



# 2015-2016 Business Plan



**MOHAWK**  
COLLEGE

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## SECTION 1: BOARD OF GOVERNORS

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**Chair:**

Douglas Harrison

**Vice Chair:**

Elaine Sinha

Stephen Bauld

Donna Cripps

Gary Crowell

Domenic D'Ambrosio

Mark Farrow

Nancy Fram

Heather Giardine-Tuck

Trent Jarvis

Moe Mahmood

John Marinucci

Katrina McFadden

Sheree Meredith

Joe Parker

Glen Steeves

Anna Ventresca

Donald Wilford

**President:**

Ron J. McKerlie

## SECTION 2: MESSAGE FROM THE PRESIDENT

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The way to achieve community transformation and prosperity is to leverage education as an enabler of hope and opportunity. To be successful, communities of the future will need to have a strong alignment between economic expectations and workforce skills, welcoming everyone to play a role in building a healthy, resilient and prosperous region.

Mohawk College has recognized strengths in forging community, industry and indigenous educational partnerships and delivering high calibre training in the skilled trades. It is a leader in collaborating in the development of pre-eminent health and technology programming, and in developing outstanding applied research capability.



The Hamilton region is undergoing a significant economic transition while continuing to address persistent socio-economic disparities. Mohawk's communities face the challenges of newcomer integration, regional economic renewal and innovation, and employment opportunities for youth and marginalized populations.

Mohawk College continues to respond to these challenges with "future focused" priorities that consider these diverse needs.

In 2015-2016 Mohawk will focus on 33 key projects while continuing to deliver an exceptional college education and experience to a record number of students. Mohawk is well positioned to meet the financial challenge ahead and continue advancing its strategic priorities of Quality, Innovation and Sustainability.

Ron J. McKerlie  
President

## SECTION 3: STRATEGIC PLAN



# Strategic Plan

### Vision

Prosperous communities and transformed lives

### Mission

Creating new realities by opening endless opportunities

### Values

Our values guide our actions and decisions, define our innovation culture, and focus on students, staff and community

#### 1. We are student focused

*Students and learning are at the heart of all we do.*

#### 2. We are committed to excellence

*We are committed to best practices in education, corporate and student services.*

#### 3. We engage our community

*We are responsive to and collaborative with the communities we serve.*

#### 4. We are inclusive

*We ensure a welcoming and supportive environment for all.*

#### 5. We are accountable

*We act with integrity, transparency and base our decisions on evidence.*

### Strategic Priorities

Mohawk is committed to the following Strategic Priority Actions:

#### 1. Quality

**1.1 Quality Programs and Strategic Enrolment Management.**  
*Plan and manage our academic offerings and enrolment to ensure high quality programs relevant to community needs.*

**1.2 Quality Employees.**  
*As an employer of choice, ensure a high performing diverse workforce and quality work environment.*

**1.3 Quality Facilities, Equipment, and Services.**  
*Provide first class facilities, equipment and services that support a quality student experience.*

#### 2. Innovation

**2.1 Future Ready Students.**  
*Give our students the hard and soft skills needed to succeed in a fast changing learning environment and workplace.*

**2.2 Future Ready College.**  
*Implement leading practices in technology, process, decision making and learning to improve efficiency and effectiveness in operations.*

**2.3 Future Ready Community.**  
*Cultivate a future ready community by creating centres of excellence in applied research in collaboration with partners in our region.*

#### 3. Sustainability

**3.1 Social Inclusion**  
*Ensure Mohawk engages, welcomes, and supports a diverse student body and community.*

**3.2 Greening Mohawk.**  
*Embed environmental sustainability principles into our programs and practices.*

**3.3 Financial Well-Being.**  
*Enhance revenue sources, expand our markets, improve efficiencies and optimize asset utilization to ensure our long-term viability.*

[mohawkcollege.ca](http://mohawkcollege.ca)

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**future**ready

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## SECTION 4: 2015-2016 KEY PRIORITIES

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### **Strategic Priority 1: Quality**

#### **1.1 Quality Programs and Strategic Enrolment Management**

Plan and manage our academic offerings and enrolment to ensure high quality programs relevant to community needs

- 1.1.1 Prepare for the college-wide accreditation process
- 1.1.2 Submission to Ministry of Training, Colleges and Universities for graduate certificates in Project Management Professional, Libraries and Digital Technologies, Digital Health and Lean Six Sigma
- 1.1.3 Maintain top 3 positioning in key KPI's
- 1.1.4 Conclude 3<sup>rd</sup> year action plan items in Student Success Plan
- 1.1.5 Increase overall enrolment from 1.5%-4.0% or 29,317-30,066 for 2015-2016
- 1.1.6 Complete a review of the future strategic direction and structure of Continuing Education

#### **1.2 Quality Employees**

As an employer of choice, ensure a high performing, diverse workforce and quality work environment

- 1.2.1 Renew employee engagement survey
- 1.2.2 Create an annual employee engagement report that will be presented at the President's Breakfast and distributed to all staff

#### **1.3 Quality Facilities and Services**

Provide first class facilities, equipment and services that support a quality student experience

- 1.3.1 Complete Phase 2 of the Stoney Creek Campus Renewal Projects and update plans on further work for Fennell Campus and IAHS
- 1.3.2 Increase space/partnership capacity
- 1.3.3 Complete transit hub, parking renewal and determine next steps with the student residence and health services
- 1.3.4 Develop plan based on results of AODA audit and any additional new government regulations in this area.
- 1.3.5 Leverage technology to expand online learning opportunities to contribute to the growth and development of students, staff and faculty

## **Strategic Priority 2: Innovation**

### **2.1 Future Ready Students**

Give our students the hard and soft skills needed to succeed in a fast changing learning environment and workplace

- 2.1.1 Develop and implement a recommended action plan based on the Blended Learning Efficacy Review
- 2.1.2 Increase student participation in co-curricular activities by 10%
- 2.1.3 Set baseline for experiential learning programs by refreshing database of where these programs are offered and where there are gaps

### **2.2 Future Ready College**

Implement leading practices in technology, process, decision-making and learning to improve efficiency and effectiveness in operations

- 2.2.1 Complete year 3 of the implementation of Future Ready Processes
- 2.2.2 Increase our online resources through investment in library services
- 2.2.3 Move from paper based to electronic Human Resources solutions

### **2.3 Future Ready Community**

Cultivate a future ready community by creating centres of excellence in applied research in collaboration with partners in our region

- 2.3.1 Develop a 2014 baseline number of students engaged, number of industry partnerships, grant successes and other comparative rankings as they apply to the area of Applied Research
- 2.3.2 Develop a tool to manage partner engagement contacts and set a baseline to measure activity going forward
- 2.3.3 Lead community engagement plan around making Hamilton a more welcoming community for newcomers
- 2.3.4 Relationship and reputation building with city, provincial and federal decision-makers
- 2.3.5 Establish a set of partnership principles with McMaster

## **Strategic Priority 3: Sustainability**

### **3.1 Social Inclusion**

Ensure Mohawk engages, welcomes and supports a diverse student body and community

- 3.1.1 Develop an Aboriginal gathering space on the Fennell Campus with community guidance and in accordance with Fennell Campus' Sustainable Landscape Plan
- 3.1.2 Develop a plan for renewal of Aboriginal funding
- 3.1.3 Conduct surveys as appropriate to support Welcoming Community and Social Inc. activities
- 3.1.4 Launch diversity modules to support staff training and professional development

### **3.2 Greening Mohawk**

Embed environmental sustainability principles into our programs and practices

- 3.2.1 Completion of outdoor space in accordance with Fennell Campus Sustainable Landscape Plan
- 3.2.2 Implementation of Environmental Management Plan 2.0

### **3.3 Financial Well-Being**

Enhance revenue sources, expand our markets, improve efficiencies and optimize asset utilization to ensure our long-term viability

- 3.3.1 Receive the deferred maintenance/life cycle plan audit from the Ministry of Training, Colleges and Universities and present a strategy to act on its findings
- 3.3.2 Operationalize internal audit and risk management committee, execute security audit and emergency management plans
- 3.3.3 Launch Family Campaign in support of students as part of Mohawk's 50<sup>th</sup> Anniversary celebrations.



