



# 2021-2022 BUSINESS PLAN

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 **MOHAWK**  
FUTURE READY

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## Section 1: Board of Governors

Name
External Members
Steve Stipsits
Anna Filice
Lisa Knap
Rocco Passero
Sony Poulouse
Mila Ray-Daniels
David van der Woerd
Bill Chisholm
Sheri Longboat
Paul Pastirik
Raymond Simmons
Ron McKerlie, President
Internal Members
Hardik Sheliyah
Tracey Richardson
Kamala Kruse

Above membership is as of May 1, 2021

## **Section 2: Introduction**

The COVID-19 pandemic continues to impact the regular delivery of training at Mohawk College and at colleges across Canada. Through several changes to operating protocols that took place over the year, faculty and staff responded quickly to ensure our students were supported and engaged. Our priority was to ensure that students were able to meet all required learning outcomes and continue with their studies. However, the college has ably responded by safely and successfully providing a hybrid of virtual and remote learning, in-person delivery and online services.

The delivery of lectures and training has been transformed over the course of the past year, as have the physical spaces on our campuses and learning hubs. Our employee teams have demonstrated their innovation and flexibility throughout this crisis and those attributes will help to shape the Mohawk College experience moving forward.

The ongoing crisis continues to have an impact on enrolments both, domestic and international, and is drastically affecting traditional supports. Operational costs will remain higher than in the past, with additional health and safety measures required to support a return to campuses. Respecting those increased costs and anticipating continued lost revenues, the college is implementing cost-reduction measures again this year.

As recovery gets underway, we are confident that Mohawk College will play a significant role in our region and across Canada. The Mohawk Centre for Aviation Technology will train twice as many technicians for the aviation sector. Our recent commitments to cybersecurity and digital health will help to create a workforce in fields that have become critical in the days of COVID-19. Our leadership in Canadian Colleges for a Resilient Recovery will deeply involve the college in the sustainable renovation of Canadian industry and infrastructure, and the national expansion of City School across the country will help to create a more equitable recovery for all Canadians.

At the centre of all of these encouraging initiatives remains our students, and our commitment to offering them a meaningful educational experience and the valuable skills they need to succeed in promising careers and in life.

## Section 3: Strategic Plan

### **Vision:**

Future Ready. Learning for Life

### **Mission:**

We educate and prepare highly skilled graduates for success and contributions to the community, Canada and the world.

### **Values:**

- We are student focused.
- We are committed to excellence.
- We engage our community.
- We are inclusive.
- We are accountable.

### **Strategic Themes and Priorities:**

#### ***Student Success***

- Provide more entry points and pathways to a credential.
- Address financial barriers.
- Grow our reach and impact.
- Student engagement to support success.

#### ***Graduate Success***

- Ensure graduates are Job Ready. Guaranteed.
- Provide career support for life.
- Foster entrepreneurship, innovation and global competencies.
- Become a leader in simulation-based learning.
- Rank highest for most satisfied employers.

#### ***Collaboration and Partnerships***

- Leaders in applied research.
- Generate innovative solutions for industry and community challenges.
- Reframe the definition of campus to support growth and collaboration.

***Community Leadership***

- Lead in Indigenous education in Ontario.
- Lead in social inclusion.
- Lead in internationalization and global experiences.
- Lead in environmental sustainability.

***Strong Foundations***

- Build reputation and pride.
- Foster excellence in staff and faculty.
- Maintain financial stability to ensure long-term viability.
- Plan for the future.

## Section 4: 2021-2022 Key Priorities

The following priorities were developed by the Mohawk Executive Group using the 2021 - 2022 Budget Guiding Principles and the strategic priorities that were approved through the budget process.

This Business Plan outlines the annual objectives and institutional goals that will advance the overall strategic priorities of Mohawk College. The Business Plan is presented to the Board of Governors for final approval at the June 2021 meeting.

Implement strategies to provide the oversight, processes and decision-making required to meet the approved 2021/22 budgeted deficit of no greater than \$10.0 M.

Continue implementation of Challenge 2025 and the case for support. The overall economic recovery following the COVID 19 pandemic continues to see the critical need for workforce development enhanced through Challenge 2025. Funding through multiple government sources, including Future Skills Canada, Ontario Labour Market Partnerships and Skills Advance Ontario contributed to the successful launch of Challenge 2025 initiatives and will support expansion in 2021/2022.

Continue to implement aspects of the Mohawk College Campus Master Plan including potential collaborations with industry and community partners.

Cyber security is of utmost importance for the college and we will ensure that employees and students have the IT security supports to provide a secure on-line environment. A third-party maturity assessment will be completed to validate the initial baseline estimates performed by the Manager of IT Security. The college will implement activities directed at protecting the college effectively and educating employees and students about information security policies and procedures.

Establish a forward thinking and intentional digital education strategy predicated on access to the required IT resources, innovation and academic quality. This work will allow the college to mobilize a comprehensive online learning strategy to support strategic growth in program offerings as well as offer flexibility and the support that faculty require for virtual, remote and hybrid program and course delivery.

Complete phase II of the Enterprise Systems Strategy (ESS) building on the accomplishments and planning from year one (2020-21). ESS is a multi-year system modernization program that seeks to accelerate modernization in key business areas such as unified communications, Finance, Human Resources, customer relationship management system for student recruitment, success and advancement, and the replacement of legacy applications. Through developed metrics ESS will improve business efficiencies, staff and student experiences, and provide overall modernization. Examples of specific projects include implementation of OCAS International Admissions, the procurement and implementation of a CRM, final implementation of the CE course catalogue and registration system and the creation of a plan to replace the academic workload/scheduling/reporting tool.

