

Business Plan

2017–2018

Mission, Vision and Values

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

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

OUR MISSION

To transform hopes and dreams into lifelong success.

OUR VISION

To be a global leader in personalized, digitally connected, experiential learning.

OUR VALUES

CARING

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

LEARNING

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

INTEGRITY

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

RESPECT

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

50+5 Algonquin College 2017-2022 Strategic Plan

50+5, the Algonquin College 2017-2022 Strategic Plan, outlines five overarching strategic directions, rooted in a belief that the time has come to transition from the traditional one-size-fits-all era of education to a new age, focused on personalized, experiential learning.

At Algonquin, we will be learner-driven, with an unwavering commitment to the personal and professional success of our learners. We will focus on innovation and quality, and build on our 50 years of providing an exceptional learning experience and pioneering new approaches. We will stay connected, in an increasingly connected world. We will work to strengthen relationships with both alumni and employers, and their interactions with learners. We will be sustainable, with the ultimate goal of becoming carbon neutral and serving as a leader in the education, research and exchange of environmentally sustainable practices. And we will empower people, respecting and valuing them so that they feel supported throughout their careers and that they make a difference.

To deliver on our mission and vision we have identified eight core beliefs that underpin the five strategic directions that will guide our priorities and budget process.

Our Core Beliefs

- 1. Human Potential:** We believe in the development of human potential, that in all of us lies the innate ability to learn, to better ourselves and, to have a positive impact on our individual achievement, our families, and our community
- 2. Access:** We believe in access, that Algonquin is best known for whom we include rather than exclude, and that in today's knowledge economy a post-secondary education is fundamental to all.
- 3. Experiential Learning:** We believe in experiential learning, that it is the best form of learning and that an applied, hands-on education is essential to developing the skills and competencies required to make a positive difference in the world.
- 4. Technology:** We believe in the power of technology, that when used purposefully it can enhance learning exponentially.
- 5. Global Citizenship:** We believe in the importance of global citizenship, that in today's world all learners must acquire the skills and competencies to work in a diverse and constantly changing world, and, that everyone — regardless of what country or culture they are born to — has the right to a good education.
- 6. Employment:** We believe in the power of employment, that securing a good job does more than just put money in your pocket — it builds confidence, pride, maturity, strengthens relationships, improves health, and fosters a sense of purpose and responsibility.
- 7. Community:** We believe in community, that as individuals and institutions we have a social responsibility to care for each other, our environment, and our society, in Canada and around the world.
- 8. Personal Relationships:** And, we believe in the power of personal relationships, that learning remains a distinctly relationship-based enterprise, with the student-faculty connection at its heart across all Ontario colleges.

Our Strategic Direction and True North Goals

Learner Driven

Goal #1: Establish Algonquin as the leader in personalized learning across all Ontario colleges.

Innovation and Quality

Goal #2: Lead the college system in co-op and experiential learning.

Goal #3: Attain national standing in quality, impact and innovation within each school and service.

Connected

Goal #4: Enhance Algonquin's global impact and community social responsibility.

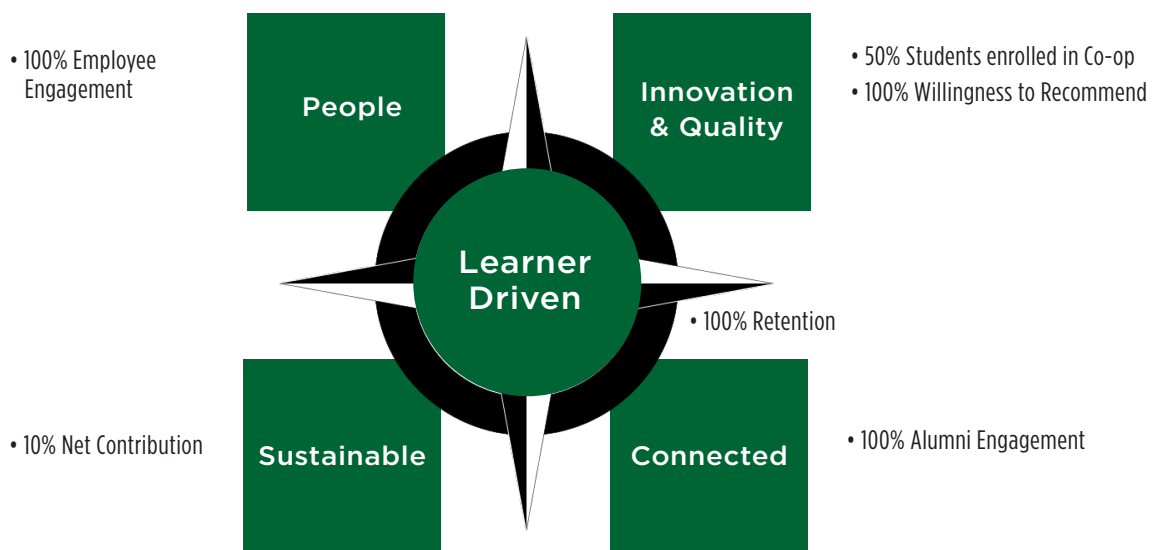
Sustainable

Goal #5: Become an integral partner to our alumni and employers.

People

Goal #6: Be recognized by our employees and the community as an exceptional place to work.

ASPIRATIONAL TRUE NORTH TARGETS



#	2017-22 Strategic Goals	2017-18 Metrics	Benchmark	2017-18 Target	True North	Initiative/Leveraged Action
1.0	Learner Driven Goal #1: Establish Algonquin as the leader in personalized learning across all Ontario colleges. (Customer)	Student Retention	86.8%	87.5%	100%	1.0 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Learner Driven Plan, led by working group co-chaired by the Senior Vice President Academic Services and Vice President Student Services, that defines and measures personalized learning at Algonquin College, drafted and presented to the College's Board of Governors by Q4.
1.1		At-risk Learners Supported	NA	NA		1.1 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Current state benchmarks established by Q1. c) Software systems for collecting and tracking at-risk learner related data investigated by Q2. d) Employee training program established by Q2.
1.2		Learning Management System (LMS) Logins	88.3%	89%		1.2 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Learning Management System policy AA42 reviewed by Q1. c) Comprehensive faculty support plan for key education technologies in use at the College developed and implemented by Q4. d) Learning Management System user requirements analysis completed by Q2. e) Request for Proposal issued and single College-wide Learning Management System selected by Q4.
1.3		Class Attendance	NA	NA		1.3 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Current state and benchmarks established by Q1. c) Future state and targets established by Q2.
2.0	Innovation and Quality Goal #2: Lead the college system in Co-op and experiential learning. (Internal Business Process)	Students Enrolled in Co-op	19%	20%	50%	2.0 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Benefits of applying for Canadian Association for Co-operative Education (CAFCE) accreditation reviewed by Q2. c) Tool to assess the quality of Co-op and Work Integrated Learning (WIL) activities in programs of study developed by Q3. d) Applied Research, Innovation and Entrepreneurship strategy updated and presented to ACET by Q2. e) Applied Research Annual Report presented to ACET by Q2.

#	2017-22 Strategic Goals	2017-18 Metrics	Benchmark	2017-18 Target	True North	Initiative/Leveraged Action
2.1		Programs with a Co-op Stream	29	33		2.1 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Current state and benchmarks established by Q1. c) Future state and targets established by Q2.
2.2		Enrolled Co-op Students Completing a Work Term within the Year	15%	17.5%		2.2 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Framework for the creation of co-op positions at Algonquin College completed, in consultation with union partners, by Q2. c) Co-op hiring process reviewed by Q2. d) Employer focused Co-op marketing campaign developed and launched by Q3. e) New Learning Enterprise in the Academic Area created by Q4
2.3		Employer Leads Passed on to the Co-op Office by College Employees	25	500		2.3 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Employee training program for identifying and passing on leads to the Co-op Office developed and launched by Q2. c) System for employees to pass on leads to the Co-op Office developed by Q2.
3.0	Innovation & Quality Goal #3: Attain national standing in quality, impact, and innovation by each school and service. (Internal Business Process)	Willingness to Recommend (Net Promoter Score)	NA	NA	100%	3.0 a) A3 - Plan Do Study Adjust Plan completed by Q2. b) Five-year cyclical quality audit site visit of June 2016 recommendations implemented by Q4. c) Program Advisory Committee 2016-2017 Review recommendations implemented by Q3. d) 50th Anniversary Plan implemented by Q4. e) Enterprise level "Willingness to Recommend" survey tool researched and costed for recommendation to ACLT by Q2.
3.1		Process Improvements Implemented Value Stream Maps Completed	6 6	200 40		3.1 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Lean Management Strategy developed and presented to the Board of Governors by Q1. c) Internal Control over Financial Reporting Plan developed by Q4. d) E-Texts Plan and Risk Assessment completed by Q2. e) Information Technology Plan completed by Q2. f) Customer Relationship Management (CRM) Plan developed by Q1. g) Business Intelligence Plan, with focus on lean management and enrolment activity, completed Q2. h) Class Scheduling Solution (Infosilem) launched in Q2. i) Student Information System requirements gathering completed by Q3. j) Net Tuition implementation, including Student Awards Management System, completed by Q4.

