



ST. CLAIR

C O L L E G E

TO: THE BOARD OF GOVERNORS

FROM: PATRICIA FRANCE, PRESIDENT

DATE: MARCH 26, 2019

RE: 2019-2020 FINANCIAL PLAN REPORT

SECTOR: FINANCE
MARC JONES, VICE PRESIDENT & CHIEF FINANCIAL OFFICER

AIM:

To obtain Board approval for the 2019-2020 Financial Plan Report.

BACKGROUND:

The proposed 2019-2020 Financial Plan Report incorporates the following financial information:

1. Budget Income Statement
2. Balance Sheet
3. Non-Committed Cash Projection
4. Financial Sustainability Metrics

RECOMMENDATION:

IT IS RECOMMENDED THAT the Board of Governors approve the 2019-2020 Financial Plan Report.

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 2018-19 budget approved by the Board on December 4, 2018 provided for a surplus position of \$10,553,000. The Budget Income Statement 2019-20 is projecting a surplus of \$11,133,000, representing an increase of \$580,000 over the Mid-Year Review 2018-19 budget.

The projection for total operating and ancillary revenue for 2019-20 is \$188,199,000, representing an increase of \$5,416,000 or 3.0% over the Mid-Year Review 2018-19 budget of \$182,783,000.

The projection for total operating and ancillary expenditures for 2019-20 is \$177,066,000 representing an increase of \$4,836,000 or 2.8% over the Mid-Year Review 2018-19 budget of \$172,230,000.

CHANGES TO REVENUE (Schedule II)

The following highlights the major changes in revenue compared to the Mid-Year Review 2018-19 budget:

- Total MTCU Operating Grants decreased by \$5,228,000 or 11.2% of the Mid-Year Review 2018-19 budget primarily due to the following:
 - The Corridor Funding model begins in 2019-20. As a result, the College's anticipated weighted funding unit midpoint is likely to result in a loss of \$765,000 in enrolment based funding.
 - Decrease in one-time funding of \$4,000,000 from the Supporting Quality Programs and Student Outcomes grant.
 - Planning for a potential elimination of Special Purpose grants totaling \$1,300,000.

- Total Contract Income decreased by \$299,000 or 2.2% of the Mid-Year Review 2018-19 budget due to the following.
 - Decrease in program funding for Employment Ontario related grants.
 - Wind-up of the Career Ready program.
 - Potential increase in Pre-Apprenticeship program funding.

- Total Tuition revenue increased by \$11,832,000 or 13.7% of the Mid-Year Review 2018-19 budget due to the following:
 - Decrease in domestic post-secondary tuition revenue of \$2,200,000 or 8.3%, based on an enrolment projection of 7,600 domestic students. This is consistent with the Day 10 Fall 2018 enrolment of 7,615, and includes the MTCU mandated 10% tuition reduction.
 - Increase in international tuition revenue of \$14,141,000 or 24.5% based on an enrolment projection of 4,729 international students. This is a planned increase of 17.7% or 711 students from the Day 10 Fall 2018 enrolment of 4,018, and includes an average tuition fee increase of 3%.

- Total “Other” income decreased by \$930,000 or 3.6% of the Mid-Year Review 2018-19 budget due to the following:
 - Decrease in Acumen revenue of \$1,000,000 due to enrolment for the entire fiscal year being at Winter 2017 semester levels.
 - Potential decline of the Technology Access Fee by \$1,000,000 due to the indication that the MTCU Student Choice Initiative will likely establish this fee as non-essential.
 - Increase in Divisional Income of \$1,179,000 primarily due to higher international health insurance plan fees resulting from increased international student enrolment.

CHANGES TO EXPENDITURES (Schedule III)

The following highlights the major changes in expenditures compared to the Mid-Year Review 2018-19 budget:

- Total Salaries & Benefits increased by \$2,453,000 or 2.6% of the Mid-Year Review 2018-19 budget due to the following:
 - Increase in Administrative Full-Time salaries: \$649,000
 - Increase in Faculty Full-Time salaries: \$1,227,000
 - Decrease in Faculty Part-Time salaries: \$1,155,000
 - Increase in Support Full-Time salaries: \$500,000
 - Increase in Support Part-Time salaries: \$1,100,000
 - Increase in Fringe Benefits of \$401,000 due to the above salary increases and rising benefit costs.
- Total Non-Salary Expenditures increased by \$200,000 or 0.3% of the Mid-Year Review 2018-19 budget is primarily due to the following:
 - Increase in Advertising: \$508,000
 - Decrease in Contracted Services Other: \$1,297,000
 - Increase in Insurance: \$1,096,000
 - Decrease in Other Expense: \$561,000

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

The total Ancillary Operations surplus is \$445,000 lower from the Mid-Year Review 2018-19 budget due to the following:

- Increase in expenditures at the St. Clair College Centre for the Arts, Parking Operations, and Chatham Residence.