# CFIS STATEMENT OF FINANCIAL POSITION AND OPERATIONS

<b>MOHAWK COLLEGE OF APPLIED ARTS AND TECHNOLOGY</b> <b>CFIS STATEMENT OF FINANCIAL POSITION AND OPERATIONS</b>		
	2015/16 BUDGET	2014/15 ACTUAL
	\$	\$
<b>FINANCIAL POSITION:</b>		
Cash and Cash Equivalents	23,167,444	23,800,753
Accounts Receivable	16,857,954	18,217,219
Other Current Assets	52,803,433	51,080,465
CIP	-	1,023,711
Tangible Capital Assets	258,903,408	248,465,508
Tangible Capital Asset Accumulated Amortization	(106,128,428)	(92,715,211)
Long Term Receivable	32,459,497	33,318,219
Investments and Other Long term Assets	873,472	873,472
<b>TOTAL ASSETS</b>	<b>278,936,780</b>	<b>284,064,136</b>
Accounts Payable and Accrued Liabilities	38,690,011	37,336,311
Deferred Revenue	18,473,630	19,601,641
Restricted Contribution	12,745,285	12,071,809
Deferred Capital Contributions	102,252,283	106,961,607
Debt	47,003,151	48,683,708
Other Long Term Liabilities	10,058,682	10,058,682
<b>LIABILITIES</b>	<b>229,223,042</b>	<b>234,713,758</b>
Unrestricted Net Assets	(7,026,484)	(8,973,912)
Internally Restricted Net Assets	14,512,300	18,580,000
Investment in Capital Assets	27,854,188	25,733,915
Endowments	16,061,653	15,698,294
Accumulated Remeasurement Gain and Losses	(1,687,919)	(1,687,919)
<b>NET ASSETS</b>	<b>49,713,738</b>	<b>49,350,378</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>278,936,780</b>	<b>284,064,136</b>
<b>OPERATIONS:</b>		
Grant Revenue	100,280,147	102,937,165
Tuition Fees	59,531,584	61,239,459
Other Student Fees	16,040,395	13,348,151
Contractual and other fee-for-services	2,697,729	2,800,825
Ancillary Revenue	14,563,674	13,997,376
Other Revenue	5,546,478	3,422,962
<b>REVENUE</b>	<b>198,660,007</b>	<b>197,745,938</b>
Salaries and Wages	101,191,610	97,838,131
Employee Benefits	23,184,896	22,360,993
Transportation and Communication	2,716,940	2,944,776
Services	26,168,665	27,504,144
Supplies and Minor Equipment	7,297,102	7,489,415
Ancillary Services - Expenditures	8,820,904	9,015,861
Amortization Expense	13,413,217	13,567,440
Other Expenditures	15,866,673	13,321,259
<b>EXPENSES</b>	<b>198,660,007</b>	<b>194,042,019</b>
<b>TOTAL OPERATIONS SURPLUS</b>	<b>-</b>	<b>3,703,919</b>

## 2015/16 ENROLMENT TARGETS

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### 2015/16 ENROLMENT TARGETS

(Domestic, Collaborative & International)

	<b>Spring</b>	<b>Fall</b>	<b>Winter</b>	<b>Total</b>	<b>% Increase over 2014/15</b>
2014/15 Total actual enrolment	2,336	13,441	13,107	<b>28,884</b>	
2015/16 Financial Plan Target	2,371	13,643	13,303	<b>29,317</b>	1.50%
Year over Year Semester Growth	1.5%	1.5%	1.5%	1.5%	
2015/16 Stretch Target (per SEM plan)	2,609	13,843	13,614	<b>30,066</b>	4.09%
Year over Year Semester Growth	11.7%	3.0%	3.9%	4.1%	

# 2015|16 APPROVED Financial Plan



| A LEADER IN HEALTH AND TECHNOLOGY |

### Financial Planning Framework

The Financial Plan comprises three main budget components:

- The **Operating Budget** represents the revenue and expenses associated with the day-to-day operations of academic, student, ancillary and corporate services. Primary sources of revenue are government grants, student tuition fees, contracted services and ancillary business operations (campus stores, facility rentals, residence). These revenue sources support the cost of salaries and benefits, supplies, commodities and other non-salary related expenses.
- The **Fee Supported Budget** represents the compulsory ancillary fees paid by students for specific services. These fees include alumni, convocation, technology enhancement and the David Braley Athletic and Recreation Centre (DBARC) fee.
- The **Capital Budget** reflects the funding sources and uses for capital, including building projects, facility improvements, deferred maintenance, information technology and equipment.

### What is an Operating Budget?

The College's annual Operating Budget shows the spending requirements and revenue estimates needed to support the day-to-day ongoing operations of Mohawk's programs, services and activities in the academic, student, ancillary and corporate services areas. Each year, a balanced budget is prepared such that budgeted expenditures equal budgeted revenue. The operating budget includes amortization of capital assets and, also interest costs associated with the repayment of debt financing.

College expenses include but are not limited to:

- Salaries and fringe benefits,
- Supplies and materials,
- Commodities (e.g. hydro, diesel fuel and gasoline)
- Contracted services,
- Other non-salary related expenses

The appropriate academic expenditure level is based on prior year actual program costs and the projected program enrolments. The contribution margin from the academic area (operating grant plus tuition less direct and indirect academic costs) allows for investment in program development, program review and accreditation activities and, recognizes continued support for investments made in research and academic overhead.

These expenses are paid for by revenue generated by various sources such as:

- General and specific grants from both the Federal and Provincial levels of government
- Student tuition fees and other compulsory student fees
- Ancillary revenue such as campus stores, parking, residence, food services & facility rentals
- Investment income
- Donations

Student enrolment is the key driver in determining operating budget revenue levels because enrolment influences the MTCU operating grant, tuition fees and ancillary revenue. The operating grants and tuition fees account for 77% percent of total revenue.

### **What is a Fee Supported Budget?**

In addition to tuition fees, all students are required to pay compulsory ancillary fees. Compulsory ancillary fees are charged to post-secondary and continuing education students. The fees are collected for activities that the MTCU deems not directly related to academics. Compulsory ancillary fees account for approximately 6% percent of total revenue and have equal, offsetting expenses.

Compulsory Ancillary Fees are governed by the MTCU “Tuition and Ancillary Fees Reporting” operating procedure and mandates that student’s governing bodies be involved in decisions regarding compulsory ancillary fees. The proposed revenue and expenses were presented to and approved by the Mohawk Student Association (MSA).

### **What is a Capital Budget & Forecast?**

Mohawk College’s Capital Budget and Forecast outlines the College’s capital plans for upcoming years and identifies how to pay for infrastructure projects such as facility and lab improvements, building projects, deferred maintenance, information technology and equipment.

Mohawk College relies on a number of funding sources, some that occur each year and others that are one-time in nature. Funds for new capital projects include government grants for facility renewal and academic equipment, student levies, donations, Board reserves and debt financing. In addition to new initiatives, the existing infrastructure continues to age and require capital spending on renewal and replacement.

A major capital initiative recently completed on time and within budget was phase 1 of the Stoney Creek renewal project and phase 2 is planned for 2015/16.

Financing decisions associated with each capital request were assessed around such factors as availability of internal funds (operating, ancillary fees, restricted funds, Board reserves), accessibility to provincial grant programs and fundraising opportunities.



## Financial Policies & Practices

College budget policy is influenced by Generally Accepted Accounting Principles and MTCU guidelines, policies and operating procedures. In addition, Mohawk also maintains several policies that are well established in this organization and others that are equally as important but less formalized. Examples of budget practices or policies include:

### **Balanced Financial Plan:**

The College will prepare a balanced annual financial plan, whereby revenue and expenditures net to zero. Furthermore, Board of Governors policy D05, entitled Financial Matters Effective Oct 12/05, reference 374.O.8.1, section 3b) states "at the end of each fiscal year, the President shall not permit the College to be in a deficit position".

### **Academic Contribution Margins:**

For the academic areas, the guideline approved by the Mohawk Executive Group require that allowable expenditures must be less than forecasted revenue in an amount sufficient to return 42% of revenue as an overall contribution to the College (the "Contribution Margin"). The contribution is towards learning resource centres, innovation and research and academic related overhead costs. The academic expenditure budgets are created in relation to revenue targets.

