## 2019-2020 Financial Plan

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I. Summary

Total revenues for this Updated Financial Plan are $143.0 million, an increase of 2.1% over the 2019-2020 Preliminary Budget. Total expenditures have also been projected to increase to $140.7 million, leaving $2.3 million available as a contribution to College reserves.

Capital investment is budgeted at $7.8 million, an increase of $1.1 million from Preliminary Budget.

Net Assets are projected to be $42.3 million at March 31, 2020.

Fleming College Financial Plan Update Budget 2019/2020

<table>
<thead>
<tr>
<th>SUMMARY ($ 000’s)</th>
<th>Update Budget 2019/2020</th>
<th>Preliminary Budget 2019/2020</th>
<th>$ Increase (Decrease)</th>
<th>% Increase (Decrease)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants &amp; Reimbursements</td>
<td>$ 45,893</td>
<td>45,636</td>
<td>257</td>
<td>0.6%</td>
</tr>
<tr>
<td>Student Tuition Fees</td>
<td>55,522</td>
<td>56,147</td>
<td>(625)</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Contract Training</td>
<td>1,369</td>
<td>1,015</td>
<td>353</td>
<td>34.8%</td>
</tr>
<tr>
<td>Other Income</td>
<td>16,199</td>
<td>16,237</td>
<td>(38)</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Amortization</td>
<td>4,638</td>
<td>16,237</td>
<td>151</td>
<td>3.4%</td>
</tr>
<tr>
<td>Skills, Bursaries, Ancillary &amp; Projects</td>
<td>19,358</td>
<td>16,520</td>
<td>2,838</td>
<td>17.2%</td>
</tr>
<tr>
<td>Revenue</td>
<td>142,980</td>
<td>140,044</td>
<td>2,936</td>
<td>2.1%</td>
</tr>
<tr>
<td>Operating Expenses</td>
<td>113,834</td>
<td>113,939</td>
<td>(106)</td>
<td>-0.1%</td>
</tr>
<tr>
<td>Amortization Expense</td>
<td>7,156</td>
<td>7,046</td>
<td>110</td>
<td>1.6%</td>
</tr>
<tr>
<td>Skills, Bursaries, Ancillary &amp; Projects</td>
<td>19,677</td>
<td>16,917</td>
<td>2,760</td>
<td>16.3%</td>
</tr>
<tr>
<td>Expenses</td>
<td>$ 140,667</td>
<td>137,902</td>
<td>2,765</td>
<td>2.0%</td>
</tr>
<tr>
<td>Excess of Revenue over Expenditures</td>
<td>$ 2,313</td>
<td>2,142</td>
<td>171</td>
<td>8.0%</td>
</tr>
</tbody>
</table>

NET ASSETS

Invested in Capital Assets

| As of April 1, 1997 | $ 2,417                  | 2,417                      | 0                     |
| Since April 1, 1997 | 21,929                   | 24,223                     | (2,293)               | -8.6%                  |
| Total Invested in Capital Assets | 24,346               | 26,640                     | (2,293)               | -8.6%                  |

Unrestricted

| Operating (Board Reserves) | 19,400                   | 14,804                     | 4,596                 |
| Accrued vacation pay, Future Benefits and Derivative & Sick Leave & PSA * | (9,294)               | (9,294)                     | 0                     |
| Total Unrestricted        | 10,106                  | 5,510                      | 4,596                 | 83.4%                  |

Internally Restricted

| 1,178                  | 1,168                     | 10                     |

Subtotal Net Assets

| 35,630                 | 33,318                    | 2,313                 | 6.9%                  |

Externally restricted

| 6,628                  | 6,628                     | 0                     |

TOTAL NET ASSETS

| $ 42,258               | 39,946                    | 2,313                 | 5.8%                  |
II. **Revenue**

College revenues are budgeted at $143.0 million, an increase of 2.1% from revenues projected in the 2019-2020 Preliminary Budget.

