



**FLEMING**

# **Fleming College**

Financial Plan  
2022-2023

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## **I. Summary**

The College Financial Plan for 2022-2023 anticipates a balanced budget.

Total revenues in this Financial Plan are forecasted at \$159.8 million, an increase of \$21.5 million (15.6%) from the 2021-2022 year-end actual results. Operating revenues are projected to increase by \$19.4 million driven by an increase in both domestic and international enrolment. The \$2.2 million increase in non-operating revenue streams primarily consists of new revenue from the public-private partnership.

Expenditures are planned at \$159.8 million, \$20.4 million (14.7%) greater than the 2021-2022 year-end actual results. Operating expenses are increasing by \$17.6 million as the return to on campus activities comes with additional costs as compared to under the Pandemic restrictions.

Capital Investment is budgeted at \$10.5 million with \$6.6 million projected to be funded by capital grants. Net assets are projected at \$37.9 million of which \$5.9 million is unrestricted.

**Fleming College Financial Plan  
Preliminary Budget 2022/2023**

(\$ 000's)

	Preliminary Budget 2022/2023	Year End Actual 2021/2022	\$ Increase (Decrease)	% Increase (Decrease)
<b>Revenue</b>				
Grants & Reimbursements	\$ 46,081	\$ 49,305	\$ (3,224)	(6.5%)
Student Tuition Fees	55,573	37,399	18,174	48.6%
Contract Training	589	514	75	14.6%
Other Income	14,218	10,646	3,572	33.6%
Amortization	5,283	4,510	773	17.1%
Skills, Bursaries, Ancillary & Projects Revenue	<u>38,042</u>	<u>35,884</u>	<u>2,158</u>	<u>6.0%</u>
	<u>159,786</u>	<u>138,258</u>	<u>21,528</u>	<u>15.6%</u>
Operating Expenses	114,609	96,984	17,625	18.2%
Amortization Expense	7,748	6,632	1,116	16.8%
Skills, Bursaries, Ancillary & Projects Expenses	<u>37,429</u>	<u>35,727</u>	<u>1,702</u>	<u>4.8%</u>
	<u>\$ 159,786</u>	<u>\$ 139,343</u>	<u>20,443</u>	<u>14.7%</u>
Excess of Revenue over Expenditures	<u>\$ -</u>	<u>\$ (1,085)</u>	<u>\$ 1,085</u>	<u>(100.0%)</u>

	Projected Balance Mar 31/23	Year End Balance Mar 31/22	\$ Increase (Decrease)	% Increase (Decrease)
<b>NET ASSETS</b>				
<b>Invested in Capital Assets</b>				
As of April 1, 1997	\$ 2,417	\$ 2,417	\$ -	
Since April 1, 1997	22,719	20,552	2,167	
<b>Total Invested in Capital Assets</b>	<u>25,136</u>	<u>22,969</u>	<u>2,167</u>	<u>9.4%</u>
<b>Unrestricted</b>				
Operating (Board Reserves)	15,239	17,646	(2,407)	
Accrued vacation pay, Future Benefits and Derivative & Sick Leave & PSA *	<u>(9,317)</u>	<u>(9,557)</u>	<u>240</u>	
<b>Total Unrestricted</b>	<u>5,922</u>	<u>8,089</u>	<u>(2,167)</u>	<u>(26.8%)</u>
<b>Internally Restricted</b>				
	80	80	-	
<b>Subtotal Net Assets</b>	<u>31,138</u>	<u>31,138</u>	<u>-</u>	<u>0.0%</u>
<b>Externally restricted</b>				
	6,793	6,793	-	
Accumulated remeasurement gain	<u>(25)</u>	<u>(25)</u>	<u>-</u>	
<b>TOTAL NET ASSETS</b>	<u>\$ 37,906</u>	<u>\$ 37,906</u>	<u>\$ -</u>	<u>0.0%</u>

## II. Revenue

College revenues are forecasted at \$159.8 million, an increase of \$21.5 million (16%) from the 2021-2022 year-end actual results. The increase in revenue is mainly from 74% increase in international tuition revenue, a 14% increase in domestic tuition revenue, and an 34% increase in other income.