### **Compulsory Ancillary Fees:**

In addition to tuition fees, all students are required to pay compulsory ancillary fees. Compulsory ancillary fees are charged to post-secondary and continuing education students for activities the Ontario Ministry of Training, Colleges & Universities (MTCU) deems not directly related to academics. Compulsory Ancillary Fees are governed by the MTCU "Tuition and Ancillary Fees Reporting" operating procedure and mandates that student's governing bodies (MSA) be involved in decisions regarding compulsory ancillary fees and subsequent increases.

Compulsory ancillary revenue and offsetting expenses are presented separately from the College's operating budget. This level of reporting provides the Board with an understanding of how the fees collected will be utilized. Any fees unspent in the current year may be deferred to the following year.



**Approval of Capital, Renovation and Maintenance Projects:**

Requests for the use of funds to be directed towards capital, renovation and maintenance projects are submitted through the Capital Planning Committee (CPC). Criteria for capital, renovation and maintenance project requests require that:

- Expenses should be one-time in nature
- Requests should be in excess of \$3,000

Capital requests must align with the strategic priorities of the College. The criteria used to evaluate the projects include:

- Health & safety improvements
- Maintaining infrastructure
- Board and President priorities
- Establishment of new programs
- Revenue generation

The funding sources for capital, renovation and maintenance projects are subject to annual MTCU approved funding allocations and the College's operating budget availability. As such, the CPC will review the financial impact of each priority project and prioritize projects to be presented to Mohawk Executive Group (MEG) based on financial availability.

The recommended projects are presented to MEG for their approval based on their alliance with the strategic objectives of the College.

All capital, renovation and maintenance projects valued over \$1,000,000 require the approval of the Audit, Finance & Infrastructure Committee of the Board of Governors.

**Risk Mitigation Strategies:**

In light of possible budget uncertainties, the College prepares for and budgets for certain contingencies. Contingency may be used to support such things as reductions in enrolment, major repairs etc. The contingency attempts to prudently recognize the risk and the potential negative impact resulting from lost revenue or unexpected expenditures.

**Net Assets:**

The College manages both “restricted” and “unrestricted” net assets. Internally Restricted Net Assets represent College surpluses that are subject to internal restrictions imposed in a formal manner by resolution of the Board of Governors. These restrictions represent specific projects, new initiatives or future obligations. Internal restrictions form part of the budget following Board approval.

**Financial Health Indicators:**

The College’s financial health indicators will reflect and align with the Financial Sustainability Metrics as outlined in the College’s 2014-2017 Strategic Mandate Agreement (SMA) with the Ministry. The 2014-2017 SMAs signed by all colleges acknowledged that financial sustainability and accountability are critical to achieving institutional mandates and realizing Ontario’s vision for the postsecondary education system. To that end, seven metrics were identified to assess the financial health and sustainability of each institution:

1. Annual Surplus/Deficit
2. Accumulated Surplus/Deficit
3. Net Assets to Expense Ratio
4. Debt Servicing Ratio
5. Quick Ratio
6. Debt to Asset Ratio
7. Net Income to Revenue Ratio

## Budget Process Timetable

The Budget Process Timetable identifies the key dates and milestones in Mohawk's development, review and approval of its respective budget processes.



### Planning

#### Planning (Sept-Dec 2014)

- Budget Directions approved by Board of Governors
- Academic enrolment planning and contribution margin targets
- Non-Academic starting point was 2014/15 original base budget
- Compulsory Ancillary Fee proposals
- Capital equipment and project submissions



### Review

#### Review (Jan-Mar 2015)

- Submission of operating investment proposals
- CTS, International, Applied Research and Ancillary business operations detail review
- Capital Planning Committee prioritize submissions
- MEG review of operating, fee supported and capital budget plans
- Board approval of tuition fees and compulsory ancillary fees



### Approval

#### Approval (Mar-Apr 2015)

- MEG approval of operating budget and capital plan
- Communication with management teams
- Recommendation to Audit, Finance & Infrastructure Committee
- Board of Governors approval of overall 2015/16 Financial Plan

## Operating Budget

### Budget reflects Strategic Priorities

Mohawk's Strategic Plan is viewed as an important element in guiding the actions and decisions of the Board of Governors and senior management over the life of the plan. The strategies outlined in the plan heavily influence the various departmental work plans, which in turn have an effect on the budget requirements needed to achieve the Board's vision. Therefore, virtually every short-term and long-term goal has an impact on the approved operating, fee supported and capital budget plans.

### Enrolment Planning

Mohawk has developed a robust approach to Strategic Enrolment Management and created an automated tool to model enrolment potential and trajectories, measure success and determine areas of risk. Initially, the Deans and Associate Deans provide enrolment forecasts in all post-secondary activity for domestic and international students which are informed by the strategic mandate agreement, academic plan and international strategy. Higher enrolments will continue to be planned for summer 2015 to relieve pressure on our capacity planning, resource support and allow for growth potential.

A Strategic Enrolment Management Planning Committee oversees the forecasting of enrolments which are ultimately approved by the Mohawk Executive Group. The committee is represented by staff from across the organization, including Administration, Deans and Associate Deans, Finance, Institutional Research, Registrar, Space Scheduling and IT.

Enrolment Planning is the basis upon which operating budget revenue are calculated for the College. In developing the 2015/16 budget, substantial effort was placed on reviewing academic activity through the Strategic Enrolment Management tool and committee. Each existing program was examined and forecasted for both domestic and international enrolments, recognizing historical trends in enrolment, changing community needs and demographic shifts. Retention of students was also analyzed at length to ensure projections reflected likely attrition rates and international student enrolments were projected with added scrutiny.

The marketing strategy will include outreach into regions outside of Mohawk's catchment with high population growth. As well, the College will reach into high opportunity markets such as Niagara and Waterloo and work to regain confidence in the Brantford market in order to stop market drain. There will be continued increase in marketing and recruitment efforts on the non-direct market while still maintaining a strong presence within the high schools. Reaching the Access community through the College in Motion team will be key to developing the non-direct market.

International Education is closely integrated into the enrolment planning process to ensure the recruitment targets are synchronized with the enrolment plans developed by the Academic areas. The College's goal is to double international revenue in five years' time.

Post-secondary enrolments drive expected revenue from grants, tuition and fees, food services, campus stores, parking etc. They correspondingly drive staffing requirements throughout the College.

## Investment Strategies

Financial Managers were given the opportunity to submit investment proposals requesting funding in support of new service expectations or expanded responsibilities in their respective areas. An investment pool of \$3.2M was available to support these requests. Financial Managers presented investments for consideration by the Mohawk Executive Group using the following criteria:

- Is the investment required to complete an existing project?
- Maintaining or meeting legislative compliance?
- Whether the project would generate new revenue?
- How will it support retention and enhance student experience?
- Does the proposal impact College reputation?
- Will it help build Hamilton's skilled workforce?

Decisions were also based upon whether the request was one-time in nature or ongoing. After a thorough and detailed review process, the recommended investments are categorized as follows:

<b>Academic</b>	
Program Quality & Blended Learning	\$ 769,000
Academic Hiring	302,000
Internationalization	251,000
Access Project	175,000
Centre for Teaching & Learning	138,000
Applied Research	116,000
Other Initiatives	75,000
<b>Total Academic</b>	<b>\$1,826,000</b>

<b>Student Services</b>	
Future Ready Processes	\$ 375,000
Campus Safety & Sustainability	153,000
Marketing	150,000
Accessibility Support	33,000
Other Initiatives	75,000
<b>Total Student Services</b>	<b>\$786,000</b>

<b>Corporate Services &amp; President</b>	
Human Resources processes	\$ 250,000
HR and Finance Support	112,000
Facility & Building Services	70,000
Other Initiatives	75,000
Community Relations (President)	73,000
<b>Total Corporate Services &amp; President Office</b>	<b>\$580,000</b>

## Unpredictable Revenue

Budgeting best practices encourages the avoidance of building a dependence upon unpredictable revenue. While all revenue sources have some degree of volatility, the financial impact resulting from changes in international enrolments is more pronounced given the higher value of the tuition fees associated with each student. With a projected full-time domestic enrolment increase of 4% and the high tuition value for international students, the financial plan includes a contingency for domestic and international enrolments.



## Approved Operating Budget at a Glance

The College, while recognizing changes in the economic and demographic environment, continues to maintain a balance budget on an ongoing basis. By this, we mean total operating expenditures equal total operating revenue.

### Operating Plan Highlights

The proposed 2015/16 Financial Plan has been developed in accordance with the approved budget directions and thoroughly reviewed by the Mohawk Executive Group.