2017-22 Strategic Goals		2017-18 Metrics	Benchmark	2017-18 Target	True North	Initiative/Leveraged Action
4.0	Connected Goal #4: Become an integral partner to our alumni and employers. (Customer)	Alumni Engagement	NA	NA	100%	4.0 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Existing alumni interactions across the College audited to identify areas for improvement by Q3. c) System to track and manage alumni interactions implemented by Q4. d) Plan for increasing awareness of alumni engagement opportunities further enhanced and implemented by Q4.
4.1		Alumni Contacts Passed on to the Alumni Office by College Employees	NA	NA		4.1 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) System for employees to pass on leads to the Alumni Office developed by Q2.
5.0	Sustainable Goal #5: Enhance Algonquin's global impact and community social responsibility. (Financial)	Net Contribution	3.0%	3.3%	10.0%	5.0 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Opportunities to improve productivity identified, assessed, and prioritized by Q1. c) Implementation of Project Fusion/Workday completed on time and on budget with process efficiency metrics developed by Q4. d) Potential framework and process for measuring productivity investigated and tested by Q4. e) Potential framework and process for measuring time saved through process improvement and lean initiatives presented to ACET by Q4.
5.1		Domestic Post Secondary Education Enrolments	34,178	33,567		5.1 a) A3 - Plan Do Study Adjust Plan completed by Q3. b) Marketing, recruitment, admissions, academic advising, and early alert/intervention processes enhanced through Lean methodology, under the guidance of Strategic Enrolment Management (SEM), by Q4.
5.2		Aboriginal Post Secondary Education Enrolments	1,901	1,959		5.2 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Process for collecting and reporting Aboriginal learner self-identification completed by Q4. c) Indigenous Initiatives multi-year strategic plan, that includes caring for community partnerships and an environmental scan to understand their needs, completed by Q4.
5.3		International Post Secondary Enrolments	3,794	4,363		5.3 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) International Strategic Plan updated by Q3. c) First-year of India Market Entry Strategy implemented by Q1. d) International Marketing Plan updated Q2. e) International Digital Marketing position created and filled by Q1.

#	2017-22 Strategic Goals	2017-18 Metrics	Benchmark	2017-18 Target	True North	Initiative/Leveraged Action
5.4		Revenue: a) Funded Activity b) College Ancillary Services c) International Education Centre d) Contract & Other Non-Funded Activity	\$228.9M \$43.6M \$17.1M \$28.6M	\$236.9M \$45.1M \$24.0M \$27.3M		5.4 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Contract Training revenue-share model investigated and options for improvement identified and presented to ACLT by Q4. c) College Ancillary Services Strategic Plan updated and presented to ACET by Q4. d) Government Relations Plan implemented by Q4.
5.5		Foundation Revenue	\$3.1M	\$3.47M		5.5 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Prospect lists for all solicitations established and prospect plan launched (target number of visits per week) by Q1. c) Fundraising projects prioritized by Q2. d) Innovation, Entrepreneurship and Learning Centre and Institute for Indigenous Entrepreneurship campaign launched by Q2.
6.0	People Goal #6: Be recognized by our employees and the community as an exceptional place to work. (Learning & Growth)	Employee Engagement	60%	62%	100%	6.0 a) A3 - Plan Do Study Adjust Plan completed by Q1 b) Communication Plan in support of AC People Plan developed by Q2. c) Approved recommendations from 2016 Part-time Task Force and Employee Mobility Task Force implemented by Q4. d) College-wide Employee Engagement Plan and Department level Plans to address findings of the 2017 Employee Engagement Survey developed by Q4. e) Review conducted and resourcing plan developed to reduce vacancy rate and optimize the ratio of full-time to non-full-time employees by Q4.
6.1		Annual Performance Reviews Completed On-time, Including the Development of Professional Development Plans (Note: In the first year the focus will be on Administrative employees, expanding to Support Staff and Faculty in future years)	55%	75%		6.1 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) College-wide Employee Performance Development Framework and supporting programs created by Q1. c) Standard operating procedure/process established and confirmed by ACLT by Q2. d) Accountability framework established by Q2. e) Cross over plan from current Employee Performance Development Program tracking systems to Workday confirmed by Q2.
6.2		Employee Communication Matrix	936	1029		6.2 a) A3 - Plan Do Study Adjust Plan completed by Q1. b) Conduct employee research to understand user expectations, needs and requirements by Q2. c) Internal employee communications plan developed and implemented by all departments by Q3. d) President messaging plan drafted and implemented by Q3. e) Coat of Arms revealed and implementation plan drafted by Q1.

A3: A3 Thinking is a structured problem solving and continuous improvement approach, which uses the scientific model PDSA (Plan, Do, Study, Adjust) to identify problems, confirm their root-cause, and surface options for moving from a current state to a future state.

Q= Quarter **TBC=** To be confirmed **NA=** Not available

Annual Budget

2017–2018

Treasurer's Report of the 2017-2018 Annual Budget

In compliance with both the Board of Governors direction and the Ministry of Advanced Education and Skills Development operating directives, the 2017-2018 Annual Budget returns a net surplus on funded activity/college operations of \$11.5 million and maintains the College's commitment to balance student tuition revenue and general purpose operating grants with associated operating expenditures. The overall comprehensive annual budget projects an estimated net contribution of \$5.6 million.

The 2017-2018 Annual Budget provides the College with the resources required to deliver on the commitments detailed in the 2017-2018 Business Plan in alignment with the College's 2017-2022 Strategic Plan.

This budget continues the College's history of investing in the future sustainability and success of the College with provisions for new capital building development, physical and information technology infrastructure renewal and investments in process improvements through the upgrade of key enterprise resource planning systems.

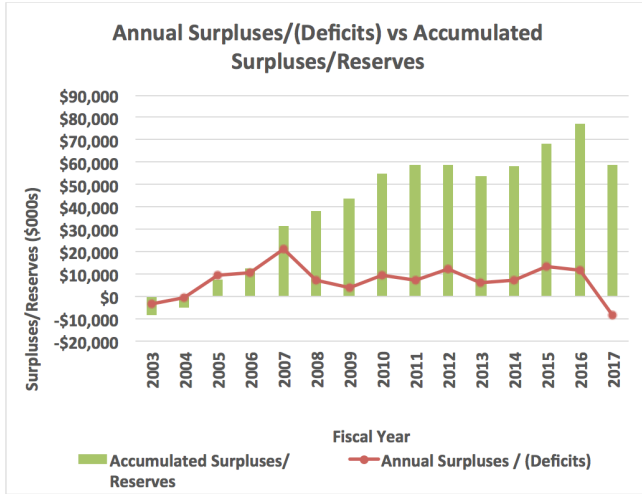
Internally Restricted Net Assets/Accumulated Surpluses

Last year, the College concluded the fiscal year 2015-2016 with a net contribution of \$11.7 million which exceeded the 2015-2016 Annual Budget net contribution of \$1.5 million; a variance of 3.3% when expressed as a percentage of total budgeted expenditures. In addition to various operating savings, this positive variance was achieved primarily due to a \$2.1 million underestimation of the enrolment growth and operating grants, a \$2.5 million underspend of Strategic Investment Priorities and a \$2.6 million underutilization of contingency provisions.

The College has grown its accumulated surplus balance over the past 10 years in the Internally Restricted Net Asset accounts. These funds are managed closely to provide resources to fund Strategic Investment Priorities that will enhance the overall experience of students. As can be seen by the decrease in 2016-2017, a negative net contribution is projected due to an approved draw on reserves to fund projects such as the enterprise resource planning system upgrade (Project Fusion) and infrastructure renewal projects. The accumulated surpluses and healthy balance of the Internally Restricted Net Assets enables the College to address significant capital investment requirements.