KEY ASSUMPTIONS FOR TWO YEAR FORECAST

Similar to the 2018-19 Financial Plan Report, Administration has included a two-year forecast for its 2019-20 budget. The two year forecast is included in the Statement of Operations, Schedules I to IV. The following are the key assumptions used to create the two year forecast:

- Revenues:
 - MTCU Operating Grants remain consistent due to the Corridor Funding model and the assumption that the College will achieve its performance funding targets.
 - Contract Income remains consistent, with the potential removal of the Second Career grant.
 - Total Tuition changes as follows:
 - Domestic tuition remains static in 2020-21 due to enrolment forecasted to be consistent with 7,600, and the MTCU mandated tuition freeze for 2020-21.
 - Increasing international tuition to reflect average annual tuition increase of 3%.
 - Other Income remains consistent.
- Expenditures:
 - Total Salaries and Benefits increase due to compensation adjustments, collective bargaining agreement settlements, and rising benefit costs.
 - Non-Salary expenditures increase due to inflation, and agent commissions to support international recruitment.

SCHEDULE I

| St. Clair College of Applied Arts and Technology Summary: 2019-20 (\$ in 000's) | | | | | |
|---|---|--|---------------------------------------|---|---|
| | <i>A</i> <i>MYR</i> <i>Income</i> <i>Statement</i> <i>2018-19</i> \$ | <i>B</i> <i>Budget</i> <i>Income</i> <i>Statement</i> <i>2019-20</i> \$ | <i>B - A</i> <i>Variance</i> \$ | <i>Forecast</i> | |
| | | | | <i>Income</i> <i>Statement</i> <i>2020-21</i> \$ | <i>Income</i> <i>Statement</i> <i>2021-22</i> \$ |
| <u>REVENUE</u> | | | | | |
| MTCU Operating Grants | 46,600 | 41,372 | (5,228) | 41,372 | 41,372 |
| Contract Income | 13,446 | 13,147 | (299) | 12,684 | 12,641 |
| Tuition | 86,585 | 98,417 | 11,832 | 100,458 | 103,298 |
| Other | 25,854 | 24,924 | (930) | 24,924 | 24,924 |
| Total Operating Revenue | 172,485 | 177,860 | 5,375 | 179,438 | 182,235 |
| Total Ancillary Revenue | 10,298 | 10,339 | 41 | 10,657 | 10,747 |
| TOTAL: REVENUE | 182,783 | 188,199 | 5,416 | 190,095 | 192,982 |
| <u>EXPENDITURES</u> | | | | | |
| Salaries & Benefits | 93,714 | 96,167 | 2,453 | 97,473 | 99,091 |
| Non-Salary Expenditures | 69,350 | 71,247 | 1,897 | 72,240 | 73,352 |
| Total Operating Expenditures | 163,064 | 167,414 | 4,350 | 169,713 | 172,443 |
| Total Ancillary Expenditures | 9,166 | 9,652 | 486 | 9,946 | 10,041 |
| TOTAL EXPENDITURES | 172,230 | 177,066 | 4,836 | 179,659 | 182,484 |
| SURPLUS / (DEFICIT) | 10,553 | 11,133 | 580 | 10,436 | 10,498 |

SCHEDULE II

St. Clair College of Applied Arts and Technology

Revenue: 2019-20

(\$ in 000's)