- The Plan delivers a balanced budget. Gross revenue and expenditures are budgeted at \$198.7M, including amortization of capital assets.
- The Plan was developed around delivering educational programming to 15,033<sup>1</sup> post-secondary full-time-enrolments (FTEs).
- The full-time staffing complement for 2015/16 is 955, representing 417 Academic staff, 165 Admin staff and 373 Support staff<sup>2</sup>.
- Throughout the budget deliberations, the full-time complement was increased by a net 15 regular full-time permanent positions over the 2015/16 initial staffing plan.

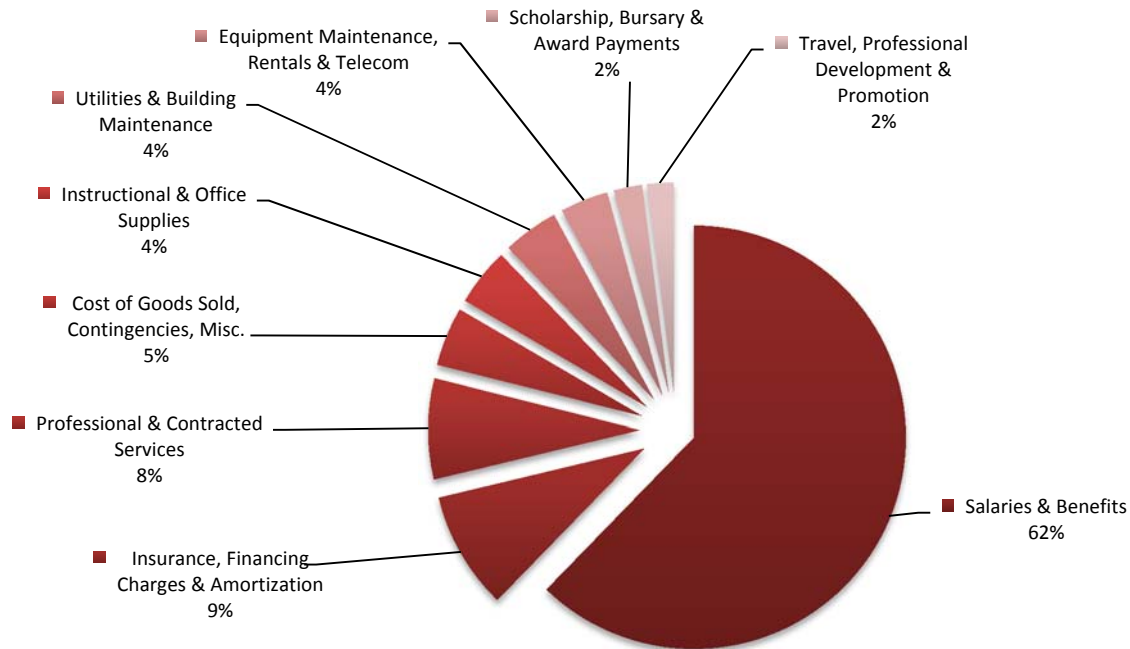
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<sup>1</sup> The number of student FTEs includes both domestic and international students in a post-secondary program.

<sup>2</sup> Academic and Support staff are determined by those positions covered under the respective collective agreements.

## Total Expenditures by Object (\$198.7 Million)

The pie chart below illustrates the College's 2015/16 Approved Operating Budget expenditures by cost component. Human Resource costs (full-time, part-time and benefits) account for \$123.9 million or approximately 62% of the total expenditure budget.



## Expenditure Highlights

### Human Resources

For Mohawk, the 2015/16 plan projects over 62% of the budgeted expenditures are full-time and part-time human resources.

**Full-time Salaries:** Full-time salary rate increases for faculty and support are in accordance with the respective collective agreements effective September 1, 2014. For the approved full-time complement, the Financial Plan includes the rate increases, step increases on anniversary dates and support staff special allowances. Administrative staff salaries are budgeted in accordance with the Broader Public Sector wage freeze legislation.

**Fringe Benefits:** The 2015/16 employee fringe benefit rates are as follows: 25% for full-time and 14% for part-time employee. Employer deductions include both legislated (e.g. CPP, EI etc.) and discretionary (e.g. health and life insurance) fringe benefits as well as contributions to a defined benefit pension plan (CAAT).

**Full-Time Equivalents:** The 2015/16 initial full-time staffing plan consists of 940 full-time equivalents (FTEs) across the faculty, administrative and support groups. Through the consideration of investment proposals, MEG recommended an increase of 15 new full-time positions for a total of 955 FTEs at a cost of \$98.2M, as shown on Table 1 below. Increases to the staffing plan support program quality, program development, access and internationalization strategies as well as an increased service support in the Student and Corporate Services areas.

#### 2015/16 Staffing Plan:

	FACULTY		ADMINISTRATIVE		SUPPORT		TOTAL	
	Count	\$	Count	\$	Count	\$	Count	\$
<b>Initial Full Time Staffing Plan</b>	414	49,347,152	162	19,725,343	364	28,174,822	940	97,247,317
<b>Final MEG Approved Staffing Plan</b>	417	49,567,594	165	19,971,593	373	28,631,958	955	98,171,145

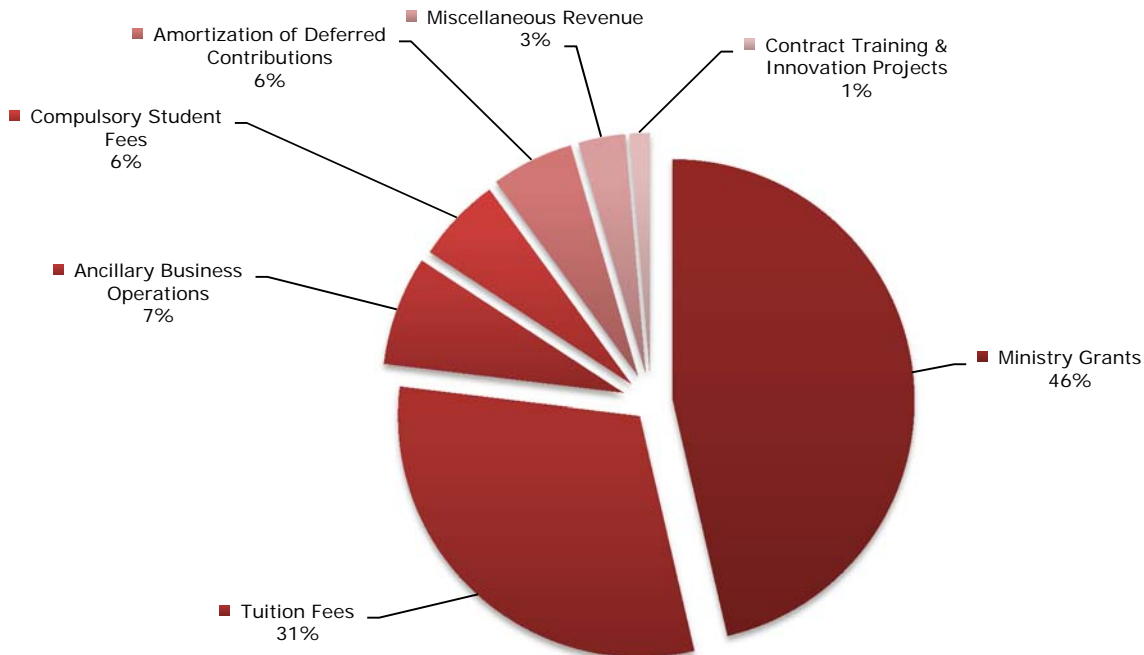
**Contribution Margins:** The overall contribution margin targets were established for the different academic streams: Post-Secondary 42%, Apprenticeship 28% and Continuing Education 45%.

Post-Secondary program prioritization initiatives implemented in the 2014/15 fiscal year will be fully realized in 2015/16 and onwards with a revised general education course delivery model, a new model for delivering English language training to international students and various program suspensions and modifications. The academic area are also addressing a restructuring and improved alignment of foundation programs. These efficiencies allow for maintaining the contribution margin target and investment in program development, program review and accreditation activities.

**Non-Salary Expenditures:** Non-salary expenses associated with running operations includes supplies, utilities, professional services, promotion, insurance, financing charges, memberships, maintenance and amortization expense. Generally speaking, the 2015/16 non-salary operating budget allocations represent the 2014/15 approved initial levels adjusted for one-time investments.