Duane McNair
Treasurer and Vice President, Finance and Administration



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

The President is submitting a recommendation to the Board of Governors to approve spending from the College’s Specific Reserves funds and Future Capital Expansion Reserve funds within Internally Restricted Net Assets for the following significant capital projects and initiatives in 2017-2018:

2017-2018 Expenditures from Internally Restricted Net Assets – Specific Reserves and Future Capital Expansion Reserve Funds	
Enterprise Resource Planning Solution – Human Resources, Payroll, and Finance (this is not an additional new request but within the allocation approved in the 2016-2017 Annual Budget)	\$2,935,000
Information Technology and Physical Infrastructure Renewal Projects	\$3,507,000
Innovation, Entrepreneurship Learning Centre and Institute for Indigenous Entrepreneurship (this is not an additional new request but within the allocation approved during 2016-2017)	\$9,122,000
Energy Savings Contract 2 (ESC02) – Energy Savings Measures (this is not an additional new request but within the allocation approved in the 2016-2017 Annual Budget)	\$1,000,000
Academic and Administrative Equipment	\$500,000
2016-2017 Approved Multi-Year Strategic Investment Priorities Expenditures Deferred to 2017-2018	\$2,648,000
Total Expenditures from Internally Restricted Net Assets	\$19,712,000

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

Internally Restricted Net Assets	2017-2018 Budgeted Contributions
Specific Reserves	
• Ancillary Services Reserve Funds	\$1,062,000
• Information Technology and Physical Infrastructure Renewal Fund	\$2,000,000
Contingency Reserve Fund	\$385,000
Reserve Fund – Future Capital Expansion	\$2,087,297
Total Budgeted Contributions to Internally Restricted Net Assets	\$5,534,297

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

The budgeted 2017-2018 fiscal year-end total balance of unrestricted net assets plus internally restricted net assets are as follows:

Unrestricted and Internally Restricted Net Assets	
Unrestricted Net Assets	
Internally Restricted Net Assets	\$1,000,000
• Appropriations	
• Specific Reserves	\$100,000
- Other Projects and Initiatives	\$4,903,000
- Ancillary Services Reserve Fund	\$5,605,000
- Employment Stabilization Fund	\$557,000
- Other Student Aid	0
- Contingency Reserve Fund	\$8,685,000
• Reserve Fund – Future Capital Expansion	\$27,402,000
Total Unrestricted and Internally Restricted Net Assets	\$48,252,000

Challenges and Opportunities Facing the College

Delivering an annual budget that returns a positive net contribution has not been without its challenges. In 2016, the Province re-stated its commitment to eliminating the Ontario deficit by 2017-2018 and committed to maintain previously announced reductions to Ontario colleges' funding. The annualized impact of these reductions to Algonquin's 2017-2018 base funding is approximately \$6.6 million.

RISK SCHEDULE				
Provincial Budget Measure	2014-2015	2015-2016	2016-2017	2017-2018
International Student Recovery Fee	\$(876,131)	\$(1,099,351)	\$(1,197,000)	\$(1,382,250)
Elimination of the Small, Northern and Rural Grant	(1,844,850)	(1,844,850)	(1,844,850)	(1,844,850)
Policy Levers – Operating Grant Reductions	(1,721,837)	(2,741,739)	(2,741,739)	(2,741,739)
International Student Municipal Tax	(84,525)	(101,633)	(119,700)	(138,225)
Facilities Renewal Grant increase/(decrease)		355,300	971,400	(467,635)
Total Impact of Provincial Budget Measures	\$(4,527,343)	\$(5,432,273)	\$(4,931,889)	\$(6,574,699)

In the spring of 2014, the College received an audit report that stated that the College's physical deferred maintenance liability had grown from \$41 million in 2010 to \$87 million in 2014. While the Province has committed to increasing funding for deferred maintenance for the college sector over the coming years (\$26 million in 2014-2015 increasing to \$100 million by 2019-2020), Algonquin's share will not be sufficient to reduce this liability. With \$700 million in facilities and infrastructure, the College should be investing approximately \$14 million (or 2% of the \$700 million replacement value) each year. In addition, the College has in excess of \$47 million in information, communications and technology (ICT) infrastructure that should be renewed at a rate of about 4% to 6% per year (\$1.9 million to \$2.9 million). Aging academic equipment is another major concern as the College receives insufficient funding to keep our technology current.

More positively, Algonquin saw enrolments to the College increase by more than 2% year-over-year in 2015-2016, with the majority of these increases coming as a result of new program development, online offerings, and increases to international enrolment. International enrolments continue to exceed expectations with enrolment growth of 16.6% in 2015-2016. The College's 2nd Energy Savings Contract (ESCO2) in partnership with Siemens is an incredible success story with \$34.8 million in new facility improvement investments to date generating \$3.6 million in total energy savings.

The ESCO2 project will also help to reduce the College's physical deferred maintenance liability. In addition, the College has established a reserve fund to address both digital and physical deferred maintenance.

Assumptions

A number of assumptions were made in the preparation of estimates to be included in the budget. A list of the most significant assumptions for 2017-2018 are as follows:

Revenues

- General Purpose Operating Grant will be held stable and the Enrolment Growth Grant funding will continue but at a lower year over year increase due to lower domestic enrolment growth than past years;
- Tuition fee rates for funded programs has been budgeted with a 3% increase;
- Enrolment growth in full-time post-secondary programs is projected to increase by 1.5% over 2016-2017 projected enrolment levels due to growth in existing programs, the launch of new programs, and improved retention; and
- The following other non-funded revenue sources have been updated to respond to the projected enrolment changes, the economy, international opportunities and anticipated market conditions:
 - Contract Activity
 - International Student Premium and Tuition
 - College Ancillary Services

Operating Expenditures

- Wage increases for all faculty and staff will not exceed the current range of wage increases in the public sector and are based on current collective agreements and legislation. Other expenditures will increase at a rate consistent with the rate of inflation, or will remain constant; and
- Accounting policy will be adopted to allow capitalization of a portion of enterprise resource planning system implementation costs (Project Fusion).

Funding for Strategic Investment Priorities

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

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

- Adapt teaching environments to accommodate students with mobile devices as part of the mobile learning program project;
- Developing additional hybrid courses, online programs, graduate certificates and degree programs to meet the needs of today's student;
- Campus expansion with the construction of the Innovation and Entrepreneurship Learning Centre and the Institute for Indigenous Entrepreneurship;
- Continue with the acquisition and implementation of a finance and human resources enterprise resource planning system;
- Implement strategies to improve employee engagement; and
- Continue to upgrade and improve the service and reliability of wired and wireless networks.

Risks

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

RISK SCHEDULE			
Risk Identification	Risk Level in 2017/18	Likelihood in 2017/18	Risk Mitigation
Enrolment Less than Projection resulting in Reduced Tuition Fee Revenue	Moderate	Possible	<ul style="list-style-type: none"> • New Programs • Conversion of Applications to Registrations • Retention Initiatives • Reduce Expenditures • Increase Winter Intakes
Provincial Operating Grants Less than Budgeted	Moderate	Unlikely	<ul style="list-style-type: none"> • Reduce Expenditures • Further Review Programs and Services for Efficiencies • Defer Strategic Investments
Other Revenues Less than Budgeted	Moderate	Possible	<ul style="list-style-type: none"> • International Initiatives • Contract Training
Labour Relations	Minor	Unlikely	<ul style="list-style-type: none"> • Monitor Government Actions • Employee Relations Strategy
Information Technology Assets and Services – Business Interruption	Moderate	Unlikely	<ul style="list-style-type: none"> • Upgraded IT Infrastructure • Contingency Accounts Available • Business Continuity/Disaster Recovery Planning
Facilities Quality and Space Constraints	Low	Possible	<ul style="list-style-type: none"> • Develop Alternative Growth Strategies • Leverage use of Technology • Energy Savings Contract

Budget Impact

The 2017-2018 Annual Budget provides adequate resources for programs and services to operate the College and fund initiatives that support the 2017-2022 Strategic Plan. In order to produce a balanced operating budget, a number of budget reduction and expansion initiatives were implemented including:

Budget Reductions	Impact
Various Operation Expenses	\$100,000 Contract Services \$300,000 Bad Debts Expenses
ITS Mobile Computing Fee	\$250,000 Reduction in IT Mobile Computing Fee Revenues Resulting in Lower Fees for Students

Budget Expansions	Impact
Full-Time Enrolment Increase	\$3,602,500 Increase in Full-Time Tuition Post-Secondary Fee Revenues, and \$859,000 Increase in Part-Time Post-Secondary Fees

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

- Effective academic advising and retention initiatives;
- Professional development opportunities for employees and
- Digital and physical infrastructure support.

