and sponsors
- Limited engagement with the Indigenous Education Council (IEC)
- Limited engagement with Indigenous communities
- Limited number of Indigenous Employees
- Location of the Mamidosewin Centre
- Academic programs with limited labour-market needs
- Concerns of adding more content with decreasing contact hours
- Operational gaps for Student Services

- Lack of Institutional Research data reports
- Lack of case management model
- Indigenous Peoples as a monolithic group
- Concerns about cultural appropriation, misstep and misunderstanding.

Opportunities included:

- Algonquin College's definition of Indigenization
- Strengthening relations with Indigenous communities and learners
- Strengthening curriculum offerings
- Strengthening relations with other post-secondary institutions
- Strengthening professional development opportunities
- Enhancing co-curricular and cultural activities
- More robust usage of data and analysis.

Global Climate Change & Conflict will Define the Next Decade:

When we started to define what is next for Algonquin College, we “*knew*” that global climate change, mental health and well-being, food and water security, bi-partisanship, extremism and global tensions were all reaching a feverish pitch. We never could have imagined just how powerful that message would hit us in the midst of considering this important narrative.

We were hit with this warning sign and Algonquin responded. The college demonstrated that you can turn a ship on a dime. You can focus your resources and push toward with a *good mind* and in a *good way*. The Canadian government put partisanship aside at least for a moment. We learned new concepts quickly. We were encouraged to *stay home* and *story tell*, to *be at one with nature* – to slow down and to *care for one another*.

What will we do upon the return to normal?

Will we sit in ceremony to honour those that we lost? Or will it be get back to “business” right away? Will we see that climate change can be tackled? Will a common work week be 5 days or 4 or 6? What will we decide? The future is ours to decide. The public will be looking to colleges to help set the tone and priorities based on what we have learned together.

Algonquin's Roadmap Towards Indigenization

Finally, this last section of the work is the acknowledgement of the Algonquin College accomplishments that will enable a roadmap towards Indigenization, answering calls to action of *Truth and Reconciliation* Commission, and strategic opportunities for partnership development and in turn, revenue generation will follow. This can be Algonquin's answer to the questions that lie before us. A path to reconciliation and a “*knew*” beginning. So let's review Algonquin's accomplishments including the following:

- The Mamidosewin – among the first large scale gathering places in a post-secondary institution in Ontario dedicated to fully supporting and mentoring Indigenous students

- Creation of the Executive Director for Truth, Reconciliation and Indigenization as a full member of the executive team to lead and mentor employees in understanding Truth and Reconciliation Commission and the benefits of collectively moving forward with Indigenization
- The development of the Algonquin College Coat of Arms, which now pays tribute to the rich history of Indigenous Peoples and recognizes that Algonquin College is on the unceded land of the Algonquin People
- The dedication of prime space in the new DARE District to support Indigenization efforts
- Strong record of success with the recruitment and success of Indigenous learner with the highest enrolment in Ontario, the College has roughly 10% of its total student body who identifies as an Indigenous person
- The incorporation of Indigenous elements into all activities and events, such as land acknowledgements, cultural components, opening remarks, and orientation efforts

The following items are key considerations for the future of Indigenization at Algonquin College:

1. The design and implementation of an Indigenous Leadership Academy housed in and delivered by an enhanced Mamidosewin Centre
2. The stronger integration of Indigenous student services employees within their respective work units
3. Development of a bold recruitment strategy to increase awareness and interest in Algonquin College which will target both on-reserve and off-reserve Indigenous learners within a larger radius
4. Strengthen onboarding and career clarity activities for all students
5. Ensure the employment of an academic leader for Indigenization to support academic quality initiatives
6. Launching a faculty-peer network to support Indigenization
7. Development of a new elective course
8. Launch an Indigenous Employee Awareness and Development program for all staff
9. Invest in its own Indigenous employees – moving away from 100% ministry supported salary dollars
10. Support the social and economic sustainability and prosperity of Indigenous communities with a particular focus on Algonquin Indigenous Alumni
11. Launch a Centre for Truth and Reconciliation as a core activity at the College under the *Burnt Water* banner
12. Strengthen relationships with Indigenous communities by hiring a new employee responsible for engagement with Indigenous communities

Establishing the Operational & Governance Model to Execute the Strategy

Given the proposed 12 items above, the following is a brief roadmap for Algonquin to consider as a key resource to guide this next phase of development.

Redeployment of Current Staff

In the winter of 2020, Algonquin took the important first step to align key staff within college work units rather than within Indigenous Initiatives. This allows Indigenous Initiatives to focus on strategic initiatives that drive Truth, Reconciliation and Indigenization with a focus. It also ensures that Indigenous staff work in teams throughout the college rather than in one area. Finally, it allows these staff members to be a part of a team that is focused on delivering support to students and can lean on one another for knowledge sharing and support while providing space to draw upon each team members unique experience as an Indigenous person navigating the difficult and complex dynamic creating by living in *Two Worlds*.

Refocus Leadership Team on Strategy & Governance

With the operational focus removed from Indigenous Initiatives, the leadership team can focus on strategy, governance and knowledge transmission. One example is that the Office can focus on securing resources, such as speakers, knowledge carriers and teachings for use by the broader community. The Office will ensure that the resources are reputable, authentic and that the information that they share is validated.

The other important role of the Office will be to manage the increasing number of partnerships and actively pursue new opportunities on behalf of the college.

Note: once fully operational, Burnt Water will likely need a Director at some future date as its operations evolve and partnerships grow. In the interim, this will be supported and shared between the Vice President, the Director of Governance, Strategy and Communications and the Special Advisor.

Governance & accountability Framework guide, measure & track progress

In order to guide Indigenous Initiatives throughout the college, a new governance framework is needed. It will establish a two-way set of commitments between The Office of Truth, Reconciliation and Indigenization and service delivery partners. Additionally, it will monitor and report on commitments to government, the community and the Indigenous Education Council. Finally, it will guide the work of Indigenous Initiatives and Burnt Water. The focus of the Indigenous Governance Framework is to guide, measure, track and report on progress to the college and broader community.

The first new relationship is now in place with Student Services, soon, the Office will work with each senior leader to look at ways of advancing Indigenization across the college. Whether through training and professional development, embracing *Indigenous ways of knowing and being* on sustainability projects, using an Indigenous lens, planning facilities, conducting contract training or developing curriculum. Areas across the college will embed commitments within their own work plans.

The important piece of work to follow is establishing reciprocal understanding, support and guidance as well as a way to monitor and report on progress. To this end, a new role focused on communication and governance will lead this important work within the office.

New Staffing Investment & Financial Plan

The college has committed to three (3) new full-time staffing resources as follows:

1. Indigenous Student Services Manager - Mamidosewin (full-time role approved, Job Fact Sheet draft completed)
2. Partnership and Development Specialist (full-time role approved, Job Fact Sheet draft completed – competition pending COVID-19 conclusion)

3. Director – Governance, Communications & Strategy (full-time role approved, Job Fact Sheet under development)

Note: Burnt Water resources within budget to be allocated to support Advisory Circle stipends, travel, accommodations, stipend and operational activities.

Indigenous Initiatives Preliminary Financials Projections – the follow provides a glimpse into the additional work generated out of the Office of Truth, Reconciliation & Indigenization over the last year.

Project Coordinator: \$60,000 – Indigenous Youth Build Canada

Budget Person: \$60,000 – Indigenous Youth Build Canada

School of Business: Partnership – Space In-Kind

Invest Ottawa: \$380,564 – Matching dollars – In-Kind, Space, Guest Speakers, Salary

Indigenous Tourism Incubator (ITI): To be determined

Indigenous Program – University of Victoria \$30,000

Trainers/Mentors: \$50,000

Subject Matter Expert: \$42,000

Program Module Development: \$30,000

Residence Income for ITI: \$36,000

4-Seasons to Reconciliation: \$9,000

Indigenous Education Council: \$10,000

TOTAL COST: \$551,564

REVENUE:

School of Business: Partnership – In-Kind Indigenous Subject Matter Experts & Guest Speakers

Invest Ottawa: \$380,564 – Matching dollars – Salary, Subject Matter Experts

Indigenous Tourism Incubator (ITI): \$215,000

Residence Income for ITI: \$36,000

Participant Registration for ITI: \$37,000

ACE Program – Partnership with University of Victoria: Revenue to be determined

Strategic Project Development: Revenue to be determined

SUB TOTAL REVENUE: \$668,564

Newly approved Youth Employment and Skills Strategy Funding

Aboriginal Canadian Entrepreneurs Program with University of Victoria over 3 years \$80,000 (estimate only until contract is reviewed/signed)

Indigenous Spaces (Nawapon / Pidabin) \$12,000 (estimate x 8 @ \$1,500)

TOTAL REVENUE \$760,564

Finalize Burnt Water Business Case & Strategy

With this initial investment and focus, the Office of Truth, Reconciliation and Indigenization will engage Academica Group to continue the important work of finalizing the full business case and strategy in conjunction with the newly assembled team and Advisory Circle. The strategy will engage the Advisory Circle in sorting through existing models to propose a model that will work given Algonquin's unique position in the Capital Region and its leadership and efforts to date. The strategy will also engage Algonquin alumni, partners and industry in shaping the final proposal. An operational plan will follow the creation of the strategy and the model.

The Advisory Circle is shaping up to be a powerful reputational asset to the college. The preliminary recruitment is done. The next step is to define roles, to arrange for appropriate compensation for Indigenous Knowledge carriers in line with the experience and gifts that they will share with Algonquin and as Ambassadors of the Burnt Water Initiative across Canada. To date, the following have been engaged arranged:

- Chair, Rick Hill, Six Nations of the Grand River
- Kory Wilson, BC Institute of Technology
- Carolyn Hepburn, Sault College
- Tosh Southwick, Yukon University
- Special Advisor: Dr. Wayne Poirier, Settler Ally
- Resource, Rod Skinkel, President & CEO, Academica Group

Marketing, Brand Alignment & Communications Plan

Given the emergence of this new concept and with the development of a model underway, Burnt Water will need a treatment in alignment with Algonquin College. Together both will drive Algonquin College's positioning as a national leader responding to the Calls to Action for Truth and Reconciliation.

We propose working in partnership with the Marketing and Communications areas at the college to work with a third-party vendor to help both define the positioning and develop a treatment that can be used as part of Algonquin College's brand architecture.

Leverage Burnt Water for Private Industry, Association, Donor & Government Investment

The potential is limitless.

Looking at this will begin to shape a powerful story of Algonquin's unique role in responding to the Commission's Calls to Action for Truth and Reconciliation. The following collectively will be addressed through this narrative:

1. The Truth and Reconciliation Commission Calls to Action
2. Acknowledging Truth while working towards Reconciliation
3. The Capital Region
4. Symbolism
5. Valuing Indigenous Knowledge
6. Sustainability
7. Medicine needed in navigate a complex and tense global environment
8. Reputation
9. The Right Thing To Do

Collectively, these 9 items define the social imperative for a transformative investment in *Indigenization* answering the *Calls to Action* and advancing Algonquin College's leadership on the national and global stage as part of the Capital Region. What follows is a part of Algonquin's recent focus and a story that demonstrates the social imperative. The development of an emerging strategy, the Office of Truth, Reconciliation and Indigenization has demonstrated an ability to leverage partnerships into investment in the college. We believe that while this is hard to quantify, it is an untapped opportunity. There is some competition but none have the unique platform, positioning and physical location to be as effective.

Interim Plan – focus on Indigenous Initiatives while Developing Burnt Water

The following is the proposed focus for 2020-21 as the development of Burnt Water continues through a due diligence exercise:

- Repurpose the Lodge, Nawapon kitchen area and the Harvest Room to become an agency space for Burnt Water and launch the Algonquin College Centre for Truth and Reconciliation
 - This will allow the Office of Truth, Reconciliation & Indigenization to vacate C216 and expedite its reallocation for new users

- Repurpose C251 (Pidabin) and allow this to become Director of Indigenous Initiatives new office. The inner space of Pidabin would be used for administration and the larger space would be designated for meetings and an incubator for Indigenous Entrepreneurship
- Under leadership of our Partnership and Development Specialist, we will continue to work to secure the remaining partners of a new strategic Indigenous partnership framework, as well as conclude round one of Indigenous Youth Build Canada and prepare for year two (Approximately \$5-10 Million envelope)
- Once these spaces are occupied and deficiencies resolved, we will ramp up animation of internal Indigenization activities including:
 - o The Burnt Water advisory circle
 - o Build and pilot the Indigenous Leadership Academy
 - o Pilot the Thanksgiving Address framework college wide
 - o Build the Elders in Residence program (working title) tied to the advisory circle
 - o Continue the contract work with Indigenous Youth build, invest Ottawa and Ottawa tourism and Ottawa Public Library
 - o Partner with the academic division to hire the Indigenous Pedagogy and Curriculum Consultant faculty member
 - o Establish a Burnt Water branding and communication plan
 - o Build a presence within the external marketplace

All of this would be driving towards a college investment for expansion offsite if that remains attractive and if we are committed to moving from a college system leader to working to become a leader on the national and international stage. We will demonstrate our success by testing and proving it internally and finish the current external work while looking for additional opportunities.

In short, this is the social imperative and the right thing to do.

This is Algonquin College's unique opportunity to seize and play a leadership role on the national stage. This solidifies Algonquin College's efforts into a new focused approach and structure to answer the Calls for Truth and Reconciliation in benefit of generations to come. It provides support and new approaches to answer the complex challenges of today combining the best and most powerful aspects of western approaches with the power of *Indigenous Knowledge*.

Next Steps

We are seeking two sets of approvals:

1. To further develop and execute the interim measures to advance Indigenous Initiatives at Algonquin College; and
2. To pursue the development of Burnt Water as a reputational and symbolic gesture to truly take a national and international leadership position with Truth, Reconciliation and Indigenization

In fact, the magic happens when we consider the best parts of both towns, both sides of the *Two Row Wampum*, both worlds. The value driver is that *Burnt Water* offers access to this *knew way of thinking*. The ability to tap into thousands of years of proven *ways of knowing*. We can access true, authentic and community verified *ways of being* and work to apply that to our business.

Report title:	Advancement - Building Communities, Together
Report to:	Board of Governors
Date:	July 13, 2020
Author(s)/Presenter(s):	Mark Savenkoff, Vice President, Advancement

1. RECOMMENDATION:

THAT the Board of Governors accepts this update for information.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this report is to provide the Board of Governors with an update on the work done in Advancement since the Algonquin College Foundation was dissolved in 2019. This report identifies the creation of Advancement Services, Communications, Alumni Relations and Development functions within the Advancement area; highlights the focus of each of the four functions, and demonstrates the respective impact.

3. BACKGROUND:

In June 2019, the decision was made to dissolve the Algonquin College Foundation and create an Advancement area within Algonquin College. The College invested in an expanded framework to further engage alumni and donors in alignment with College priorities and student needs. A new Vice President of Advancement was hired in December 2019 to oversee the expansion, grow alumni outreach and engagement, secure additional philanthropic support, and demonstrate impact.

4. DISCUSSION:

Advancement continues to consult with the Algonquin College Executive Team, Algonquin College Leadership Team, Deans, Chairs and faculty members, and Student Services colleagues to identify academic priorities and student needs that align with donor interests. This process will continue and will closely align with emerging priorities as identified in the development of the new strategic plan in 2021 and beyond.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One Establish Algonquin as the leader in personalized learning across all Ontario colleges.	<input type="checkbox"/>	CONNECTED Goal Four Become an integral partner to our alumni and employers.	<input checked="" type="checkbox"/>
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	<input type="checkbox"/>	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	<input checked="" type="checkbox"/>
Goal Three Attain national standing in quality, impact and innovation within each school and service.	<input type="checkbox"/>	PEOPLE Goal Six Be recognized by our employees and the community as an exceptional place to work.	<input checked="" type="checkbox"/>

6. STUDENT IMPACT:

Advancement continues to engage alumni and secure donor funds in support of students. In 2019-20, the number of engaged alumni totaled over 5,100 or 124% of the target goal. Many of these alumni actively participated in initiatives with students such as classroom presentations, panel discussions, advisory committees and on-campus events. A total of 8,674 graduates were added to the College’s alumni database to support a seamless transition from student-to-graduate, and 48 new bursaries, scholarships and awards were established.

7. FINANCIAL IMPACT:

In 2019-20, over \$2.1M was raised and the scope of the Donor Relations Plan was expanded to include additional elements, such as donor recognition. Integrated annual fund, major gift and planned giving strategies continue to be developed in concert with academic champions and staff volunteers.

8. HUMAN RESOURCES IMPACT:

Capacity is increasing within Advancement to deliver on goals and meet the current needs of the College community. Staff were recruited for the following roles:

- Stakeholder Relations Officer;
- Prospect and Research Analyst;

- Executive Assistant;
- Advancement Database and Finance Officer; and
- Manager, Alumni Engagement.

Recruitment is underway for the Director of Philanthropy, and job descriptions are complete for Manager, Major Gifts, and Development Officer, Special Projects.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

This standing up of the Advancement unit and its activities do not have a material impact on specific government or regulatory requirements.

10. COMMUNICATIONS:

With a focus on target audience segmentation, integrated marketing strategies, clear messaging and concise calls to action, the communications function plays an integral role in Advancement. Advancement has developed new processes and a data management system, ensuring consistency, information accuracy, and data integrity. The newly developed prospect management system will greatly support future fundraising strategies, and includes standard and customized reports. Constituents' contact reports and email campaigns are now coded, and two additional contact codes were established:

- Consent to Communicate; and
- Mailing & Telephone Exclusions to ensure we abide by regulations.