## Where the Money Comes From (\$198.7 Million)

The Mohawk College operating budget of \$198.7 million is balanced with the use of a variety of revenue sources. The following pie chart shows the funding sources of the 2015/16 Approved Operating Budget.



The College's single largest revenue source comes from the Province in the form of grants. In 2015/16, \$92M or 46% of the College's total funding will be operating grants. The General Purpose Operating Grant (GPOG) is the primary provincial grant. The GPOG comprises base and growth funding envelopes and these allocations are based on complex calculations involving a rate per weighted funding unit and averages of prior year enrolments. The GPOG growth funding envelope for 2015/16 will be significantly higher than the previous year due to enrolment growth experienced in the 2012/13 and 2013/14 fiscal years. The increase relieved pressure in balancing the Financial Plan with higher expenditures and need for strategic investments.

Tuition revenue was modelled directly from the Enrolment Plan and approved fees schedule. Deans and Associate Deans used the Strategic Enrolment Management planning tool to model enrolments and resulting revenue. The Enrolment Plan projects the delivery of full-time post-secondary domestic, collaborative and international education for 30,066 enrolments (15,033 FTEs).

Commencing 2014/15, the Ontario government mandated a four-year tuition fee framework which caps the average annual tuition fee increase at 3%. The "2015/16 Tuition and Compulsory Ancillary Fees" report approved by the Board of Governors on February 11, 2015 outlined the fee increases for first year students, returning students, regular programs, high demand, etc. with the overall enrolment mix yielding an increase of 3% and therefore, not exceeding the allowable limit.

As a result, the full-time post-secondary tuition revenue increased by \$1.8M over the 2014/15 forecast which is attributable to an increase in both the average tuition fee and domestic enrolments. Continuing education revenue remains basically flat due to a change in the mix of projected course offerings whereby the increase in funded courses is offset by a decrease in non-funded courses.

Tuition revenue varies directly with in-year enrolment activity and failure to attain the planned enrolments poses a risk to the Financial Plan. This is more pronounced with international enrolments, given their tuition is 4-5 times greater than domestic. Recognizing this risk, staff has appropriately planned mitigating contingencies for both domestic and international enrolment.

Ancillary revenue is derived from the campus stores, residence, parking, food services and facilities rentals. The projected net contribution from Ancillary Business Operations of \$3.6M represents 24% of total \$15.0M revenue.

Community and Training Solutions offers a broad range of programs including literacy and basic skills, enhanced language training, school college works initiatives and employment programs. The projected net contribution of \$1.7M represents 22% of total \$7.9M revenue.

## **Fee Supported Budget**

In addition to tuition fees, all students are required to pay compulsory ancillary fees. Compulsory ancillary fees generate approximately \$11M which is 6% of total revenue. The fees have equal, offsetting expenses and are critical in supporting services that includes technology, health, personal counselling, student success, student awards and convocation.

Compulsory ancillary fees are governed by the MTCU "Tuition and Ancillary Fees Reporting" operating procedure and mandates that student's governing bodies (MSA) be involved in decisions regarding compulsory ancillary fees and subsequent increases. The fee supported budgets presented to the Board of Governors are in compliance with the binding policy directive. The following table represents the 2015/16 Compulsory and Ancillary Fee gross budget plan.

<b>Name of Fee</b>	<b>Planned In-Year Fees (\$000's)</b>
Alumni	356
Assessment for Success	367
Convocation	419
General Service Fee	2,622
ID Card	328
Student Centre Building	137
Technology Enhancement	1,975
Transcript	220
Copyright	137
Athletics Fee	1,066
David Braley Athletics Recreation Centre	1,998
Sustainability Initiatives Fee	137
<b>Sub-Total College Post-Secondary Fees</b>	<b>9,763</b>
Apprenticeship Service Fee	56
<b>Sub-Total College Apprenticeship Fees</b>	<b>56</b>
Academic Service Fee	448
Student Activity Fee (CE-SAF) (College Portion 70%)	251
Technology Enhancement Fee	52
Copyright	15
Transportation Fee	189
Capital Campaign	30
<b>Sub-Total College Continuing Education Fees</b>	<b>985</b>
<b>TOTAL COLLEGE FEES</b>	<b>10,804</b>



## Capital Budget

The 2015/16 Financial Plan aligns capital priorities with funding sources and financing strategies in a concerted effort to improve the learning environment and building infrastructure needs. Sources such as ministry grants, student levies, fundraising, research grants, funds from operations and strategic use of Board Reserves are carefully considered and employed in a fiscally prudent manner to yield the best results for our student body.

The multi-year capital planning strategy approved by the Board of Governors in April 2014 was the starting point for an evaluation of priority projects in support of the strategic plan. The College must consider funding sources and the debt capacity level as it has committed significant investment in the renewal of our asset base. A life cycle plan for major facilities and equipment is slated for completion in the Spring of 2015 which is intended to update the multi-year capital planning strategy. In the meantime, essential deferred maintenance items are identified and built into the 2015/16 and current multi-year capital plan.

Under the direction of Mohawk's Capital Planning Committee, the development of the 2015/16 capital plan and multi-year forecast will guide the College's maintenance, growth and financing plans. Project charters were developed for capital project requests and captured project deliverables, risks, milestones, staffing and financial requirements. The committee prioritized capital projects and performed an overall assessment of facilities support requirements.

Financing decisions associated with each capital request was assessed around such factors as availability of internal funds (operating, student levies, restricted funds, Board reserves), accessibility to provincial grant programs and fundraising opportunities.

Total debt level has peaked at approximately \$59M with the addition of the David Braley Athletic & Recreation Centre (DBARC) \$35M loan and the School of Justice & Wellness \$11M loan in 2014. The three year average forecast of the Debt Servicing ratio is 2.5% and the Debt to Assets ratio is 36%.

## 2015/16 Capital Additions & Funding Sources

The total gross capital value of additions is \$16.2M and is summarized below. Facilities renewal is \$5.2M or 32% of the total and includes essential deferred maintenance, academic lab upgrades, creating additional classroom space, and renovations to meet AODA and health and safety requirements. Campus Renewal Projects for \$3.8M or 24% represents parking lot reconstruction, the Hub, and Phase II of Stoney Creek Campus renewal project. There is continued investment in information technology and academic equipment.

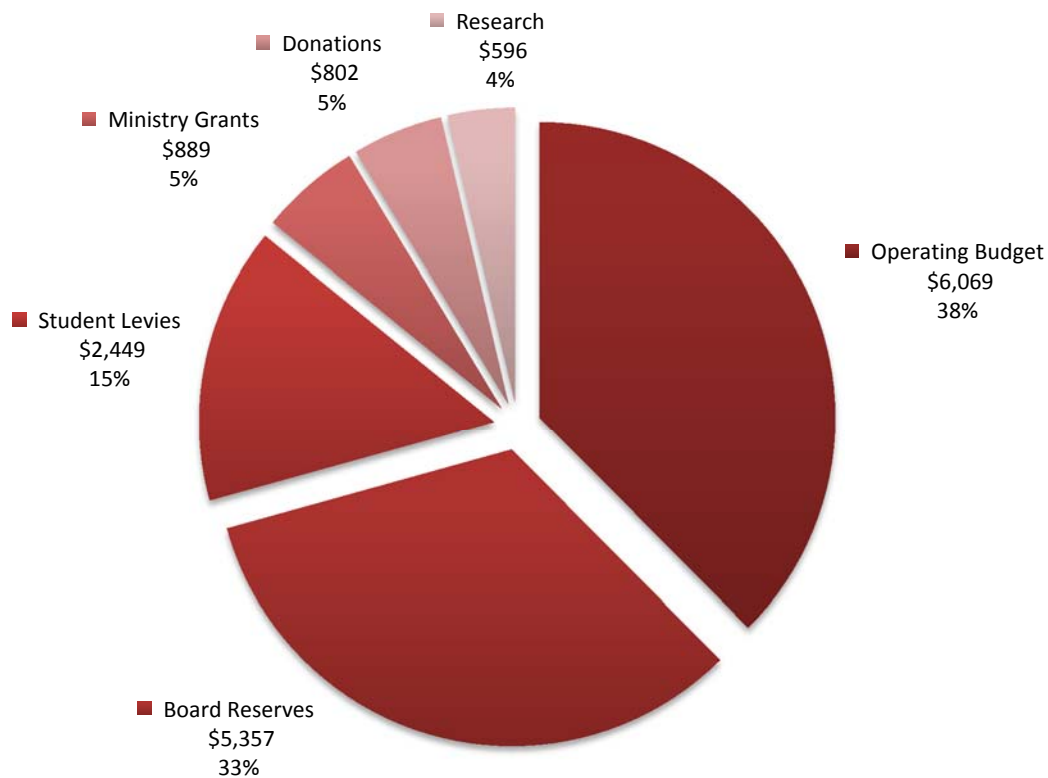
## 2015/16 Capital Plan Additions by Major Category