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

Algonquin College - Annual Budget 2017-2018

PRO FORMA SUMMARY

(all figures in \$ 000's)

	Actual 2015/2016	Annual Budget 2016/2017	Q3 Projection 2016/2017	Annual Budget 2017/2018	Pro Forma 2018/2019	Pro Forma 2019/2020
Funded Activity/College Operations						
Revenue	\$ 227,503	\$ 229,845	\$ 233,130	\$ 238,674	\$ 241,250	\$ 246,200
Expenditures ¹	210,633	219,990	223,598	227,176	230,400	237,100
Net Contribution	16,870	9,855	9,532	11,498	10,850	9,100
Contract Activity & Other Non-Funded Activity						
Revenue	28,579	27,588	27,495	27,358	27,750	28,250
Expenditures	26,660	26,628	26,296	26,306	25,600	25,950
Net Contribution	1,919	960	1,199	1,052	2,150	2,300
College Ancillary Services						
Revenue	41,734	43,601	43,441	44,991	44,900	45,800
Expenditures ¹	34,978	35,929	35,769	36,945	36,500	37,100
Net Contribution	6,756	7,672	7,672	8,046	8,400	8,700
International Education Centre						
Revenue ²	21,558	17,106	15,684	24,015	23,466	26,100
Expenditures	16,878	13,642	15,864	18,111	16,461	17,700
Net Contribution	4,680	3,464	(180)	5,904	7,005	8,400
Strategic Investment Priorities						
Revenue	3,872	1,757	9,990	20,585	3,100	2,000
Expenditures ³	19,397	36,577	43,894	54,211	25,600	25,100
Net Contribution	(15,525)	(34,820)	(33,904)	(33,626)	(22,500)	(23,100)
Non-Cash Revenue Adjustments						
Capital Grants recorded as Deferred Capital Contributions	(1,243)	(2,000)	(9,300)	(19,000)	(2,000)	(2,000)
Amortization of Deferred Capital Contributions	7,784	8,000	8,000	8,000	8,500	8,700
Non-Cash Expenditure Adjustments						
Expenditures to be Capitalized	4,841	16,000	23,300	40,000	7,000	7,400
Amortization Expense	(14,600)	(16,500)	(15,000)	(16,500)	(19,000)	(19,400)
Change in Vacation, Sick Leave & Post-Employment Benefits	234	650	340	185	115	115
Net Contribution as per Public Sector Accounting Standards (PSAS)	\$ 11,716	\$ (6,719)	\$ (8,341)	\$ 5,559	\$ 520	\$ 215

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

2 - Reflects a change for 2017-2018 in the methodology for recording the split of international fee premiums between Funded Activity and the International Education Centre.

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

PRO FORMA SUMMARY

(all figures in \$ 000's)

	Actual 2015/2016	Annual Budget 2016/2017	Q3 Projection 2016/2017	Annual Budget 2017/2018	Pro Forma 2018/2019	Pro Forma 2019/2020
Net Assets						
Unrestricted	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000	\$ 1,000
Investment in Capital Assets	56,715	60,787	66,473	81,901	79,507	77,505
Vacation, Sick Leave and Post-Employment Benefits	(18,740)	(17,612)	(18,400)	(18,215)	(18,100)	(17,985)
Internally Restricted						
Appropriations	250	100	100	100	100	100
Specific Reserves	36,122	12,377	15,977	11,065	12,704	12,544
Contingency Reserve Fund	8,127	8,300	8,300	8,685	8,747	9,009
Reserve Funds - Future Capital Expansion	31,245	34,430	32,929	27,402	28,500	30,500
Interest Rate Swaps	(11,170)	(8,898)	(8,826)	(7,391)	(6,284)	(5,108)
Endowments	22,796	25,908	23,396	23,996	24,596	25,196
TOTAL NET ASSETS	\$ 126,345	\$ 116,392	\$ 120,949	\$ 128,543	\$ 130,770	\$ 132,761

STATEMENT OF FINANCIAL POSITION

(all figures in \$ 000's)

	March 31, 2017 Annual Budget	March 31, 2017 Q3 Projection	March 31, 2018 Proposed Budget
ASSETS			
Current Assets			
Cash and Short Term Investments	\$ 29,367	\$ 29,402	\$ 26,723
Accounts Receivable	16,500	21,000	22,000
Inventory	2,000	2,000	2,000
Prepaid Expenses	2,500	2,500	2,500
	50,367	54,902	53,223
Investments	54,540	56,604	49,629
Endowment Assets	25,908	23,396	23,996
Capital Assets	255,678	265,099	288,599
TOTAL ASSETS	\$ 386,493	\$ 400,001	\$ 415,447
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts Payable & Accrued Liabilities	\$ 16,500	\$ 18,500	\$ 19,000
Accrued Salaries & Employee Deductions Payable	7,700	7,700	8,200
Deferred Revenue	24,500	27,000	27,400
Current Portion of Long Term Debt	2,927	2,927	3,106
	51,627	56,127	57,706
Long Term Debt	48,275	48,275	45,168
Vacation, Sick Leave & Post-Employment Benefits	17,612	18,400	18,215
Deferred Capital Contributions	143,689	147,424	158,424
Interest Rate Swaps	8,898	8,826	7,391
Net Assets			
Unrestricted	1,000	1,000	1,000
Investment in Capital Assets	60,787	66,473	81,901
Vacation, Sick Leave & Post-Employment Benefits	(17,612)	(18,400)	(18,215)
Internally Restricted	55,207	57,306	47,252
Interest Rate Swaps	(8,898)	(8,826)	(7,391)
Endowment Fund	25,908	23,396	23,996
	116,392	120,949	128,543
TOTAL LIABILITIES AND NET ASSETS	\$ 386,493	\$ 400,001	\$ 415,447

Algonquin College - Annual Budget 2017-2018

REVENUE SCHEDULE

(all figures in \$ '000's)

	Funded Activity/ College Operations	Contract Activity & Other Non-Funded Activity	College Ancillary Services	International Education Centre	Strategic Investment Priorities	Annual Budget 2017/2018	Q3 Projection 2016/2017	Annual Budget 2016/2017	Actual 2015/2016
Grants									
Post Secondary Activity	\$ 107,215	\$ -	\$ -	\$ -	\$ -	\$ 107,215	\$ 102,583	\$ 106,641	\$ 106,758
Capital & Equipment	-	-	-	-	20,498	20,498	6,738	1,540	1,523
Apprentice	5,136	-	-	-	-	5,136	8,258	5,099	5,262
Flow-Through Student Aid	1,658	-	-	-	-	1,658	1,659	1,658	1,698
TOTAL GRANTS	114,009	-	-	-	20,498	134,507	119,238	114,938	115,241
Tuition Fees									
Full-Time Post Secondary	73,246	-	-	21,608	-	94,854	90,754	87,289	81,475
Full-Time Non-Funded	-	1,381	-	48	-	1,429	1,343	1,719	1,634
Part-Time	10,272	1,731	-	-	-	12,003	11,181	10,991	11,312
Adult Training	1,234	-	-	-	-	1,234	1,185	1,177	1,185
Student IT & Mobile Computing Fees	7,469	-	-	-	-	7,469	7,723	7,716	9,136
TOTAL TUITION FEES	92,221	3,112	-	21,656	-	116,989	112,186	108,892	104,742
Contract Educational Services									
Provincially Funded Programs	-	12,428	-	-	-	12,428	17,207	12,243	13,284
Corporate & Other Programs	4,524	9,599	-	586	-	14,709	14,633	15,194	14,678
Grants, Fees & Other Income Associated with Contract Activity	-	1,999	-	-	-	1,999	-	1,277	2,514
TOTAL CONTRACT EDUCATIONAL SERVICES	4,524	24,026	-	586	-	29,136	31,840	28,714	30,476
COLLEGE ANCILLARY SERVICES SALES	-	-	44,991	-	-	44,991	43,441	43,601	41,734
Other									
Students' Association Contribution (Student Commons & Pembroke)	-	-	-	-	-	-	94	-	59
Capital Campaign	-	-	-	-	87	87	217	217	-
Early Learning Centre	1,012	-	-	-	-	1,012	918	918	974
Student Ancillary Fees	6,023	62	-	-	-	6,085	6,100	5,722	6,034
Investment Income	1,165	-	-	-	-	1,165	1,526	1,500	1,233
Internal Transfer of International Revenue ¹	8,825	158	-	-	-	8,983	7,803	6,307	10,757
Algonquin College - Saudi Arabia Net Equity Share of Gain/(Loss)	-	-	-	-	-	-	(6,600)	(1,500)	(1,438)
Miscellaneous	10,895	-	-	1,773	-	12,668	12,977	10,588	13,434
TOTAL OTHER	27,920	220	-	1,773	87	30,000	23,035	23,752	31,053
TOTAL REVENUE	\$ 238,674	\$ 27,358	\$ 44,991	\$ 24,015	\$ 20,585	\$ 355,623	\$ 329,740	\$ 319,897	\$ 323,246

1 - Reflects a change for 2017-2018 in the methodology for recording the split of international tuition fee premium between Funded Activity and International.