Implement the strategies approved for 2021/2022 in the Equity, Diversity, and Inclusion Action Plan and planning for 2022/23 .

With the discontinuation of the Ministry of Colleges and Universities (MCU) Key Performance Indicator (KPI) Student Satisfaction and Engagement Survey, the college will participate with thirteen other colleges to re-envision a Student Success Survey that measures the student experience in the current climate. Each program, service, and facility area will be provided student feedback, and this will allow for areas to develop improvement plans that will further enhance the student experience including feedback to support ongoing EDI action planning.

Continue to implement its strategic priority of addressing financial barriers for students and explore new ways to provide additional financial supports to ensure students are supported not only with Ontario Student Assistance Program (OSAP) inquiries, but also in all activities related to financial literacy including "Mo'Money", the Financial Literacy Centre and Money Matters modules. A focus will also remain on the strategic commitment to provide more entry points and pathways to a credential including transitioning from the Access and Inclusion Cluster of City School, Career Pathways and Academic Upgrading into post-secondary programs.

Implementation of a consolidated field placement structure and reporting mechanisms will provide consistent practices, oversight and alignment across the college as well as the



transition to a new model of career services and graduate support through both an on-line and in-person focus.

Growing international enrolment and supporting students will continue to be a priority for 2021/22. Implementation of a plan to expand and diversify enrolments through new international markets, secure existing markets (India and Latin America), introduce OCAS for International admissions and the re-introduce the International faculty lead roles are examples of priorities moving forward. Implement year 1 of the Mohawk – triOS public college private partnership to support a longer-term goal of revenue diversification.

Continue planning, including finalization of all relevant partner agreements, for the Centre for Integrated and Advanced Medical Imaging (CIAMI) commencing in Fall 2022 for clinical applications. Full implementation of the centre also includes the implementation of a new MRI program and a business plan related to research applications and usage for external fee-paying partners.

Human Resources will complete the first year of a two-year project aimed at re-evaluating and updating job descriptions. Completion of this work will ensure the college's compensation framework continues to comply with the Ontario Pay Equity Act and collective agreement obligations.

A robust program-costing methodology will be developed and implemented to support a suite of metrics available to the Strategic Enrolment Planning process. This will help to ensure that program mix, including new program development and potential program suspension decisions are made with the best possible information available.

Strategic Enrolment planning will continue to be a focus over the next year including communication to create greater levels of understanding and awareness across the entire college community.

In the pursuit of a safe and healthy work environment we will continue to leverage and learn from our pandemic planning and experience. As part of the 3-year Occupational Health and Safety Plan (OHS) Mohawk will introduce an OHS management software solution that will enhance the team's ability to track, monitor, and analyze OHS events and activities.

International and Partnerships will develop partnerships to facilitate internationalization, the development of events to promote cultural appreciation amongst the college community, and the creation of highly-engaging online programming to ensure the international student experience remains at the high levels which the college is known for.

Continue to support and implement the Emergency Response planning recommendations of the Incident Command Group as we reopen the college campus to our students, employees and community. This planning will be done in accordance with the directives established by the COVID-19 Response Framework and in consultation with Public Health.

Implement interactive digital maps at Fennell and Stoney Creek and complete the planning for implementation at the IAHS.

\$3.5 M of Essential Deferred Maintenance projects that are funded through the Facilities Renewal Program will be completed along with investments in academic equipment and lab revitalization funded through the Apprenticeship Capital Grant, College Equipment Renewal Fund and Medical Radiation Sciences share equipment fund.

Advance new research work in through existing centre expansion (MEDIC, AMIC, EPIC, CCCM) and explore new research funding opportunities with a focus on climate change and sustainability. Continue to position Mohawk as a leader in climate change and sustainability research.

Continue with implementation of the Mohawk degree strategy including launch of the Digital Health and acquisition of final approval for the BBA Trades and Analytics and Data Management programs.

Advance the approved micro-credentials framework focused on demand-led upskilling and reskilling opportunities in collaboration with our industry and community partners while implementing the Ministry's expanded financial assistance framework to support these programs.

Grow and access new funding sources for the Centre for Climate Change Management including ongoing implementation of strategic priorities, partnerships and Canadian Colleges for a Resilient Recovery (C2R2) outcomes and objectives including potential projects funded through ESDC.

Launch the new Strategic Plan.