| | A MYR Income Statement 2018-19 \$ | B Budget Income Statement 2019-20 \$ | B - A Variance \$ | | Forecast | |
|--|--|---|--|---------------|--|--|
| | | | | | Income Statement 2020-21 \$ | Income Statement 2021-22 \$ |
| REVENUE | | | | | | |
| Enrollment Based Envelope: see note 1 | 43,537 | 42,772 | (765) | | 42,772 | 42,772 |
| Differentiation Envelope: see note 2 | 2,216 | 2,216 | - | | 2,216 | 2,216 |
| Other MTCU Grants and Recoveries: see note 3 | 847 | (3,616) | (4,463) | | (3,616) | (3,616) |
| Total MTCU Operating Grants | 46,600 | 41,372 | (5,228) | -11.2% | 41,372 | 41,372 |
| Apprenticeship | 3,374 | 4,327 | 953 | | 4,284 | 4,241 |
| Canada Ontario Jobs Grant | 662 | 662 | - | | 662 | 662 |
| Employment Ontario | 3,560 | 3,087 | (473) | | 3,087 | 3,087 |
| Youth Job Connection | 1,447 | 1,344 | (103) | | 1,344 | 1,344 |
| Literacy & Basic Skills | 1,401 | 1,344 | (57) | | 1,344 | 1,344 |
| School College Work Initiative | 1,956 | 1,760 | (196) | | 1,760 | 1,760 |
| Second Career | 540 | 420 | (120) | | - | - |
| Other: see note 4 | 506 | 203 | (303) | | 203 | 203 |
| Total Contract Income | 13,446 | 13,147 | (299) | -2.2% | 12,684 | 12,641 |
| Post Secondary | 26,500 | 24,300 | (2,200) | | 24,300 | 25,029 |
| International | 57,609 | 71,750 | 14,141 | | 73,903 | 76,120 |
| Continuing Education | 2,336 | 2,227 | (109) | | 2,116 | 2,010 |
| Tuition Short | 140 | 140 | - | | 140 | 140 |
| Total Tuition | 86,585 | 98,417 | 11,832 | 13.7% | 100,458 | 103,298 |
| Investment Income | 1,800 | 1,800 | - | | 1,800 | 1,800 |
| Contract Training | 528 | 450 | (78) | | 450 | 450 |
| International Projects | 2,216 | 2,300 | 84 | | 2,300 | 2,300 |
| Acumen | 7,000 | 6,000 | (1,000) | | 6,000 | 6,000 |
| Other: see note 5 | 967 | 646 | (321) | | 646 | 646 |
| Technology Access Fee | 1,000 | - | (1,000) | | - | - |
| Divisional Income | 7,234 | 8,413 | 1,179 | | 8,413 | 8,413 |
| Amortization DCC | 5,109 | 5,315 | 206 | | 5,315 | 5,315 |
| Total Other | 25,854 | 24,924 | (930) | -3.6% | 24,924 | 24,924 |
| Total Revenue Before Ancillary | 172,485 | 177,860 | 5,375 | 3.1% | 179,438 | 182,235 |
| Ancillary Revenue | 10,298 | 10,339 | 41 | 0.4% | 10,657 | 10,747 |
| TOTAL REVENUE | 182,783 | 188,199 | 5,416 | 3.0% | 190,095 | 192,982 |