Funded Activity/College Operations	\$ 238,674	\$ 233,130	\$ 229,845	\$ 227,503
Contract Activity & Other Non-Funded Activity	27,358	27,495	27,588	28,579
College Ancillary Operations	44,991	43,441	43,601	41,734
International Education Centre	24,015	15,684	17,106	21,558
Strategic Investment Priorities	20,585	9,990	1,757	3,872
Total Revenue	\$ 355,623	\$ 329,740	\$ 319,897	\$ 323,246

Algonquin College - Annual Budget 2017-2018

EXPENDITURES SCHEDULE

(all figures in \$ 000's)

	Funded Activity/ College Operations	Contract Activity & Other Non-Funded Activity	College Ancillary Services	International Education Centre	Strategic Investment Priorities	Annual Budget 2017/2018	Q3 Projection 2016/2017	Annual Budget 2016/2017	Actual 2015/2016
Full-Time Salaries & Benefits									
Full-Time Salaries & Benefits - Academic	\$ 67,681	\$ 2,449	\$ -	\$ -	\$ -	\$ 70,130	\$ 67,279	\$ 69,661	\$ 64,773
Full-Time Salaries & Benefits - Administration	23,398	2,145	1,705	1,500	-	28,748	25,688	25,781	23,411
Full-Time Salaries & Benefits - Support	36,682	3,094	4,530	508	-	44,814	42,489	43,634	39,875
Total Full-Time Salaries & Benefits	127,761	7,688	6,235	2,008	-	143,692	135,456	139,076	128,059
Other Staff Salaries & Benefits									
Other Staff Salaries & Benefits - Academic	26,273	2,006	-	123	-	28,402	29,770	25,981	28,452
Other Staff Salaries & Benefits - Administration	1,343	2,487	155	252	-	4,237	4,130	4,405	3,966
Other Staff Salaries & Benefits - Support	5,621	1,326	1,765	204	-	8,916	10,623	9,575	10,930
Total Other Staff Salaries & Benefits	33,237	5,819	1,920	579	-	41,555	44,523	39,961	43,348
TOTAL SALARY & BENEFITS	160,998	13,507	8,155	2,587	-	185,247	179,979	179,037	171,407
Other Operating									
Mandated Student Aid	6,693	-	-	5	-	6,698	6,164	6,164	5,752
Contingencies	5,528	-	-	-	-	5,528	4,430	5,880	4,038
Long Term Debt Interest	813	-	2,155	-	-	2,968	3,156	3,156	3,334
Contract Services	8,799	6,386	2,306	2,801	-	20,292	20,133	19,868	18,103
Instructional Supplies & Equipment	4,569	2,498	89	12	-	7,168	7,495	7,127	6,485
Information Technology	7,819	141	366	148	-	8,474	8,086	7,845	7,658
Marketing and Promotion	2,386	584	245	395	-	3,610	3,913	3,642	3,588
Building Maintenance & Utilities	13,519	41	3,087	-	-	16,647	16,815	14,583	15,252
Flow-Through Student Aid	1,658	-	-	-	-	1,658	1,838	1,658	1,845
Cost of Goods Sold	1,122	-	18,351	-	-	19,473	18,934	18,844	18,630
Internal Transfer of International Revenue ¹	-	-	-	8,983	-	8,983	7,803	6,307	10,757
Other	13,272	3,149	2,191	3,180	-	21,792	22,781	22,078	22,300
TOTAL OTHER OPERATING	66,178	12,799	28,790	15,524	-	123,291	121,548	117,152	117,742
STRATEGIC INVESTMENT PRIORITIES EXPENDITURES	-	-	-	-	54,211	54,211	43,894	36,577	19,397
TOTAL EXPENDITURES	\$ 227,176	\$ 26,306	\$ 36,945	\$ 18,111	\$ 54,211	\$ 362,749	\$ 345,421	\$ 332,766	\$ 308,546

1 - Reflects a change for 2017-2018 in the methodology for recording the split of international tuition fee premium between Funded Activity and International.

Funded Activity/College Operations	\$ 227,176	\$ 223,598	\$ 219,990	\$ 210,633
Contract Activity & Other Non-Funded Activity	26,306	26,296	26,628	26,660
College Ancillary Operations	36,945	35,769	35,929	34,978
International Education Centre	18,111	15,864	13,642	16,878
Strategic Investment Priorities	54,211	43,894	36,577	19,397
Total Expenditures	\$ 362,749	\$ 345,421	\$ 332,766	\$ 308,546

Algonquin College - Annual Budget 2017-2018

STRATEGIC INVESTMENT PRIORITIES SCHEDULE

(all figures in \$ 000's)

	Grants & Fundraising	College Funded	Annual Budget 2017/2018	Q3 Projection 2016/2017	Annual Budget 2016/2017	Actual 2015/2016
Source of Funds						
Facilities Renewal Grant	\$ 966	\$ -	\$ 966	\$ 1,934	\$ 980	\$ 963
College Equipment Renewal Fund Grant	560	-	560	560	560	560
Apprenticeship Enhancement Fund Grant	2,338	-	2,338	3,035	-	1,298
Capital Campaign	87	-	87	217	217	644
Post Secondary Institutions Strategic Investment Fund (PSISIF) Grant	16,634	-	16,634	-	-	-
Other	-	-	-	4,244	-	407
TOTAL SOURCE OF FUNDS	20,585	-	20,585	9,990	1,757	3,872
Expenditures						
<i>Campus Expansion</i>						
Innovation, Entrepreneurship Learning Centre, and Institute for Indigenous Entrepreneurship	17,600	16,503	34,103	8,701	-	-
<i>Total Campus Expansion</i>	<u>17,600</u>	<u>16,503</u>	<u>34,103</u>	<u>8,701</u>	<u>-</u>	<u>-</u>
<i>Other</i>						
College Technologies	-	6,353	6,353	13,653	14,528	6,183
College Space & Infrastructure	-	3,754	3,754	12,060	12,852	4,786
New Program Initiatives	-	581	581	1,107	1,160	810
Academic & Other Equipment	560	474	1,034	1,658	1,609	1,479
Initiatives & Opportunities	-	5,266	5,266	7,584	4,928	3,866
College Ancillary Services	-	683	683	1,583	1,400	853
Appropriations	-	100	100	-	100	122
Apprenticeship Enhancement Fund	2,338	-	2,338	3,035	-	1,298
Adjustment for Anticipated Underspend	-	-	-	(5,487)	-	-
<i>Total Other</i>	<u>2,898</u>	<u>17,210</u>	<u>20,108</u>	<u>35,193</u>	<u>36,577</u>	<u>19,397</u>
TOTAL EXPENDITURES	20,498	33,713	54,211	43,894	36,577	19,397
NET CONTRIBUTION	\$ 87	\$ (33,713)	\$ (33,626)	\$ (33,904)	\$ (34,820)	\$ (15,525)

NET ASSETS CONTINUITY SCHEDULE

(all figures in \$ 000's)

	Q3 Projection March 31, 2017	2017/2018 Budgeted In Year Use of Funds	2017/2018 Budgeted Year End Adjustments	Budgeted Balance March 31, 2018
Appropriations	\$ 100	\$ 100	\$ 100	\$ 100
Specific Reserves				
Other Projects & Initiatives	10,254	9,019	3,668	4,903
Ancillary Services Reserve Fund	5,166	683	1,122	5,605
Employment Stabilization Funds	557	-	-	557
Other Student Aid	-	-	-	-
	15,977	9,702	4,790	11,065
Contingency Reserve Fund	8,300	-	385	8,685
Reserve Funds				
Future Capital Expansion	32,929	9,910	4,383	27,402
TOTAL INTERNALLY RESTRICTED NET ASSETS ¹	\$ 57,306	\$ 19,712	\$ 9,658	\$ 47,252
TOTAL UNRESTRICTED NET ASSETS ¹	\$ 1,000	\$ -	\$ -	\$ 1,000
Investment in Capital Assets	\$ 66,473	\$ -	\$ 15,428	\$ 81,901
Vacation, Sick Leave & Post-Employment Benefits	(18,400)	-	185	(18,215)
Interest Rate Swaps	(8,826)	-	1,435	(7,391)
Endowment Fund	23,396	-	600	23,996
TOTAL NET ASSETS	\$ 120,949	\$ 19,712	\$ 27,306	\$ 128,543

1 - Budgeted balances of Internally Restricted Net Assets and Unrestricted Net Assets includes the impact of budgeted expenditures from Appropriations, Specific Reserves and Reserve Funds, as well as contributions to Reserve Funds for the fiscal year 2017-2018. The Board of Governors Financial Management Policy requires that the Board of Governors approve any spending from Reserve Funds.