## Section 5: Financial Positions and Operations

	2021/22 BUDGET \$	2020/21 ACTUALS \$
<b>FINANCIAL POSITION:</b>		
Cash and Cash Equivalents	9,070,511	15,375,256
Accounts Receivable	17,504,549	18,828,548
Other Current Assets	129,073,673	127,394,179
Construction in Progress	-	51,992
Tangible Capital Assets	393,261,231	385,145,057
Tangible Capital Asset Accumulated Amortization	(199,549,852)	(181,553,960)
Long Term Receivable	26,620,642	27,710,141
Investments and Other Long Term Assets	873,472	873,472
<b>TOTAL ASSETS</b>	<b>376,854,226</b>	<b>393,824,685</b>
Accounts Payable and Accrued Liabilities	34,798,796	30,940,980
Deferred Revenue	36,062,824	41,466,293
Restricted Contribution	12,321,885	11,014,499
Deferred Capital Contributions	125,002,033	128,971,067
Debt	44,730,024	47,598,932
Other Long Term Liabilities	6,640,000	6,640,000
<b>TOTAL LIABILITIES</b>	<b>259,555,562</b>	<b>266,631,771</b>
Unrestricted Net Assets	(3,734,348)	(4,088,864)
Internally Restricted Net Assets	52,219,837	58,325,000
Investment in Capital Assets	49,788,382	54,037,735
Endowments	17,823,542	17,717,792
Accumulated Remeasurement Gain	1,201,251	1,201,251
<b>TOTAL NET ASSETS</b>	<b>117,298,664</b>	<b>127,192,914</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>376,854,226</b>	<b>393,824,685</b>
<b>OPERATIONS:</b>		
Grant Revenue	110,696,828	108,666,931
Tuition Fees	114,413,564	107,697,492
Educational and other fees-for-services	8,685,536	3,955,467
Ancillary Revenue	6,120,702	3,678,180
Other Revenue	6,755,319	8,202,343
<b>TOTAL REVENUE</b>	<b>246,671,949</b>	<b>232,200,413</b>
Salaries and Wages	127,264,052	121,466,947
Employee Benefits	30,322,043	27,904,206
Transportation and Communication	2,173,975	1,791,756
Services	42,565,039	28,776,883
Supplies and Minor Equipment	10,906,123	10,898,453
Ancillary Services - Expenditures	7,677,569	6,514,230
Amortization Expense	17,995,892	19,559,739
Other Expenditures	17,767,256	12,423,362
<b>TOTAL EXPENSES</b>	<b>256,671,949</b>	<b>229,335,576</b>
<b>TOTAL OPERATIONS (DEFICIT) SURPLUS</b>	<b>(10,000,000)</b>	<b>2,864,837</b>

## Section 6: Approved 2021/22 Budget Book

### Introduction

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The COVID-19 pandemic continues to have a significant impact on the college's fiscal 2021/22 budget. The following assumptions were used in developing the fiscal 2021/22 budget:

1. The ministry will continue to flow a fixed amount of operating grant revenue to the college.
2. Management will follow a hybrid approach to operations by being physically open but will continue to deliver some academic programs and services virtually.
3. Large gatherings may continue to be banned for the long-term impacting the college's ability to resume normal operations.
4. Full financial recovery will take years.
5. There is a need to ensure financial sustainability in the short-term, but consideration must also be given to long-term opportunities that will support or enhance recovery.
6. The budget must:
  - a. align with the college's core business, the education of students and services required to support them.
  - b. take into consideration activities that have revenue sources attached to it that will, in turn, help support investment in academic delivery and support services.
  - c. ensure any spending outside of immediate staffing needs is essential to core operations.
  - d. ensure continued investment in activities that will contribute to the recovery of enrolment and support differentiation.
  - e. ensure regulatory or legislative requirements continue to be fulfilled.

As a result of the pandemic, the college is budgeting for a \$10.0M deficit for fiscal 2021/22.

## Financial Planning Framework

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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 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 include fees such as athletics and recreation, career services, student buildings, academic support, etc.
- 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.

Revenue is 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 and facility rentals
- Investment income
- Donations

Student enrolment is the key driver in determining operating budget revenue levels as enrolment influences the Ministry of Colleges and Universities (MCU) operating grant, tuition fees and ancillary revenue. The operating grant and tuition fees account for 89% of total revenue.

College expenses include but are not limited to:

- Salaries and fringe benefits
- Supplies and materials
- Utilities, maintenance and taxes
- Contracted services
- Amortization
- Interest costs associated with the repayment of debt financing
- Other non-salary related expenses

The academic expenditure level represents direct academic delivery costs for the projected program enrolments and also program development, program review and accreditation activities. The contribution margin from the academic area (operating grant plus tuition less academic delivery costs) in turn contributes towards learning resource centres, innovation & research and related overhead costs.

### **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 postsecondary, apprenticeship and continuing education students. The fees are collected for activities MCU deems are not directly related to academics. Compulsory ancillary fees account for approximately 5% percent of total revenue.

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

Mohawk College's capital budget outlines the college's capital plans for the upcoming year and identifies the funding sources for infrastructure projects such as facility and lab improvements, building projects, deferred maintenance, information technology and equipment.

Mohawk 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, funds from operations, board reserves and debt financing. In addition to new initiatives, the existing infrastructure continues to age and requires capital spending on renewal and replacement.

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

### **Financial Policies & Practices**

College budget policy is influenced by Canadian public sector accounting standards and MCU 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:

***Financial Plan:***

Under its governing legislation, a college's budget in normal circumstances is expected to be balanced. When evaluating a college's financial stability, the Ministry's objective is to ensure a college is not in an accumulated deficit position. Based on Ministry directives, a college can report an in-year deficit as long as the accumulated balance remains positive.

***Academic Allowable Spend:***

For the academic areas, the guidelines approved by the Mohawk Executive Group (MEG) require that allowable expenditures must be less than forecasted revenue in an amount sufficient to return a percentage of revenue as an overall contribution to the college (the "Contribution"). The Contribution is allocated towards learning resource centres, innovation and research and college wide overhead costs. The academic expenditure budgets were created based on the 2021/22 enrolment plan. Financial managers were encouraged to evaluate opportunities for greater efficiencies.

