



ST. CLAIR
COLLEGE

TO: THE BOARD OF GOVERNORS
FROM: PATRICIA FRANCE, PRESIDENT
DATE: MARCH 28, 2017
RE: 2017-2018 FINANCIAL PLAN REPORT
SECTOR: STUDENT SERVICES & ADMINISTRATION
DOLPH BARSANTI, VICE PRESIDENT

AIM:

To obtain Board approval for the 2017-2018 Financial Plan Report.

BACKGROUND:

The proposed 2017-2018 Financial Plan Report incorporates the following financial information:

1. Budget Income Statement
2. Balance Sheet
3. Non-Committed Cash Projection
4. Financial Sustainability Metrics
5. Student Fees 2017-2018

RECOMMENDATION:

IT IS RECOMMENDED THAT the Board of Governors approve the 2017-2018 Financial Plan Report

ST. CLAIR COLLEGE OF APPLIED ARTS AND TECHNOLOGY

2017-2018 FINANCIAL PLAN REPORT

**Marc Jones
Chief Financial Officer**

March 28, 2017

BUDGET INCOME STATEMENT

EXECUTIVE SUMMARY (Schedule I)

The purpose of the Financial Plan Report is to highlight the operating plan for the next fiscal year to the Board of Governors. The Financial Plan Report is consistent with the operational requirements and capital expenditures framework of the current Strategic Directions.

The Mid-Year Review 2016-17 budget approved by the Board on November 29, 2016 provided for a surplus position of \$2,126,000. The Budget Income Statement 2017-18 is projecting a surplus of \$1,176,000, representing a decrease of \$950,000 over the Mid-Year Review 2016-17 budget.

The projection for total operating and ancillary revenue for 2017-18 is \$129,990,000, representing an increase of \$1,888,000 or 1.5% over the Mid-Year Review 2016-17 budget of \$128,102,000.

The projection for total operating and ancillary expenditures for 2017-18 is \$128,814,000 representing an increase of \$2,838,000 or 2.3% over the Mid-Year Review 2016-17 budget of \$125,976,000.

CHANGES TO REVENUE (Schedule II)

The following highlights the major changes in revenue compared to the Mid-Year Review 2016-17 budget:

- Total MAESD Operating Grants decreased by \$800,000 or 1.6% of the Mid-Year Review 2016-17 budget due to the following:
 - Increase in the International Student Recovery from the MAESD resulting in a decrease in revenue of \$630,000. This decrease in revenue is due to the significant enrolment growth associated with international students.
 - Decrease in the Differentiation Envelope funding from the MAESD of \$179,000. This decrease in revenue is due to the Ministry's new funding model.
- Total Contract Income decreased by \$995,000 or 7.2% of the Mid-Year Review 2016-17 budget due to the following.
 - Decrease in program funding for Canada Ontario Jobs Grant, Employment Ontario, and Youth Job Connection.
 - Wind-up of the Experience Ontario program.

- Total Tuition revenue increased by \$1,939,000 or 5.3% of the Mid-Year Review 2016-17 budget due to the following:
 - Increase in domestic post-secondary tuition revenue of \$310,000 or 1.1%, based on an enrollment projection of 7,800 domestic students. This is a planned reduction of 2% or 157 students from the Day 10 Fall 2016 enrollment, and includes an average tuition fee increase of 3%.
 - Increase in international tuition revenue of \$1,600,000 or 23.3% based on an enrollment projection of 720 international students. This is a planned increase of 24% or 139 students from the Day 10 Fall 2016 enrollment, and includes an average tuition fee increase of 3%.
- Total "Other" income increased by \$2,112,000 or 11.6% of the Mid-Year Review 2016-17 budget due to the following:
 - Increase in Acumen revenue of \$1,250,000 or 27%. This is due to a planned consistent enrollment of 1,050 students throughout the fiscal year.
 - Increase in divisional income of \$1,729,000 or 41%. This is due to the St. Clair College Skilled Trades Regional Training Centre.
 - Decrease in revenue from the amortization of deferred capital contributions of \$472,000 or 10%. This relates to the furniture, fixtures and equipment purchased with government funding for several major capital projects undertaken in 2012, which have been fully amortized.

