

Niagara College
**Annual
Business Plan**

2013-2014



**Niagara
College
Canada**

APPLIED DREAMS.

NiagaraCollege.ca

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Executive Summary

The 2013-2014 Business Plan is aligned with the priorities of the Niagara College 2013-2016 Strategic Plan; our mission is to provide outstanding applied learning for a changing world. The 2013-2016 Strategic Plan is built on delivering on three strategic priorities:

- > unparalleled student experience and satisfaction,
- > leading innovation and research, and
- > operational excellence.

The Plan requires the College to continue its successful strategies of managing enrolment growth, providing new programs to support the economic transition of the region and to provide as many opportunities for students as feasible. This must be done while building-in continuous improvement and efficiencies in order to optimize the use of resources to ensure a sustainable future for Niagara College.

The 2013-2014 Niagara College Business Plan results in a balanced budget, taking into account the 2012 Provincial Budget measures, the economic climate and anticipated cost pressures, and supports the following Budget objectives:

- > Sustained program quality and program mix that continues to support economic development, addresses the future skills shortage in Ontario and provides required skilled labour and leadership in the economic redevelopment of the Niagara Region;
- > Continuous improvement in program and service delivery with a focus on student success and customer service;
- > Increasing levels of research and innovation in support of federal and provincial strategies on economic development;
- > Continued revenue diversification, including continued growth from International revenue sources.

The Business Plan builds on our history of sound, prudent financial management to ensure the College has the appropriate resources to deliver on its strategic priorities.

College Enrolment and Services

Niagara College's brand and reputation is built on a foundation of student satisfaction, innovative programming and strong connections to our community. The College has developed an excellent reputation for student satisfaction, with a number one rating in student satisfaction for eight out of the last nine years. This Business Plan builds on these strengths, provides the academic and training programs and services that will provide for student access and success, improves retention and continues support for our community's economic development.

Our enrolment management activities continue to balance the complexities of financial pressures related to student growth with access and in-year revenue considerations. The 2013-2014 Enrolment Plan establishes an increase of 4% in domestic students over the 2012-2013 year, resulting from flow through of last year's new programs, as well as the new Baking and Pastry Arts program this year. Complementing Niagara's strong brand and domestic student success is the continued growth in interest and enrolments by international students from over sixty countries in a wide range of NC programs.

As part of the College's on-going cost-management efforts, further program delivery efficiencies will be realized in 2013-2014 through initiatives to maximize capacity in existing programs, with a stronger emphasis on student retention, credit recognition and advanced standing pathways. Total tuition fee revenue from domestic enrolment is budgeted to increase by 6% compared to 2012-2013, driven by increased tuition rates of 3% and planned enrolment increases. In addition, international student tuition revenues are anticipated to grow by 13%.

Provincial Context

The Ontario government has implemented a new four-year tuition framework for the fiscal years 2013-2014 to 2016-2017. The framework will provide for an average annual tuition increase that is capped at 3%. The Ministry has established the new framework to apply equally to all colleges and universities. Going forward, the Ministry will engage the college sector to review the concerns related to tuition specific to colleges. The new framework has been established at 1% above the average rate of inflation over the past decade of 2%. Through the implementation process, the Ministry will be addressing the introduction of a system wide approach to deferral fees and flat or program fee structures. It is expected that these changes will become effective for the 2014-2015 fiscal year.

Colleges had been seeking an extension of the provincial framework that would have allowed tuition to increase by as much as 5%. This new restriction on tuition provides another budget obstacle as colleges struggle with disproportionate cost pressures from the 2012 Provincial Budget. The impact for Niagara College in 2013-2014 due to the change from past policy is lost tuition revenue of approximately \$350,000.

The 2013-2014 Budget is also impacted by policy changes made in prior years having incremental impacts over the coming budget cycle. In March 2012, the Provincial Budget included a number of measures to reduce the provincial deficit. The measures directly impacted funding for Ontario colleges with the elimination of the Enrollment Bridging Grant and the Small, Northern and Rural Grant, along with the introduction of an international student recovery fee and other policy levers. This results in a grant reduction of \$145.9 million by 2014-2015 to the postsecondary sector (universities and colleges). The colleges will have to absorb 46.5% or \$67.9 million of the reductions in funding yet are allocated only 28.7% of the total operating funding allocation for the postsecondary sector. The net impact for Niagara College is a funding reduction of \$1.5 million in 2013-2014 and \$2.6 million in 2014-2015.

The provincial government's target to increase postsecondary completion to 70% of the population has kept the college sector focused on growing enrolments. The current funding model has changed the financial consequences of growth, increasing the complexity associated with Strategic Enrolment Management. The funding formula provides funding for base enrolment levels plus growth, based on historical enrolment numbers. This means that growth colleges, such as Niagara, always receive funding for fewer students than are currently enrolled. If growth funding does not keep pace with system growth, a college will not secure the expected funding or can lose funding simply by not growing as fast as the system average.