Postsecondary program efficiency measures allow for maintaining the contribution margin target and investment in program development, program review and accreditation activities.

***Compulsory Ancillary Fees:***

Compulsory Ancillary Fees are governed by the MCU "Tuition and Ancillary Fees Reporting" operating procedure and mandates that student governing bodies (e.g., MSA) be involved in decisions regarding compulsory ancillary fees and subsequent increases. Proposed fees and spending plans are presented to the MSA prior to submission to the Board for approval.

***Approval of Capital, Investment and Information Technology Projects:***

Requests for the use of funds to be directed towards capital, investment and information technology projects are submitted through their respective committees. Each committee has a robust set of criteria that are used in evaluating projects, including determining how the project aligns with the strategic priorities of the college, return on investment, mitigation of enterprise risk and the overall impact to the college.

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

All projects valued over \$2,500,000 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 funds may be used to support such things as reductions in enrolment, major repairs, unanticipated costs etc. The contingency prudently attempts to recognize the risk and the potential negative impact resulting from lost revenue or unexpected expenditures.



### ***Accumulated Surplus:***

Accumulated surplus is made up of both “restricted” and “unrestricted” net assets and investments in capital assets. Internally restricted net assets represent college surpluses that are internally restricted by the Board of Governors. These funds are for capital projects, strategic initiatives and future operating expenses. Expenditures require approval by the Board of Governors.

### **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 (September - December 2020)***

- Budget Directions approved by Board of Governors
- Academic enrolment planning and allowable spend targets
- Non-Academic detailed reviews
- Compulsory Ancillary Fee proposals
- Submission of operating investment proposals, information technology proposals, and capital equipment & projects



#### **Review**

##### ***Review (January – March 2021)***

- Investment, Information Technology, & Capital Planning Committees prioritize submissions
- Centre for Community Partnership and Experiential Learning, IDEAWORKS, public private partnership with triOS College Business Technology Healthcare (“triOS”), and ancillary business operations detailed reviews
- Compulsory Ancillary Fee proposal updates
- MEG review of operating, fee supported and capital budget plans
- Board approval of tuition fees, program specific, and compulsory ancillary fees



#### **Approval**

##### ***Approval (March - April 2021)***

- MEG approval of operating budget and capital plan
- Board of Governors approval of 2021/22 budget
- Communication of budget to college employees

## Operating Budget

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### 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

Enrolment Planning is the basis upon which the operating budget revenue is calculated for the college.

Mohawk has developed a robust approach to Strategic Enrolment Management (SEM) 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 postsecondary activity for domestic and international students, which are informed by the impact of the pandemic, the Strategic Mandate Agreement 3 (SMA3), the effect of the corridor funding model, academic plan and international strategy.

The SEM Steering Committee oversees the forecasting of enrolments, which are ultimately approved by MEG. The committee has representation from staff from across the college, including Administration, Deans, Finance, Institutional Research, Registrar and Scheduling.

Overall, there is a budgeted net increase in full-time enrolments over fiscal 2020/21 of 8.8% with an increase of 8.4% in domestic and 9.9% in international as noted in the table below.

### ***Full Time Enrolments (Domestic & International)***

	Spring	Fall	Winter	Total	% Increase Over 2020/21
<b>2020/21 Total Forecasted Enrolments</b>	2,652	11,571	12,051	26,274	
<b>2021/22 Total Budgeted Enrolment Target</b>	2,917	12,276	13,382	28,575	
<b>Year over Year Semester Growth</b>	265	705	1,331	2,301	8.8%

Postsecondary enrolments drive expected revenue from grants, tuition and fees, food services, campus stores, parking etc. and correspondingly drive staffing requirements throughout the college.

### **Impact of COVID-19 Pandemic**

The budget includes a provision of expenditures directly related to the COVID-19 pandemic, which includes:

- Additional lab costs to support smaller class sizes for physical distancing
- Personal protective equipment and college wide construction required for service station modifications
- IT equipment and services
- Emergency support funding for students
- Contingency for unanticipated COVID-19 related costs

### **Investment and Information Technology Strategies**

Financial managers were given the opportunity to submit investment and information technology proposals requesting funding in support of strategic priorities and recovery from the pandemic. An investment pool of \$4.7M was available to support these requests. After a thorough and detailed review process, the approved investments will support the following initiatives:

- Online Learning Strategy
- Enterprise Systems Strategy
- Student Success Survey
- Application Deployment Software
- Field Placement Specialist Support
- Technology Integration
- Aviation Expansion Strategy
- International Faculty Lead Restoration
- Cyber Security
- Pay Equity & Compensation Review
- Occupational Health & Safety Plan
- Program Costing Initiative
- International Business Development & Enrolment Growth Strategy
- Equity, Diversity & Inclusion Action Plan Implementation

## Unpredictable Revenue

While all revenue sources have some degree of volatility, the financial impact of changes in postsecondary enrolments is pronounced especially in light of the COVID-19 pandemic. Tuition revenue varies directly with in-year enrolment activity and failure to attain the planned enrolments poses a risk to the 2021/22 financial plan. This is more pronounced with international enrolments given the higher value of the tuition fees associated with each student. With a projected enrolment increase of 8.8% and the uncertainty over travel and government restrictions for international student enrolments, the financial plan includes a contingency for domestic and international enrolments.