CHANGES TO EXPENDITURES (Schedule III)

The following highlights the major changes in expenditures compared to the Mid-Year Review 2016-17 budget:

- Total Salaries & Benefits increased by \$3,065,000 or 4.2% of the Mid-Year Review 2016-17 budget due to the following:
 - Increase in Administrative Full-Time salaries: \$450,000
 - Increase in Faculty Full-Time salaries: \$772,000
 - Increase in Support Full-Time salaries: \$1,037,000
 - Increase in Support Part-Time salaries: \$564,000
 - Increase in Fringe Benefits of \$827,000 due to the above salary increases and rising benefit costs.

- Total Non-Salary Expenditures increased by \$125,000 or 0.3% of the Mid-Year Review 2016-17 budget due to the following:
 - Increase in Contracted Services Other: \$589,000
 - Increase in Equipment Rentals: \$950,000
 - Increase in Utilities: \$291,000
 - Decrease in Stipends & Allowances: \$723,000
 - Decrease in Other Expense: \$709,000
 - Decrease in Amortization Expense: \$737,000
- Administration took a zero-based budget approach to part-time faculty staffing and information technology expenditures.

CHANGES IN ANCILLARY OPERATIONS (Schedules IV - A & B)

Overall, Ancillary revenues and expenditures decreased by \$368,000 and \$352,000 respectively, from the Mid-Year Review 2016-17 budget due to the following:

- Decrease in activity at the St. Clair Centre for the Arts.
- Return of the Thames Capitol Theatre to the Municipality of Chatham-Kent.

SCHEDULE I

St. Clair College of Applied Arts and Technology
Summary: 2017-18
 (\$ in 000's)

	<i>A</i> <i>MYR</i> <i>Income</i> <i>Statement</i> <i>2016/17</i> \$	<i>B</i> <i>Budget</i> <i>Income</i> <i>Statement</i> <i>2017/18</i> \$	<i>B - A</i> <i>Variance</i> \$
<u>REVENUE</u>			
MAESD Operating Grants	48,970	48,170	(800)
Contract Income	13,888	12,893	(995)
Tuition	36,723	38,662	1,939
Other	18,233	20,345	2,112
Total Operating Revenue	117,814	120,070	2,256
Total Ancillary Revenue	10,288	9,920	(368)
TOTAL: REVENUE	128,102	129,990	1,888
<u>EXPENDITURES</u>			
Salaries & Benefits	73,370	76,435	3,065
Non-Salary Expenditures	43,657	43,782	125
Total Operating Expenditures	117,027	120,217	3,190
Total Ancillary Expenditures	8,949	8,597	(352)
TOTAL EXPENDITURES	125,976	128,814	2,838
SURPLUS / (DEFICIT)	2,126	1,176	(950)

SCHEDULE II

St. Clair College of Applied Arts and Technology

Revenue: 2017-18

(\$ in 000's)

	<i>A</i> <i>MYR</i> <i>Income</i> <i>Statement</i> <i>2016/17</i>	<i>B</i> <i>Budget</i> <i>Income</i> <i>Statement</i> <i>2017/18</i> \$	<i>B - A</i> <i>Variance</i> \$	
REVENUE				
Enrollment Based Envelope: see note 1	43,798	43,807	9	
Differentiation Envelope: see note 2	2,216	2,037	(179)	
Other MAESD Grants and Recoveries: see note 3	2,956	2,326	(630)	
Total MAESD Operating Grants	48,970	48,170	(800)	-1.6%
Apprenticeship	3,543	3,742	199	
Canada Ontario Jobs Grant	908	703	(204)	
Employment Ontario	3,254	3,057	(197)	
Youth Job Connection	1,765	1,344	(421)	
Literacy & Basic Skills	1,134	1,134	-	
School College Work Initiative	1,355	1,360	5	
Second Career	1,000	1,000	-	
Other: see note 4	929	553	(377)	
Total Contract Income	13,888	12,893	(995)	-7.2%
Post Secondary	27,000	27,310	310	
International	6,875	8,475	1,600	
Continuing Education	2,748	2,777	29	
Tuition Short	100	100	-	
Total Tuition	36,723	38,662	1,939	5.3%
Investment Income	250	225	(25)	
Contract Training	780	711	(69)	
International Projects	1,532	1,345	(187)	
Acumen	4,600	5,850	1,250	
Other: see note 5	1,062	948	(114)	
Technology Access Fee	1,000	1,000	-	
Divisional Income	4,252	5,981	1,729	
Amortization DCC	4,757	4,285	(472)	
Total Other	18,233	20,345	2,112	11.6%
Total Revenue Before Ancillary	117,814	120,070	2,256	1.9%
Ancillary Revenue	10,288	9,920	(368)	-3.6%
TOTAL REVENUE	128,102	129,990	1,888	1.5%