SCHEDULE III

| St. Clair College of Applied Arts and Technology Expenditures: 2019-20 (\$ in 000's) | | | | | | |
|--|--|---|-------------------------|-------------|--------------------------------------|--------------------------------------|
| EXPENDITURES | A MYR Income Statement 2018-19 \$ | B Budget Income Statement 2019-20 \$ | B - A Variance \$ | | Forecast | |
| | | | | | Income Statement 2020-21 \$ | Income Statement 2021-22 \$ |
| Salaries: Administrative Full Time | 6,340 | 6,989 | 649 | | 7,325 | 7,661 |
| Salaries: Administrative Part Time | 1,467 | 1,198 | (269) | | 1,210 | 1,222 |
| Salaries: Faculty Full Time | 31,117 | 32,344 | 1,227 | | 32,667 | 32,994 |
| Salaries: Faculty Part Time | 17,229 | 16,074 | (1,155) | | 16,235 | 16,397 |
| Salaries: Support Full Time | 15,375 | 15,875 | 500 | | 15,968 | 16,061 |
| Salaries: Support Part Time | 5,165 | 6,265 | 1,100 | | 6,328 | 6,391 |
| Fringe Benefits | 17,021 | 17,422 | 401 | | 17,740 | 18,365 |
| Total Salaries & Benefits | 93,714 | 96,167 | 2,453 | 2.6% | 97,473 | 99,091 |
| Advertising & Promotion | 2,390 | 2,898 | 508 | | 2,912 | 2,927 |
| Contracted Cleaning Service | 2,772 | 2,870 | 98 | | 2,927 | 2,986 |
| Contracted Educational Services | 1,609 | 1,448 | (161) | | 1,477 | 1,506 |
| Contracted Services Other | 16,877 | 15,580 | (1,297) | | 16,047 | 16,529 |
| Equipment Maintenance & Repairs | 2,926 | 3,037 | 111 | | 3,098 | 3,160 |
| Equipment Rentals | 2,618 | 2,695 | 77 | | 2,749 | 2,804 |
| Instructional Supplies | 4,904 | 5,080 | 176 | | 5,131 | 5,182 |
| Insurance | 3,434 | 4,530 | 1,096 | | 4,575 | 4,621 |
| Janitorial & Maintenance Supplies | 686 | 500 | (186) | | 510 | 520 |
| Memberships & Dues | 599 | 571 | (28) | | 582 | 594 |
| Municipal Taxes | 664 | 710 | 46 | | 717 | 724 |
| Office Supplies | 777 | 719 | (58) | | 733 | 748 |
| Premise Rental | 1,482 | 1,836 | 354 | | 1,755 | 1,764 |
| Professional Development | 555 | 596 | 41 | | 599 | 607 |
| Security Services | 1,815 | 1,965 | 150 | | 2,004 | 2,044 |
| Stipends & Allowances | 2,108 | 2,369 | 261 | | 2,369 | 2,369 |
| Student Assistance 30% Tuition | 1,882 | 1,932 | 50 | | 1,893 | 1,855 |
| Travel | 1,299 | 1,217 | (82) | | 1,241 | 1,266 |
| Utilities | 5,245 | 4,850 | (395) | | 4,947 | 5,046 |
| Other: see note 6 | 6,008 | 5,447 | (561) | | 5,474 | 5,502 |
| Sub-total | 60,650 | 60,850 | 200 | 0.3% | 61,743 | 62,755 |
| Amortization | 8,700 | 10,397 | 1,697 | | 10,497 | 10,597 |
| Total Non-Salary Expenditures | 69,350 | 71,247 | 1,897 | 2.7% | 72,240 | 73,352 |
| Total Operating Expenditures | 163,064 | 167,414 | 4,350 | 2.7% | 169,713 | 172,443 |
| Ancillary Expenditures | 9,166 | 9,652 | 486 | 5.3% | 9,946 | 10,041 |
| TOTAL EXPENDITURES | 172,230 | 177,066 | 4,836 | 2.8% | 179,659 | 182,484 |

SCHEDULE IV A

| St. Clair College of Applied Arts and Technology Ancillary Operations: 2019-20 (\$ in 000's) | | | | | | |
|---|----------------|----------------|-----------------|-------------|-----------------|----------------|
| | <i>A</i> | <i>B</i> | <i>B - A</i> | | <i>Forecast</i> | |
| | <i>MYR</i> | <i>Budget</i> | <i>Variance</i> | | <i>2020-21</i> | <i>2021-22</i> |
| | <i>2018-19</i> | <i>2019-20</i> | | | <i>\$</i> | <i>\$</i> |
| | <i>\$</i> | <i>\$</i> | <i>\$</i> | | | |
| <u>Ancillary: Revenue</u> | | | | | | |
| Beverage Supplier | 50 | 50 | - | | 50 | 50 |
| Bookstore - Windsor & Chatham | 300 | 280 | (20) | | 260 | 240 |
| Cafeteria - South Campus | 30 | - | (30) | | 30 | 30 |
| Green Giants | 145 | 150 | 5 | | 150 | 150 |
| IRTCD Special Events | 125 | 100 | (25) | | 100 | 100 |
| Lockers Administration | 54 | 48 | (6) | | 48 | 48 |
| Parking Lots | 1,608 | 1,627 | 19 | | 1,668 | 1,709 |
| Residence | 2,755 | 3,176 | 421 | | 3,208 | 3,240 |
| Saints Store | 47 | 22 | (25) | | 22 | 22 |
| Sky Volleyball | 40 | 80 | 40 | | 80 | 80 |
| Basketball Project | - | 2 | 2 | | 2 | 2 |
| St. Clair Centre for the Arts | 4,019 | 3,574 | (445) | | 3,610 | 3,646 |
| Varsity Sports | 825 | 905 | 80 | | 905 | 905 |
| Sports Park | - | 30 | 30 | | 230 | 230 |
| Woodland Hills Golf Course | 300 | 295 | (5) | | 295 | 295 |
| Total Revenue | 10,298 | 10,339 | 41 | 0.4% | 10,657 | 10,747 |
| <u>Ancillary: Expenditures</u> | | | | | | |
| Green Giants | 145 | 150 | 5 | | 150 | 150 |
| IRTCD Special Events | 95 | 100 | 5 | | 100 | 100 |
| Parking Lots | 1,143 | 1,220 | 77 | | 1,244 | 1,269 |
| Residence - Windsor | 2,447 | 2,876 | 429 | | 2,908 | 2,940 |
| Residence - Chatham | - | 60 | 60 | | 60 | 60 |
| Saints Store | 35 | 16 | (19) | | 16 | 16 |
| Sky Volleyball | 40 | 80 | 40 | | 80 | 80 |
| St. Clair Centre for the Arts | 3,893 | 3,791 | (102) | | 3,829 | 3,867 |
| Varsity Sports | 1,068 | 1,034 | (34) | | 1,034 | 1,034 |
| Sports Park | - | 30 | 30 | | 230 | 230 |
| Woodland Hills Golf Course | 300 | 295 | (5) | | 295 | 295 |
| Total Expenditures | 9,166 | 9,652 | 486 | 5.3% | 9,946 | 10,041 |