## Operating Plan Highlights

The proposed 2021/22 Budget has been developed in accordance with the approved budget directions and thoroughly reviewed by MEG.

- The 2021/22 Budget is a deficit of \$10.0M as a result of the COVID-19 pandemic. The deficit will be funded from the college's accumulated surplus.
- Gross revenue is budgeted at \$246.7M and expenditures are budgeted at \$256.7M
- The plan was developed around delivering educational programming to 14,288<sup>1</sup> postsecondary full-time equivalents (FTE).
- The full-time staffing complement for 2021/22 is 1,058, representing 432 faculty, 403 support staff<sup>2</sup>, and 223 administrative staff.

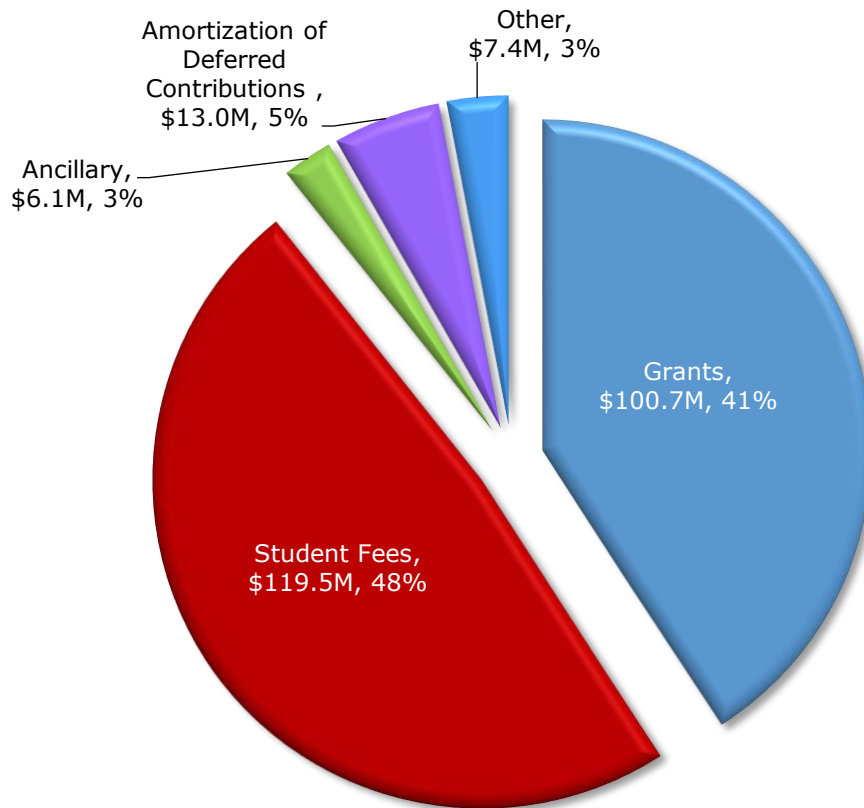
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<sup>1</sup> The number of student FTEs includes both domestic and international students in a postsecondary program.

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

## Total Revenue Breakdown (\$247 Million)

The total revenue for fiscal 2021/22 is \$247M and the following pie chart shows the funding sources of the approved revenue budget.



## Revenue Highlights

Ministry grants represents \$100.7M or 41.0% of total revenue. Ministry grants are comprised of the core operating grant, apprenticeship funding, and special purpose grants.

The core operating grant is valued at \$64.7M, representing 26% of total revenue. Under the SMA3, the operating grant allocation will shift funding from enrolment based towards a higher weight of funding tied to performance and outcomes-based metrics. However, the Ministry has delayed the implementation of performance outcomes-based metrics due to the pandemic, and therefore, the core operating grant is fixed for fiscal 2021/22.

Tuition revenue was modelled directly from the enrolment plan and approved fees schedule. The enrolment plan projects the delivery of full-time postsecondary domestic and international education for 28,575 enrolments (14,288 FTEs).

The tuition fees are aligned to the MCU Tuition Fee Framework that went into effect starting in 2019/20, which saw a decrease of 10.0% in tuition fees. For 2021/22, students are to

pay the same tuition fees as students in the same program and program year paid in 2019/20 when the 10.0% decrease took effect. International tuition fees are not impacted by this announcement and international tuition fees will increase by 2%.