Capital and Infrastructure

To date, Niagara College has completed \$90 million out of the \$92.2 million Master Plan projects. These capital projects have transformed the teaching and learning environments with state-of-the-art facilities, new instructional equipment, increased space capacity, improved student life and addressed facility deferred maintenance. The improvements in facilities have allowed the College to build new partnerships that enhance our program delivery and ties to the community, and to significantly expand our athletics and student life outreach and events.

In 2013-2014, the College will not require debt financing to cover the bridging period of capital campaign pledges. The College will continue to self-finance based on the College's strong cash resources. Board approval will be sought on this strategy. Included in the 2013-2014 Capital Budget is the \$1-million brewery expansion, \$800,000 for Welland Campus Enhancements and \$700,000 roof replacement at the Maid of the Mist campus. (Schedule 6)

Capital funding from the province for instructional equipment renewal and facilities renewal will remain at the same levels as 2012-2013. This Capital Equipment Renewal fund is \$297,400 with more than \$3.5 million of requests. The Facilities Renewal Fund is \$320,300, yet there is more than \$15 million of deferred maintenance for the College. This continues to be an area of underfunding for the postsecondary sector. The proposed 2013-2014 capital budget includes an additional allocation of \$750,000 for ITS, FMS and equipment renewal to address the need for equipment and facility renewal.

Preliminary Results for 2012-2013

The 2012-2013 Budget approved by the Board in April 2012 reflected a balanced budget. The financial projection for March 31, 2013 is a surplus of \$910,271. (Schedule 1) The surplus forecast is a result of the increase in international student enrolment and international contract training netted against expenditure increases attributable to the increased delivery costs associated with the enrolment growth. The College has continued to make the planned allocation to the internally restricted reserves for capital, PeopleSoft upgrades and to support the long term strategy of the College.

2013-2014 Business Plan

Strategic Plan Context

Niagara College has developed a new Strategic Plan 2013-2016. Niagara College's strategic plan charts a clear course to solidify our position as a leader in applied education, where we provide unique environments, directly linked to our regional economy, driven by entrepreneurial thinking and guided by a culture that supports new ideas and innovation. Our 2013-2016 Strategic Plan is built on three strategic priorities: unparalleled student experience and satisfaction; leading innovation and research; and operational excellence. From these priorities, we set clear objectives and measurements that will guide Niagara College for the next three years.

A full copy of the Strategic Plan can be viewed at:

<http://www.niagaracollege.ca/content/CorporateInformation/ReportsandPublications.aspx>

College Goals

Niagara College establishes annual goals that support the 2013-2016 Strategic Plan, based on the key strategies outlined in the Plan and the current environment. In June following the end of each budget year, the Board of Governors assesses results against the Plan based on the metrics established, and reports on these results in its Annual Report. The goals and metrics for the 2013-2014 Budget year are in the following table:

Strategic Priority: Unparalleled Student Experience and Satisfaction

2013-2016 Goals	2013-2014 Indicator/Metric
Goal: Prepare graduates who are world-ready and work-ready	<ul style="list-style-type: none">> Provincial Key Performance Indicator (KPI) and College Performance Indicator (CPI) results meet or exceed College standards> Develop Strategic Agenda Report on Program Quality
Goal: Increase access and learning pathways	<ul style="list-style-type: none">> Report on Improved Pathways, including credit transfer/advanced standing changes and enhancements> Review the number of joint program offerings with partner post-secondary institutions including Brock University and establish benchmarks for Niagara College

2013-2016 Goals	2013-2014 Indicator/Metric
Goal: Enhance Services for Students	> The development of an integrated and enhanced services model plan
Goal: Build Student Engagement and Retention	<ul style="list-style-type: none"> > Meet or surpass benchmarks in Retention Rates and Grad Rate (see CPI standards) > 20% increase of participants in Campus Recreation offerings > 10% increase in students active in co-curricular events and activities

Strategic Priority: Leading Innovation and Research

2013-2016 Goals	2013-2014 Indicator/Metric
Goal: Establish the Canadian Food and Wine Institute as a national centre of excellence	<ul style="list-style-type: none"> > Successful launch of the Baking and Pastry Arts one-year certificate program > CFWI Capital expansion plan to support projected growth > Report on CFWI Research Centre results
Goal: Innovation in applied education through “Learning Enterprises”	<ul style="list-style-type: none"> > Report on Learning Enterprises for 2013-2014 > Review of current and future Learning Enterprise opportunities
Goal: Infuse innovation and applied research to support transitioning industries	<ul style="list-style-type: none"> > Report on Applied Research, including growth in number of SME’s and number of students involved > Implementation of Industry Innovation Centre for Advanced Manufacturing
Goal: Leadership in Regional Economic Development	<ul style="list-style-type: none"> > NC representatives for linkages to key industry and economic development organizations identified > Analysis of expert reports, including Niagara Region’s Economic Growth Strategy 2013-2015 and the Greater Niagara Chamber of Commerce’s Blueprint for Economic Growth and Prosperity, to determine new program opportunities to assist the Region’s needs in a transitioning economy