	<b>Gross Costs (\$ 000's)</b>	<b>% of Total</b>
Campus Renewal	3,825	24
Facilities Renewal College-wide	4,059	25
Facilities Renewal Academic	1,166	7
Academic Equipment	1,635	10
Information Technology – Academic	2,607	16
Information Technology – College-wide	500	3
AODA	500	3
Corporate Services	161	1
Student Services	260	2
Emerging Opportunities	1,450	9
Total	16,163	100

The funding sources for the capital additions are shown in pie chart below. Operating funds support \$6.1M or 38% of the total capital additions. Other funding sources include MTCU grants for academic equipment renewal \$426K and facilities renewal \$463K, student levies for information technology enhancements \$2.4M, research grants of \$596K, and donations of \$802K primarily for the Stoney Creek Campus. Funding from Board reserves will be requested at the June 3, 2015 meeting (after completion of the year-end audit) for academic lab revitalizations and major project initiatives.

After considering revenue sources and amortization implications, the net impact to the income statement for the capital additions is \$3M.

## 2015/16 Funding Sources for Capital Additions (\$000's)



### Debt Capacity:

Mohawk's debt level is \$59M which comprises the DBARC \$34M, Brantford Repatriation \$10M, Student Residence \$9M and Energy Savings \$6M. The debt financial health indicators for the next three year period provide the following projected results compared to College benchmarks:

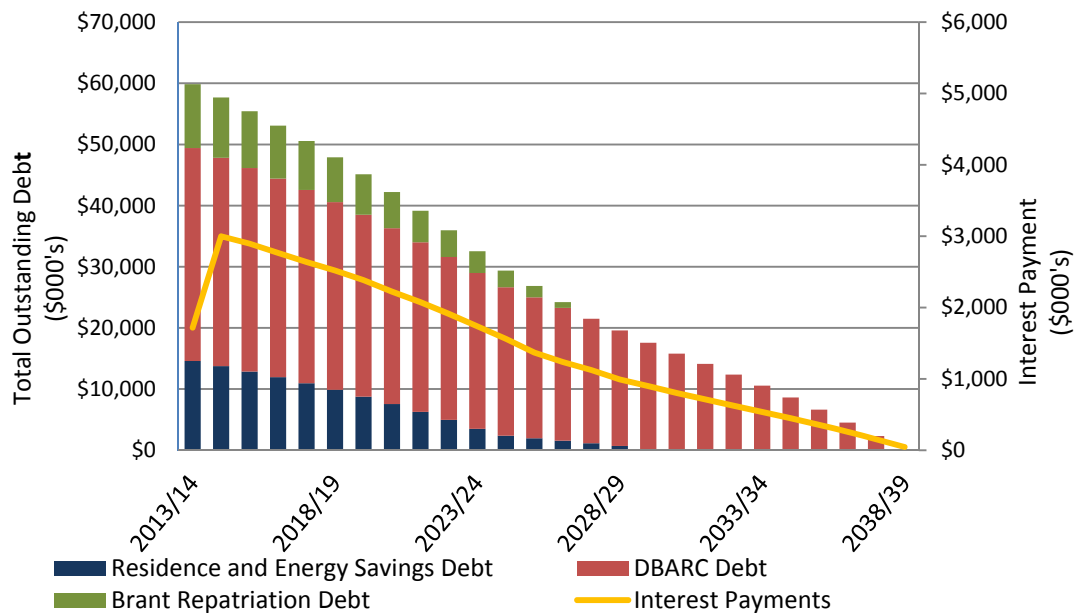
- **Debt to Assets ratio:** Average 36% projection is above 35% benchmark (unfavourable)
- **Debt Service ratio:** Average 2.5% projection is below 3% benchmark (favourable)

The Debt to Assets ratio measures the proportion of the total assets that are financed by debt; and, the Debt Service ratio measures the cost of servicing debt (principal & interest) as a proportion of total revenue.

Given the debt level and the cost of servicing this debt, further financing is not planned at this point in time for any further building additions or major site improvements. Upfront revenue sources such as government funding or donations will be sought and non-traditional funding opportunities will be explored for major infrastructure projects (e.g. Partnership & Innovation building).

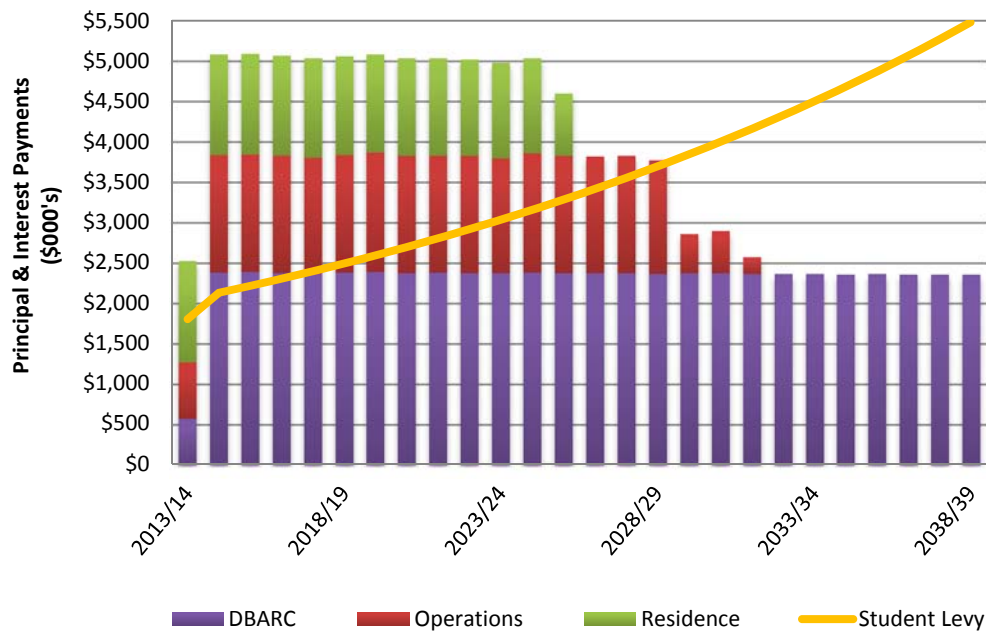
The following graph reflects the projected debt level and interest expense for the next twenty-three years.

### GRAPH –Interest & Debt



The DBARC loan is supported by the student capital levy fee. Savings from operations cover the energy savings loan (lower utility costs) and the Brantford repatriation loan (closure of Brant-Elgin Street campus). Student residence fees support the Residence loan. The sources of funds for these loans are illustrated below.

### GRAPH –Sources of Funds for Loans



## Multi-Year Infrastructure Capital Projections

The Essential Deferred Maintenance items and Multi-Year Infrastructure Capital projections are provided on the following two tables. While the infrastructure projects for the next five years are prioritized by the College, the funding sources for major initiatives like the Partnership & Innovation Building are unknown at this point in time. The College plans to continue to fund \$3.0M per year from operations for priority essential deferred maintenance items.

The tables below present the Essential Deferred Maintenance requirements and the Multi-year Infrastructure Capital projections.