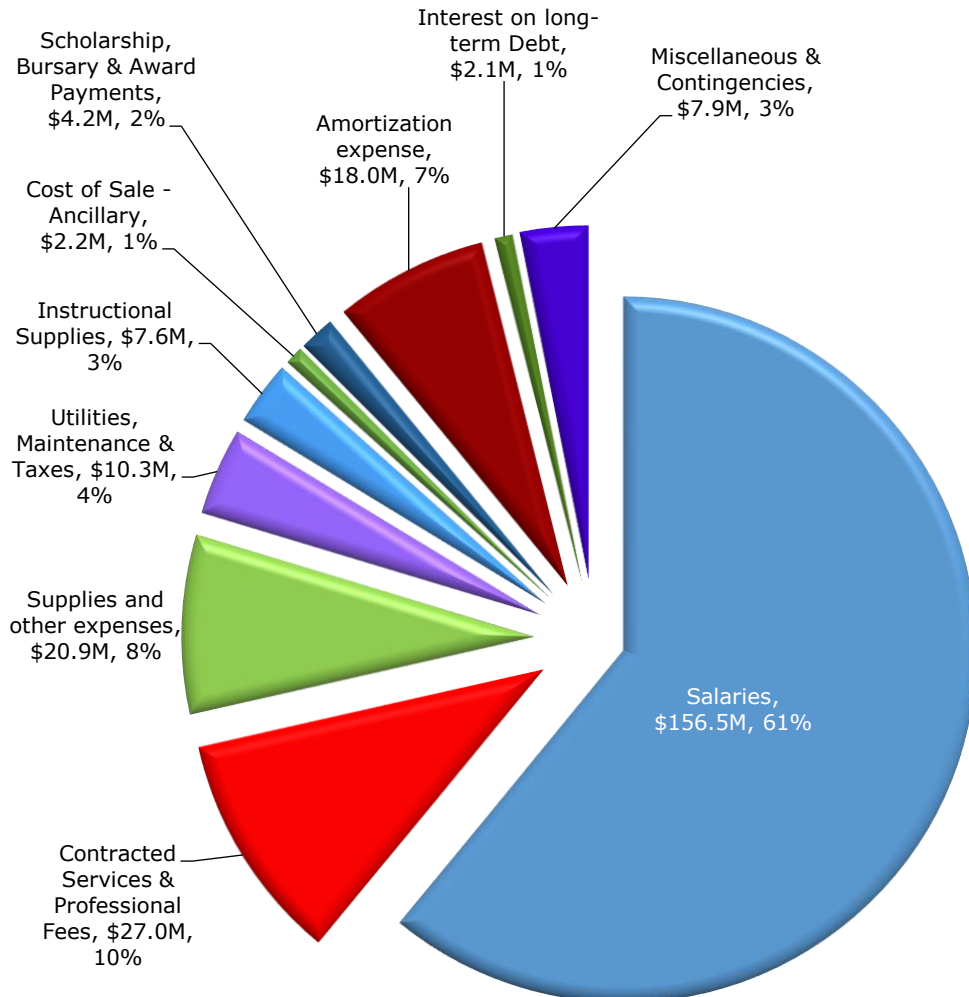
The college has entered into a public private partnership with triOS, the total enrolment plan for the year is forecasted at 550 international students with budgeted revenue of \$5.5M

Ancillary revenue is derived from the ancillary business operations such as campus stores, parking, residence, food services, and conferences. Ancillary operations are significantly impacted by the pandemic. Management has assumed that some Ancillary operations will resume partial operations starting in September 2021, with projected revenue of \$6.5M for the fiscal year.

Other revenue includes revenue from The Centre for Community Partnerships and Experiential Learning (CCPEL) and Innovation and Research. CCPEL offers a broad range of programs including employment services, academic upgrading, school-college works initiatives and enhanced language training. Innovation and Research initiatives include MEDIC, the Centre for Climate Change Management, and Energy and Additive Manufacturing projects.

### Total Expenditures breakdown (\$257 Million)

The pie chart below illustrates the college’s 2021/22 Approved Operating Budget expenditures by cost component.



### Expenditure Highlights

#### Human Resources:

The 2021/22 plan projects 61% of the budgeted expenditures for full-time, part-time salaries and related fringe benefits.

The full-time staffing plan consists of 1,058 permanent full-time positions across the faculty, support and administrative groups. Salary rates are in accordance with respective collective agreements and legislation. Full-time salaries and benefits are calculated centrally on a position by position basis, while part-time budgets are calculated by departments. The distribution of full-time salaries by employee group are noted in the table below.

### **2021/22 Full-Time Staffing Plan:**

	<b>Count</b>	<b>Total</b>
<b>Faculty</b>	432	57,573,272
<b>Administrative</b>	223	29,358,210
<b>Support</b>	403	33,519,981
<b>Total</b>	1,058	120,451,463

Academic Expenditures: The academic expenditure levels were based on the enrolment plan.

Non-Academic Expenditures: The base budgets for the non-academic areas are based on the operations and services of the departments.

### **Fee Supported Budget**

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In addition to tuition fees, all students are required to pay compulsory ancillary fees. These fees generate approximately \$12.9M, which is 5% of total revenue. The fees have offsetting expenses and are critical in supporting services including, athletics and recreation, career services, student buildings, academic support, etc.

Compulsory ancillary fees are governed by the MCU "Tuition and Ancillary Fees Reporting" operating procedure and mandates that the students' governing body (i.e. Mohawk Students' Association – MSA) be involved in decisions regarding compulsory ancillary fees and subsequent increases. The total postsecondary essential ancillary fees will be \$1,538.12 per academic year.

The total Continuing Education (CE) compulsory ancillary fees will be set to \$0.80 per Student Contact Hours. The Apprenticeship service fee collected for the college will be \$56.38 per intake.



## Capital Budget

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The 2021/22 Financial Plan aligns capital priorities with funding sources and financing strategies in a concerted effort to improve the learning environment with investments in teaching space, academic equipment and information technology and to address priority deferred maintenance needs. In keeping with budget guiding principles, capital projects have been prioritized to those supported by external funding and alternative funding sources to minimize operating funds.

Financing decisions associated with each capital request were based on provincial capital grant programs, student levies, donations, restricted funds and availability of operating and board reserve funding.