SCHEDULE IV B

| St. Clair College of Applied Arts and Technology Ancillary Operations: 2019-20 (\$ in 000's) | | | | |
|--|-----------------------------|--------------------------------|-----------------|---------------|
| | A | B | Forecast | |
| | MYR 2018-19 \$ | Budget 2019-20 \$ | 2020-21 \$ | 2021-22 \$ |
| Beverage Supplier: Revenue | 50 | 50 | 50 | 50 |
| Bookstore - Windsor & Chatham: Revenue | 300 | 280 | 260 | 240 |
| Cafeteria - South Campus: Revenue | 30 | - | 30 | 30 |
| Sky Volleyball: Revenue | 40 | 80 | 80 | 80 |
| Sky Volleyball: Expenditures | 40 | 80 | 80 | 80 |
| | - | - | - | - |
| Basketball Project: Revenue | - | 2 | 2 | 2 |
| Green Giants: Revenue | 145 | 150 | 150 | 150 |
| Green Giants: Expenditures | 145 | 150 | 150 | 150 |
| | - | - | - | - |
| Lockers Administration: Revenue | 54 | 48 | 48 | 48 |
| IRTCD Special Events: Revenue | 125 | 100 | 100 | 100 |
| IRTCD Special Events: Expenditures | 95 | 100 | 100 | 100 |
| | 30 | - | - | - |
| Parking Lots: Revenue | 1,608 | 1,627 | 1,668 | 1,709 |
| Parking Lots: Expenditures | 1,143 | 1,220 | 1,244 | 1,269 |
| | 465 | 407 | 423 | 440 |
| Residence - Windsor: Revenue | 2,755 | 3,176 | 3,208 | 3,240 |
| Residence - Windsor: Expenditures | 2,447 | 2,876 | 2,908 | 2,940 |
| | 308 | 300 | 300 | 300 |
| Residence - Chatham: Expenditures | - | 60 | 60 | 60 |
| Saints Store: Revenue | 47 | 22 | 22 | 22 |
| Saints Store: Expenditures | 35 | 16 | 16 | 16 |
| | 12 | 6 | 6 | 6 |
| St. Clair Centre for the Arts: Revenue | 4,019 | 3,574 | 3,610 | 3,646 |
| St. Clair Centre for the Arts: Expenditures | 3,893 | 3,791 | 3,829 | 3,867 |
| | 126 | (217) | (219) | (221) |
| Varsity Sports: Revenue | 825 | 905 | 905 | 905 |
| Varsity Sports: Expenditures | 1,068 | 1,034 | 1,034 | 1,034 |
| | (243) | (129) | (129) | (129) |
| Sports Park: Revenue | - | 30 | 230 | 230 |
| Sports Park: Expenditures | - | 30 | 230 | 230 |
| | - | - | - | - |
| Woodland Hills Golf Course: Revenue | 300 | 295 | 295 | 295 |
| Woodland Hills Golf Course: Expenditures | 300 | 295 | 295 | 295 |
| | - | - | - | - |
| Total Revenue | 10,298 | 10,339 | 10,657 | 10,747 |
| Total Expenditures | 9,166 | 9,652 | 9,946 | 10,041 |
| Surplus | 1,132 | 687 | 711 | 706 |