11. CONCLUSION:

Advancement is seeing significant growth in alumni outreach and engagement and is building capacity to increase philanthropic support and demonstrate impact to donors. The Advancement area looks forward to continuing to build momentum, engage with donors and alumni, and support academic activities.

Respectfully submitted:



Mark Savenkoff
Vice President, Advancement

Approved for submission:



Claude Brulé
President and CEO

Report title:	Fourth Quarter 2019-20 Financial Report
Report to:	Board of Governors
Date:	July 13, 2020
Author/Presenter:	Grant Perry, Chief Financial Officer

1. RECOMMENDATION:

THAT the Board of Governors accepts the Fourth Quarter 2019-20 Financial Report for information.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this report is to present the Fourth Quarter 2019-20 Financial Report, including a summary of funded positions, and to provide an updated compliance status of the Board Policy BGII-02: Financial Management.

3. BACKGROUND:

When the annual budget is approved, some factors must be estimated because of unknown elements affecting the revenue and expenditure forecasts. The quarterly financial reporting process provides updated projections based on current information. The Fourth Quarter 2019-20 Financial Report is a final summary of these cumulative projection adjustments.

On February 25, 2019, the Board of Governors approved the 2019-20 Annual Budget with an overall net contribution of \$1.2 million. In compliance with both the Board of Governors' direction and Ministry of Colleges and Universities Operating Directive, the 2019-20 Approved Annual Budget returned a net surplus on Funded Activity/College Operations of \$7.4 million and maintained the College's commitment to balancing student tuition revenues and government funded activities with associated operating expenditures.

4. DISCUSSION:

The Fourth Quarter 2019-20 Financial Report reports a \$13.5 million increase to the net contribution of Algonquin College over the Approved Annual Budget. This is reflected as an increase to the Approved Annual Budget net contribution of \$1.2 million, to a realized net contribution of \$14.7 million as outlined in this report.

Identified changes have been included in Appendix A: Fourth Quarter 2019-20 Financial Report. Moderate changes, changes greater than \$500,000, that affect the projected net contribution of the College are discussed below in the sections titled: **Revenue Variances** and **Expenditure Variances**.

Revenue Variances (moderate):

- Revenue related to tuition fees increased by \$3.4 million because of an approved change in the academic calendar to a fourteen-week term. The shorter length of the term results in increased revenue recognition for the current fiscal year.
- Corporate and Other Programs had a favourable variance of \$786,000 due to increased enrolment in collaborative programs and the growth in Corporate Contracts such as Distance Education Management.
- Student Ancillary Fees increased by \$3.3 million. Within the Approved Annual Budget, Student Ancillary Fees were reduced by \$1.2 million in response to the announcement by the Government of Ontario to allow students to opt-out of some student fees. Once fully implemented, the opt-out program did not have a significant impact on student ancillary fees, resulting in a positive variance. Additionally, \$799,000 of additional revenue related to Health Services fees was achieved due to a change in business process that occurred after the Approved Annual budget. Small increases were also achieved in Full Time Withdrawal Fees, Convocation Fees and Late Payment Fees.
- Investment income increased by \$2.7 million because of higher than budgeted cash balances, coupled with higher than anticipated interest rates for most of the fiscal year.
- International student enrolment was 3.1% higher than the approved annual budget and resulted in a \$1.3 million increase in the transfer of International Student premiums to the Funded Activity of the College.
- The new, unbudgeted Skills Advance Ontario contract in 2019-20 contributed \$5.7 million of the Contract and Other Non-Funded Activity revenue increase.
- Campus Services revenue shortfall of \$5.5 million was due to a decrease in Bookstore sales of computer hardware and textbooks, which were partially offset by an increase in e-Text sales. Food and Conference Services also saw a decrease in food sales. Both resulted in a corresponding decrease to cost of goods sold/ expenditures. The campus shutdown during the final weeks of March due to COVID-19 emergency measures was also a contributing factor.
- An unfavourable variance of \$3.1 million in Miscellaneous Revenue resulted from the re-allocation of unidentified revenue in Approved Annual Budget.
- The revenues related to the Strategic Investment Priorities have decreased by \$4.7 million. This is primarily because of:
 - a \$6.4 million decrease in Students' Association contributions because of lower than expected expenditures during the current year on the Athletics and Recreation

Centre, and the College's decision to provide their full \$5.5 million contribution to the construction of the Athletics and Recreation Centre construction in the current fiscal year. This reduced the Students' Association contributions in 2019-20, but will be offset by higher contributions in the next fiscal year.

- the Greenhouse Gas Campus Retrofit Grant 2018-19 deferral of \$1.2 million increased in-year revenues; and,
- a Facilities Renewal Grant Ministry funding increase of \$525,000 was announced by the Ministry in December 2019.

Expenditure Variances (moderate):

- Salaries and Benefits have been reduced by \$2.9 million due primarily to full-time salary savings resulting from the timing of new hires. Time was needed to fill the new positions created in the 2019-20 budget as well as to replace the positions vacated through the Voluntary Retirement Incentive program initiated in 2018-19.
- Contingencies budgets were lower by \$1.5 million reflecting reduced requirements.
- Contract Services has increased by \$501,000 as a result of an increase in expenses related to additional facilitator costs for the Distance Education programs and additional costs incurred by the Information Technology Services for consulting and contract services for Ascribe and Salesforce. In addition, Information Technology Services realized increases in software licenses and support for systems such as Workday and Adaptive Insights.
- "Other" expenses increased by \$1.0 million primarily as the result of higher than planned expenses for bad debts, insurance costs and professional fees.
- Building Maintenance and Utilities saw a savings to budget of \$517,000 due to lower than planned maintenance costs, contract-cleaning costs and refuse removal charges.
- Contracts and Other Non-Funded Activity Expenses increased by \$4.8 million due to additional costs for the new Skills Advance Ontario contract and the unanticipated renewal of the Local Employment Planning Council contract (all costs are offset by additional revenues).
- \$2.4 million savings in the International Education Centre was achieved as the result of lower than planned expenditures for student referral fees.
- Campus Services savings of \$4.8 million relate to the lower cost of goods sold for computer hardware and textbook sales within the Bookstore offset by an increase in e-Text cost of goods sold, lower than budgeted food purchases for Food Services, and lower than budgeted utility costs for the Residence.
- Expenditures related to the Strategic Investment Priorities have increased by \$4.7 million. This is primarily because of the following favourable and unfavourable variances:
 - \$577,000 increase to reflect the actual expenditures of the Solar Photovoltaic Project that were deferred from 2018-19;
 - \$2.5 million savings due to the timing of construction of the Athletics and Recreation Centre;

- \$553,000 decrease in the Student Information System resulted from lower than projected project costs;
- \$1.0 million increase in the Workday Support Model;
- \$1.5 million increase in expenses to the ESCO2 project due to timing of construction costs deferred from 2018-2019;
- A saving of \$266,000 in Initiatives and Opportunities between several smaller projects; and,
- Adjustment for the \$4.5 million or 15% budgeted anticipated underspend in Strategic Investment Projects.

Compliance:

The College is compliant with the Board of Governors’ Policy BGII-02: Financial Management. The schedule is given in Appendix B: Fourth Quarter 2019-20 Compliance Scorecard.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One Establish Algonquin as the leader in personalized learning across all Ontario colleges.	☒	CONNECTED Goal Four Become an integral partner to our alumni and employers.	☒
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	☒	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	☒
Goal Three Attain national standing in quality, impact and innovation within each school and service.	☒	PEOPLE Goal Six Be recognized by our employees and the community as an exceptional place to work.	☒

6. STUDENT IMPACT:

Students will benefit from additional investments in technology infrastructure, renovations and adaptations to learning spaces, maintenance of existing learning spaces, and investment in new program development, academic equipment, and new facilities.

7. FINANCIAL IMPACT:

The Fourth Quarter 2019-20 Financial Report results in a positive impact on the College’s financial position, operations, cash flow, and net assets.

8. HUMAN RESOURCES IMPACT:

The 2019-20 Approved Annual Budget and the Fourth Quarter 2019-20 Financial Report provided funding for all existing full-time permanent staff complement positions and other than permanent positions. There was also provisions for professional development and training for College employees.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

In compliance with both the Board of Governors' Financial Management Policy and the Ministry of Colleges and Universities' Business Plan Operating Procedure Directive, the Fourth Quarter 2019-20 Financial Report maintains a positive accumulated surplus position and the College's commitment to balancing government funded operating activities with expenditures.

10. COMMUNICATIONS:

All required communications will be administered through the Communications and External Relations Office.

11. CONCLUSION:

The Algonquin College Fourth Quarter 2019-20 Financial Report is provided to present actual results compared to budgeted revenues and expenses supporting the Annual Business Plan and Strategic Plan.

Respectfully submitted:



Duane McNair
Vice President, Finance and Administration

Approved for submission:



Claude Brulé
President and CEO

Appendices:

Appendix A: Fourth Quarter 2019-20 Financial Report Appendix B: Fourth Quarter 2019-20 Compliance Schedule

Financial Report

FOURTH QUARTER
2019-20

Board of Governors
July 13, 2020

ALGONQUIN
COLLEGE



Fourth Quarter 2019-20 Financial Report

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**Fourth Quarter 2019-20 Financial Report
SUMMARY**
(all figures in \$ 000's)

	Approved Annual Budget	Q1 Year-End Projection	Q2 Year-End Projection	Q3 Year-End Projection	Year-End Actual (Unaudited)	Year-End vs. Approved Variance Favourable/ (Unfavourable)	Variance as % of Budget
Funded Activity/College Operations							
Revenue	\$ 264,578	\$ 266,959	\$ 268,196	\$ 267,797	\$ 272,575	\$ 7,997	3%
Expenditures	257,222	257,313	257,465	252,650	253,022	4,200	2%
Net Contribution	7,356	9,646	10,731	15,147	19,553	12,197	166%
Contracts & Other Non-Funded Activity							
Revenue	27,093	32,510	32,942	36,376	33,100	6,007	22%
Expenditures	27,206	31,167	31,896	35,409	32,000	(4,794)	-18%
Net Contribution	(113)	1,343	1,046	967	1,100	1,213	1073%
Campus Services							
Revenue	44,861	44,386	42,353	40,353	39,388	(5,473)	-12%
Expenditures	36,997	36,527	34,600	33,100	32,163	4,834	13%
Net Contribution	7,864	7,859	7,753	7,253	7,225	(639)	-8%
International Education Centre							
Revenue	60,522	62,407	63,168	62,526	60,303	(219)	0%
Expenditures	41,016	41,274	41,886	41,675	38,649	2,367	6%
Net Contribution	19,506	21,133	21,282	20,851	21,654	2,148	11%
Strategic Investment Priorities							
Revenue	14,399	12,033	12,033	11,653	9,796	(4,603)	-32%
Expenditures	45,488	50,130	51,312	49,481	50,144	(4,656)	-10%
Net Contribution	(31,089)	(38,097)	(39,279)	(37,828)	(40,348)	(9,259)	-30%
Extraordinary Item							
Net Proceeds from Sale of March Road Land - to specific reserves	-	2,403	2,403	2,403	2,403	2,403	
Non-Cash Revenue Adjustments							
Capital Grants recorded as Deferred Capital Contributions	(12,000)	(1,000)	(1,000)	(1,000)	(2,120)	9,880	-82%
Amortization of Deferred Capital Contributions	8,000	7,600	7,600	7,600	7,721	(279)	-3%
Non-Cash Expenditure Adjustments							
Expenditures to be Capitalized (Moved to Balance Sheet)	18,400	6,000	11,500	11,500	14,400	(4,000)	-22%
Amortization Expense	(16,800)	(16,800)	(16,800)	(16,900)	(15,838)	962	-6%
Change in Vacation, Sick Leave & Post-Employment Benefits	110	110	110	110	(1,010)	(1,120)	-1018%
Net Contribution as per Public Sector Accounting Standards (PSAS)	\$ 1,234	\$ 198	\$ 5,347	\$ 10,103	\$ 14,740	\$ 13,506	1095%

	Year-End Actual March 31, 2019	March 31, 2020 Approved Annual Budget	March 31, 2020 Q1 Projected	March 31, 2020 Q2 Projected	March 31, 2020 Q3 Projected	Year-End Actual (Unaudited)	Year-End vs. Approved Variance
ASSETS							
Current Assets							
Cash and Short Term Investments	\$ 82,238	\$ 60,118	\$ 103,885	\$ 98,034	\$ 102,891	\$ 89,733	\$ 29,615
Accounts Receivable	22,979	24,000	24,000	24,000	24,000	28,956	4,956
Inventory	1,548	1,550	1,550	1,550	1,550	2,044	494
Prepaid Expenses	2,463	2,700	2,700	8,200	2,700	4,588	1,888
	109,228	88,368	132,135	131,784	131,141	125,321	36,953
Investments	61,766	50,000	32,500	32,500	32,500	33,105	(16,895)
Long Term Prepaid Asset	-	-	-	-	5,500	5,500	5,500
Endowment Assets	27,470	27,220	28,070	28,070	28,070	26,943	(277)
Capital Assets	304,413	298,183	293,613	293,613	293,513	295,527	(2,656)
TOTAL ASSETS	\$ 502,877	\$ 463,771	\$ 486,318	\$ 485,967	\$ 490,724	\$ 486,396	\$ 22,625
LIABILITIES & NET ASSETS							
Current Liabilities							
Accounts Payable & Accrued Liabilities	\$ 37,332	\$ 28,000	\$ 35,000	\$ 35,000	\$ 35,000	\$ 20,879	\$ (7,121)
Accrued Salaries & Employee Deductions Payable	9,767	10,000	10,000	10,000	10,000	8,343	(1,657)
Deferred Revenue	50,433	36,000	45,000	45,000	45,000	45,092	9,092
Current Portion of Long Term Debt	3,298	3,502	3,502	3,502	3,502	3,502	(0)
	100,830	77,502	93,502	93,502	93,502	77,815	313
Long Term Debt	41,870	38,552	38,552	38,552	38,552	38,368	(184)
Vacation, Sico Leave & Post-Employment Benefits	19,238	18,719	19,128	19,128	19,128	20,248	1,529
Deferred Capital Contributions	165,222	163,528	158,622	158,622	158,622	159,717	(3,811)
Interest Rate Swaps	5,280	4,753	5,280	5,280	5,280	5,200	447
Net Assets							
Unrestricted	1,000	1,000	1,000	1,000	1,000	1,000	-
Investment in Capital Assets	94,023	92,601	92,937	92,937	92,837	93,940	1,339
Vacation, Sico Leave & Post-Employment Benefits	(19,238)	(18,719)	(19,128)	(19,128)	(19,128)	(20,248)	(1,529)
Internally Restricted	72,988	64,954	74,161	73,810	78,667	88,821	23,867
Endowment Fund	27,470	27,220	28,070	28,070	28,070	26,943	(277)
	176,243	167,056	177,040	176,689	181,446	190,457	23,401
Accumulated Remeasurement Losses	(5,806)	(6,339)	(5,806)	(5,806)	(5,806)	(5,408)	931
	170,437	160,717	171,234	170,883	175,640	185,049	24,332
TOTAL LIABILITIES & NET ASSETS	\$ 502,877	\$ 463,771	\$ 486,318	\$ 485,967	\$ 490,724	\$ 486,396	\$ 22,625

(all figures in \$ 000's)

	Approved Annual Budget	Q1 Year-End Projection	Q2 Year-End Projection	Q3 Year-End Projection	Year-End Actual (Unaudited)	Year-End vs. Approved Variance Favourable/ (Unfavourable)
FUNDED ACTIVITY/COLLEGE OPERATIONS						
Grants						
Post Secondary Activity	\$ 105,809	\$ 105,809	\$ 105,830	\$ 104,881	\$ 105,471	\$ (338)
Apprentice	5,583	5,583	5,584	5,584	5,293	(290)
Flow-Through Student Aid	1,729	1,729	1,659	1,659	1,692	(37)
TOTAL GRANTS	113,121	113,121	113,073	112,124	112,456	(665)
Tuition Fees						
Full-Time Post Secondary	81,828	80,967	85,470	85,318	85,205	3,377
Part-Time	10,330	10,330	10,326	10,326	10,124	(206)
Adult Training	1,218	1,218	1,267	1,267	1,005	(213)
Student Technology Fees	8,233	8,233	8,489	8,489	8,523	290
TOTAL TUITION FEES	101,609	100,748	105,552	105,400	104,857	3,248
Contract Educational Services						
Corporate & Other Programs	5,467	5,467	5,421	5,421	6,529	1,062
TOTAL CONTRACT EDUCATIONAL SERVICES	5,467	5,467	5,421	5,421	6,529	1,062
Other						
Early Learning Centre	1,047	1,047	1,047	1,047	1,110	63
Student Ancillary Fees	3,596	5,539	7,048	7,048	6,913	3,317
Investment Income	747	1,247	1,212	1,212	3,469	2,722
Transfer from International Education Centre ¹	22,766	23,565	23,221	23,923	24,090	1,324
Miscellaneous	16,225	16,225	11,622	11,622	13,151	(3,074)
TOTAL OTHER	44,381	47,623	44,150	44,852	48,733	4,352
TOTAL FUNDED ACTIVITY/COLLEGE OPERATIONS	264,578	266,959	268,196	267,797	272,575	7,997
CONTRACTS & OTHER NON-FUNDED ACTIVITY	27,093	32,510	32,942	36,376	33,100	6,007
CAMPUS SERVICES	44,861	44,386	42,353	40,353	39,388	(5,473)
INTERNATIONAL EDUCATION CENTRE	60,522	62,407	63,168	62,526	60,303	(219)
STRATEGIC INVESTMENT PRIORITIES	14,399	12,033	12,033	11,653	9,796	(4,603)
TOTAL REVENUE	\$ 411,453	\$ 418,295	\$ 418,692	\$ 418,705	\$ 415,162	\$ 3,709

¹ 40% of the International Fee Premium is shared with Academic Services (part of Funded Activity/College Operations).