SCHEDULE III

St. Clair College of Applied Arts and Technology				
Expenditures: 2017-18				
(\$ in 000's)				
	A MYR Income Statement 2016/17 \$	B Budget Income Statement 2017/18 \$	B - A Variance \$	
EXPENDITURES				
Salaries: Administrative Full Time	5,766	6,216	450	
Salaries: Administrative Part Time	1,068	702	(366)	
Salaries: Faculty Full Time	27,423	28,195	772	
Salaries: Faculty Part Time	9,505	9,286	(219)	
Salaries: Support Full Time	14,020	15,057	1,037	
Salaries: Support Part Time	3,118	3,682	564	
Fringe Benefits	12,470	13,297	827	
Total Salaries & Benefits	73,370	76,435	3,065	4.2%
Advertising & Promotion	1,782	1,816	34	
Contracted Cleaning Service	2,341	2,341	-	
Contracted Educational Services	1,068	1,206	138	
Contracted Services Other	3,241	3,830	589	
Equipment Maintenance & Repairs	1,776	1,937	161	
Equipment Rentals	2,338	3,288	950	
Instructional Supplies	3,549	3,481	(68)	
Insurance	710	810	100	
Janitorial & Maintenance Supplies	800	796	(4)	
Memberships & Dues	503	518	15	
Municipal Taxes	642	669	27	
Office Supplies	691	646	(45)	
Premise Rental	798	768	(30)	
Professional Development	500	504	4	
Security Services	1,341	1,341	-	
Stipends & Allowances (Employment Ontario)	2,460	1,737	(723)	
Student Assistance 30% Tuition	1,670	1,752	82	
Travel	1,000	1,050	50	
Utilities	4,900	5,191	291	
Other: see note 6	4,150	3,441	(709)	
Sub-total	36,260	37,122	862	2.4%
Amortization	7,397	6,660	(737)	
Total Non-Salary Expenditures	43,657	43,782	125	0.3%
Total Operating Expenditures	117,027	120,217	3,190	2.7%
Ancillary Expenditures	8,949	8,597	(352)	-3.9%
TOTAL EXPENDITURES	125,976	128,814	2,838	2.3%

SCHEDULE IV a

St. Clair College of Applied Arts and Technology				
Ancillary Operations: 2017-18				
(\$ in 000's)				
	A MYR 2016/17 \$	B Budget 2017/18 \$	B - A Variance \$	
<u>Ancillary: Revenue</u>				
Beverage Supplier	50	50	-	
Bookstore - Windsor & Thames	380	330	(50)	
Cafeteria - South Campus	30	38	8	
IRTCD Special Events	150	180	30	
Lockers Administration	50	54	4	
Parking Lots	1,400	1,440	40	
Residence	2,800	2,755	(45)	
Saints Store	52	52	-	
Green Giants	-	100	100	
Snack Bars	10	10	-	
St. Clair Centre for the Arts	4,039	3,846	(193)	
Thames Capitol Theatre	227	-	(227)	
Varsity Sports - Windsor	800	765	(35)	
Woodland Hills Golf Course	300	300	-	
Total Revenue	10,288	9,920	(368)	-3.6%
<u>Ancillary: Expenditures</u>				
IRTCD Special Events	120	120	-	
Parking Lots	948	1,034	86	
Residence	2,500	2,447	(53)	
Saints Store	35	35	-	
Green Giants	-	100	100	
St. Clair Centre for the Arts	3,824	3,628	(196)	
Thames Capital Theatre	254	-	(254)	
Varsity Sports - Windsor	970	935	(35)	
Woodland Hills Golf Course	298	298	-	
Total Expenditures	8,949	8,597	(352)	-3.9%