Algonquin College - Annual Budget 2017-2018

SUMMARY OF FUNDED POSITIONS

	3rd Quarter 2016/2017				Position Changes			Proposed Budget 2017/2018			
	Admin	Support	Academic	Total	Opened #	Closed	Transferred	Admin	Support	Academic	Total
President & Board of Governors											
President's Office	4	-	-	4	-	-	-	4	-	-	4
Total	4	-	-	4	-	-	-	4	-	-	4
Human Resources											
Human Resources	22	2	1	25	-	-	1	23	2	1	26
Total	22	2	1	25	-	-	1	23	2	1	26
Finance and Administration											
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2
College Ancillary Services	17	74	-	91	-	-	-	17	74	-	91
Finance & Administrative Services	9	27	-	36	1	-	-	10	27	-	37
Physical Resources	10	38	-	48	1	-	-	10	39	-	49
Risk Management	8	1	-	9	1	-	-	9	1	-	10
Total	46	140	-	186	3	-	-	48	141	-	189
Student Services											
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2
Aboriginal Services & Partnerships	1	2	1	4	-	-	-	1	2	1	4
Student Support Services	10	45	18	73	-	-	-	10	45	18	73
Algonquin College Foundation	3	3	-	6	-	-	1	3	4	-	7
Registrar	11	67	-	78	-	-	(1)	11	66	-	77
Total	27	117	19	163	-	-	-	27	117	19	163
International and Strategic Priorities											
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2
International & Corporate Business Development	12	10	20	42	-	-	-	12	10	20	42
Total	14	10	20	44	-	-	-	14	10	20	44
Academic Services											
Vice-President's Office	3	-	7	10	-	-	3	3	-	10	13
Academic Operations and Planning	9	11	3	23	2	-	1	10	12	4	26
Faculty of Arts, Media & Design	8	33	115	156	-	-	(1)	8	33	114	155
School of Business	5	8	88	101	-	-	-	5	8	88	101
School of Hospitality & Tourism	3	9	41	53	-	-	-	3	9	41	53
Faculty of Technology & Trades	6	26	154	186	1	-	(3)	6	27	151	184
Algonquin College Heritage Institute	4	9	13	26	1	-	-	4	10	13	27
Faculty of Health, Public Safety & Community Studies	8	30	122	160	-	-	-	8	30	122	160
Centre for Continuing & Online Learning	6	15	-	21	2	-	-	7	16	-	23
Personal Development Institute	-	1	-	1	-	-	-	-	1	-	1
Algonquin College in the Ottawa Valley	6	30	29	65	3	-	-	7	32	29	68
Total	58	172	572	802	9	-	-	61	178	572	811
Digital Technologies and Innovation											
Vice-President's Office	2	-	-	2	-	-	-	2	-	-	2
Applied Research & Development	1	2	-	3	-	-	-	1	2	-	3
Business Development & Corporate Training	4	7	-	11	-	-	-	4	7	-	11
Digital Strategies & Solutions	4	2	-	6	-	-	-	4	2	-	6
Digital Adoption, Usage, Performance & Insights	2	4	-	6	-	-	(1)	1	4	-	5
Project Management & Business Administration	4	8	-	12	-	-	-	4	8	-	12
Information Technology Services	10	73	-	83	-	-	-	10	73	-	83
Total	27	96	-	123	-	-	(1)	26	96	-	122
Communications, Marketing and External Relations											
Marketing	2	20	-	22	1	-	-	2	21	-	23
Communications	3	2	-	5	1	-	-	3	3	-	6
Total	5	22	-	27	2	-	-	5	24	-	29
COLLEGE TOTAL	203	559	612	1,374	14	-	-	208	568	612	1,388

The complement report represents the total number of positions for each of the College's major Areas.

Not all positions are 100% funded in the budget, as some positions are vacant at the start of the year, and other positions have a start date projected other than April 1st.

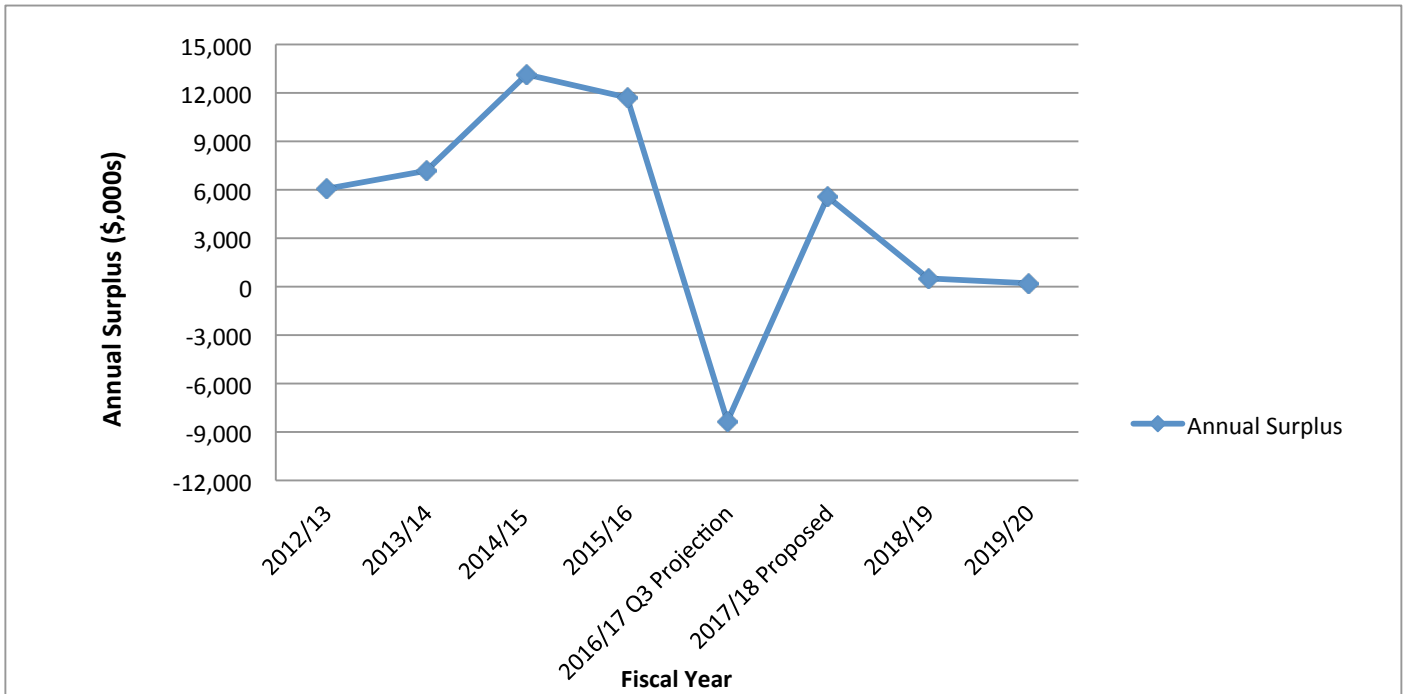
2017-2018 PROJECTED ENROLMENT VERSUS 2016-2017 ACTUAL ENROLMENT