Fourth Quarter 2019-20 Financial Report
REVENUE SCHEDULE
Variance Analysis (all figures in \$ 000's)

Description	Variance Favourable/ (Unfavourable)	Comments
Post Secondary Activity	\$ (338)	Reduction in grant revenue due to an increase in the International Student Recovery Fee to align with the October 2019 Ministry calculations based on final 2018-19 International enrolment. This unfavourable variance is partially offset by increases in several other grants including Interpreters Fund and Women's Campus Safety.
Apprentice	\$ (290)	Unfavourable decrease over the Approved Annual Budget due to the campus closure-related cancellation of apprenticeship programs in March.
Full-Time Post Secondary Tuition Fees	\$ 3,377	Favourable variance is a result of an approved change in the academic calendar to a fourteen week term. The shorter length of the revised term results in increased revenue recognition of approximately \$3.0 million as a greater percentage of the term timeline occurs within the current fiscal year.
Student Technology Fees	\$ 290	Increased Student IT and Mobile Computing Fees as a result of increased revenue recognition due to the change in the academic calendar with approximately \$200K in additional revenue being recognized as a greater percentage of the term timeline occurs within the current fiscal year.
Corporate & Other Programs	\$ 1,062	Favourable variance of \$786K due to increased enrolment in collaborative programs, including Nipissing U BComm, Bachelor of Information Technology and Information Resource Management. Overachievement in Corporate Contracts such as Distance Education Management account for the balance of the positive variance to the Approved Annual Budget.
Student Ancillary Fees	\$ 3,317	Favourable variance as a result of a \$1.2M increase to the revenues for Student Experience Fees, Convocation Fees and Transcript Fees. These revenues were included in the Approved Annual Budget at reduced amounts pending the Ministry's final determination of the opt-in/opt-out fee structure. Convocation Fees increased \$225K and Full Time Withdrawal Fees and Late Payment Fees increased by \$377K based on year to date actuals. Finally, there is a favourable variance of \$799K (partially offset by expenses) as a result of the re-instatement of the Health Services department revenue due a change in business process that occurred after the Approved Annual Budget.


Fourth Quarter 2019-20 Financial Report
REVENUE SCHEDULE
Variance Analysis (all figures in \$ 000's)

Description	Variance Favourable/ (Unfavourable)	Comments
Investment Income	\$ 2,722	Favourable variance is a result of an increase in actual cash balances as compared to balance projected in Approved Annual Budget coupled with higher than anticipated interest earned on bank balances and short-term investments.
Transfer from International Education Centre	\$ 1,324	Increased International Fee Premiums allocated to Funded Activity as a result of a 3.1% increase in International student enrolment over the Approved Annual Budget.
Miscellaneous	\$ (3,074)	Unfavourable variance as a result of the re-allocation of revenue which was included as Miscellaneous Revenue in Approved Annual Budget.
Contract and Other Non-Funded Activity	\$ 6,007	Net favourable variance is primarily due to \$5.7M in additional revenue from a new, unbudgeted contract with Skills Advance Ontario as well as the unplanned renewal of the Local Employment Planning Council contract (all revenues are partially offset by additional costs).
Campus Services	\$ (5,473)	Unfavourable variance due to a decrease in Bookstore sales of computer hardware and textbooks partially offset by an increase in e-Text sales. These sales decreases were partially offset by a decrease in related cost of goods sold. Food and Conference Services also saw a decrease in food sales (partially offset by a decrease in expenditures) as compared to the Approved Annual Budget. Revenue for Campus Services was also negatively affected by the campus shutdown during the final two weeks of the fiscal year due to COVID-19 emergency measures.
International Education Centre	\$ (219)	Unfavourable variance as a result of a change in international student program mix from high demand programs to post graduate certification programs with lower fee premiums.
Strategic Investment Priorities	\$ (4,603)	See Strategic Investment Priorities Variances page for details.
Total Explained Variances	\$ 3,889	
Other Minor Variances	\$ (180)	
Total Variance	\$ 3,709	



Fourth Quarter 2019-20 Financial Report
EXPENDITURES SCHEDULE

(all figures in \$ 000's)

	Approved Annual Budget	Q1 Year-End Projection	Q2 Year-End Projection	Q3 Year-End Projection	Year-End Actual (Unaudited)	Year-End vs. Approved Variance Favourable/ (Unfavourable)
FUNDED ACTIVITY/COLLEGE OPERATIONS						
TOTAL SALARIES & BENEFITS	\$ 183,522	\$ 184,723	\$ 183,111	\$ 178,171	\$ 180,543	\$ 2,979
Other Operating Costs						
Mandated Student Aid	6,279	6,279	6,279	6,279	6,162	117
Contingencies	6,183	4,933	4,933	4,933	4,698	1,485
Long Term Debt Interest	734	734	734	734	724	10
Contract Services	13,137	13,197	13,802	13,802	13,638	(501)
Instructional Supplies & Equipment	4,810	4,810	4,870	4,870	4,684	126
Information Technology	9,427	9,427	9,748	9,748	9,212	215
Marketing and Promotion	2,433	2,433	2,603	2,603	2,165	268
Building Maintenance & Utilities	14,291	14,291	14,147	14,272	13,774	517
Flow-Through Student Aid	1,659	1,659	1,695	1,695	1,709	(50)
Cost of Goods Sold	984	984	971	971	916	68
Other	13,763	13,843	14,572	14,572	14,797	(1,034)
TOTAL OTHER OPERATING	73,700	72,590	74,354	74,479	72,479	1,221
TOTAL FUNDED ACTIVITY/COLLEGE OPERATIONS	257,222	257,313	257,465	252,650	253,022	4,200
CONTRACTS & OTHER NON-FUNDED ACTIVITY	27,206	31,167	31,896	35,409	32,000	(4,794)
CAMPUS SERVICES	36,997	36,527	34,600	33,100	32,163	4,834
INTERNATIONAL EDUCATION CENTRE	41,016	41,274	41,886	41,675	38,649	2,367
STRATEGIC INVESTMENT PRIORITIES	45,488	50,130	51,312	49,481	50,144	(4,656)
TOTAL EXPENDITURES	\$ 407,929	\$ 416,411	\$ 417,159	\$ 412,315	\$ 405,978	\$ 1,951

Description	Variance Favourable/ (Unfavourable)	Comments
Salaries and Benefits	\$ 2,979	Favourable variance is due primarily to full-time salary savings resulting from the timing of new hires. Time was needed to fill the new positions created in the 2019-2020 budget as well as to replace the positions vacated through the Voluntary Retirement Incentive program initiated in 2018-2019.
Contingencies	\$ 1,485	Lower than projected Contingency requirements.
Contract Services	\$ (501)	Unfavourable variance as a result of an increase in expenses (\$220K) related to additional facilitator costs for the Distance Education programs as a result of increased full time enrolments. There were also additional costs (\$218K) incurred by the Information Technology Department for consulting and contract services for Ascribe and Salesforce.
Promotion	\$ 268	Favourable variance as a result of lower than budgeted expenses in marketing costs for full time programs (\$132K) and in promotion costs within the various school budgets (\$131K).
Building Maintenance & Utilities	\$ 517	Favourable variance is due to lower than planned maintenance costs (\$312K) as well as (\$196K) savings in contract cleaning and refuse removal as compared to the Approved Annual Budget.
Other	\$ (1,034)	Unfavourable variance is primarily the result of higher than planned expenses for bad debts (\$772K), insurance costs (\$157K) and professional fees (\$216K) incurred for project management services provided by Colliers (with offsetting savings in salaries and benefits).
Contract and Other Non-Funded Activity	\$ (4,794)	Net unfavourable variance is primarily due to additional costs associated with a new, unanticipated contract with Skills Advance Ontario as well as the unanticipated renewal of the Local Employment Planning Council contract (all costs are offset by additional revenues). The additional expenses were partially offset by a reduction in expenses for various School Contract programs which were discontinued.
Campus Services	\$ 4,834	Net favourable variance due to lower cost of goods sold for computer hardware and textbook sales within the Bookstore offset by an increase in e-Text cost of goods sold. Food services also had lower than budgeted food purchases as a result of the decrease in food sales. Residence utility costs were also lower than the Approved Annual Budget.
International Education Centre	\$ 2,367	Favourable variance as a result of lower than planned expenditures for referral fees, insurance and salaries offset by higher than planned expenses for the International Student Recovery fee.
Strategic Investment Priorities	\$ (4,656)	See <i>Strategic Investment Priorities Variances</i> page for details.
Total Explained Variances	\$ 1,465	
Other Minor Variances	\$ 486	
Total Variance	\$ 1,951	



Fourth Quarter 2019-20 Financial Report
STRATEGIC INVESTMENT PRIORITIES SCHEDULE

(all figures in \$ 000's)

	Approved Annual Budget	Q1 Year-End Projection	Q2 Year-End Projection	Q3 Year-End Projection	Year-End Actual (Unaudited)	Year-End vs. Approved Variance Favourable/ (Unfavourable)
SOURCE OF FUNDS:						
Facilities Renewal Grant	\$ 980	\$ 980	\$ 980	\$ 500	\$ 1,505	\$ 525
College Equipment Renewal Fund Grant	560	560	560	560	498	(62)
Greenhouse Gas Campus Retrofit Grant	-	1,203	1,203	1,203	1,203	1,203
Apprenticeship Enhancement Fund Grant	1,000	1,000	1,000	1,000	1,040	40
DARE District Donations	-	-	-	-	47	47
Students' Association Contribution	11,859	8,290	8,290	8,390	5,433	(6,426)
Miscellaneous	-	-	-	-	69	-
TOTAL SOURCE OF FUNDS	14,399	12,033	12,033	11,653	9,796	(4,673)
EXPENDITURES:						
Major Capital Projects						
Pedestrian Bridge to Bus Rapid Transit Station	630	630	630	630	660	(30)
Solar Photovoltaic Plan	1,200	2,403	2,403	2,403	1,777	(577)
ESCO2	-	760	760	760	1,533	(1,533)
Student Information System	3,070	3,070	3,070	3,070	2,517	553
Learning Management System Implementation and Modernization	-	165	165	165	108	(108)
Athletics and Recreation Centre Enabling Work / Pedestrian Link	1,750	1,750	1,750	950	1,946	(196)
Athletics and Recreation Centre	13,100	13,590	13,590	13,590	10,633	2,467
Total Major Capital Projects	19,750	22,368	22,368	21,568	19,176	576
Other						
College Technologies	2,371	4,771	4,653	4,653	3,435	(1,064)
College Space & Infrastructure	3,304	3,742	3,066	2,877	2,986	318
New Program Initiatives	947	947	947	947	1,300	(353)
Academic & Other Equipment Initiatives & Opportunities	1,400	1,400	1,400	1,100	1,320	80
Appropriations	19,455	21,041	22,717	20,285	19,189	266
Campus Services	1,661	1,661	1,961	1,851	1,696	(35)
Appropriations	100	100	100	100	-	100
Apprenticeship Enhancement Fund	1,000	1,000	1,000	1,000	1,040	(40)
Adjustment for Anticipated Underspend	(4,500)	(6,900)	(6,900)	(4,900)	-	(4,500)
Total Other	25,738	27,762	28,944	27,913	30,968	(5,228)
TOTAL EXPENDITURES	45,488	50,130	51,312	49,481	50,144	(4,652)
TOTAL NET CONTRIBUTION	\$ (31,089)	\$ (38,097)	\$ (39,279)	\$ (37,828)	\$ (40,348)	\$ (9,325)



Fourth Quarter 2019-20 Financial Report
STRATEGIC INVESTMENT PRIORITIES SCHEDULE
Variance Analysis (all figures in \$000's)

Description	Variance Favourable/ (Unfavourable)	Comments
Revenue		
Facilities Renewal Grant	\$ 525	An increase in the amount of Ministry funding was announced subsequent to the Approved Annual Budget. The full amount of funding was spent in the fiscal year.
Greenhouse Gas Campus Retrofit Grant	\$ 1,203	Grant funding deferred from 2018-2019 related to projects in progress to cover revised project costs and carry-forward budgets.
Students' Association Contribution	\$ (6,426)	Students' Association contribution was adjusted to reflect changes to the 2019-2020 expected contribution for the Athletics and Recreation Centre due to a \$2.5M deferral of expenditures to 2020-21, and as a result of the College contributing their full portion of \$5.5M in 2019-20, rather than over the duration of construction as budgeted. This resulted in a \$3.8M decrease to expected in year contributions from the Students' Association.
Expenditures		
Solar Photovoltaic Plan	\$ (577)	Variance reflects actual expenses incurred of \$1.77M, partially offset by the \$1.2M carry forward budget for the implementation of a solar energy and power storage facility funded from the new Greenhouse Gas Campus Retrofit Grant identified above. Full multi-year project expenditures comply with the Board approved project budget.
ESCO2	\$ (1,533)	Variance due to timing of construction costs deferred from 2018-2019. Full multi-year project expenditures comply with the Board approved project budget.
Student Information System	\$ 553	Variance reflects in-year savings on facilities fit-up costs for project team space, and contract expenditures which will be realized in 2020-21.
Athletics and Recreation Centre	\$ 2,467	Variance due to delays associated with construction during 2019-2020. Overall, the project remains on schedule except for a one month delay associated with the COVID-19 pandemic.
College Technologies	\$ (1,064)	Variance is driven by a \$1.242M increase in the Workday Support Model, offset by a decrease of \$0.178M in minor changes over the remaining projects.
College Space & Infrastructure	\$ 318	Variance is due to an increase of \$1.4M in expenditures required to address aged infrastructure to accommodate installation of solar photo-voltaic system and replacement of the H Building Rooftop Gas Fired Makeup air units. The increases were offset by \$1.7M in decreases due to savings in the Five Year Roof Renewal Program, B Building Skylight Replacement Project and other minor changes over the remaining projects.
Initiatives & Opportunities	\$ 266	Variance is a result of small adjustments to numerous projects.
Adjustment for Anticipated Underspend	\$ (4,500)	Based on historical trends, a 15% provision was added to account for anticipated underspending in Strategic Investment Priorities projects.
Total Explained Variances	\$ (8,768)	
Other Minor Variances	\$ (557)	
Total Variance	\$ (9,325)	

	Year-End Actual March 31, 2019	Actual In-Year Use of Funds (2019-2020)	Actual Year-End Adjustments (2019-2020)	Year-End Actual March 31, 2020
Appropriations	\$ 100	\$ 100	\$ -	\$ -
Specific Reserves:				
Other Projects & Initiatives	28,698	6,535	24,418	46,581
Campus Services Reserve Fund	4,998	1,701	1,163	4,460
Employment Stabilization Funds	576	-	13	589
	<u>34,272</u>	<u>8,236</u>	<u>25,594</u>	<u>51,630</u>
Contingency Reserve Fund	9,760	-	623	10,383
Reserve Funds:				
Future Capital Expansion	28,856	7,097	2,646	24,405
Net Proceeds from Sale of March Road Land	-	-	2,403	2,403
	<u>28,856</u>	<u>7,097</u>	<u>5,050</u>	<u>26,808</u>
TOTAL INTERNALLY RESTRICTED NET ASSETS*	\$ 72,988	\$ 15,433	\$ 31,267	\$ 88,821
TOTAL UNRESTRICTED NET ASSETS	\$ 1,000			\$ 1,000
Investment in Capital Assets	94,023		(83)	93,940
Vacation, Sick Leave & Post-Employment Benefits	(19,238)		(1,010)	(20,248)
Interest Rate Swaps	(5,806)		398	(5,408)
Endowment Fund	27,470		(527)	26,943
TOTAL NET ASSETS	\$ 170,437	\$ 15,433	\$ 30,045	\$ 185,049

* 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 2019-2020. The Board of Governors Financial Management Policy requires that the Board of Governors approve any spending from Reserve Funds.