Notes: Revenue & Expenditures

Note 1 REVENUE: Enrollment Based Envelope

Operating Grant - Base Funding
Clinical Education

Note 2 REVENUE: Differentiation Envelope

GPOG Holdback
Performance Funding (KPI)

Note 3 REVENUE: Other MTCU Grants

Accessibility Funding for Disabled Students
Collaborative Nursing
International Student Recovery
Municipal Taxes
Mental Health Worker and Services
Support Programs & Students

Note 4 REVENUE: Other

Aboriginal Counselor
Experience Ontario
Reporting Entities Project
Women Campus Safety
WSIB
Youth Job Link
Career Ready Fund

Note 5 REVENUE: Other

Apprenticeship Classroom Fees
Graduation Fees
Miscellaneous Income
Termination Gratuity Fees
Unrestricted Donations
CT In-Service Teacher Training

Note 6 EXPENDITURES: Other

Audit Fees
Bad Debt Expense
Bank Charges
Building Repairs & Maintenance
Capital Non-Depreciable
College Compensation & Appointments Council
Field Studies
Food Expense
Grounds Maintenance
Learning Resource Material
Long Term Debt - Interest
Postage
Professional Fees
Staff Employment
Student Scholarships: International & Athletics
Telephone
Vehicle Expense

BALANCE SHEET

The intent of this report is to provide the Board with a forecast of our 2019-20 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

| | 4-Dec-18 | 26-Mar-19 |
|--|----------------------|----------------------|
| | MTCU | Budget |
| | as at | as at |
| | March 31, 2019 | March 31, 2020 |
| 1 Assets | 279,113,735 | 297,878,733 |
| 11 Cash and Cash Equivalents | 77,229,433 | 79,773,165 |
| 12 Accounts Receivable | 12,263,473 | 12,263,473 |
| 14 Other Current Assets | 1,662,104 | 1,662,104 |
| 15 CIP | 127,454 | 10,076,028 |
| 16 Tangible Capital Assets | 330,385,348 | 346,885,348 |
| 161 Land | 7,058,485 | 7,058,485 |
| 162 Site Improvements | 10,600,006 | 16,223,006 |
| 163 Building | 226,932,106 | 231,632,106 |
| 164 Furniture and Equipment | 79,674,976 | 85,851,976 |
| 165 IT | 1 | 1 |
| 169 Other TCA | 6,119,774 | 6,119,774 |
| 17 Tangible Capital Asset Accumulated | (152,055,955) | (162,452,955) |
| 172 AA Site Improvements | (7,372,684) | (8,321,344) |
| 173 AA Building | (70,666,709) | (76,159,077) |
| 174 AA Furniture and Equipment | (72,504,288) | (75,490,260) |
| 179 AA Other TCA | (1,512,274) | (2,482,274) |
| 18 Long Term Receivable | - | - |
| 19 Investments and Other Long term Assets | 9,501,878 | 9,671,570 |

| | 4-Dec-18 | 26-Mar-19 |
|--|--------------------|--------------------|
| | MTCU | Budget |
| | as at | as at |
| | March 31, 2019 | March 31, 2020 |
| 2 Liabilities | 207,700,028 | 215,078,068 |
| 21 Bank Indebtedness | - | - |
| 22 Accounts Payable and Accrued Liabilities | 19,228,198 | 19,891,205 |
| 221 <i>Accounts Payable and Accrued Liabilities</i> | 17,974,072 | 17,974,072 |
| 222 <i>Accrued Interest</i> | 25,032 | 25,032 |
| 223 <i>Current Portion of Long term liabilities</i> | 1,229,094 | 1,892,101 |
| 23 Deferred Revenue | 36,167,790 | 37,820,283 |
| 231 <i>Deferred Revenue</i> | 7,003,000 | 7,003,000 |
| 232 <i>Deferred Tuition Revenue</i> | 29,164,790 | 30,817,283 |
| 24 Restricted Contribution | 1,027,356 | 1,027,356 |
| 25 Deferred Capital Contributions | 116,011,002 | 123,033,206 |
| 26 Capital Lease | - | - |
| 27 Debt | 31,414,682 | 29,455,018 |
| 29 Other Long Term Liabilities | 3,851,000 | 3,851,000 |
| 3 Net Assets | 71,413,707 | 82,800,665 |
| 31 Unrestricted Net Assets | 20,472,434 | 31,604,950 |
| 32 Internally Restricted Net Assets | 1,000,000 | 1,000,000 |
| 33 Investment in Capital Assets | 41,132,450 | 41,132,450 |
| 36 Restricted Contributions | - | - |
| 37 Endowments | 8,808,823 | 9,063,265 |
| 38 Accumulated Re-measurement Gain & Losses | - | - |
| Assets - Liabilities - Net Assets | - | - |

NON-COMMITTED CASH PROJECTION

The intent of this report is to provide the Board with an indication of our 2019-20 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 reserves.