FACULTY/SCHOOL	Post Secondary / Post Diploma			Applied Degree			% Change
	Projected 2017/2018	Actual (unaudited) 2016/2017	Change	Projected 2017/2018	Actual (unaudited) 2016/2017	Change	
Algonquin College Heritage Institute							
Level 1	231	175	56	-	-	-	
Returning	397	384	13	-	-	-	
TOTAL	628	559	69	-	-	-	
Algonquin College in the Ottawa Valley							
Level 1	494	504	(10)	-	-	-	
Returning	891	876	15	-	-	-	
TOTAL	1,385	1,380	5	-	-	-	
Centre for Continuing & Online Learning							
Level 1	993	875	118	-	-	-	
Returning	1,315	1,312	3	-	-	-	
TOTAL	2,308	2,187	121	-	-	-	
Faculty of Arts, Media & Design							
Level 1	2,381	2,382	(1)	35	31	4	
Returning	3,930	3,925	5	212	228	(16)	
TOTAL	6,311	6,307	4	247	259	(12)	
Faculty of Health, Public Safety & Community Studies							
Level 1	2,263	2,228	35	28	-	28	
Returning	5,585	5,541	44	62	-	62	
TOTAL	7,848	7,769	79	90	-	90	
Faculty of Technology & Trades							
Level 1	2,721	2,619	102	18	19	(1)	
Returning	6,106	5,945	161	117	115	2	
TOTAL	8,827	8,564	263	135	134	1	
International Education							
Level 1	156	158	(2)	-	-	-	
Returning	267	272	(5)	-	-	-	
TOTAL	423	430	(7)	-	-	-	
School of Business							
Level 1	1,911	1,896	15	75	78	(3)	
Returning	4,661	4,684	(23)	399	391	8	
TOTAL	6,572	6,580	(8)	474	469	5	
School of Hospitality & Tourism							
Level 1	947	977	(30)	35	35	-	
Returning	1,486	1,514	(28)	214	206	8	
TOTAL	2,433	2,491	(58)	249	241	8	
TOTAL Level 1	12,097	11,814	283	191	163	28	2.6%
TOTAL Returning	24,638	24,453	185	1,004	940	64	1.0%
TOTAL	36,735	36,267	468	1,195	1,103	92	1.5%

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

2017-2018 Pro Forma Summary
Financial Health Indicators

Operating Results: Annual Surplus



Objective:

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

Benchmark:

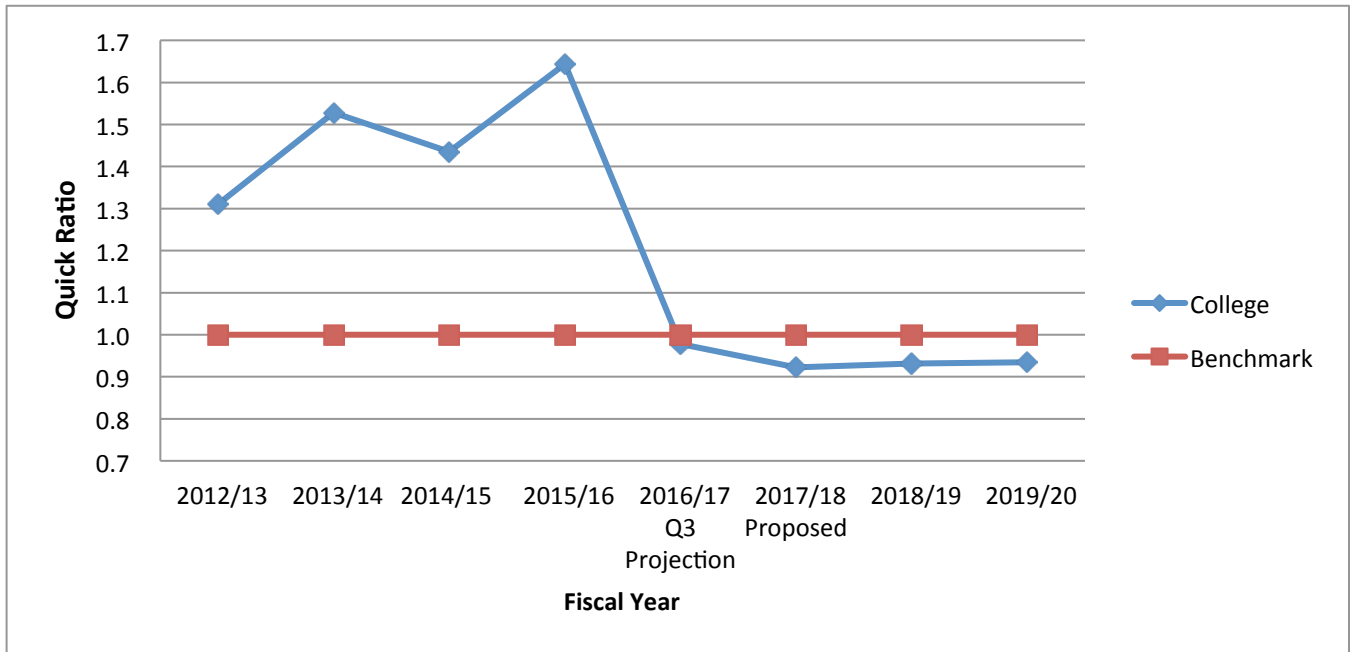
Must be greater than \$0.

Rationale:

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

**2017-2018 Pro Forma Summary
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).

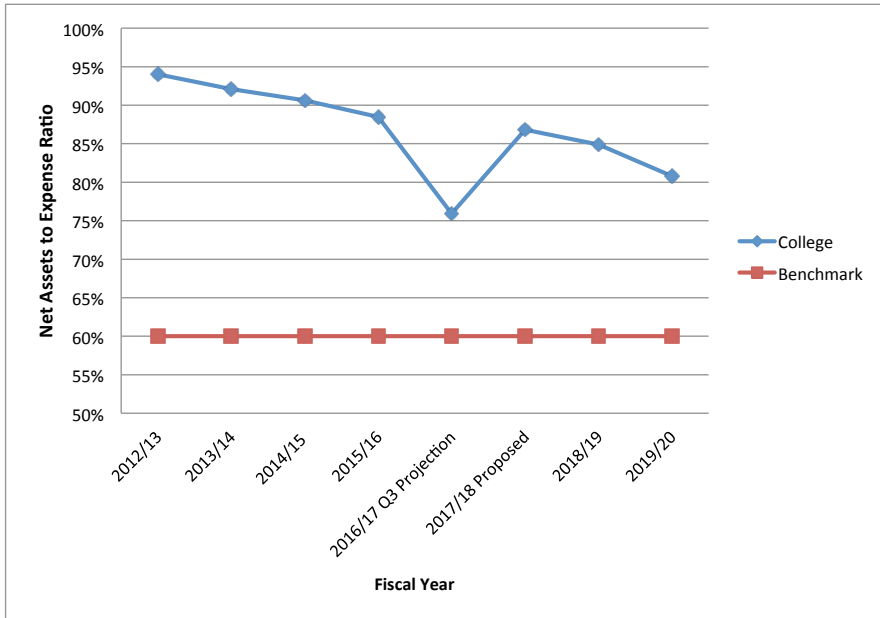
Benchmark:

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 is at 2.03 for 2017/18.

2017-2018 Pro Forma Summary
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:

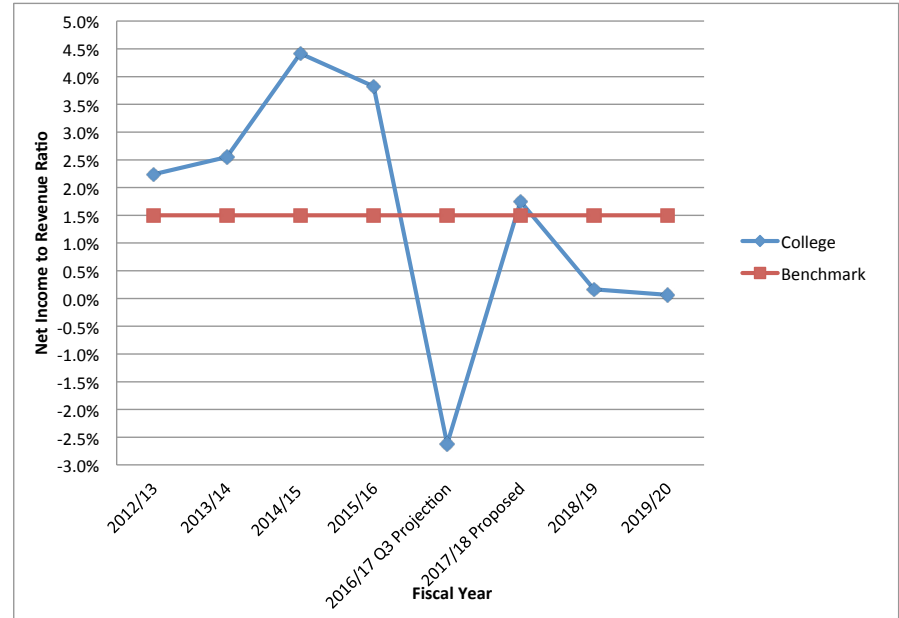
60% or higher.