**Fourth Quarter 2019-20 Financial Report
SUMMARY OF FUNDED POSITIONS**

	Academic			Administrative			Support			Total		
	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant
Academic Services												
Academic Development	7	6	1	5	5	-	10	10	-	22	21	1
Academic Operations & Planning	1	1	-	3	3	-	4	4	-	8	8	0
Algonquin College Heritage Institute	7	7	-	4	4	-	9	9	-	20	20	0
Algonquin College In The Ottawa Valley	29	29	-	7	7	-	34	34	-	70	70	0
Algonquin Centre for Construction Excellence	64	61	3	2	2	-	11	11	-	77	74	3
Centre For Continuing & Online Learning	-	-	-	9	8	1	25	25	-	34	33	1
Faculty Of Arts Media & Design	125	119	6	6	6	-	32	31	1	163	156	7
Faculty Of Health, Public Safety & Comm. Studies	125	119	6	9	7	2	32	31	1	166	157	9
School of Advanced Technology	108	99	9	6	5	1	16	16	-	130	120	10
School Of Business	90	85	5	5	4	1	8	8	-	103	97	6
School Of Hospitality & Tourism	44	43	1	4	4	-	9	9	-	57	56	1
Senior Vice-President Academic	1	-	1	3	3	-	-	-	-	4	3	1
Academic Services Total	601	569	32	63	58	5	190	188	2	854	815	39
Advancement												
Advancement Operations	-	-	-	6	3	3	6	4	2	12	7	5
Advancement Total	-	-	-	6	3	3	6	4	2	12	7	5
Finance & Administration												
Campus Services	-	-	-	16	16	-	73	72	1	89	88	1
Facilities Management	-	-	-	11	10	1	36	30	6	47	40	7
Finance And Administrative Services	-	-	-	13	10	3	26	25	1	39	35	4
Risk Management	-	-	-	10	10	-	1	1	-	11	11	0
Vice-President Finance and Administration	-	-	-	2	2	-	-	-	-	2	2	0
Finance & Administration Total	-	-	-	52	48	4	136	128	8	188	176	12
Human Resources												
Centre for Organizational Learning	1	1	-	1	1	-	3	2	1	5	4	1
Employee Abilities and Wellness	-	-	-	3	3	-	-	-	-	3	3	0
Employee Compensation, Pension and Benefits	-	-	-	6	6	-	-	-	-	6	6	0
HR Programs	-	-	-	4	4	-	-	-	-	4	4	0
Labour Relations	-	-	-	4	4	-	-	-	-	4	4	0
Talent and System Reporting	-	-	-	7	5	2	-	-	-	7	5	2
Vice-President Human Resources	-	-	-	3	2	1	-	-	-	3	2	1
Human Resources Total	1	1	-	28	25	3	3	2	1	32	28	4



Fourth Quarter 2019-20 Financial Report
SUMMARY OF FUNDED POSITIONS

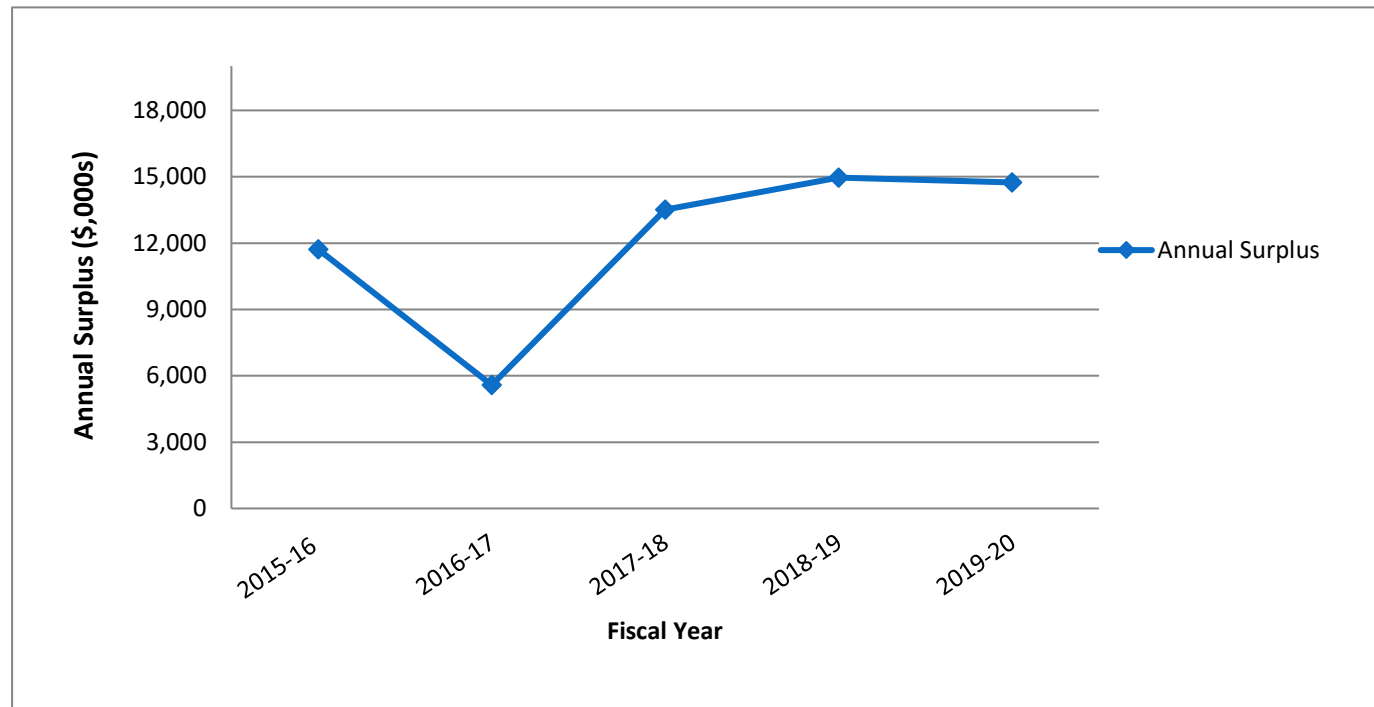
	Academic			Administrative			Support			Total		
	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant
Innovation & Strategy												
Applied Research & Development	-	-	-	6	1	5	3	3	-	9	4	5
Business Development & Corporate Training	-	-	-	4	4	-	11	11	-	15	15	0
Information Technology Services	-	-	-	14	13	1	83	74	9	97	87	10
International & Strategic Planning	17	17	-	13	12	1	12	12	-	42	41	1
Vice-President Innovation & Strategy	-	-	-	8	7	1	4	4	-	12	11	1
Innovation & Strategy Total	17	17	-	45	37	8	113	104	9	175	158	17
President And Board Of Governors												
Communications	-	-	-	4	4	-	5	5	-	9	9	0
President and Board Of Governors	-	-	-	4	4	-	-	-	-	4	4	0
President And Board Of Governors Total	-	-	-	8	8	-	5	5	-	13	13	-
Strategic Priorities												
College Technologies Committee	-	-	-	8	7	1	1	1	-	9	8	1
Initiatives and Opportunities	-	-	-	1	1	-	-	-	-	1	1	0
Strategic Priorities Total	-	-	-	9	8	1	1	1	-	10	9	1
Student Services												
Marketing & Recruitment	-	-	-	2	2	-	26	23	3	28	25	3
Registrar	-	-	-	9	8	1	64	63	1	73	71	2
Student Support Counselling And First Gen	19	19	-	12	11	1	45	45	-	76	75	1
Vice-President Student Services	-	-	-	2	1	1	-	-	-	2	1	1
Student Services Total	19	19	-	25	22	3	135	131	4	179	172	7
Truth, Reconciliation & Indigenization												
Indigenous Services And Partnerships	1	1	-	3	3	-	2	2	-	6	6	-
Truth, Reconciliation & Indigenization Total	1	1	-	3	3	-	2	2	-	6	6	-
College Totals	639	607	32	239	212	27	591	565	26	1,469	1,384	85

100.00% 94.21% 5.79%
Total Total
Staffed Vacant



Fourth Quarter 2019-20 Financial Report
Financial Health Indicators

Operating Results: Annual Surplus



Objective:

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

Benchmark:

Must be greater than \$0.

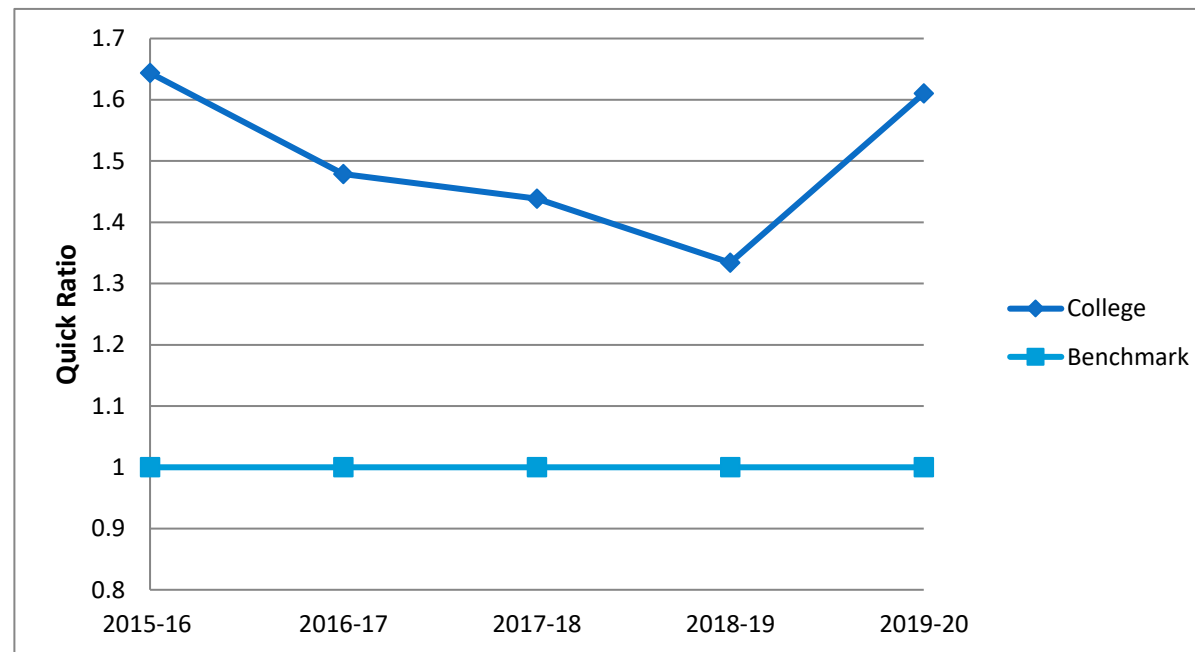
Rationale:

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



Fourth Quarter 2019-20 Financial Report Financial Health Indicators

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:

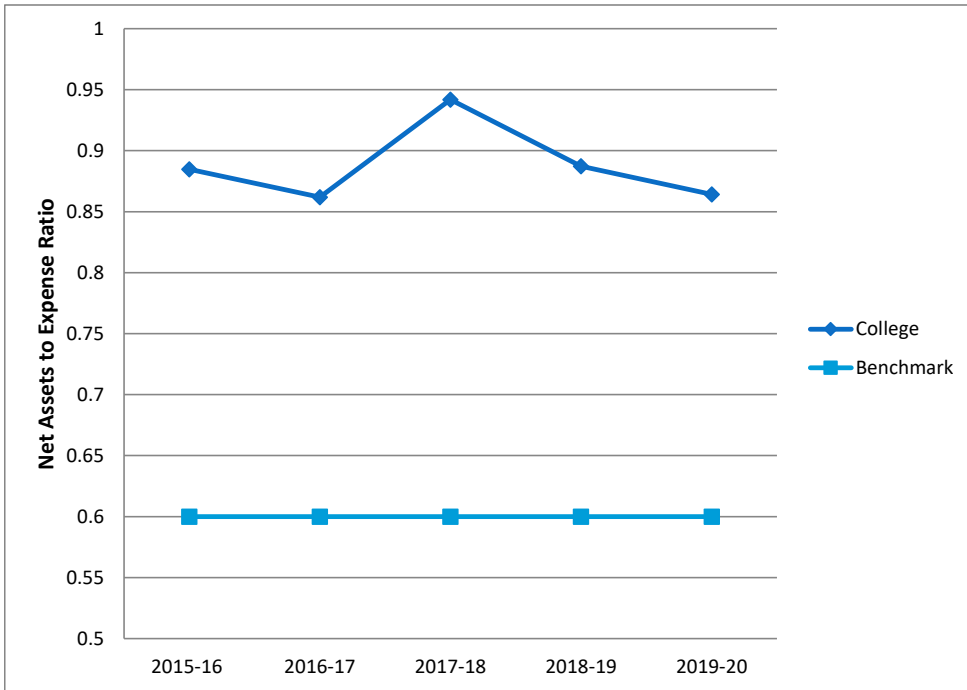
A ratio of 1 or higher indicates that a college should be able to meet its short-term obligations.

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 was at 1.75 for Q3 2019-2020.



Fourth Quarter 2019-20 Financial Report
Financial Health Indicators

Operating Results: Net Assets to Expense Ratio



Objective:

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

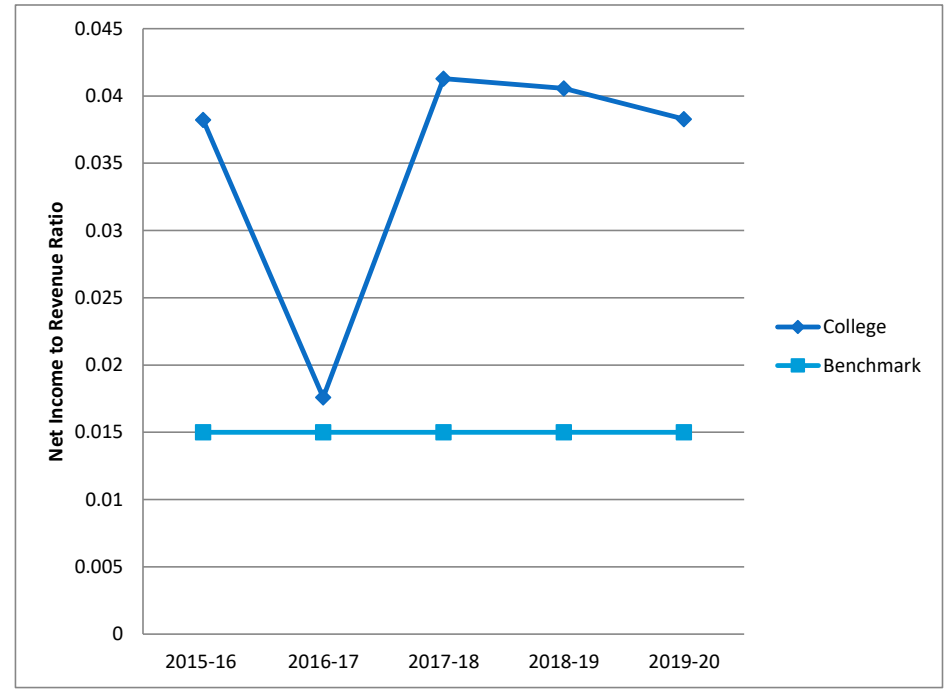
Benchmark:

60% or higher.

Rationale:

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

Operating Results: Net Income to Revenue Ratio



Objective:

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

Benchmark:

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

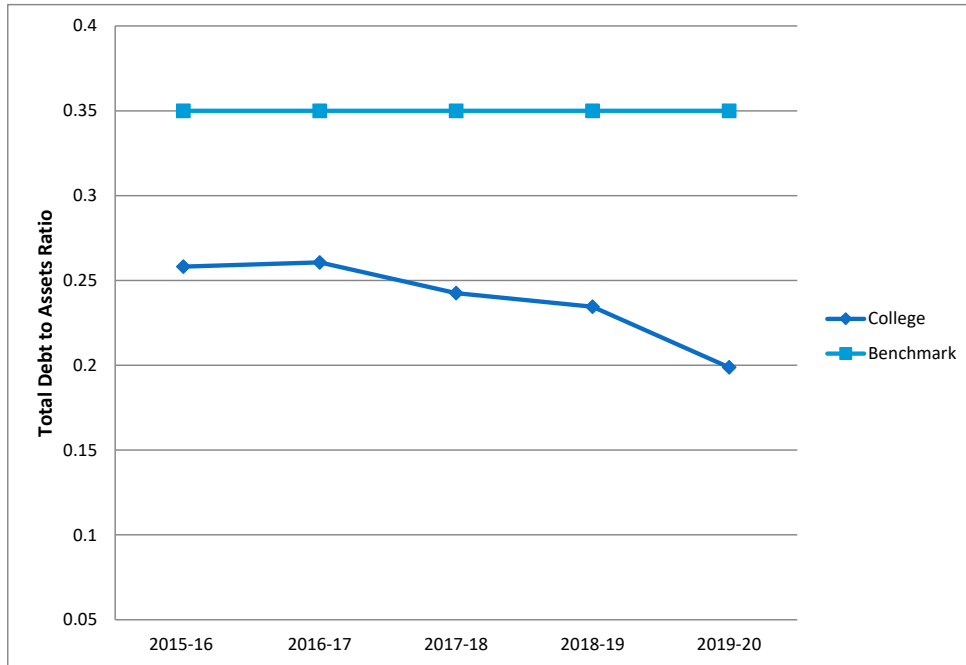
Rationale:

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



Fourth Quarter 2019-20 Financial Report
Financial Health Indicators

Managing Debt: Total Debt to Assets Ratio



Objective:

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

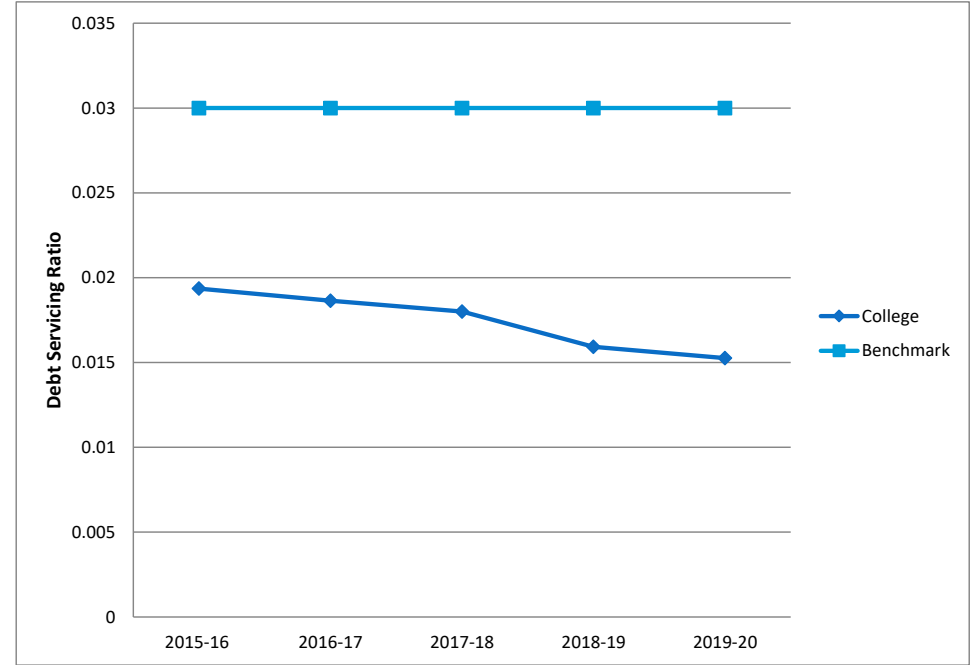
Benchmark:

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

Rationale:

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

Managing Debt: Debt Servicing Ratio



Objective:

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

Benchmark:

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

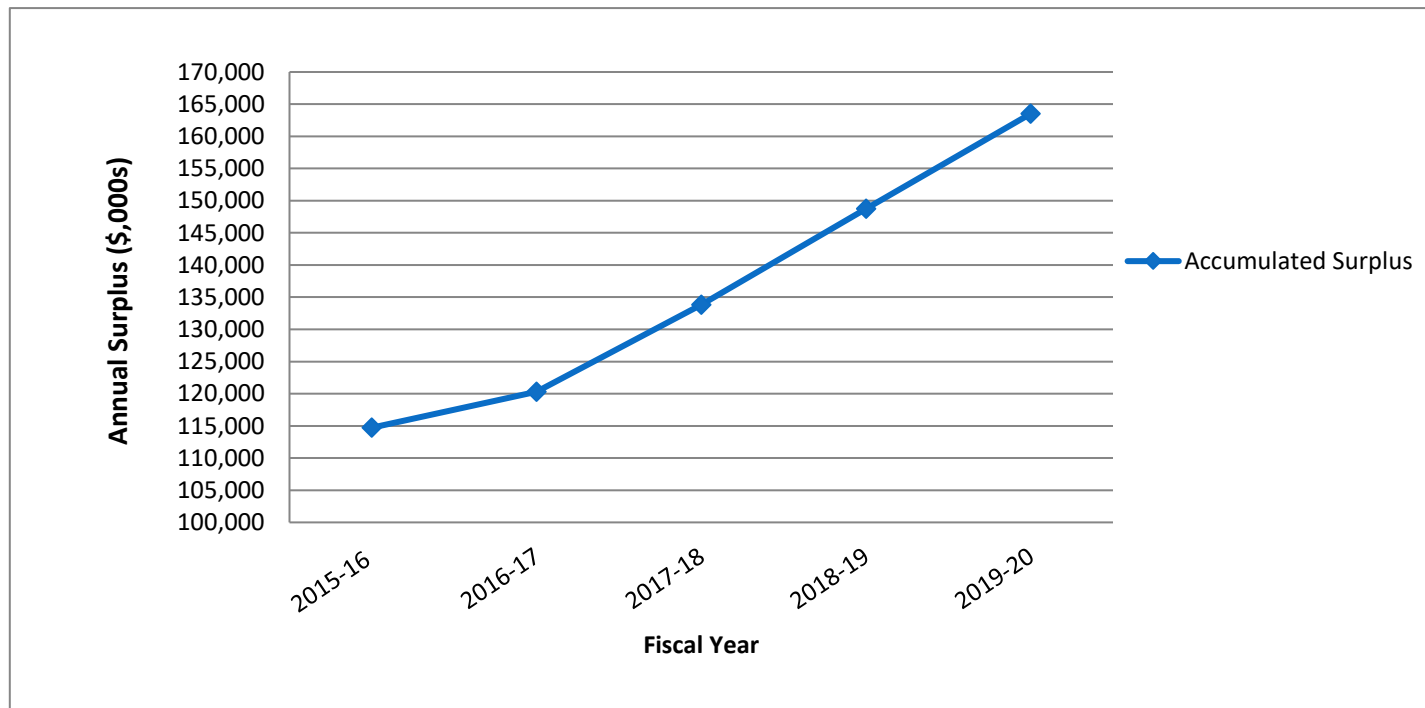
Rationale:

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



Fourth Quarter 2019-20 Financial Report
Financial Health Indicators

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.

ANNUAL BUDGET AND QUARTERLY FINANCIAL PROJECTIONS COMPLIANCE SCHEDULE

	<u>Source</u>	<u>Budget/Projection Requirement</u>	<u>Compliant (Y/N)</u>
1	BGII-02 Board Financial Management Policy	1.2 The annual budget [and Quarterly Projections] ... shall: 1.2.2 Have expenditures not exceeding revenues unless the Board has approved ... to spend from reserve funds;	Y
2	BGII-02 Board Financial Management Policy	1.2 The annual budget [and Quarterly Projections] ... shall: 1.2.3 Have ancillary expenditures not exceeding ancillary revenues unless the Board has specifically directed otherwise.	Y
3	BGII-02 Board Financial Management Policy	2.3 Quarterly projections of the annual budget shall be presented to the Board, ensuring the College's projected surplus or deficit are at least equal to or better than the Approved Budget.	Y
4	BGII-02 Board Financial Management Policy	4.2 The President may not approve an unbudgeted expenditure or commitment that will result in the College's fiscal year-end total balance of unrestricted net assets plus internally restricted net assets being lower than budgeted without the approval of the Board.	Y
5	Strategic Plan 2017-2022	'Goal 5 - Enhance Algonquin's global impact and community social responsibility' -we must ensure we maintain strong financial health indicators	Y
6	President's Budget Overview - Annual Budget	President's Overview: 'We will be aggressively pursuing further opportunities in the non funded area which will provide funds for investment in all of the things that are currently not funded through government sources such as technology upgrades, infrastructure improvements, equipment for faculty and staff etc.' - we must ensure that our SIP expenditures (budgeted and projected) do not exceed the sum of: - Non-Funded Activities net contributions; and - Allocations from Internally Restricted Net Assets such that the ending balance of Internally Restricted Net Assets is at least equal to or greater than the balance approved by the Board in the Annual Budget (see #4 above).	Y

Report title:	Restated 2020-22 Business Plan
Report to:	Board of Governors
Date:	July 13, 2020
Author/Presenter:	Laura Stanbra, Vice President, Student Services

1. RECOMMENDATION:

THAT the Board of Governors approves the restated 2020-22 Business Plan.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this report is to present details of the restated 2020-22 Business Plan due to the impacts of the COVID-19 pandemic.

3. BACKGROUND:

The 2020-22 College Business Plan was approved at the Board of Governors meeting on February 24, 2020. The first year of the Business Plan (2020-21) was submitted as a final draft and the second year of the Business Plan (2021-22) is provided as a comprehensive, yet agile, road map to continue to set operational targets to achieve the goals of the College’s 2017-22 Strategic Plan.

Given the significant impact to finances, priorities and overall operations of the College resulting from the impact of the COVID-19 pandemic, a restatement of the 2020-22 Business Plan was necessary.

4. DISCUSSION:

Each member of the Executive Team consulted with their direct reports to restate the in-year business plan. Local and global factors were considered when restating the business plan. To further inform the restatement of the business plan, the restated first quarter budget was carried out along with an update to the Corporate Risk Register to reflect the impact of the COVID-19 pandemic. The revised Corporate Risk Register and budget informed the restatement of the Business Plan.

The attached Appendix A: DRAFT Restated 2020-21 Business Plan is a culmination of these results. Given the continued fluid nature of the impacts of the COVID-19 pandemic, the further restatement of the 2021-22 Business Plan will take place during the Fall of 2020. At the February 22, 2021 Board of Governors meeting, a presentation will be provided summarizing the substantive changes to goals, initiatives and restated performance metrics of the proposed new 2021-22 Business Plan.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One Establish Algonquin as the leader in personalized learning across all Ontario colleges.	<input checked="" type="checkbox"/>	CONNECTED Goal Four Become an integral partner to our alumni and employers.	<input checked="" type="checkbox"/>
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	<input checked="" type="checkbox"/>	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	<input checked="" type="checkbox"/>
Goal Three Attain national standing in quality, impact and innovation within each school and service.	<input checked="" type="checkbox"/>	PEOPLE Goal Six Be recognized by our employees and the community as an exceptional place to work.	<input checked="" type="checkbox"/>

6. STUDENT IMPACT:

Through this proposed draft business plan, students will continue to benefit from additional investments in information technology infrastructure, academic equipment, renovations and adaptations and maintenance to learning spaces.

7. FINANCIAL IMPACT:

A presentation from the Vice President of Finance and Administration will outline the restated 2020-21 First Quarter Financial Projection with the available financial support to fund priorities in the restated business plan.

8. HUMAN RESOURCES IMPACT:

The proposed restated 2020-22 Business Plan continues the implementation of the College’s People Plan, however at a different cadence than initially presented.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

The restated 2020-21 Business Plan is in compliance with both the Board of Governors' Financial Management Policy and the Ministry of Colleges and Universities Business Plan Operating Procedure directive.

10. COMMUNICATIONS:

Pending approval of the restated 2020-21 Business Plan and timeline to restate the 2021-22 Business Plan, information will be cascaded to the broader College community via standard College-wide communication channels and through departmental meetings.

11. CONCLUSION:

While exceptional in circumstance, it was necessary to restate the 2020-22 Business Plan, given the impacts of this unprecedented COVID-19 pandemic. Regular updates on the Business Plan will continue to be reported to the Board of Governors during fiscal year 2020-21.

Respectfully submitted:



Laura Stanbra
Vice President, Student Services

Approved for submission:



Claude Brulé
President and CEO

Appendices:

Appendix A: DRAFT Restated 2020-21 Business Plan
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Business Plan

2020-2021 (REVISED)

July 13, 2020

ALGONQUIN COLLEGE BUSINESS PLAN 2020 - 2021

#	2017-22 STRATEGIC DIRECTION	OBJECTIVE	2019-20 TARGET	2019-20 ACTUAL	2020-21 TARGET	TRUE NORTH	INITIATIVES
LEARNER DRIVEN							
1	Establish Algonquin as the leader in personalized learning across all Ontario colleges	<p>Improve Student Retention</p> <p>Improve Overall Student Satisfaction</p>	<p>86%</p> <p>79%</p>	<p>85.7%</p> <p>76.3%</p>	<p>81%</p> <p>71%</p>	<p>100%</p> <p>100%</p>	<p>1.1) 100% of Winter and Spring Term 2020 students with outstanding face-to-face learning requirements have been provided opportunity to complete their academic activities by December 31, 2020.</p> <p>Learner-driven Plan implementation of micro-credentials/digital credentials:</p> <p>1.2) Operational processes necessary to support and maintain delivery of micro-credentials developed by March 31, 2021.</p> <p>1.3) Three new micro-credentials developed under Algonquin's micro-credential framework launched by March 31, 2021.</p> <p>1.4) Athletics and Recreation Centre achieves substantial performance by March 31, 2021.</p> <p>Program Quality Assurance of Remote/Online Delivery:</p> <p>1.5) Instruments to measure the quality and student satisfaction of remotely delivered/online courses developed and implemented by September 1, 2020.</p> <p>Optimization of Student Services in a remote delivery environment:</p> <p>1.6) Process and metrics to monitor and continuously improve Student Service delivery in a remote environment defined by August 31, 2020 and process launched by September 15, 2020.</p> <p>1.7) Identify and contract with a private sector college programs provider to establish Algonquin College's first partnership pursuant to the Ministry of Colleges and Universities Binding Policy Directive: Public College Private Partnerships by March 31, 2021.</p>
CONNECTED							
2	Become an integral partner to our alumni and employers	Increase the number of alumni who are engaged in meaningful activities with Algonquin College	<p>4,100</p> <p>(5%)</p>	<p>5,101</p> <p>(6%)</p>	<p>4,100</p> <p>(4.5%)</p>	<p>100%</p>	<p>Year 2 of the alumni engagement strategies in the three-year Advancement Plan implemented by March 31, 2021, including:</p> <p>2.1) Data analytics and segmentation in alumni database implemented by July 31, 2020.</p> <p>2.2) Integrated alumni engagement pilot implemented in one academic School by August 31, 2020.</p> <p>2.3) Alumni-focused marketing and communications strategy implemented by August 31, 2020.</p>
3		Improve Willingness to Recommend External Community (Perception)	-25	-36	-38	100	3) Centre for Excellence in Health Education shovel-ready and ready for design and development upon approval of government funding, by March 31, 2021.
PEOPLE							
4	Be recognized by our employees and the community as an exceptional place to work	Improve Employee Engagement	59%	68%	NA	100%	4) Assessment of college-wide employee engagement initiatives completed by November 30, 2020. Implementation of employee engagement activities in support of remote working by March 31, 2021.
5		Engage members of the College community in Equity, Diversity and Inclusion activities by measuring participation in the Culture Climate Survey	NA	NA	NA	100%	5) Elements of Year 2 of the Equity, Diversity and Inclusion blueprint implemented by March 31, 2021, including: active bystander training, anti-racism training and multiple additional learning opportunities through our Inclusion Infusion events.

#	2017-22 STRATEGIC DIRECTION	OBJECTIVE	2019-20 TARGET	2019-20 ACTUAL	2020-21 TARGET	TRUE NORTH	INITIATIVES
PEOPLE (continued)							
6		Increase the strategic workforce planning forecasting focus of full-time and part-time staffing needs					6) Year 1 of the Strategic Workforce and Talent Planning implemented by March 31, 2021, including: Task force within the Academic Area established by October 31, 2020.
7		Create culture of Employee Learning and Development through increased organizational training satisfaction metric	NA	NA	50%	100%	7) Cross-College Learning and Development Steering Committee established by January 31, 2021 and mandated to provide oversight for employee learning structure including: coordination of all employee remote learning delivery and oversight of the Employee Learning Experience Platform.
INNOVATION AND QUALITY							
8	We will be leaders and continuously improve the quality, impact and innovativeness of teaching, learning and service delivery	Increase number of students registered in Co-op	2,600	3,661	4,000	11,000	8) 50% of eligible Co-op programs available for direct entry at time of application for Fall 2020 intake.
9		Reduce the risk of failure of information technology infrastructure and software applications					Student Information System – Phase 1 project milestones reached by March 31, 2021, including: 9.1) Selection of System Integrator and solution for the new Student Information System approved by the Board of Governors by October 26, 2020. 9.2) Project plan for phased implementation of the Student Information System project approved by the Algonquin College Executive Team by March 31, 2021.
10		Business Processes Improved Time repurposed in hours Non-personnel costs reinvested	NA	NA	40 10,000 \$20,000		10) Forty top-priority processes improved as determined by the Algonquin College Leadership Team, with the outcome of hours repurposed and non-personnel cost reinvested by March 31, 2020.
11		Create a new Strategic Plan					11) 2022-27 Strategic Plan planning process begun by September 30, 2020 and milestones reached by March 31, 2021.
SUSTAINABILITY							
12	Pursue Truth and Reconciliation, social, environmental, and economic sustainability	Maintain cash reserves of March 31, 2020 for future College investments	\$66M	\$90M	\$70M	\$90M	12.1) College will limit its draws on reserves in response to the financial impacts of the COVID-19 pandemic to the balances available in the Contingency Reserve Fund plus the COVID-19 Response Contingency Fund. In addition, additional reserve draws will be executed for Board approved major capital projects. 12.2) Lead a strategic exercise to mitigate the financial impacts of COVID-19 by March 31, 2021 to strategically position the College on a path to restore financial sustainability.
13		Increase value of new cash, gift-in-kind donations, and pledges	\$2.5M	\$2.1M	\$2M		13) Year 2 milestones of the three-year Advancement Plan implemented by March 31, 2021, including a focus on endowed revenue, major gifts and campaigns, and annual unendowed revenue.

#	2017-22 STRATEGIC DIRECTION	OBJECTIVE	2019-20 TARGET	2019-20 ACTUAL	2020-21 TARGET	TRUE NORTH	INITIATIVES
SUSTAINABILITY							
14		Engage members of the College community (students, employees and community members) in Truth and Reconciliation activities	500	754	600	22,500	<p>Year 2 of the Indigenization Strategy implemented, including:</p> <p>14.1) Indigenization Strategy updated and shared with College community in a town hall format, once per term by December 15, 2020.</p> <p>14.2) Revenue from Indigenization activities grown by 10%, by March 31, 2021.</p> <p>14.3) Burnt Water business case and operational plan completed by July 31, 2020.</p>
15		Reduce greenhouse gas emissions measured in tonnes CO2, scope 1&2 Emissions	11,985	6,977 (estimated)	11,870	0	15) Commissioning of the new Solar Photovoltaic and battery energy storage system completed by March 31, 2021.



Report title:	First Quarter 2020-21 Financial Projection
Report to:	Board of Governors
Date:	July 13, 2020
Author/Presenter:	Grant Perry, Chief Financial Officer

1. RECOMMENDATION:

THAT the Board of Governors approves the First Quarter 2020-21 Financial Projection.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this report is to present the First Quarter 2020-21 Financial Projection, including a summary of funded positions, additional draws from reserves and to provide an updated compliance status of the Board Policy BGII-02: Financial Management.

3. BACKGROUND:

When the annual budget is approved, some factors must be estimated because of unknown elements affecting the revenue and expenditure forecasts. The quarterly financial reporting process provides updated projections based on current information.

On February 24, 2020, the Board of Governors approved the 2020-21 Annual Budget with an overall net contribution of \$5.7 million. In compliance with both the Board of Governors’ Direction and Ministry of Colleges and Universities Operating Directive, the 2020-21 Approved Annual Budget also returns a net surplus on Funded Activity/College Operations of \$11 million. This maintains the College’s commitment to balancing student tuition revenues and government funded activities with associated operating expenditures.

In March 2020, the Province of Ontario announced emergency orders in response to the COVID-19 pandemic. This event has significantly disrupted College operations and required management to re-cast the 2020-21 annual financial projections to align our operating expenditures with reduced revenues and cash reserve requirements.

4. DISCUSSION:

The First Quarter Financial Projection projects a \$24.7 million decrease to the net contribution of Algonquin College. The Approved Annual Budget net contribution is \$5.7 million. The revised net contribution is now projected to be a deficit of \$19 million as outlined in this report.