### Essential Deferred Maintenance Items

Maintenance Items	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	Total \$
Structural	25,000	-	300,000	-	-	325,000
Interior Finishes	150,000	140,000	100,000	50,000	50,000	490,000
Mechanical/HVAC/Plumbing	1,209,000	2,190,000	2,185,000	645,000	835,000	7,064,000
Electrical	1,296,640	1,448,920	945,620	1,131,520	1,150,720	5,973,420
Conveyance	-	-	-	250,000	-	250,000
Fire Safety	20,000	-	-	-	-	20,000
Security	-	40,000	35,000	35,000	15,000	125,000
Site: Roads, Sidewalks, Hardscape	142,000	30,000	30,000	-	-	202,000
Building Envelope	90,000	844,000	75,000	64,000	80,000	1,153,000
General Provision	289,000	406,000	465,000	1,087,680	1,132,480	3,380,160
<b>TOTAL</b>	<b>3,221,640</b>	<b>5,098,920</b>	<b>4,135,620</b>	<b>3,263,200</b>	<b>3,263,200</b>	<b>18,982,580</b>

## Multi-Year Infrastructure Capital Projections

Infrastructure Capital Projects Funding Source(s)	2015/16 \$	2016/17 \$	2017/18 \$	2018/19 \$	2019/20 \$	Total \$
<b>Fennell &amp; Stoney Creek Campus - Parking</b>						
Board Reserves	1,683,000	-	-	-	-	1,683,000
Unknown	-	1,800,000	1,200,000	-	-	3,000,000
	1,683,000	1,800,000	1,200,000	-	-	4,683,000
<b>Fennell Campus - Sustainable Landscaping</b>						
Operating General	80,000	-	-	-	-	80,000
Donations - Moving Forward Together	90,000	-	-	-	-	90,000
Unknown	-	600,000	600,000	600,000	-	1,800,000
	170,000	600,000	600,000	600,000	-	1,970,000
<b>Partnership &amp; Innovation Centre</b>						
Board Reserves	200,000	-	-	-	-	200,000
Unknown	-	32,000,000	16,800,000	-	-	48,800,000
	200,000	32,000,000	16,800,000	-	-	49,000,000
<b>Main Street</b>						
Unknown	-	2,000,000	500,000	-	-	2,500,000
	-	2,000,000	500,000	-	-	2,500,000
<b>STARRT Campus Renewal</b>						
Donations - Marshall	-	12,476	-	-	-	12,476
Donations - MSA	500,000	-	-	-	-	500,000
Unknown	-	1,987,524	-	-	-	1,987,524
	500,000	2,000,000	-	-	-	2,500,000
<b>The Hub</b>						
Board Reserves	1,710,000	-	-	1,350,000	-	3,060,000
	1,710,000	-	-	1,350,000	-	3,060,000
<b>Essential Deferred Maintenance</b>						
Operating General	1,958,440	2,000,000	2,000,000	2,000,000	2,000,000	9,958,440
Operating AODA	500,000	500,000	500,000	500,000	500,000	2,500,000
Operating Facilities	300,000	300,000	300,000	300,000	300,000	1,500,000
MTCU Facility Renewal Program	463,200	463,200	463,200	463,200	463,200	2,316,000
Unknown	-	1,835,720	872,420	-	-	2,708,140
	3,221,640	5,098,920	4,135,620	3,263,200	3,263,200	18,982,580
<b>TOTALS</b>	<b>7,484,640</b>	<b>43,498,920</b>	<b>23,235,620</b>	<b>5,213,200</b>	<b>3,263,200</b>	<b>82,695,580</b>

SUMMARY OF CAPITAL FUNDING SOURCES							%
Donations	590,000	12,476	-	-	-	602,476	1
Operations	2,838,440	2,800,000	2,800,000	2,800,000	2,800,000	14,038,440	17
Board Reserves	3,593,000	-	-	1,350,000	-	4,943,000	7
Government Funding	463,200	463,200	463,200	463,200	463,200	2,316,000	3
Unknown	-	40,223,244	19,972,420	600,000	-	60,795,664	72
<b>Totals</b>	<b>7,484,640</b>	<b>43,498,920</b>	<b>23,235,620</b>	<b>5,213,200</b>	<b>3,263,200</b>	<b>82,695,580</b>	<b>100</b>

SUMMARY OF PROJECTS WITH UNKNOWN FUNDING SOURCES						
Fennell Campus - Parking	-	1,800,000	1,200,000	-	-	3,000,000
Fennell Campus - Landscaping	-	600,000	600,000	600,000	-	1,800,000
Partnership & Innovation Centre	-	32,000,000	16,800,000	-	-	48,800,000
Main Street	-	2,000,000	500,000	-	-	2,500,000
STARRT Campus Renewal	-	1,987,524	-	-	-	1,987,524
Essential Deferred Maintenance	-	1,835,720	872,420	-	-	2,708,140
<b>Totals</b>	<b>-</b>	<b>40,223,244</b>	<b>19,972,420</b>	<b>600,000</b>	<b>-</b>	<b>60,795,664</b>

## The Outlook: 2016/17 – 2017/18 Financial Plan

Staff have simulated multi-year balanced financial plans. The years 2016/17 to 2017/18 have been modeled based on enrolments planned for 2015/16 with a projected annual increase. This activity drives expense plans based on Mohawk's strategic directions (e.g. the continuation of a contribution margin approach, continued implementation of three semesters of teaching and implementation of a differentiated staffing model). Costs vary directly with planned activity which has been captured in all out-years. The results of the planning process allowed staff to plan for other out-year pressures, including capital building and increases in operating costs associated with major projects. Multi-year projections also allow for more informed and timely maintenance and renovation schedules.

	2013/14 Actual	2014/15 Actual	2015/16 Budget	2016/17 Outlook	2017/18 Outlook
	\$	\$	\$	\$	\$
<b>Revenue</b>					
Grants	89,317,587	91,108,277	92,113,216	94,084,325	96,041,986
Tuition Fees	56,596,063	62,420,594	60,695,807	62,516,681	64,392,182
Ancillary Operations	13,236,233	13,997,376	14,563,674	14,854,947	15,152,046
Compulsory Student Fees	8,323,954	8,493,698	11,387,106	11,500,977	11,615,987
Contracts	2,764,797	2,796,162	2,697,729	2,697,729	2,697,729
Amortization of Deferred Contributions - Capital	6,073,847	10,453,868	6,654,073	6,179,082	5,919,659
Amortization of Deferred Contributions	4,392,438	4,162,163	4,300,000	4,300,000	4,300,000
Miscellaneous	8,976,087	4,313,800	6,248,402	6,248,402	6,248,402
<b>Total Revenue</b>	<b>189,681,006</b>	<b>197,745,938</b>	<b>198,660,007</b>	<b>202,382,144</b>	<b>206,367,990</b>
<b>Salaries &amp; Benefits</b>					
Salary-Academic	54,570,069	53,272,445	54,561,271	55,925,303	57,323,435
Salary-Admin	17,469,084	18,553,711	18,079,718	18,441,312	18,810,139
Salary-Support	25,940,226	26,011,972	28,114,373	28,676,660	29,250,194
Fringe Benefits	20,744,230	22,434,946	23,151,695	23,699,953	24,765,185
Sub-total Salaries & Benefits	118,723,609	120,273,074	123,907,057	126,743,229	130,148,953
<b>Non-Salary Expenditures</b>					
Supplies	9,647,535	9,217,966	8,790,335	8,966,142	9,145,465
Travel & Conference	1,854,033	1,508,016	1,908,424	1,880,547	1,918,158
Promotion and Public Relations	2,018,074	2,257,313	2,144,657	2,062,600	2,103,852
Telecomm. & Equipment Maintenance/Rentals	7,119,917	7,142,184	6,912,176	6,906,600	7,044,732
Insurance & Financing Charges	3,190,548	4,610,599	4,511,403	4,414,470	4,318,162
Professional & Contracted Services	15,475,383	16,778,738	15,252,626	14,756,979	15,052,118
Utilities & Building Maintenance	7,452,079	10,124,207	8,487,045	9,156,786	9,839,922
Amortization Expense	11,819,362	13,567,440	13,413,217	13,084,634	13,261,317
Scholarship, Bursary & Award Payments	4,392,438	4,162,163	4,345,000	4,300,000	4,300,000
COGS, Miscellaneous & Contingencies	4,183,959	4,400,319	8,988,067	10,110,159	9,235,312
Sub-total Non-Salary Expenditures	67,153,328	73,768,945	74,752,950	75,638,915	76,219,037
<b>Total Expenditures</b>	<b>185,876,937</b>	<b>194,042,019</b>	<b>198,660,007</b>	<b>202,382,144</b>	<b>206,367,990</b>
<b>Net Surplus</b>	<b>3,804,069</b>	<b>3,703,919</b>	-	-	-



Total revenue is projected to increase by approximately 2% in 2016/17 and 2017/18. The MTCU will review the Ontario colleges funding formula and grant provisions following the universities review, which is anticipated to occur in 2016. Therefore, the GPOG growth component is projected at a conservative level. Tuition fees are assumed to increase 3% in line with the MTCU binding directive, ancillary business operations at 2% and compulsory ancillary fees at 1%.