Rationale:

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

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

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.

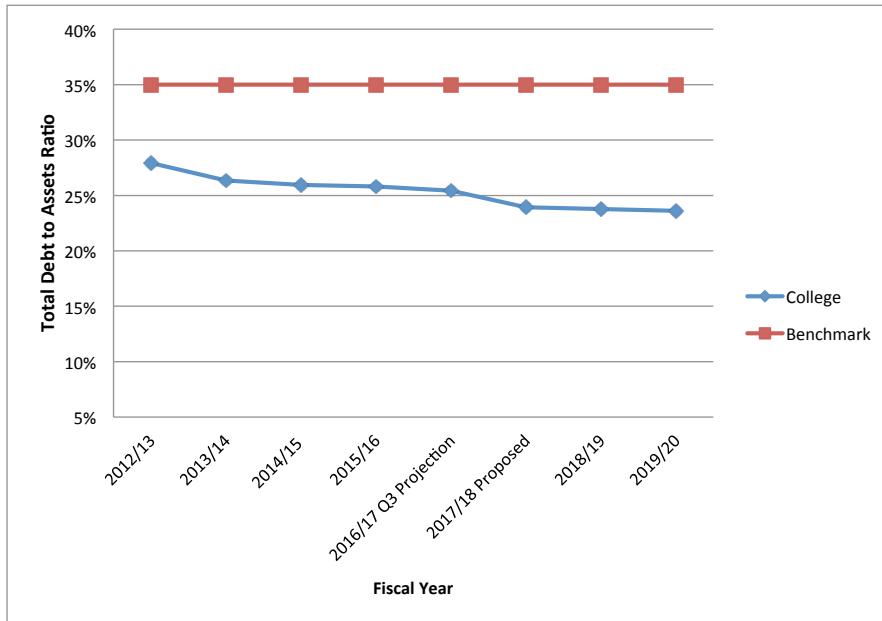
Rationale:

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

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

2017-2018 Pro Forma Summary
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:

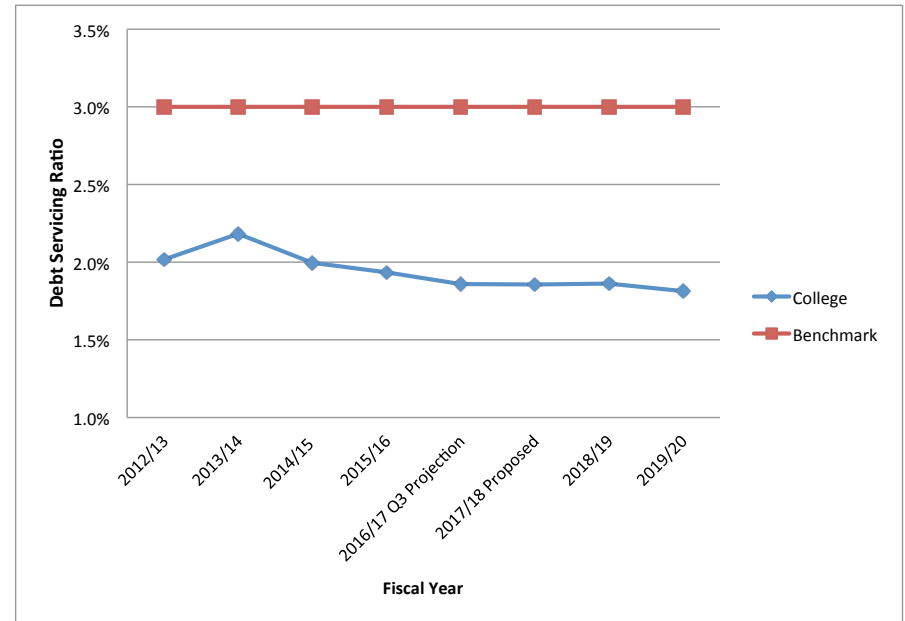
Greater than 35% leads to a concern as this may indicate that a college will not be able to finance their ongoing operations due to the debt burden.

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.

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

Managing Debt: Debt Servicing Ratio



Objective:

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

Benchmark:

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

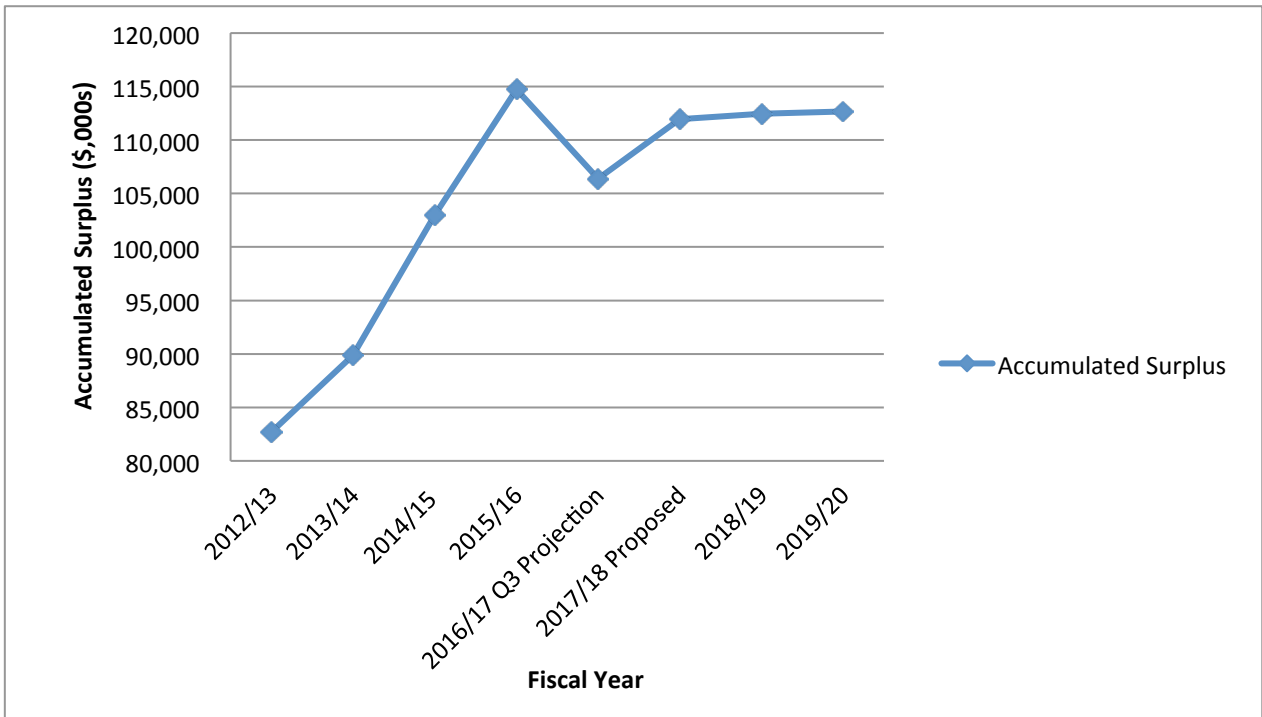
Rationale:

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

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

2017-2018 Pro Forma Summary
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.

Thank you to the College Budget Committee

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

- Christopher Janzen, (Chair), Dean, Faculty of Technologies and Trades
- Diane McCutcheon, (Vice-Chair), Director, Labour Relations
- Cathy Dempsey, (Resource), Director, Finance and Administrative Services
- Dave Donaldson, (College Space and Infrastructure Committee Chair), Dean, School of Business
- Michael Gawargy, Director, Information Technology Services
- John Hanson, OPSEU Local Support Staff Union President
- Mark Leduc, Executive Director, Academic Operations and Planning
- Alanna McDonell, Director, Marketing
- Ernest Mulvey, Director, International Education Centre
- Grant Perry, (Resource), Associate Director, Finance and Administrative Services
- Todd Schonewille, Director, Physical Resources
- Lynn Schumann, Associate Registrar
- Emily Woods, (Resource), Acting Manager, Corporate Budgeting

Duane McNair

Treasurer and Vice President, Finance and Administration