On March 16, 2020, Algonquin College closed its doors to in-person instruction, switching all classes to an online format for the remainder of the Winter 2020 term and ordered all but a number of critical employees to work from home. The First Quarter Financial Projection Report assumes that the College’s Fall 2020 term will accommodate a limited in-class activity model with the majority of learning being delivered remotely. Based on this assumption, overall enrolment is expected to decline by 15.4% from the Approved Annual Budget. The decline projected in 9% for domestic enrolment and 35% for International enrolment. Details are provided in appendix A: First Quarter 2020-21 Financial Projection.

Compliance:

The College is not compliant with the Board of Governors’ Policy BGII-02: Financial Management, as the projected first quarter net contribution falls below the approved net contribution in the Annual Budget. The schedule is provided in Appendix B: First Quarter 2020-21 Compliance Schedule. College management is seeking approval from the Board of Governors in these exceptional circumstances to vary from the Financial Management policy.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One Establish Algonquin as the leader in personalized learning across all Ontario colleges.	<input checked="" type="checkbox"/>	CONNECTED Goal Four Become an integral partner to our alumni and employers.	<input checked="" type="checkbox"/>
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	<input checked="" type="checkbox"/>	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	<input checked="" type="checkbox"/>
Goal Three Attain national standing in quality, impact and innovation within each school and service.	<input checked="" type="checkbox"/>	PEOPLE Goal Six Be recognized by our employees and the community as an exceptional place to work	<input checked="" type="checkbox"/>

6. STUDENT IMPACT:

Students will benefit from additional investments in technology infrastructure, renovations and adaptations to learning spaces, maintenance of existing learning spaces, and investment in new program development, academic equipment, and new facilities. The College is working to ensure that all students services for which students are charged ancillary fees are accessible to students throughout their studies. Additionally, the College has set aside \$1 million in additional student aid to help support student success.

7. FINANCIAL IMPACT:

The First Quarter 2020-21 Financial Projection has contained the overall projected deficit to about \$19 million and limited additional draws on cash reserves as per the guidance provided by the Board of Governors on April 20, 2020.

8. HUMAN RESOURCES IMPACT:

The 2020-21 Approved Annual Budget provides required funding for all existing full-time permanent staff complement positions and other than permanent positions. Due to the significant revenue reductions caused by the COVID-19 pandemic, the First Quarter 2020-21 Financial Projection takes into consideration vacancy savings due to delays in filling vacant positions, employee layoffs and the non-renewal of employee contracts.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

In compliance with the Ministry of Colleges and Universities' Business Plan Operating Procedure Directive, the 2020-21 Approved Annual Budget and the First Quarter 2020-21 Financial Projection maintain a positive accumulated surplus position.

10. COMMUNICATIONS:

All required communications will be administered through the Communications and External Relations Office.

11. CONCLUSION:

The Algonquin College First Quarter 2020-21 Financial Projection identifies resources supporting the Strategic Plan and revised 2020-22 Business Plan of the College while complying with Provincial government directives, and ensuring the financial health of the College now and into the future during these unprecedented times. College management will be monitoring enrolments and revenues closely and providing additional financial projection updates throughout this fiscal year.

Respectfully submitted:



Duane McNair
Vice President, Finance and Administration

Approved for submission:



Claude Brulé
President and CEO



President/Board of Governors

Agenda Item No: 6.3

Appendices:

Appendix A: First Quarter 2020-21 Financial Projection
Appendix B: First Quarter 2020-21 Compliance Schedule

Financial Projection

FIRST QUARTER
2020-21

Board of Governors
July 13, 2020

ALGONQUIN
COLLEGE



First Quarter 2020-21 Financial Projection

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First Quarter Financial Projection Overview

On February 24, 2020 the 2020-21 Annual Budget was approved by the Board of Governors. During that meeting, the Board of Governors asked College management to further investigate the potential impacts that a reduction in international enrolment may have on the budget as a result of the COVID-19 virus that was escalating in Asia. On March 11, 2020 COVID-19 was declared a pandemic by the World Health Organization, and countries around the world implemented social distancing and other measures to reduce the spread of the virus. On March 12, 2020 Algonquin College closed its doors to in-person class instruction, switching classes to an on-line only format for the remainder of the Winter 2020 semester, and ordered all but essential employees to work from home.

The Government of Ontario has currently extended the State of Emergency in the province to at least June 30th. The Algonquin College Leadership Team has been working tirelessly to adjust academic and service delivery to students in order to ensure students are able to continue their studies and receive the high quality education that they have come to expect from Algonquin College. However, these changes in class and service delivery as well as reduced enrolments has severely impacted the 2020-21 Approved Annual Budget. The 2020-21 First Quarter Financial Projection provides a summary of the financial impacts resulting from the COVID-19 pandemic and other business impacts.

Overall enrolment is projected to decline by 15.4% from the Approved Annual Budget. While domestic enrolment is expected to decline by 9.3%, international enrolment is expected to decline by 35.3%, resulting in more than \$17 million in lost tuition revenues and more than \$20 million in lost international student premium revenues. The First Quarter Financial Projection additionally assumes that the Fall 2020 semester will be completed through on-line learning where possible, with limited in-class activity for those classes in which hands-on training is mandatory. To facilitate the need for physical distancing and address safety concerns, additional sections have been added for those classes in the Fall semester where on-site learning is mandatory. The College has included the costs of these additional sections and has made an inclusion for additional expenses related to personal protective equipment (PPE) for faculty, staff and students. A contingency has also been created to address costs related to the procurement and installation of barriers and any other space retrofits that may be required to keep our learners, faculty and staff safe, and has allocated an additional \$1 million in student aid.

To mitigate overall losses, the Algonquin College Leadership Team identified over \$25 million in savings through delays in filling vacant positions, savings in utilities and cleaning costs due to lower activity levels on campus, severe reductions in discretionary spending such as travel, professional development, printing and office supplies, and reduction of services. All reductions were reviewed and approved by the Algonquin College Executive Team after careful review of the impact statements provided by each area of the College which identified the potential risks of the reductions proposed.

Additionally, the College has reduced the number of Strategic Investment Priorities projects planned for the 2020-21 fiscal year, reducing expenditures in this area by \$13.4 million. Key transformational projects such as the Student Information System replacement project and the Athletics and Recreation Centre construction and enabling works will continue in large part as originally planned.

As directed by the Board of Governors at the April 20, 2020 meeting, the College has worked hard to contain the overall projected deficit of the College to the value of the unrestricted net assets reserve at March 31, 2020 (\$1 million) and the newly established COVID-19 Response Contingency (\$5 million), as well as the draws on specific reserves for major capital projects already approved by the Board of Governors (\$3.3 million for the Student Information System, and \$4.3 million for the Athletics and Recreation Centre Enabling Works) and a draw on the Contingency Reserve Fund (\$5.4 million) for a total deficit of \$19 million.

As a result of decreased enrolments and the lack of on-campus activity, Campus Services revenues are expected to decline by \$17.8 million from the Approved Annual Budget. However, with the accompanying reduced cost of goods sold and additional expense reductions, Campus Services is projecting a slightly positive net contribution which will cover the principal portion of their debt payments for the year.

On a positive note, Corporate Training has secured \$14 million in new contract revenue through Skills Advance Ontario and funding to transition the Local Employment Planning Council to the Local Boards Program. Combined these contracts will bring more than \$2.2 million in additional contribution margin above the Approved Annual Budget, helping to offset the College's lost tuition revenues.

Assumptions

A number of assumptions were made in the preparation of estimates to be included in the 2020-21 First Quarter Financial Projection. A list of the most significant assumptions follows:

Revenues

- Enrolment is projected to decline by 15.6% from the 2020-21 Approved Annual Budget
 - Domestic enrolment is projected to decline by 9.6%
 - International enrolment is projected to decline by 35.1%
- The College Operating Grant has been held stable to the Approved Annual Budget
- Tuition fee rates for funded programs have remained at the same as the Approved Annual Budget
- Student Ancillary Fees have been reduced for those services which will not be accessible to students due to the on-line delivery of classes
- No additional government support in relation to COVID-19 has been included

Operating Expenses

- Filling of full-time positions which are currently vacant will be delayed. Each position will be assessed individually by the Algonquin College Executive Team
- Discretionary expenses including, but not limited to, travel, professional development, office supplies, promotion and printing will be limited for the remainder of the fiscal year

Strategic Investment Priorities

- Key transformational projects will continue as originally planned in the Approved Annual Budget these include:
 - Replacement of the Student Information System
 - Athletics and Recreation Centre construction and enabling works
- Where possible, projects have been deferred to a future year to limit the financial deficit in 2020-21, and to respond to the capacity of staff to deliver projects during this fiscal year.

Risks

Management believes that this First Quarter Projection is reasonable under the circumstances. The following identifies and assesses risks:

RISK SCHEDULE			
Risk Identification	Impact in 2020-21	Likelihood in 2020-21	Risk Mitigation
Second Wave of COVID-19 Impacting Course Delivery & Enrolment	High	Likely	<ul style="list-style-type: none"> Contingency Funds Ongoing Monitoring AC Online Corporate Training
Lower than projected enrolment due to extended on-line only course offerings	Moderate	Possible	<ul style="list-style-type: none"> Contingency Funds Ongoing Monitoring AC Online Corporate Training
Higher than anticipated costs related to space/lab adaptations as a result of COVID-19 safety measures	Moderate	Possible	<ul style="list-style-type: none"> Contingency Funds Ongoing Monitoring Prioritization of Critical Projects
Information technology assets and services – Business interruption	Moderate	Possible	<ul style="list-style-type: none"> Upgraded IT infrastructure Cyber Security Investments Business Continuity/Disaster Recovery Planning
Major Capital Projects Exceed Budget	Moderate	Unlikely	<ul style="list-style-type: none"> Project Governance Structure Major Capital Projects Internal Audit Ongoing Monitoring and Reporting
Expenses Higher than Budget Due to Aging Facilities and Deferred Maintenance Liability	Moderate	Possible	<ul style="list-style-type: none"> Contingency Funds Ongoing Monitoring Prioritization of Critical Projects Development of Infrastructure Renewal Strategy



**First Quarter 2020-21 Financial Projection
SUMMARY**
(all figures in \$ 000's)

	Approved Annual Budget	Q1 Year-End Projection	Q1 vs. Approved Variance Favourable/ (Unfavourable)	Variance as % of Budget	Pro Forma 2021-22	Pro Forma 2022-23
Funded Activity/College Operations						
Revenue	\$ 278,268	\$ 243,723	\$ (34,545)	-12%	\$ 256,447	\$ 270,895
Expenditures	267,248	256,984	10,264	4%	277,320	288,988
Net Contribution	11,020	(13,261)	(24,281)	-220%	(20,873)	(18,093)
Contracts & Other Non-Funded Activity						
Revenue	27,805	39,526	11,721	42%	32,000	35,200
Expenditures	28,181	37,441	(9,260)	-33%	31,218	33,823
Net Contribution	(376)	2,085	2,461	655%	782	1,377
Campus Services						
Revenue	40,888	23,049	(17,839)	-44%	30,584	33,949
Expenditures	33,398	21,826	11,572	35%	25,691	28,856
Net Contribution	7,490	1,223	(6,267)	-84%	4,893	5,093
International Education Centre						
Revenue	67,079	43,775	(23,304)	-35%	52,530	63,036
Expenditures	48,442	33,605	14,837	31%	38,872	46,647
Net Contribution	18,637	10,170	(8,467)	-45%	13,658	16,389
Strategic Investment Priorities						
Revenue	41,545	41,545	-	0%	16,000	4,000
Expenditures	80,341	66,992	13,349	17%	42,951	33,483
Net Contribution	(38,796)	(25,447)	13,349	34%	(26,951)	(29,483)
Non-Cash Revenue Adjustments						
Capital Grants recorded as Deferred Capital Contributions	(1,300)	(1,300)	-	0%	(1,200)	(1,200)
Amortization of Deferred Capital Contributions	7,900	8,000	100	1%	8,000	8,000
Non-Cash Expenditure Adjustments						
Expenditures to be Capitalized (Moved to Balance Sheet)	18,000	13,700	(4,300)	-24%	28,902	27,361
Amortization Expense	(17,000)	(16,000)	1,000	-6%	(16,000)	(16,000)
Change in Vacation, Sick Leave & Post-Employment Benefits	110	1,860	1,750	1591%	110	110
Net Contribution as per Public Sector Accounting Standards (PSAS)	\$ 5,685	\$ (18,970)	\$ (24,655)	-434%	\$ (8,679)	\$ (6,446)

	March 31, 2020 Year-End Actual	March 31, 2021 Approved Annual Budget	March 31, 2021 Q1 Projected	Q1 vs. Approved Variance
ASSETS				
Current Assets				
Cash and Short Term Investments	\$ 89,733	\$ 82,678	\$ 82,232	\$ (446)
Accounts Receivable	28,956	25,000	27,500	2,500
Inventory	2,044	1,550	1,550	-
Prepaid Expenses	4,588	2,700	3,200	500
	125,321	111,928	114,482	2,554
Investments	33,105	40,000	32,000	(8,000)
Long Term Prepaid Asset	5,500	5,500	5,500	-
Endowment Assets	26,943	29,070	27,543	(1,527)
Capital Assets	295,527	294,513	293,227	(1,286)
TOTAL ASSETS	\$ 486,396	\$ 481,011	\$ 472,752	\$ (8,259)
LIABILITIES & NET ASSETS				
Current Liabilities				
Accounts Payable & Accrued Liabilities	\$ 20,878	\$ 32,000	\$ 29,000	\$ (3,000)
Accrued Salaries & Employee Deductions Payable	8,343	10,000	10,000	-
Deferred Revenue	45,092	42,000	42,000	-
Current Portion of Long Term Debt	3,502	3,718	3,718	-
	77,815	87,718	84,718	(3,000)
Long Term Debt	38,368	34,649	34,649	-
Vacation, Sick Leave & Post-Employment Benefits	20,248	19,018	18,388	(630)
Deferred Capital Contributions	159,717	152,022	153,017	995
Interest Rate Swaps	5,200	4,281	5,200	919
Net Assets				
Unrestricted	1,000	1,000	-	(1,000)
Investment in Capital Assets	93,940	104,123	101,843	(2,280)
Vacation, Sick Leave & Post-Employment Benefits	(20,248)	(19,018)	(18,388)	630
Internally Restricted	88,821	72,956	71,190	(1,766)
Endowment Fund	26,943	29,070	27,543	(1,527)
	190,456	188,131	182,188	(5,943)
Accumulated Remeasurement Losses	(5,408)	(4,808)	(5,408)	(600)
	185,048	183,323	176,780	(6,543)
TOTAL LIABILITIES & NET ASSETS	\$ 486,396	\$ 481,011	\$ 472,752	\$ (8,259)

(all figures in \$ 000's)

	Approved Annual Budget	Q1 Year-End Projection	Q1 vs. Approved Variance Favourable/ (Unfavourable)
FUNDED ACTIVITY/COLLEGE OPERATIONS			
Grants			
Post Secondary Activity	\$ 105,213	\$ 105,436	\$ 223
Apprentice	5,501	4,656	(845)
Flow-Through Student Aid	1,659	1,659	-
TOTAL GRANTS	112,373	111,751	(622)
Tuition Fees			
Full-Time Post Secondary	84,415	69,754	(14,661)
Part-Time	10,159	8,776	(1,383)
Adult Training	1,402	780	(622)
Student Technology Fees	8,552	7,966	(586)
TOTAL TUITION FEES	104,528	87,276	(17,252)
Contract Educational Services			
Corporate & Other Programs	6,491	6,091	(400)
TOTAL CONTRACT EDUCATIONAL SERVICES	6,491	6,091	(400)
Other			
Early Learning Centre	1,106	713	(393)
Student Ancillary Fees	6,626	5,363	(1,263)
Investment Income	1,165	1,165	-
Transfer from International Education Centre	30,501	21,553	(8,948)
Miscellaneous	15,478	9,811	(5,667)
TOTAL OTHER	54,876	38,605	(16,271)
TOTAL FUNDED ACTIVITY/COLLEGE OPERATIONS	278,268	243,723	(34,545)
CONTRACTS & OTHER NON-FUNDED ACTIVITY	27,805	39,526	11,721
CAMPUS SERVICES	40,888	23,049	(17,839)
INTERNATIONAL EDUCATION CENTRE	67,079	43,775	(23,304)
STRATEGIC INVESTMENT PRIORITIES	41,545	41,545	-
TOTAL REVENUE	\$ 455,585	\$ 391,618	\$ (63,967)

(all figures in \$ 000's)

	Approved Annual Budget	Q1 Year-End Projection	Q1 vs. Approved Variance Favourable/ (Unfavourable)
FUNDED ACTIVITY/COLLEGE OPERATIONS			
TOTAL SALARIES & BENEFITS	\$ 190,702	\$ 185,706	\$ 4,996
Other Operating Costs			
Mandated Student Aid	5,898	5,898	-
Contingencies	5,255	4,255	1,000
Long Term Debt Interest	734	734	-
Contract Services	17,148	16,996	152
Instructional Supplies & Equipment	5,194	4,303	891
Information Technology	9,630	11,045	(1,415)
Marketing and Promotion	2,708	1,761	947
Building Maintenance & Utilities	13,125	12,135	990
Flow-Through Student Aid	1,804	1,804	-
Cost of Goods Sold	716	616	100
Other	14,334	11,731	2,603
TOTAL OTHER OPERATING	76,546	71,278	5,268
TOTAL FUNDED ACTIVITY/COLLEGE OPERATIONS	267,248	256,984	10,264
CONTRACTS & OTHER NON-FUNDED ACTIVITY	28,181	37,441	(9,260)
CAMPUS SERVICES	33,398	21,826	11,572
INTERNATIONAL EDUCATION CENTRE	48,442	33,605	14,837
STRATEGIC INVESTMENT PRIORITIES	80,341	66,992	13,349
TOTAL EXPENDITURES	\$ 457,610	\$ 416,848	\$ 40,762