<table>
<thead>
<tr>
<th></th>
<th>Update Budget Submission 2020</th>
<th>Preliminary Budget 2020</th>
<th>Change 2020</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and Reimbursements</td>
<td>(45,893,250)</td>
<td>(45,636,458)</td>
<td>(256,792)</td>
<td>0.6%</td>
</tr>
<tr>
<td>Student Tuition Fees</td>
<td>(55,522,292)</td>
<td>(56,146,846)</td>
<td>624,554</td>
<td>-1.1%</td>
</tr>
<tr>
<td>Contracted Educational Services</td>
<td>(1,368,843)</td>
<td>(1,015,405)</td>
<td>(353,438)</td>
<td>34.8%</td>
</tr>
<tr>
<td><strong>Other Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other Income</td>
<td>(10,866,102)</td>
<td>(10,308,030)</td>
<td>(558,072)</td>
<td>5.4%</td>
</tr>
<tr>
<td>Ancillary Fees</td>
<td>(5,333,030)</td>
<td>(5,929,463)</td>
<td>596,433</td>
<td>-10.1%</td>
</tr>
<tr>
<td><strong>Non-Operating Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Income</strong></td>
<td>(16,199,132)</td>
<td>(16,237,493)</td>
<td>38,361</td>
<td>-0.2%</td>
</tr>
<tr>
<td>Amortization of Deferred Capital Contributions</td>
<td>(4,637,657)</td>
<td>(4,487,000)</td>
<td>(150,657)</td>
<td>3.4%</td>
</tr>
<tr>
<td><strong>Total Operating Revenues</strong></td>
<td>(123,621,174)</td>
<td>(123,523,202)</td>
<td>(97,972)</td>
<td>0.1%</td>
</tr>
<tr>
<td>Skills Programs</td>
<td>(3,301,606)</td>
<td>(3,278,133)</td>
<td>(23,473)</td>
<td>0.7%</td>
</tr>
<tr>
<td>Tuition Holdback Bursaries</td>
<td>(3,380,000)</td>
<td>(3,380,000)</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Ministry Bursaries</td>
<td>(680,800)</td>
<td>(280,800)</td>
<td>(400,000)</td>
<td>142.5%</td>
</tr>
<tr>
<td>Special Projects</td>
<td>(4,927,926)</td>
<td>(2,688,321)</td>
<td>(2,239,605)</td>
<td>83.3%</td>
</tr>
<tr>
<td>Facilities Renewal and Renovation Projects</td>
<td>(614,225)</td>
<td>(526,792)</td>
<td>(87,433)</td>
<td>16.6%</td>
</tr>
<tr>
<td>Ancillary Operations</td>
<td>(6,453,901)</td>
<td>(6,366,401)</td>
<td>(87,500)</td>
<td>1.4%</td>
</tr>
<tr>
<td><strong>Total Non-Operating Revenues</strong></td>
<td>(19,358,458)</td>
<td>(16,520,447)</td>
<td>(2,838,011)</td>
<td>17.2%</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>(142,979,632)</td>
<td>(140,043,649)</td>
<td>(2,935,983)</td>
<td>2.1%</td>
</tr>
</tbody>
</table>
1. Grants and Reimbursements

Additional grants were added to the college financial plan as they have been confirmed with the funders. Most notably, additional grants were secured for pre-apprentice programs.

2. Student Tuition

Student tuition is projected to decrease by $0.6 million over Preliminary Budget as a result of summer and fall enrolments and resulting adjustment to winter enrolment projections.

3. Contracted Education Services

Additional contracts were awarded related to international education services.

4. Non-Operating Revenues

The revenue recorded in this category represents funding received from multiple sources including a variety of funds secured for bursaries and projects with third party partners (i.e. funding for CAWT research) and a variety of Ministry grants. Of note, additional funding of $1.7 million was secured under new skill advancement programs. An increase in Ministry Bursaries of $400,000 represents plans for distribution of student bursaries from College endowment funds and other donor awards. These increases are offset fully by increases in matching expenditures.