### SIR SANDFORD FLEMING COLLEGE

#### Statement of Revenue

Preliminary Budget - 2022/2023

(\$ 000's)

	Preliminary Budget 2022-2023	Prior Year Actual March 31, 2022	Change from Prior Year Actual \$	Change from Prior Year Actual %
<b>Revenue</b>				
Grants and Reimbursements	\$ 46,081	\$ 49,305	\$ (3,224)	(6.5%)
Full-time Tuition	52,048	34,679	17,369	50.1%
Part-time Tuition	3,525	2,720	805	29.6%
Student Tuition Fees	55,573	37,399	18,174	48.6%
Contract Training	589	514	75	14.6%
Other Income	14,218	10,646	3,572	33.6%
Amortization of Deferred Capital Contributions	5,283	4,510	773	17.1%
<b>Total Operating Revenues</b>	<b>121,744</b>	<b>102,374</b>	<b>19,370</b>	<b>18.9%</b>
Service System Manager	16,915	14,652	2,263	15.4%
Skills Programs	2,695	2,931	(236)	(8.1%)
Tuition Holdback Bursaries	2,333	1,858	475	25.6%
Ministry Bursaries	800	670	130	19.4%
Special Projects	6,567	11,747	(5,180)	(44.1%)
Facilities/Equipment Renewal and Renovation	1,196	544	652	119.9%
Ancillary Operations	6,115	3,482	2,633	75.6%
Private Career College Operations	1,421	-	1,421	100.0%
<b>Total Revenue</b>	<b>\$ 159,786</b>	<b>\$ 138,258</b>	<b>\$ 21,528</b>	<b>15.6%</b>

Highlights of significant budget assumptions and budget changes in revenue are summarized as follows:

## 1. Grants and Reimbursements

Grants are budgeted to decrease by \$3.2 million from 2021-2022 as follows:

<b>Grant Revenue</b>					
(\$ 000's)					
	<b>Preliminary Budget 2022-2023</b>	<b>Prior Year Actual March 31, 2022</b>	<b>Change from Prior Year Actual \$</b>	<b>Change from Prior Year Actual %</b>	
Basic Operating Grant	\$ 14,784	\$ 19,820	\$ (5,036)	(25.4%)	
Performance Funding Grant	19,063	14,887	4,176	28.1%	
College Funding Grant	<b>\$ 33,847</b>	<b>\$ 34,707</b>	<b>(860)</b>	<b>(2.5%)</b>	
BScN Grant	4,200	3,712	488	13.1%	
Small Northern & Rural Grant	3,968	3,968	-	0.0%	
Second Career Grant	250	252	(2)	(0.8%)	
Apprentice Grants	1,712	1,530	182	11.9%	
Special Needs Grants	858	773	85	11.0%	
Municipal Tax Credit	303	274	29	10.6%	
Rental Grants	101	99	2	2.0%	
Medical & Clinical Grant	350	380	(30)	(7.9%)	
COVID 19 Support Fund	-	3,200	(3,200)	(100.0%)	
Misc. Recoveries	492	410	82	20.0%	
<b>Grants and Reimbursements</b>	<b>\$ 46,081</b>	<b>\$ 49,305</b>	<b>\$ (3,224)</b>	<b>(6.5%)</b>	

Many of the grant forecasts are influenced by enrolment projections and are subject to increases or decreases as enrolment changes. The most significant change is that support funding was received last year to offset the increased operating costs as a result of the COVID 19 pandemic.

## 2. Student Tuition Fees

Tuition fee revenue is expected to be \$55.6 million, an increase of \$18.7 million (49%) from the 2021-2022 year-end actual results.

Full time tuition is based on a College enrolment plan that is detailed at the program level using approved tuition rates that vary by program. Overall, the enrolment plan is projecting an increase in Domestic and International enrolment, particularly as COVID-19 restrictions end.

A delayed start to the winter 2022 semester resulted in an additional two weeks of tuition being deferred into 2022-2023 and recognized as revenue in this budget.

## 3. Contract Training

Contract training revenue is subject to annual fluctuation dependant on client groups and specific contracts acquired.

#### **4. Other Income**

Total other income is projected to increase by \$3.6 million (34%) from the 2021-2022 year-end actual results. Other income derives from a variety of sources, including provincially funded projects/programs, administrative fees, bookstore and food services commissions, as well as recovery from students for student supply fees, academic fees for field placements, and international student health fees.