	Approved Annual Budget	Q1 Year-End Projection	Q1 vs. Approved Variance Favourable/ (Unfavourable)
SOURCE OF FUNDS:			
Facilities Renewal Grant	\$ 1,505	\$ 1,505	\$ -
College Equipment Renewal Fund Grant	1,503	1,503	-
Apprenticeship Enhancement Fund Grant	1,000	1,000	-
Students' Association Contribution	37,537	37,537	-
TOTAL SOURCE OF FUNDS	41,545	41,545	-
EXPENDITURES:			
Major Capital Projects			
Solar Photovoltaic Plan	-	625	(625)
Student Information System	11,000	6,557	4,443
Athletics and Recreation Centre Enabling Work / Pedestrian Link	8,616	8,616	-
Athletics and Recreation Centre	37,337	37,337	-
Total Major Capital Projects	56,953	53,135	3,818
Other			
College Technologies	3,211	2,778	433
College Space & Infrastructure	9,294	5,339	3,955
New Program Initiatives	959	853	106
Academic & Other Equipment	1,440	618	822
Initiatives & Opportunities	8,441	3,269	5,172
Appropriations	100	-	100
Apprenticeship Enhancement Fund	1,000	1,000	-
Net Contribution Surplus Carryover	2,500	-	2,500
Adjustment for Anticipated Underspend	(3,557)	-	(3,557)
Total Other	23,388	13,857	9,531
TOTAL EXPENDITURES	80,341	66,992	13,349
TOTAL NET CONTRIBUTION	\$ (38,796)	\$ (25,447)	\$ 13,349

	Year-End Actual March 31, 2020	Projected In-Year Use of Funds (2020-21)	Projected Year- End Adjustments (2020-21)	Projected March 31, 2021
Appropriations	\$ -	\$ -	\$ -	\$ -
Specific Reserves:				
Other Projects & Initiatives	41,581	3,279	(26)	38,276
Campus Services Reserve Fund	4,460	-	55	4,515
Employment Stabilization Funds	589	-	7	596
COVID-19 Response Contingency	5,000	5,000	-	-
	<u>51,630</u>	<u>8,279</u>	<u>36</u>	<u>43,387</u>
Contingency Reserve Fund	10,383	5,383	-	5,000
Reserve Funds:				
Future Capital Expansion	24,405	4,308	303	20,400
Net Proceeds from Sale of March Road Land	2,403	-	-	2,403
	<u>26,808</u>	<u>4,308</u>	<u>303</u>	<u>22,803</u>
TOTAL INTERNALLY RESTRICTED NET ASSETS*	\$ 88,821	\$ 17,970	\$ 339	\$ 71,190
TOTAL UNRESTRICTED NET ASSETS	\$ 1,000	\$ 1,000	\$ -	\$ -
Investment in Capital Assets	93,940	-	7,903	101,843
Vacation, Sick Leave & Post-Employment Benefits	(20,248)	-	1,860	(18,388)
Interest Rate Swaps	(5,408)	-	-	(5,408)
Endowment Fund	26,943	-	600	27,543
TOTAL NET ASSETS	\$ 185,048	\$ 18,970	\$ 10,702	\$ 176,780

* 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 2020-21. The Board of Governors Financial Management Policy requires that the Board of Governors approve any spending from Reserve Funds.

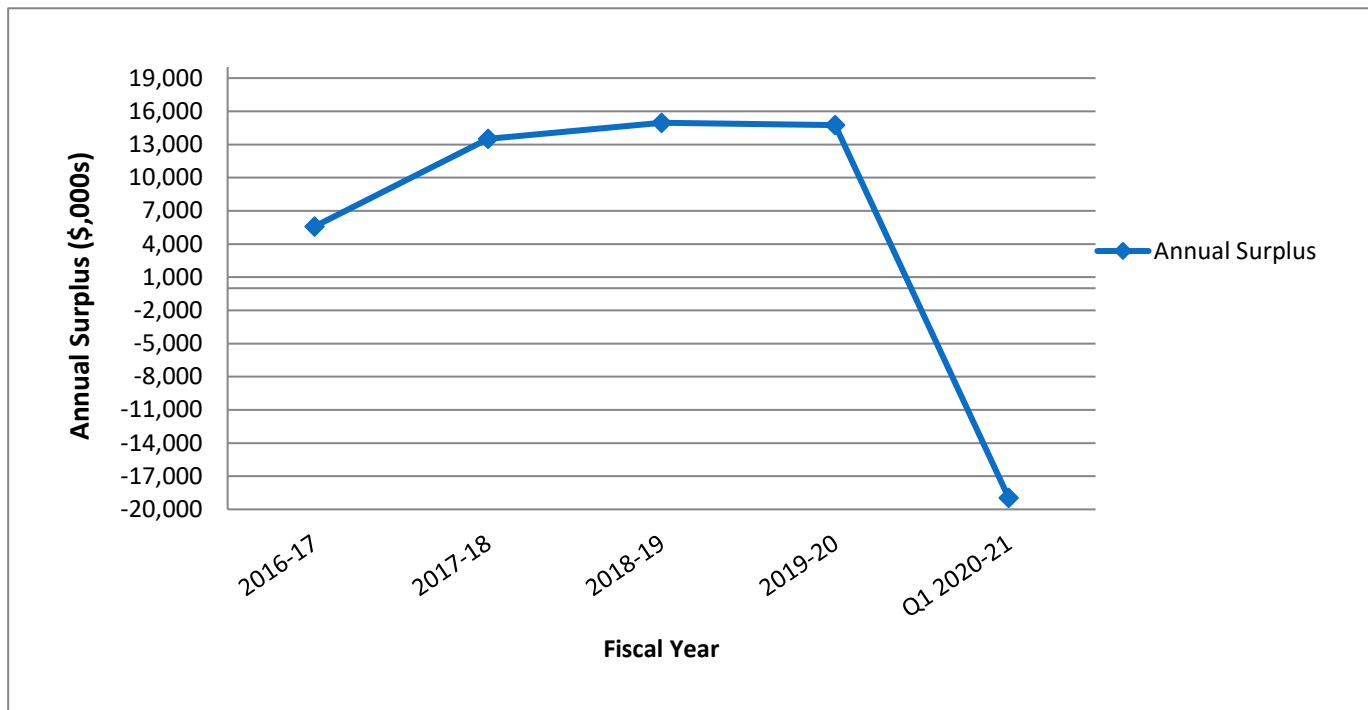
	Academic			Administrative			Support			Total		
	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant
Academic Services												
Academic Development	7	6	1	5	5	-	10	10	-	22	21	1
Academic Operations & Planning	1	1	-	3	3	-	4	4	-	8	8	-
Algonquin College Heritage Institute	7	7	-	4	3	1	9	9	-	20	19	1
Algonquin College In The Ottawa Valley	29	29	-	7	7	-	34	34	-	70	70	-
Algonquin Centre for Construction Excellence	64	61	3	2	2	-	11	11	-	77	74	3
Centre For Continuing & Online Learning	-	-	-	9	7	2	25	25	-	34	32	2
Faculty Of Arts Media & Design	122	119	3	6	5	1	32	31	1	160	155	5
Faculty Of Health, Public Safety & Comm. Studies	125	119	6	9	8	1	32	32	-	166	159	7
School of Advanced Technology	112	99	13	6	5	1	16	16	-	134	120	14
School Of Business	90	84	6	5	4	1	8	8	-	103	96	7
School Of Hospitality & Tourism	44	43	1	4	4	-	9	9	-	57	56	1
Senior Vice-President Academic	-	-	-	3	3	-	-	-	-	3	3	-
Academic Services Total	601	568	33	63	56	7	190	189	1	854	813	41
Advancement												
Advancement Operations	-	-	-	6	4	2	6	5	1	12	9	3
Advancement Total	-	-	-	6	4	2	6	5	1	12	9	3
Finance & Administration												
Campus Services	-	-	-	16	15	1	73	72	1	89	87	2
Facilities Management	-	-	-	11	10	1	36	30	6	47	40	7
Finance And Administrative Services	-	-	-	13	10	3	26	26	-	39	36	3
Risk Management	-	-	-	10	10	-	1	1	-	11	11	0
Vice-President Finance and Administration	-	-	-	2	2	-	-	-	-	2	2	0
Finance & Administration Total	-	-	-	52	47	5	136	129	7	188	176	12
Human Resources												
Centre for Organizational Learning	1	1	-	1	1	-	3	2	1	5	4	1
Employee Abilities and Wellness	-	-	-	3	3	-	-	-	-	3	3	-
Employee Compensation, Pension and Benefits	-	-	-	6	6	-	-	-	-	6	6	-
HR Programs	-	-	-	4	4	-	-	-	-	4	4	-
Labour Relations	-	-	-	4	4	-	-	-	-	4	4	-
Talent and System Reporting	-	-	-	7	5	2	-	-	-	7	5	2
Vice-President Human Resources	-	-	-	3	2	1	-	-	-	3	2	1
Human Resources Total	1	1	-	28	25	3	3	2	1	32	28	4

	Academic			Administrative			Support			Total		
	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant	Positions	Staffed	Vacant
Innovation & Strategy												
Applied Research & Development	-	-	-	6	1	5	3	3	-	9	4	5
Business Development & Corporate Training	-	-	-	4	4	-	11	11	-	15	15	0
Information Technology Services	-	-	-	14	13	1	83	73	10	97	86	11
International & Strategic Planning	17	17	-	13	12	1	12	12	-	42	41	1
Vice-President Innovation & Strategy	-	-	-	8	7	1	4	4	-	12	11	1
Innovation & Strategy Total	17	17	-	45	37	8	113	103	10	175	157	18
President And Board Of Governors												
Communications	-	-	-	4	4	-	5	5	-	9	9	0
President and Board Of Governors	-	-	-	4	4	-	-	-	-	4	4	0
President And Board Of Governors Total	-	-	-	8	8	-	5	5	-	13	13	-
Strategic Priorities												
College Technologies Committee	-	-	-	9	8	1	1	1	-	10	9	1
Initiatives And Opportunities	-	-	-	1	1	-	-	-	-	1	1	0
Strategic Priorities Total	-	-	-	10	9	1	1	1	-	11	10	1
Student Services												
Marketing & Recruitment	-	-	-	2	2	-	27	27	-	29	29	0
Registrar	-	-	-	9	9	-	64	61	3	73	70	3
Student Support Counselling And First Gen	19	19	-	12	10	2	45	45	-	76	74	2
Vice-President Student Services	-	-	-	2	2	-	-	-	-	2	2	0
Student Services Total	19	19	-	25	23	2	136	133	3	180	175	5
Truth, Reconciliation & Indigenization												
Indigenous Services And Partnerships	1	1	-	3	3	-	2	2	-	6	6	0
Truth, Reconciliation & Indigenization Total	1	1	-	3	3	-	2	2	-	6	6	-
College Totals	639	606	33	240	212	28	592	569	23	1,471	1,387	84
										100.00%	94.29%	5.71%
										Total	Total	Total
										Staffed	Staffed	Vacant



First Quarter 2020-21 Financial Projection
Financial Health Indicators

Operating Results: Annual Surplus



Objective:

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

Benchmark:

Must be greater than \$0.

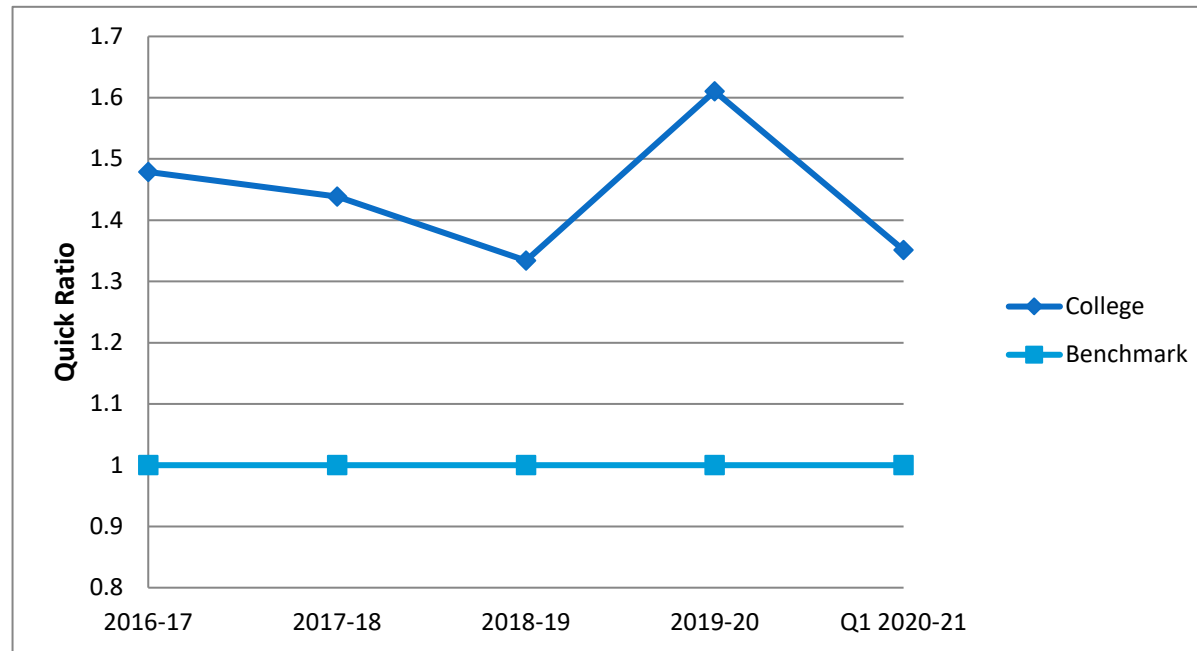
Rationale:

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



First Quarter 2020-21 Financial Projection Financial Health Indicators

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:

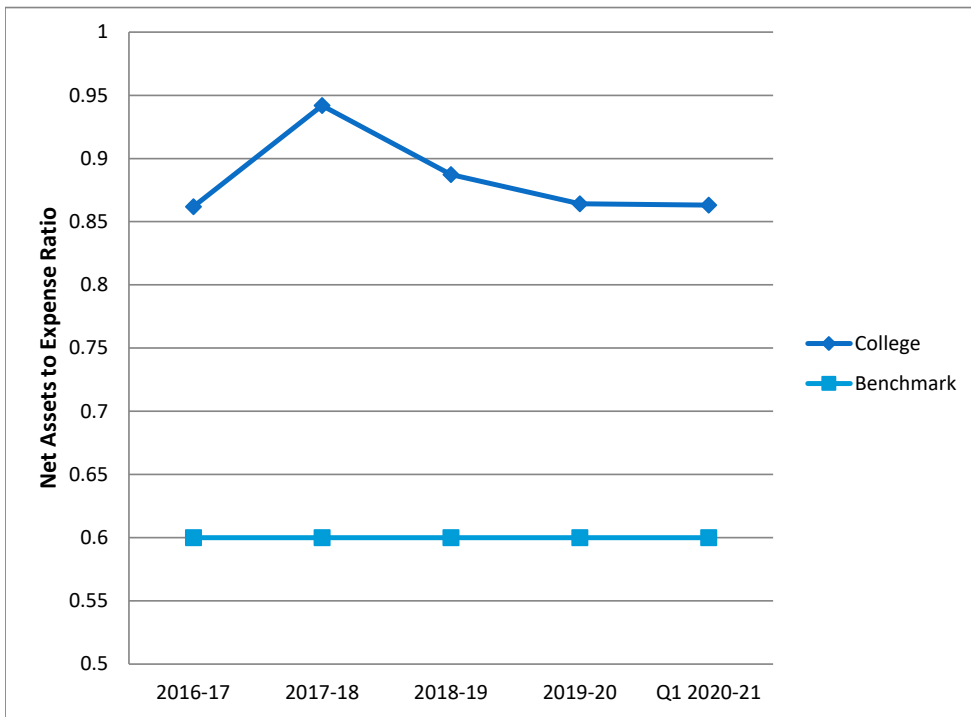
A ratio of 1 or higher indicates that a college should be able to meet its short-term obligations.

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 was at 1.73 for Q1 2020-21.



First Quarter 2020-21 Financial Projection
Financial Health Indicators

Operating Results: Net Assets to Expense Ratio



Objective:

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

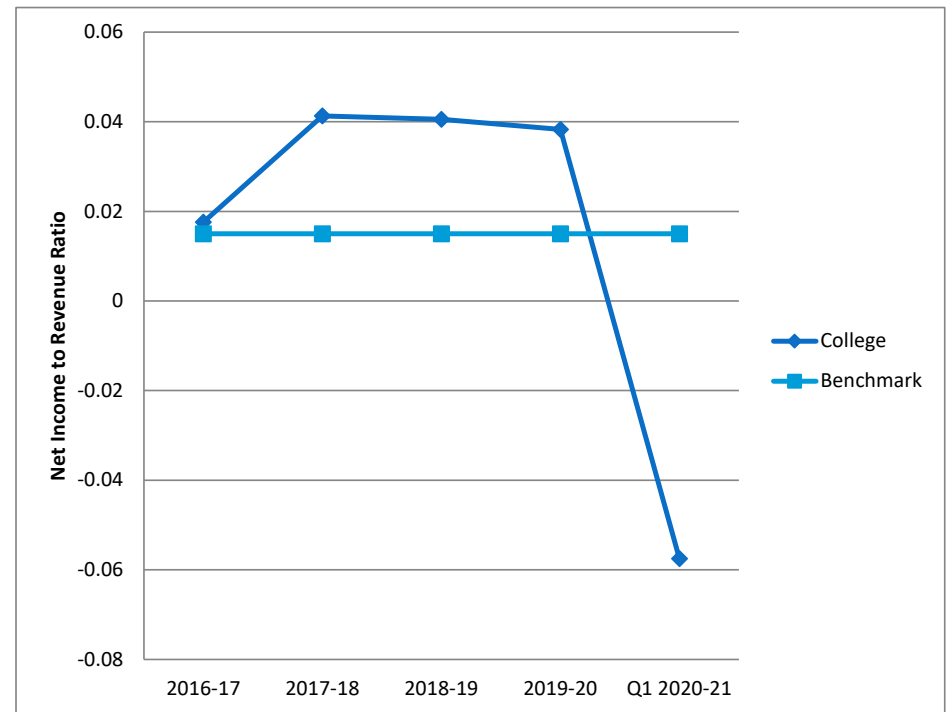
Benchmark:

60% or higher.