### 2021/22 Capital Additions & Funding Sources

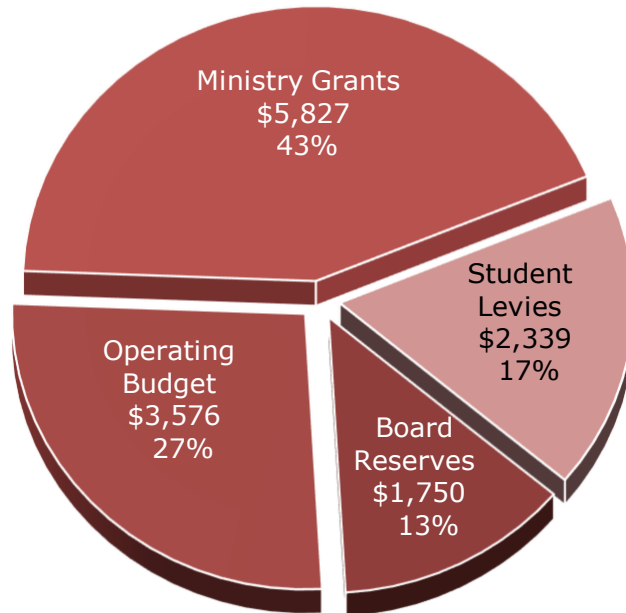
The total gross capital value of additions is \$13.5M and is summarized in the table below. The Advanced Digital Imaging Centre represents \$2.9M or 22% of the plan. The college's continued commitment to essential deferred maintenance of \$3.5M or 26% of the plan includes updates to electrical panels and replacements of air handlers and an emergency phone system. College wide priorities of \$7.1M or 52% of the plan includes continued investment in information technology, academic equipment and facilities renewal which includes renovations to meet the Accessibility for Ontarians with Disabilities Act (AODA) and health and safety requirements.

### 2021/22 Capital Plan Additions by Major Category

	Gross costs (\$000's)	% of Total
<b>Advanced Digital Imaging Centre</b>	2,915	22
<b>Essential Deferred Maintenance</b>	3,450	26
<b>Information Technology</b>	3,225	24
<b>Academic Equipment</b>	2,727	20
<b>Facilities Renewal</b>	1,175	8
<b>Total</b>	13,492	100

The funding sources for capital additions are shown in the graph below. Ministry grants of \$5.8M represents 43% of the capital plan includes grants for essential deferred maintenance \$3.1M, apprenticeship renewal \$1.6M, and academic equipment \$1.1M. Operating funds support \$3.6M or 27% of the total capital additions. Student ancillary fees totaling \$2.3M or 17% of the plan are for academic information technology improvements and services. Board reserve funding is \$1.8M or 13% of the plan includes investments in academic equipment.

### **2021/22 Funding Sources for Capital Additions (\$000's)**



### **Debt Capacity**

The college's debt level is projected to be \$47.6M at March 31, 2022, which comprises the David Braley Athletics and Recreation Centre (DBARC) \$27.7M, The Joyce Centre for Partnership and Innovation \$10.2M, Justice and Wellness \$5.9M, and Energy Savings \$3.8M.

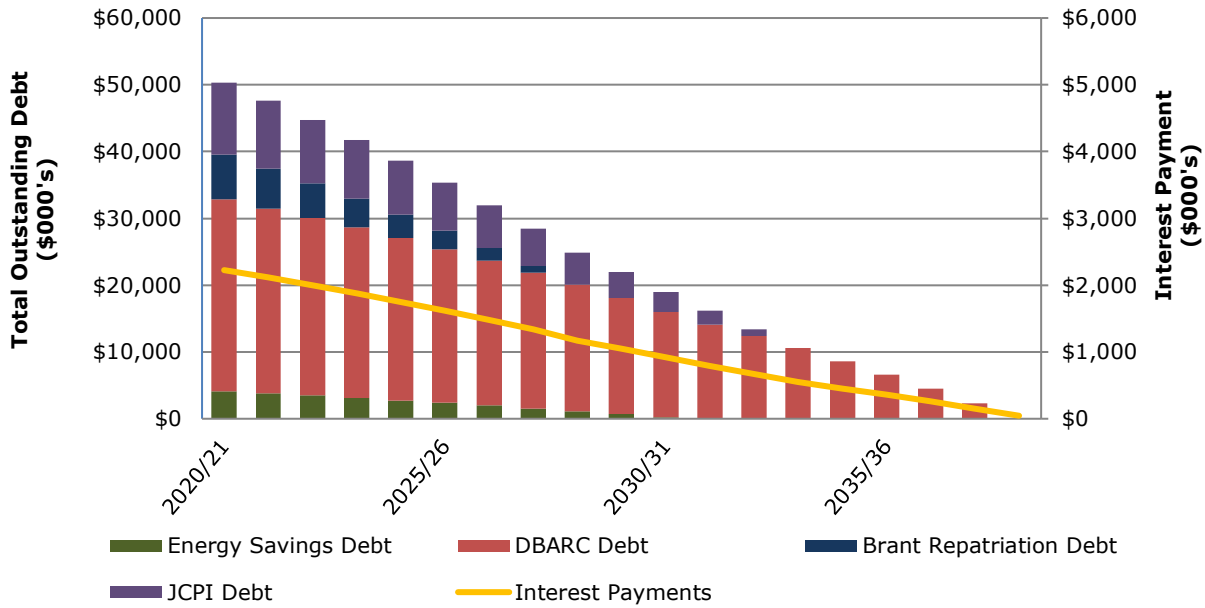
The debt financial health indicators for the next three-year period provide the following projected favourable results compared to MCU benchmarks:

- Debt to Assets ratio: Average 24.6% projection is below 35.0% benchmark
- Debt Servicing ratio: Average 1.9% projection is below 3.0% benchmark

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

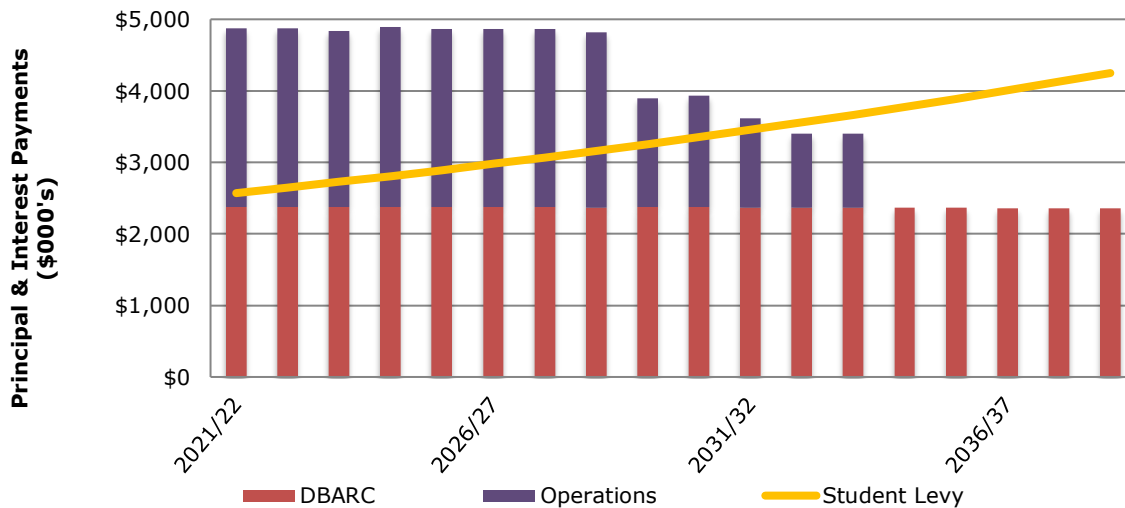
The following graph reflects the projected debt level and interest expense for the next eighteen years.

### Interest & Debt



The following graph identifies the sources of funds for existing loans. The DBARC loan (red) is supported by the student capital levy fee (yellow line). The student levy amount will increase over time with the levy price indexing. The college should be fully repaid by 2034/35 (14 years). Operations will cover the costs related to the energy savings loan, Brantford repatriation loan and The Joyce Centre for Partnership & Innovation loan.

### Sources of Funds for Loans



## Accumulated Surplus

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A college's budget in normal circumstances is expected to be balanced. Based on Ministry directives, a college can report an in-year deficit as long as the accumulated net assets balance remains positive. Accumulated surplus is made up for four components:

- Invested in capital assets – represents the unamortized portion of college funds that have been invested in capital assets. This is net of any external funding such as grants, donations and debt.
- Internally restricted net assets – funds held aside for capital projects, strategic initiatives and future operating expenses. Expenditures require approval by the Board of Governors.
- Unrestricted operating net assets – represents undesignated reserves and is a safety cash threshold for the college's operating activity. The ending balance is held at approximately 4% - 5% of total revenue.
- Vacation pay and post-employment benefits and compensated absences – represents liabilities that will always be present as long as the college is a going concern.

As at April 1, 2021, the forecasted opening accumulated surplus balance is \$103.3M, the planned deficit of \$10.0M, will result in a forecasted balance at March 31, 2022 of \$93.3M, thereby meeting Ministry requirements of maintaining an accumulated surplus

## **Glossary of Terms**

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### **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.

### **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 Process Timetable**

A schedule of key dates, which the college follows in the preparation, adoption and administration of the budget.

### **Contribution Margin**

The contribution margin from the academic area is calculated as operating grant plus tuition less academic delivery costs.

### **Debt**

Amount of money borrowed by one party from another with an obligation of repayment.

### **Expenditure**

The disbursement of funds to purchase goods and/or services. Expenditures include current operating expenses that require the current or future use of net current assets, debt service, and capital outlays.

### **Fiscal Year**

Any period of 12 consecutive months designated as the budget year. The college's budget year begins April 1 and ends March 31.

### **Full-Time Equivalent (FTE Student)**

Full-time FTE enrolment is a headcount of students enrolled in classes showing how many students would be enrolled if all were enrolled in full-time studies.

### **Canadian Public Sector Accounting Standards**

Nationally recognized uniform principles, standards, and guidelines for financial accounting and reporting, governing the form and content of financial statements of public sector entities. The objective of such standards are to meet the needs of users of financial statements by providing the information needed for accountability and decision making.

### **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.

**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.

## Abbreviations and Acronyms

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AODA	Accessibility for Ontarians with Disabilities Act
CCPEL	The Centre for Community Partnerships and Experiential Learning
CE	Continuing Education
DBARC	David Braley Athletic & Recreation Centre
FTE	Full-Time Equivalent (may be used to describe full-time equivalent students)
MCU	Ontario Ministry of Colleges and Universities
MEG	Mohawk Executive Group
MSA	Mohawk Students' Association
SEM	Strategic Enrolment Management
SMA3	Strategic Mandate Agreement 3