Most sources of revenue are projected to increase consistent with the increase in expected enrolment and return to on campus activities.

#### **5. Non-Operating Revenues**

Non-operating revenues vary significantly year over year as many are based on contractual agreements negotiated annually.

The College entered into a new provincial contract in 2020-21 as the Muskoka & Kawartha region System Service Manager. The continuation of the contract for 2022-2023 will result in additional revenue of \$2.3 million. Most of these funds are transfer payments to the employment service providers including Fleming Employment Services.

Skills Programs include the College contracts for Literacy Basic Skill and Employment Services (CREW).

Tuition Holdback and Ministry Bursaries represent the standard annual bursaries that are disbursed. As tuition will be increased this year the holdback for disbursement will also be increased.

Special Projects include newly negotiated funding agreements, primarily for projects managed through the Office of Applied Research.

Facility Renewal and Renovation Projects revenue represents funding received from the federal and provincial governments for facility and other projects as well as funding received and allocated for items under \$5,000 of value, such as academic equipment and personal computers. Items over \$5,000 are deemed capital assets. While grants are relatively stable, the mix between capital asset and expense will change from year to year depending on the nature and value of these items.

Ancillary Operations revenues are associated with the College residence and parking operations. On-campus activity is expected to fully resume and as such, revenues are expected to assume pre-pandemic levels.

Private Career College partnership operations \$1.4 million are new this year and calculated based on estimated fall and winter semester intake.

### III. Expenditures

College expenditures are budgeted at \$159.8 million, an increase of \$20.4 million (15%) from the 2021-2022 year-end actual results. Much of the anticipated increase is the result of increased on-campus activities, as well as \$12.5 million increase in non-operating areas that are offset by increases in funding.

#### SIR SANDFORD FLEMING COLLEGE

##### Statement of Expenditures

##### Preliminary Budget - 2022/2023

(\$ 000's)

	Preliminary Budget 2022-2023	Prior Year Actual March 31, 2022	Change from Prior Year Actual \$	Change from Prior Year Actual %
<b>Expenditures</b>				
<b>Salaries and Benefits</b>				
Salaries, Full Time	\$ 49,706	\$ 46,450	\$ 3,256	7.0%
Salaries, Part Time	17,132	14,958	2,174	14.5%
<b>Total Salaries</b>	<b>66,838</b>	<b>61,408</b>	<b>5,430</b>	<b>8.8%</b>
Benefits	15,349	13,586	1,763	13.0%
<b>Total Salaries and Benefits</b>	<b>82,187</b>	<b>74,994</b>	<b>7,193</b>	<b>9.6%</b>
<b>Non-Salary Expenses</b>				
Instructional Support Costs	5,557	4,430	1,127	25.4%
Staffing Development	640	238	402	168.9%
Business Travel, Accommodation & Hospitality	973	100	873	873.0%
Advertising	1,580	861	719	83.5%
Telephone, Audit, Legal & Insurance	1,380	1,471	91	-6.2%
Equipment Maintenance	818	516	302	58.5%
Plant and Security Contracts	3,436	3,313	123	3.7%
Rentals and Taxes	703	442	261	59.0%
Utilities	2,976	2,090	886	42.4%
Contract Services Trent	2,400	2,463	63	-2.6%
International Payments	6,569	3,704	2,865	77.3%
Finance and Banking	- 692	- 1,769	1,077	-60.9%
Other Service Fees	5,930	3,980	1,950	49.0%
Long Term Debt Interest	152	151	1	0.7%
Amortization of Capital Assets	7,748	6,632	1,116	16.8%
<b>Total Non-Salary Expenses</b>	<b>40,170</b>	<b>28,622</b>	<b>11,548</b>	<b>40.3%</b>
<b>Total Operating Expenditures</b>	<b>122,357</b>	<b>103,616</b>	<b>18,741</b>	<b>18.1%</b>
<b>Investments</b>	<b>1,951</b>	<b>1,558</b>	<b>393</b>	<b>25.2%</b>
Service System Management	16,605	14,435	2,170	15.0%
Skills Programs	2,695	2,925	230	-7.9%
Tuition Holdback Bursaries	2,333	1,858	475	25.6%
Ministry Bursaries	800	670	130	19.4%
Special Projects	6,567	10,459	3,892	-37.2%
Facilities/Equipment Renewal and Renovation	1,060	544	516	94.9%
Ancillary Operations	5,418	3,548	1,870	52.7%
Net Asset Adjustment	-	270	270	-100.0%
<b>Total Expenditures</b>	<b>\$ 159,786</b>	<b>\$ 139,343</b>	<b>\$ 20,443</b>	<b>14.7%</b>