SCHEDULE IV b

St. Clair College of Applied Arts and Technology Ancillary Operations: 2017-18 (\$ in 000's)		
	A MYR 2016/17 \$	B Budget 2017/18 \$
Beverage Supplier: Revenue	50	50
Bookstore - Windsor & Thames: Revenue	380	330
Cafeteria - South Campus: Revenue	30	38
Lockers Administration: Revenue	50	54
IRTCD Special Events: Revenue	150	180
IRTCD Special Events: Expenditures	120	120
	30	60
Parking Lots: Revenue	1,400	1,440
Parking Lots: Expenditures	948	1,034
	452	406
Residence: Revenue	2,800	2,755
Residence: Expenditures	2,500	2,447
	300	308
Saints Store: Revenue	52	52
Saints Store: Expenditures	35	35
	17	17
Green Giants: Revenue	-	100
Green Giants: Expenditures	-	100
	-	-
Snack Bars: Revenue	10	10
Snack Bars: Expenditures	-	-
	10	10
St. Clair Centre for the Arts: Revenue	4,039	3,846
St. Clair Centre for the Arts: Expenditures	3,824	3,628
	215	218
Thames Capital Theatre: Revenue	227	-
Thames Capital Theatre: Expenditures	254	-
	(27)	-
Varsity Sports - Windsor: Revenue	800	765
Varsity Sports - Windsor: Expenditures	970	935
	(170)	(170)
Woodland Hills Golf Course: Revenue	300	300
Woodland Hills Golf Course: Expenditures	298	298
	2	2
Total Revenue	10,288	9,920
Total Expenditures	8,949	8,597
Surplus	1,339	1,323

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Notes: Revenue & Expenditures

Note 1 REVENUE: Enrollment Based Envelope

Operating Grant - Base Funding
Clinical Education
Growth Grant

Note 2 REVENUE: Differentiation Envelope

GPOG Holdback
Performance Funding (KPI)

Note 3 REVENUE: Other MAESD Grants

Accessibility Funding for Disabled Students
Collaborative Nursing
International Student Recovery
Municipal Taxes

Note 4 REVENUE: Other

Aboriginal Counselor
Experience Ontario
Reporting Entities Project
Summer Experience
Summer Jobs for Youth
Women Campus Safety
WSIB
Youth Job Link

Note 5 REVENUE: Other

Apprenticeship Classroom Fees
Graduation Fees
Miscellaneous Income
Termination Gratuity Fees
Unrestricted Donations

Note 6 EXPENDITURES: Other

Audit Fees
Bad Debt Expense
Bank Charges
Building Repairs & Maintenance
Chargeback's
College Compensation & Appointments Council
Field Studies
Grounds Maintenance
Learning Resource Material
Long Term Debt - Interest
Non-Capital Expenditures
Postage
Professional Fees
Staff Employment
Student Scholarships: International & Athletics
Support Allowance: LBS & Employment Ontario
Telephone
Vehicle Expense

BALANCE SHEET

The intent of this report is to provide the Board with a forecast of our 2017-18 financial position at the end of the College's fiscal year in regards to Assets, Liabilities and Net Assets, based on information known when the budget was developed.

Balance Sheet

	6-Jan-17	28-Mar-17
	MAESD	Budget
	as at	as at
	March 31, 2017	March 31, 2018
1 Assets	203,920,317	204,485,415
11 Cash and Cash Equivalents	21,755,048	21,307,510
12 Accounts Receivable	8,008,666	8,008,666
14 Other Current Assets	1,585,365	1,585,365
15 CIP	2,721,938	10,062
16 Tangible Capital Assets	297,319,915	307,404,427
161 Land	7,058,485	7,058,485
162 Site Improvements	8,779,453	9,232,263
163 Building	207,656,708	215,016,818
164 Furniture and Equipment	72,555,494	74,827,086
165 IT	1	1
169 Other TCA	1,269,774	1,269,774
17 Tangible Capital Asset Accumulated	(136,204,980)	(142,864,980)
172 AA Site Improvements	(6,149,564)	(6,685,752)
173 AA Building	(60,907,501)	(65,649,111)
174 AA Furniture and Equipment	(67,899,239)	(69,260,343)
179 AA Other TCA	(1,248,676)	(1,269,774)
18 Long Term Receivable	0	0
19 Investments and Other Long term Assets	8,734,365	9,034,365

2 Liabilities	162,408,527	161,498,091
21 Bank Indebtedness	0	0
22 Accounts Payable and Accrued Liabilities	17,902,334	17,414,040
221 Accounts Payable and Accrued Liabilities	15,648,450	15,648,450
222 Accrued Interest	40,968	40,968
223 Current Portion of Long term liabilities	2,212,916	1,724,622
23 Deferred Revenue	11,762,874	12,862,874
231 Deferred Revenue	4,989,941	4,989,941
232 Deferred Tuition Revenue	6,772,933	7,872,933
24 Restricted Contribution	780,114	780,114
25 Deferred Capital Contributions	113,251,806	113,454,286
26 Capital Lease	0	0
27 Debt	14,588,399	12,863,777
29 Other Long Term Liabilities	4,123,000	4,123,000
3 Net Assets	41,511,790	42,987,324
31 Unrestricted Net Assets	1,135,702	2,311,236
32 Internally Restricted Net Assets	1,000,000	1,000,000
33 Investment in Capital Assets	30,859,208	30,859,208
36 Restricted Contributions	0	0
37 Endowments	8,516,880	8,816,880
38 Accumulated Re-measurement Gain & Losses	0	0
Assets - Liabilities - Net Assets	-	-

NON-COMMITTED CASH PROJECTION

The intent of this report is to provide the Board with an indication of our 2017-18 non-committed cash surplus position at the end of the College's fiscal year. The report also identifies the capital projects that are funded from operating funds.