Rationale:

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

Operating Results: Net Income to Revenue Ratio



Objective:

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

Benchmark:

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

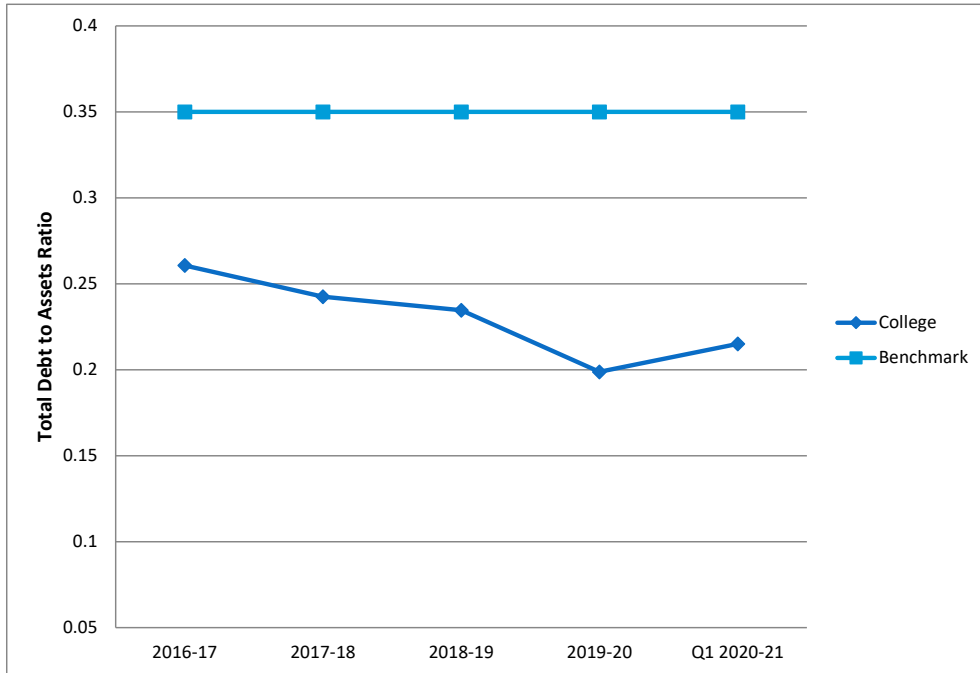
Rationale:

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



First Quarter 2020-21 Financial Projection
Financial Health Indicators

Managing Debt: Total Debt to Assets Ratio



Objective:

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

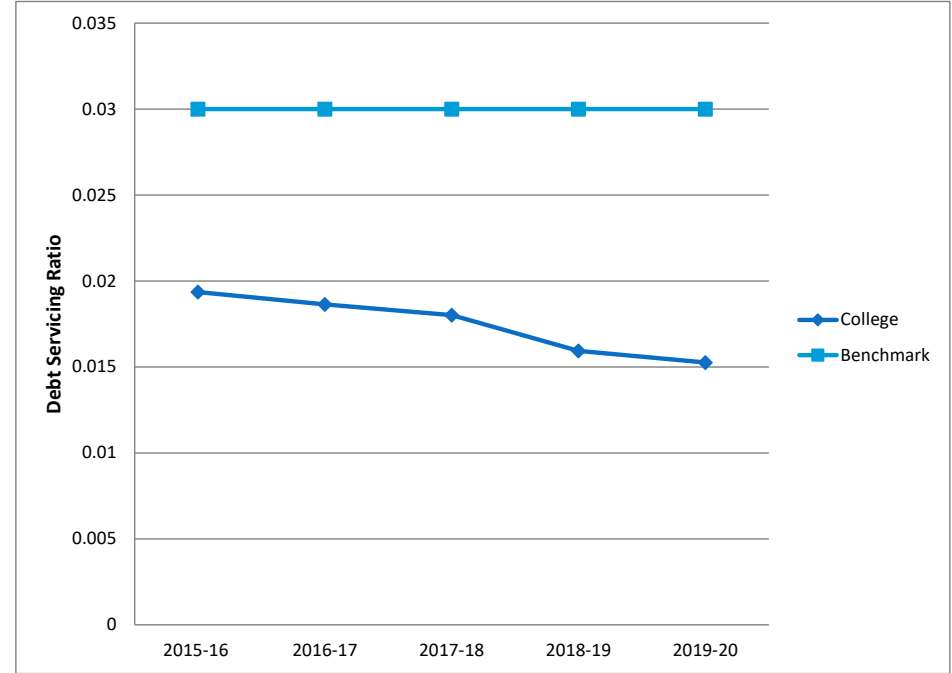
Benchmark:

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

Rationale:

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

Managing Debt: Debt Servicing Ratio



Objective:

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

Benchmark:

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

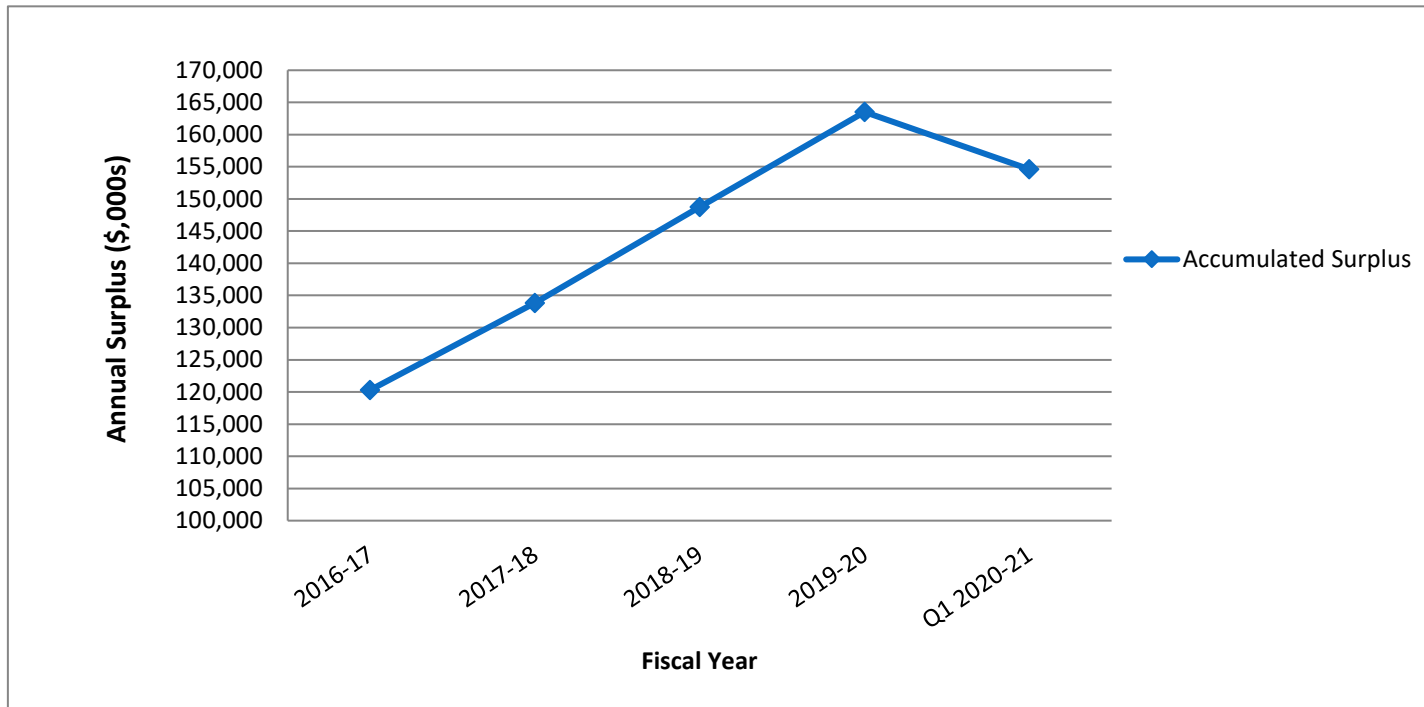
Rationale:

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



First Quarter 2020-21 Financial Projection
Financial Health Indicators

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.

ANNUAL BUDGET AND QUARTERLY FINANCIAL PROJECTIONS COMPLIANCE SCHEDULE

	<u>Source</u>	<u>Budget/Projection Requirement</u>	<u>Compliant (Y/N)</u>
1	BGII-02 Board Financial Management Policy	1.2 The annual budget [and Quarterly Projections] ... shall: 1.2.2 Have expenditures not exceeding revenues unless the Board has approved ... to spend from reserve funds;	N
2	BGII-02 Board Financial Management Policy	1.2 The annual budget [and Quarterly Projections] ... shall: 1.2.3 Have ancillary expenditures not exceeding ancillary revenues unless the Board has specifically directed otherwise.	Y
3	BGII-02 Board Financial Management Policy	2.3 Quarterly projections of the annual budget shall be presented to the Board, ensuring the College's projected surplus or deficit are at least equal to or better than the Approved Budget.	N
4	BGII-02 Board Financial Management Policy	4.2 The President may not approve an unbudgeted expenditure or commitment that will result in the College's fiscal year-end total balance of unrestricted net assets plus internally restricted net assets being lower than budgeted without the approval of the Board.	Y
5	Strategic Plan 2017-2022	'Goal 5 - Enhance Algonquin's global impact and community social responsibility' -we must ensure we maintain strong financial health indicators	Y
6	President's Budget Overview - Annual Budget	President's Overview: 'We will be aggressively pursuing further opportunities in the non funded area which will provide funds for investment in all of the things that are currently not funded through government sources such as technology upgrades, infrastructure improvements, equipment for faculty and staff etc.' - we must ensure that our SIP expenditures (budgeted and projected) do not exceed the sum of: - Non-Funded Activities net contributions; and - Allocations from Internally Restricted Net Assets such that the ending balance of Internally Restricted Net Assets is at least equal to or greater than the balance approved by the Board in the Annual Budget (see #4 above).	N

Report title:	Public College – Private Partnership (PCPP) Update
Report to:	Board of Governors
Date:	July 13, 2020
Author/Presenter:	Ernest Mulvey, Director, International Education Centre Charlene Miller, Manager, Private College Partnerships

1. RECOMMENDATION:

THAT the Board of Governors accepts this report for information.

2. PURPOSE / EXECUTIVE SUMMARY:

The purpose of this transmittal is to provide an update on the process and timeline of the Public College – Private Partnership (PCPP) initiative.

3. BACKGROUND:

The Ministry of Colleges and Universities issued a binding policy directive on December 23, 2019 outlining the requirements public colleges must adhere to, should they pursue a partnership with private educational providers (Public College – Private Partnership, PCPP). In keeping with Algonquin College’s standard process for the development of a business case to support new initiatives, a Working Group was formed on August 26, 2019 to begin facilitating planning, to guide the discussions with stakeholders, to recommend options to the College and ultimately to the Board of Governors. The Working Group includes representatives from the Academic Area, Business Development, Finance, Government Relations, Human Resources, International Education Centre, Student Services, Information Security, and Risk Management. On January 30, 2020, the International Education Centre assumed responsibility for pursuing a PCPP as a means to gain access to new programming, grow international student enrolment, and expand Algonquin College’s presence in Canada. A full-time project manager was hired on March 30, 2020 to manage the partnership exploration process. Twenty-nine potential private college partners from across Canada have informally expressed interest in partnering with Algonquin College and have been invited to respond to a Request for Expressions of Interest (RFEOI) posted on MERX, with a submission deadline of June 12, 2020. Seventeen submissions were received from interested parties from across Canada and are undergoing evaluation by Working Group members.

4. DISCUSSION:

The RFEOI is the first step in the process of identifying one or more suitable partner(s) who can expand Algonquin College’s presence within Canada and add value to its program delivery options, while bringing in additional revenue streams. The RFEOI will be evaluated by members of the PCPP Working Group. The evaluation criteria refer to standards set by the Ministry of Colleges and Universities and by Algonquin College, including:

1. **Institutional Profile**, assessing organizational and financial capacity, as well as strategic and corporate value alignment with Algonquin College.
2. **Programs**, especially those that are unique and align with Algonquin College Schools and Institutes.
3. **Student Services**, to ensure that students enrolled at the private college partner have the same resources and opportunities as current Algonquin College students.
4. **Marketing and Student Recruitment**, to ensure that the partner adheres to ethical guidelines in student recruitment and marketing practices.
5. **Quality Assurance**, which will form an integral part of a partnership wherein the partner would be required to abide by Algonquin Colleges’ Academic Policies and Procedures. A common Quality Assurance framework with tailored key performance indicators will need to be agreed.
6. **Information Security and Privacy**, to protect student and staff information and safeguard Algonquin College’s intellectual property.

The RFEOI process will lead to a shortlist of potential partners who will be invited to submit additional information or enter directly into negotiations with the Algonquin College Executive Team (ACET) subgroup, the President, the Senior Vice-President, Academic, and the Vice-President of Finance and Administration. Models under consideration are (1) partner-led, allowing the partner to lead student recruitment and the collection of tuition fees, and (2) Algonquin College-led, where Algonquin College would play a lead role in the recruitment process, allowing the College to manage how the funding flows to the partner. The Ministry of Colleges and Universities has provided an agreement template to assist partners with their applications. The aim is to finalize at least one agreement by November 2020, in order to seek the conditional approval of the Board of Governors at the December 7, 2020 Board meeting, subject to Section 28 approval by the Ministry of Finance. If approved, program delivery would begin in May 2021.

5. LINK TO STRATEGIC PLAN:

STRATEGIC PLAN 2017-2022			
LEARNER DRIVEN Goal One	<input type="checkbox"/>	CONNECTED Goal Four	<input checked="" type="checkbox"/>

Establish Algonquin as the leader in personalized learning across all Ontario colleges.		Become an integral partner to our alumni and employers.	
QUALITY AND INNOVATION Goal Two Lead the college system in co-op and experiential learning.	<input type="checkbox"/>	SUSTAINABLE Goal Five Enhance Algonquin’s global impact and community social responsibility.	<input checked="" type="checkbox"/>
Goal Three Attain national standing in quality, impact and innovation within each school and service.	<input type="checkbox"/>	PEOPLE Goal Six Be recognized by our employees and the community as an exceptional place to work.	<input type="checkbox"/>

6. STUDENT

IMPACT:

The PCPP would have no impact on currently enrolled students and programs at Algonquin College Campuses. Students enrolled through the PCPP would have access to similar opportunities and resources as Algonquin College students have at the Ottawa campus. Students enrolled through the PCPP would be tracked as part of Algonquin College’s Strategic Mandate Agreement.

7. FINANCIAL IMPACT:

One or more partnerships to deliver Algonquin College programs outside of the Ottawa region has the potential for significant additional revenue generation over the coming years. The financial forecast cannot be specifically known before a potential partner or agreement has been identified and a partnership model agreed. The Ministry of Colleges and Universities has capped international student enrolment in the PCPP to a ratio twice the international enrolment at Algonquin College campuses (1:2 ratio). Algonquin College currently has about 4,000 international students at its campuses, thereby allowing, under the current ratio, up to 8,000 international students at the partner institution.

8. HUMAN RESOURCES IMPACT:

The establishment of the PCPP currently requires one project manager supported by the International Education Centre. Since the location of the partnership would be located outside of the Ottawa region, there would be no impact on Algonquin College academic employees and the partner would be responsible for hiring appropriately qualified faculty to deliver the programs on their campus. If the PCPP is operationalized, additional Algonquin College staff will be required to support Quality Assurance and Admissions.

9. GOVERNMENT / REGULATORY / LEGAL IMPACT:

The Ministry of Colleges and Universities' Binding Policy Directive provides the framework for public colleges to enter into contractual agreements for the delivery of programs in locations across Canada. Agreements that take place outside of Ontario would additionally have to comply with that location's provincial legislation. Section 28 approval would be required as part of the College's application to the Ministry of Finance for the approval of the final agreement.

10. COMMUNICATIONS:

Information on the plans and objectives of the PCPP is being provided internally to the Deans and Directors Committee, the Algonquin College Leadership Team, the Algonquin Risk Management Committee, and the Academic and Student Affairs Committee. Externally, potential partners consisting mainly of Private Career Colleges, have been informed of the RFEOI on MERX. The International Education Centre is working with Communications and prepared key messages for internal and external audiences. No further public communications are planned until the final agreement has been approved by the Ontario Government.

11. CONCLUSION:

A Public College – Private Partnership represents a significant opportunity for Algonquin College and is being encouraged by the Ministry of Colleges and Universities as a means to generate revenue that will benefit home campuses and local communities. The process of identifying potential partners is rigorous and designed to eliminate partners that do not share Algonquin College's values. The Board of Governors and other internal committees will be kept informed of new developments, with the aim of submitting a final agreement for conditional approval at the December 7, 2020 meeting.

Respectfully submitted:



Duane McNair
Vice President, Administration and Finance

Approved for submission:



Claude Brulé
President and CEO