Highlights of significant budget assumptions and budget changes on expenditures are summarized as follows:

### **1. Full Time Salaries**

The increase in full time (FT) salaries was budgeted based on Faculty and Support Staff Collective Agreements. FT salaries also include approved staff sabbaticals and a provision for sick leaves. Overall FT salary expenditures are projected to increase by \$3.3 million (7%) over the 2021-22 year-end actuals. Hiring plans have been limited to positions deemed critical for College operations and, wherever possible, new hires have been delayed or postponed.

### **2. Part Time Salaries**

Part time (PT) salaries are expected to increase by \$2.2 million (15%) from the 2021-2022 year-end actuals. There is an expected increase in academic part time salaries of \$2.4 million which is the result of section size limitations imposed under pandemic restrictions. Additionally, there is an increase to other part time salaries of \$1.1 million. This increase is representative of the resumption of some positions that were put on hold as part of cost savings measures in 2020-2021.

### **3. Instructional Support Costs**

Instructional support costs including a variety of costs for classroom supplies, field camps, computer software and software maintenance licenses. With an increase of in person delivery and increased enrolment, these costs are increasing by \$1.1 million (25%).

### **4. Staffing Development**

Staffing Development costs are anticipated to increase by \$0.4 million over the 2021-2022 actuals. This represents a return to a regular level of professional development training for staff. In 2021-2022 there were limited opportunities for professional development as most in person courses were cancelled due to pandemic restrictions.

### **5. Business Travel, Accommodation & Hospitality**

Travel budgets are planned to increase by \$0.7 million as a result of an increase in on campus face to face meetings as pandemic restrictions are eased and more on campus activities can take place, including recruitment fairs.

### **6. Advertising**

Advertising is being increased by \$0.7 million as the new branding campaign is scheduled to continue and other recruitment activities, which were cancelled in 2021-2022, are expected to resume this year.

## **7. Equipment Maintenance**

Many of the scheduled maintenance activities were put on hold or delayed where possible during 2021-22. The current year budget reflects a return to regular maintenance routines and will see an increase of \$0.3 million.

## **8. Utilities**

With limited in person activity during 2021-22 there were recognized savings on utilities. As we return to more on campus activity, as well as factor in known increases to utilities rates, the impact is expected to be an increase of \$0.8 million.

## **9. International Payments**

Funding required for international student health insurance and payment to recruiting agents are planned with a significant increase of \$2.8 million based on increased international enrolment.

## **10. Non-Operating Expenditures**

As previously described with Non-Operating Revenues, the college enters into many contractual agreements negotiated annually that can vary significantly year to year. Any changes to expenses under these contracts are offset by similar changes in revenue. Outside of these agreements the college also provides funding for investment into assets and/or projects that are not capital asset by nature.

The 2021-2022 planned investments of \$1.9 million includes \$400K for upgrades to staff and student computers, \$279K for an update to the Evolve ERP system, \$240K for classroom audio visual updates, \$218K for improvements required to operate a new Plumbing Apprenticeship Program and \$192K for Apprenticeship enhancements. The remaining balance includes software updates, investment in equipment to support academic programs and repairs to buildings and roadways.

## IV. Capital

Capital spending for fiscal year 2022-23 is budgeted at \$10.6 million of which \$6.6 million is funded from various grant sources. The balance of \$4.0 million is capital funded by the College.

A summary of planned capital expenditures is as follows:

	<b>College Funded</b>	<b>Grant Funded</b>	<b>Total Capital</b>
Building Construction/Renovation	\$2,321,322	\$485,000	\$2,806,322
Network/IT Systems	\$528,424	-	\$528,424
Academic Equipment	\$908,129	\$1,980,315	\$2,888,444
Applied Research	-	\$4,108,359	\$4,108,359
Corporate Services	\$208,525	-	\$208,525
Total	<u>\$3,966,400</u>	<u>\$6,573,674</u>	<u>\$10,540,074</u>