Additionally, $87,433 of grant funding provided for facility renewal & academic equipment projects was reclassified from capital assets.

Ancillary Operations represents revenues from the College Residence and Parking Revenues. The primary increase in revenue is for the added housing revenue from conference centre activity.
## III. Expenditures

College expenditures are budgeted at $140.7 million, an increase of 2.0% from preliminary budget.

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Update Budget Submission 2020</th>
<th>Preliminary Budget 2020</th>
<th>Change</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Salaries and Benefits</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries, Full Time</td>
<td>48,629,148</td>
<td>49,365,704</td>
<td>(736,556)</td>
<td>-1.5%</td>
</tr>
<tr>
<td>Salaries, Part Time</td>
<td>18,169,661</td>
<td>18,007,551</td>
<td>162,110</td>
<td>0.9%</td>
</tr>
<tr>
<td>Benefits</td>
<td>14,302,656</td>
<td>15,002,597</td>
<td>(699,941)</td>
<td>-4.7%</td>
</tr>
<tr>
<td><strong>Total Salaries and Benefits</strong></td>
<td>81,101,465</td>
<td>82,375,852</td>
<td>(1,274,387)</td>
<td>-1.5%</td>
</tr>
<tr>
<td><strong>Non-Salary Expenses</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Instructional Support Costs</td>
<td>6,630,510</td>
<td>6,403,822</td>
<td>226,688</td>
<td>3.5%</td>
</tr>
<tr>
<td>Travel and Professional Development</td>
<td>2,274,852</td>
<td>2,116,319</td>
<td>158,533</td>
<td>7.5%</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,411,368</td>
<td>1,281,281</td>
<td>130,087</td>
<td>10.2%</td>
</tr>
<tr>
<td>Telephone, Audit, Legal &amp; Insurance</td>
<td>2,963,039</td>
<td>2,828,352</td>
<td>134,687</td>
<td>4.8%</td>
</tr>
<tr>
<td>Equipment Maintenance</td>
<td>722,210</td>
<td>714,860</td>
<td>7,350</td>
<td>1.0%</td>
</tr>
<tr>
<td>Plant and Security</td>
<td>2,851,590</td>
<td>2,859,044</td>
<td>(7,454)</td>
<td>-0.3%</td>
</tr>
<tr>
<td>Rentals and Taxes</td>
<td>1,062,664</td>
<td>995,607</td>
<td>67,057</td>
<td>6.7%</td>
</tr>
<tr>
<td>Utilities</td>
<td>2,737,261</td>
<td>2,636,129</td>
<td>101,132</td>
<td>3.8%</td>
</tr>
<tr>
<td>Contract Services Trent</td>
<td>2,355,850</td>
<td>2,355,850</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Services &amp; Other</td>
<td>9,601,155</td>
<td>8,944,145</td>
<td>657,010</td>
<td>7.3%</td>
</tr>
<tr>
<td>Long Term Debt Interest</td>
<td>121,794</td>
<td>178,009</td>
<td>(56,215)</td>
<td>-31.6%</td>
</tr>
<tr>
<td><strong>Total Non-Salary Expenses</strong></td>
<td>39,888,148</td>
<td>38,359,271</td>
<td>1,528,877</td>
<td>4.0%</td>
</tr>
<tr>
<td><strong>Total Operating Expenditures</strong></td>
<td>120,989,613</td>
<td>120,735,123</td>
<td>254,490</td>
<td>0.2%</td>
</tr>
<tr>
<td>Investments</td>
<td>1,677,602</td>
<td>1,427,654</td>
<td>249,948</td>
<td>17.5%</td>
</tr>
<tr>
<td>Skills Programs</td>
<td>3,301,606</td>
<td>3,278,133</td>
<td>23,473</td>
<td>0.7%</td>
</tr>
<tr>
<td>Tuition Holdback Bursaries</td>
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<td>3,380,000</td>
<td>-</td>
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<td>280,800</td>
<td>400,000</td>
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<tr>
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<td>4,927,926</td>
<td>2,688,321</td>
<td>2,239,605</td>
<td>83.3%</td>
</tr>
<tr>
<td>Ancillary Operations</td>
<td>5,709,540</td>
<td>6,112,118</td>
<td>(402,578)</td>
<td>-6.6%</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>140,667,087</td>
<td>137,902,149</td>
<td>2,764,938</td>
<td>2.0%</td>
</tr>
</tbody>
</table>