The "Funded by Operating (Reserves)" line item notes the 2019-20 capital budget of \$36,500,000. This assumes Section 28 approval is received for \$20,000,000 towards the Academic Tower and Phase III of the Student Centre. The remaining \$16,500,000 will be used to support our Destination College vision, enhance our academic equipment, and address deferred maintenance.

Non-Committed Cash Projection

(\$ in 000's)

| | <u>MYR</u> <u>2018-19</u> | <u>Budget</u> <u>2019-20</u> | <u>Variance</u> |
|--|--|---|------------------------|
| Unrestricted Net Assets, Prior Year ⁽¹⁾ | \$17,783 | \$41,524 | \$23,741 |
| Operating | | | |
| Budget Surplus | \$10,553 | \$11,133 | \$580 |
| Amortization (net) | \$3,591 | \$5,082 | \$1,491 |
| Adjusted Budget Surplus | \$14,144 | \$16,215 | \$2,071 |
| Capital | | | |
| Grant Revenues | \$7,680 | - | (\$7,680) |
| Grant Expenditures | (\$7,680) | - | \$7,680 |
| Funded by Operating (Reserves) | (\$29,500) | (\$36,500) | (\$7,000) |
| Net Outlay for Capital | (\$29,500) | (\$36,500) | (\$7,000) |
| Debt | | | |
| Repayment of Long-Term Debt | (\$1,955) | (\$1,959) | (\$4) |
| Proceeds from Long-Term Debt | \$20,000 | \$20,000 | - |
| Net Change in Long-Term Debt | \$18,045 | \$18,041 | (\$4) |
| iii. Other: | | | |
| Board Reserve | (\$1,000) | (\$1,000) | \$0 |
| Net Change in Other | (\$1,000) | (\$1,000) | \$0 |
| Unrestricted Net Assets, End of Year ⁽¹⁾ | \$19,472 | \$38,280 | \$18,808 |
| Unrestricted Net Assets Adjustment ⁽¹⁾ | (\$7,972) | (\$6,707) | \$1,265 |
| Non-Committed Cash Projection ⁽¹⁾ | \$11,500 | \$31,573 | \$20,073 |

⁽¹⁾ The College uses its unrestricted net assets balance from the prior fiscal year-end (after post-employment and vacation pay adjustments), as a planning benchmark for projecting non-committed cash. Adjustments by management are made to the projected unrestricted net assets balance to account for other estimates and assumptions for reported asset and liability amounts (i.e. collectability of student receivables).

FINANCIAL SUSTAINABILITY METRICS

The intent of this report is to provide the Board with an estimate of the 2019-20 MTCU Financial Indicators (as identified within the Strategic Mandate Agreement) based on information known when the budget was developed.

Financial Sustainability Metrics

| | | <u>Actual</u> <u>3/31/2018</u> | <u>Estimate</u> <u>3/31/2019</u> | <u>Estimate</u> <u>3/31/2020</u> |
|-------------------------------|-------------------|-----------------------------------|-------------------------------------|-------------------------------------|
| Annual Surplus / Deficit | greater than \$0 | \$ 13,305,511 | \$ 10,553,406 | \$ 11,132,516 |
| Accumulated Surplus / Deficit | greater than \$0 | \$ 52,051,478 | \$ 62,604,884 | \$ 73,737,400 |
| Quick Ratio | greater than 1 | 3.92 | 5.07 | 4.71 |
| Debt to Asset Ratio | less than 35% | 14.72% | 19.70% | 18.42% |
| Debt Servicing Ratio | less than 3% | 1.59% | 1.05% | 1.08% |
| Net Assets to Expense Ratio | greater than 60% | 132.54% | 103.71% | 110.56% |
| Net Income to Revenue Ratio | greater than 1.5% | 9.24% | 5.77% | 5.92% |

| | | | |
|------------------------|----------|----------|----------|
| Number of Flags | 0 | 0 | 0 |
|------------------------|----------|----------|----------|