Staffing costs are measured at an average rate of approximately 64% of total operating revenue, which is representative of previous fiscal years. The level of staffing will continue to be under close review with comparisons to other Colleges. Non-salary expenses are projected to increase 2% per year with the exception of building maintenance (additional \$500K allocation), interest on long-term debt and amortization expense. Amortization is based on capital projections with identified funding sources.

The outlook for colleges will be impacted over time by an aging demographic forcing greater reliance on international enrolments and non-traditional learners, including the Access population and mature students. Increased competition from other educational institutions offering similar services and programs will require Mohawk to provide greater focus on delivering value-added programming. Partnerships with other institutions, such as with McMaster, enhances Mohawk's competitive position within the industry.

Within Mohawk, the commitment to continuous improvement in terms of quality and efficiency has enabled it to invest resources in best practices including future ready processes and program review. These investments will help reduce the overall cost base of operations.

Overall, Mohawk is positioned to be financially sound if there are no adverse government funding changes, enrolment targets are achieved and staffing levels remain under close review.

## GLOSSARY OF TERMS

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**Approved Budget** The final budget passed by the Board of Governors with detail adjusted by departments to show how they will operate within the fund-wide and department-wide numbers approved in that budget.

**Actual** Actual (as opposed to budgeted) revenue and expenditures for the fiscal year indicated.

**Base Budget** In simple terms, a reflection of the budget resources (financial, human and other) that are required to maintain service levels at the level of ongoing service delivery provided in the previous year's Operating Budget.

**Benchmarking** Determining the quality of one's products, services and practices by measuring critical factors (e.g., how fast, how reliable a product/service is) and comparing the results to highly regarded competitors.

**Benefits** Payments to which participants may be entitled under a pension plan, including pension, health and dental benefits.

**Budget** A plan of financial operation containing an estimate of proposed expenditures for a given period (usually a fiscal year) and the proposed means of financing them. Since the budget process includes many "budgets", it is necessary to specify whether the budget being discussed is projected, recommended, final (approved by the Board), or current.

**Budget Timetable** A schedule of key dates, which the College follows in the preparation, adoption and administration of the budget.

**Capital Budget** A plan of proposed capital expenditures to be incurred both in the current year and (long-term) over several years in the future. The budgeted costs provide needed infrastructure, parking, building construction or classroom/office rehabilitation and other related items. Funding is received from various sources.

**Capital Equipment** Physical plant and equipment with an expected life of five years or more.

**Capital Expenditure** Monies spent for the renovation, maintenance or replacement of fixed assets, resulting in an extension of the assets' useful life.

**The College** Mohawk College

**Contingency** An appropriation of funds available to cover unforeseen events that occur during the fiscal year. These funds, if unused, lapse at year-end.

**Contribution Margin** The contribution margin from the academic area (operating grant plus tuition less direct and indirect academic costs) allows for investment in program development, program review and accreditation activities and, recognizes continued support for investments made in research and academic overhead.

**Cost** The amount of resources required for a business program, product, activity or service to produce an output, regardless of where the resources are accounted for. **Direct costs** can be identified specifically with a particular final cost objective (e.g. direct service, program or product), and usually appear in the budget of the program that provides the product or service. **Indirect costs** are incurred for a common or joint purpose benefiting more than one cost objective (e.g. direct service, program or product), but are not readily assignable to the cost objectives specifically benefited; they may be found elsewhere in the budget of the department that provides the product or service, or in the budgets of other departments that support that department.

**Debt Payment** The payment of principal and interest on borrowed funds such as bonds or debentures.

**Deficit** The excess of expenditures over revenue.

**Expenditure** The disbursement of appropriated funds to purchase goods and/or service. Expenditures include current operating expenses that require the current or future use of net current assets, debt service, and capital outlays. This term designates the cost of goods delivered or services rendered, whether paid or unpaid, including expenses, provision for debt retirement not reported as a liability of the fund from which retired, and capital outlays.

**Fiscal Year** Any period of 12 consecutive months designated as the budget year. The College's budget year begins April 1st and ends March 31st.

**Forecast** The projection of revenue and expenditures for future years.

**Full-Time Equivalent Position (FTE)** A measure of effective authorized positions, indicating the percentage of time a position or group of positions is funded. For an individual position, 1.00 FTE is usually equal to 2,080 hours of work per year. FTE takes into account the number of hours per week and portion of the year the position is funded. 
$$FTE = (\text{hours worked per week} / 40) \times (\text{months funded} / 12)$$
 For instance, a year-around full-time position has an FTE of 1.00. A full-time position funded for 6 months (1/2 year) has an FTE of 0.5, as does a 20-hour-per-week year-around position.

**Generally Accepted Accounting Principles (GAAP)** Nationally-recognized uniform principles, standards, and guidelines for financial accounting and reporting, governing the form and content of many financial statements of an entity. GAAP encompasses the conventions, rules, and procedures that define accepted accounting principles at a particular time, including both broad guidelines and detailed practices and procedures.

**Goal** A statement of broad purpose, intent, or direction toward achievement of desired social or organizational outcomes, usually general and timeless (not concerned with a specific achievement in a specific time period).

**Grant** A monetary contribution, typically from one level of government to another, as a means to lend support to a specific service, program or function.

**Infrastructure** The basic installations and facilities necessary for the continuance and growth of the College.

**Investment Proposal** Financial managers submitted Investment Proposals in the form of a business case typically representing one-time requests to support specific strategic initiatives or operational priorities. MEG reviewed the investment proposals and prioritized initiatives within the funding allocation.

**Key Performance Indicators (KPI)** The Ministry of Training, Colleges and Universities (MTCU) and the Colleges of Applied Arts and Technology have defined five Key Performance Indicators (KPIs) to measure, in a consistent manner across the College system, College performance against ministry stated goals and objectives. The five KPIs are: Graduate Employment, Graduate Satisfaction, Employer Satisfaction, Student Satisfaction and Graduation Rate

**Liability** A financial obligation of the College to third parties.

**Long-Term Debt** Debt that matures greater than one year after it is issued.

**One-Time Item** An item to be funded from prior years' surplus and only approved for the current budget year.

**Operating Budget** Represents the revenue and expenses associated with the day-to-day operations. Primary sources of revenue are government grants, student tuition fees, contracted services and ancillary business operations (campus stores, facility rentals, residence). These revenue sources support the cost of salaries and benefits, supplies, commodities and other non-salary related expenses.

**Org #** An organizational unit with a specific strategic focus and the authority to expend corporate resources in order to deliver an internal or external service.

**Revenue** Funds earned from all sources (with exception of fund balances) that will be used to fund expenditures in a fiscal year.

**Strategic Plan** A document outlining long-term goals, critical issues and action plans which will increase the organization's effectiveness in attaining its mission, priorities, goals and objectives. Strategic planning starts with examining the present, envisioning the future, choosing how to get there, and making it happen.

**Surplus** The excess of revenue over expenditures.

## ABBREVIATIONS AND ACRONYMS

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AF&I	Audit, Finance & Infrastructure Committee
AODA	Accessibility for Ontarians with Disabilities Acts
CAAT	College of Applied Arts & Technology
CICA	Canadian Institute of Chartered Accountants
CPC	Capital Planning Committee
CPP	Canada Pension Plan
DBARC	David Braley Athletic Recreation Centre
EI	Employment Insurance
FOAPAL	Is an account combination to record a budget or actual revenue/expenditure. Acronym stands for: Fund, Organization, Account, Program, Activity, Location
FTE	Full-Time Equivalent (may be used to describe full-time equivalent positions or full-time equivalent students)
F/T	Full-time
GPOG	General Purpose Operating Grant
HR	Human Resources
IAHS	Institute for Applied Health Sciences
IT	Information Technology
MEG	Mohawk Executive Group (senior management)
MSA	Mohawk Student Association
MTCU	Ontario Ministry of Training, Colleges and Universities
NA	Not Applicable
P/T	Part-time
RFT	Regular Full-Time
SEM	Strategic Enrolment Management
SMA	Strategic Mandate Agreement