Fleming College 2019-2020 Financial Plan Update
1. Full Time Salaries

Full time (FT) salaries are budgeted based on the current College staff complement and all Collective Agreements that are currently in place. FT salaries also include approved staff sabbaticals and a provision for sick leaves. Overall, FT salary expenditures have decreased from Preliminary Budget by $0.7 million due to delayed hires and unanticipated turnover.

2. Part Time Salaries

Part time (PT) salaries have increased by $162,110 from the Preliminary Budget due to additional backfill and temporary hires as replacement for FT staff turnover.

3. Benefits

Benefits have decreased accordingly with the change in staffing mix and delay of FT hires.

4. Non-Salary Expenses

Overall the Non-Salary Expenses project an increase of $1.5 million (4.0 %). This significant increase is due to a variety of sources including:

- **Instructional Supplies** have increased by $226,688 which includes added investment in academic technology/software plus a small increase in supplies with added pre-apprentice contracts.
- **Travel and Professional Development** has increased by $158,533 as required for an increase in events hosted by the college conference centre and recreation and offset by an increase in facility rentals.
- **Advertising** (increase $130,087) represents an increase in promotions for skill fairs and Tech. Trade events along with added advertising for staff hires.
- **Telephone, Audit, Legal & Insurance** has increased with an offsetting increase in other income due to added health insurance for our International students.
- **Services & Other** have projected to increase by $657,010 due to increases in payment of agent commissions associated with an increase in intake forecasted in our international student enrolment plan.

5. Non-Operating Expenses

As described with the increases to non-operating revenues, disbursements planned for bursaries and grant-funded project-related expenditures have increased by $2.6 million.

$249,948 has been added to the college expense investments and facility renewal projects as part of the overall college strategy to enhance college welcoming environment.

Decrease costs of $402,578 in ancillary operations is related to deferred hiring with staff turnover and deferral of planned paving projects.
IV. Capital

Capital spending for the 2019-2020 Update Budget is planned at $7.8 million. This represents an increase of $1.1 million from Preliminary Budget.

Additional capital includes:
- $850,000 added grant funding with applied research.
- $166,000 added cost to facility/residence projects.
- $130,000 added cost to student digital displays and system servers.
- $46,000 savings from Academic equipment purchases.

For the 2019-2020 Update Budget, Capital items budgeted are summarized below:

<table>
<thead>
<tr>
<th></th>
<th>College Base Capital</th>
<th>Enhance College Grants</th>
<th>Total</th>
<th>Preliminary Budget Forecast</th>
</tr>
</thead>
<tbody>
<tr>
<td>Building Construction/Renovations</td>
<td>1,226,895</td>
<td>425,247</td>
<td>1,652,142</td>
<td>1,445,371</td>
</tr>
<tr>
<td>Network/IT Systems</td>
<td>1,191,155</td>
<td></td>
<td>1,191,155</td>
<td>1,060,000</td>
</tr>
<tr>
<td>Academic Equipment</td>
<td>1,425,748</td>
<td>386,551</td>
<td>1,812,299</td>
<td>1,858,990</td>
</tr>
<tr>
<td>Applied Research</td>
<td>855,202</td>
<td>2,204,525</td>
<td>3,059,727</td>
<td>2,207,644</td>
</tr>
<tr>
<td>Residence Capital</td>
<td>65,000</td>
<td></td>
<td>65,000</td>
<td>105,000</td>
</tr>
<tr>
<td></td>
<td>4,764,000</td>
<td>3,016,323</td>
<td>7,780,323</td>
<td>6,677,005</td>
</tr>
</tbody>
</table>