Non-Committed Cash Projection

	<u>MYR</u> <u>2016/17</u>	<u>Budget</u> <u>2017/18</u>	<u>Variance</u>
Prior Year, Cash Surplus	<u>\$6,400</u>	<u>\$5,800</u>	<u>(\$600)</u>
Capital Grants: AEF, FRP, CERF, SIF	\$1,442	\$4,618	\$3,176
Capital Expenditure: AEF, FRP, CERF, SIF	(\$1,442)	(\$4,618)	(\$3,176)
Toldo Funds	\$150	\$150	-
Health Science & Windsor Nursing Programs	(\$150)	(\$150)	-
Capital funded from Operating Funds **	<u>(\$3,000)</u>	<u>(\$3,600)</u>	<u>(600)</u>
	<u>(\$3,000)</u>	<u>(\$3,600)</u>	<u>(\$600)</u>
<u>Revenue</u>			
MAESD Operating Grants	\$48,970	\$48,170	(\$800)
Contract Income	\$13,888	\$12,893	(\$995)
Tuition	\$36,723	\$38,662	\$1,939
Other	\$18,233	\$20,345	\$2,112
Ancillary	\$10,288	\$9,920	(\$368)
	<u>\$128,102</u>	<u>\$129,990</u>	<u>\$1,888</u>
Adjust for Amortization	<u>(\$4,757)</u>	<u>(\$4,285)</u>	<u>472</u>
	<u>\$123,345</u>	<u>\$125,705</u>	<u>\$2,360</u>
<u>Expenditures</u>			
Salary & Benefits	(\$73,370)	(\$76,435)	(\$3,065)
Non-Salary Expenditures	(\$43,657)	(\$43,782)	(\$125)
Ancillary	(\$8,949)	(\$8,597)	\$352
	<u>(\$125,976)</u>	<u>(\$128,814)</u>	<u>(\$2,838)</u>
Adjust for Amortization	<u>\$7,397</u>	<u>\$6,660</u>	<u>(\$737)</u>
	<u>(\$118,579)</u>	<u>(\$122,154)</u>	<u>(\$3,575)</u>
Cash, Sub-total	<u>\$8,166</u>	<u>\$5,751</u>	<u>(\$2,415)</u>
Board Reserve	(\$1,000)	(\$1,000)	-
SIF Contributed Cash to 2017-18	(\$1,400)	\$0	\$1,400
Cash surplus, end of year	<u>\$5,766</u>	<u>\$4,751</u>	<u>(\$1,015)</u>

Capital Expenditures funded from Operating Funds

Campus Beautification	\$275	\$0
Deferred Maintenance & Capital	\$2,725	\$0
Other	\$0	\$1,620
SIF - Power Line	\$0	\$400
SIF - Facilities	\$0	\$1,580
	<u>\$3,000</u> **	<u>\$3,600</u>

FINANCIAL SUSTAINABILITY METRICS

The intent of this report is to provide the Board with an estimate of the 2017-18 MAESD Financial Indicators (as identified within the Strategic Mandate Agreement) based on information known when the budget was developed.

Financial Sustainability Metrics

		<u>Actual</u> 3/31/2016	<u>Estimate</u> 3/31/2017	<u>Estimate</u> 3/31/2018
Annual Surplus / Deficit	greater than \$0	\$ 1,048,214	\$ 2,126,000	\$ 1,176,000
Accumulated Surplus / Deficit	greater than \$0	\$ 30,868,910	\$ 32,994,910	\$ 34,170,444
Quick Ratio	greater than 1%	1.77%	1.75%	1.72%
Debt to Asset Ratio	less than 35%	19.84%	18.80%	17.64%
Debt Servicing Ratio	less than 3%	1.15%	1.75%	1.78%
Net Assets to Expense Ratio	greater than 60%	113.45%	116.09%	114.60%
Net Income to Revenue Ratio	greater than 1.5%	0.81%	1.66%	0.90%

Number of Flags	1	0	1
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