Strategic Priority: Operational Excellence

2013-2016 Goals	2013-2014 Indicator/Metric
Goal: Attract, retain and develop a strong team	<ul style="list-style-type: none"> > Successful recruitment and onboarding plan to achieve HR's targets for staff vacancies > Report on Employment Engagement Climate Survey, conducted in 2013-2014
Goal: Leading-edge sustainable and accessible learning environments	<ul style="list-style-type: none"> > Completion of planned capital projects for 2013-2014, as per Capital Vision 2016 > Capital and IT five-year Renewal plan developed and approved > Sustainability Report, measured against targets for 2013-2014
Goal: Fiscal Strength and Diversification	<ul style="list-style-type: none"> > Achieve planned financial results for 2013-2014 > Board approval of 2014-2015 Business Plan > Achieve \$1 million fundraising target
Goal: Strategic Enrolment Management	<ul style="list-style-type: none"> > Achieve full-time postsecondary enrolment targets for 2013-2014

Major Features of the 2013-2014 Budget

New Program Initiatives

One new Ontario College diploma program is being launched for fall 2013 - Baking and Pastry Arts diploma. This brings the College's total postsecondary program offerings to 107. In addition, we have the second year of Office Administration – Medical and Sport Management, as well as the third year of Culinary Innovation Food Technology starting in the fall.

The revised Strategic Plan continues to identify a need for future programming that will support the economic development of Niagara, with a special emphasis on supporting the Region's transitioning economy. Program plans include a focus on the evolution and transformation of programs to provide seamless lateral and inter-institutional transfer for students, increased choice of learning venue and courses, improved student success and accessibility, and a reduction of duplication in course offerings. This will be accomplished through enhanced laddering, coring, cross-disciplinary use of courses for general education and coring purposes, and integration of technology for hybrid course offerings.

Steady Development of Partnerships and Articulations

The Ministry has declared credit transfer and student mobility to be one of its priorities, investing more than \$75 million in 2012 over five years to fund projects for colleges and universities to work towards this goal. The Credit Transfer Institutional Grant (CTIG) will be \$9.8 million per year for 2013-2014 and 2014-2015, with the colleges receiving 40% or \$3.92 million. Niagara College will use the CTIG funding allocation to continue developing better infrastructure and curriculum development related to degree transfer credit arrangements. The College signed as a partner in the “System Wide Pathways in Accounting” agreement and has worked with a consortium on Game Design programs so that we can utilize a range of other agreements built around programs with provincial standards.

Niagara and Brock University have approved credit-by-credit transfer for graduates from the General Arts & Science – Degree Transfer program, creating a significant increase in credit transfer for Niagara graduates to Brock University to complete affinity degree programs. We will continue to work to enhance transfer opportunities, benchmarking best practices from across the province.

School-College-Work Initiatives with the School Boards continue along with offering dual credit programming in general education, arts and culture, technology, hospitality and business courses. Next year the College will be adding a course from the Culinary Innovation and Food Technology program to expose high school students and guidance counselors to that program. Dual credit projects involve 300 high school students who received high school credit, as well as college course credits for their studies.

Apprenticeship

Niagara College continues to work in partnership with the local Ministry office and call centre companies to jointly deliver apprenticeship training in the Technical Support Agent and Customer Care Agent trades. Labour market demographics have led to discussions with employers and the Ministry to identify which trades are a priority for the Region. These discussions identified Machinist as a priority resulting in the launch of a new Pre-Apprenticeship program. Other trade offerings continue to be explored.

This year Niagara received funding for two Pre-Apprenticeship programs valued at \$323,767. The Pre-Apprenticeship-Child Development Practitioner program and the Pre-Apprenticeship General Machinist program will be delivered at the Welland campus beginning in spring of 2013. These programs are in response to local labour market demands for Early Childhood Educators and General Machinists. The Ministry has also approved level two apprenticeship courses for apprentices in the Child Development Practitioner trade which will allow these apprentices to complete all the in-school training with Niagara College this coming year.

Funded Projects

Citizenship and Immigration Canada continues to fund language training programs. The College will offer several this year, including two federally-funded programs: Enhanced Language Training for Employment and Occupation Specific Language Training for Health, Business and Technology. Future projects are currently being pursued as newcomers are a group in need of workplace training. This funding enables us to offer both full and part-time advanced level language and workplace training to local newcomers.

In fall 2011, the College was awarded funding of \$2,200,000 over three years to deliver the Graduate Enterprise Internship (GEI). More than 100 jobs have been created for Niagara College graduates through this program. Fed Dev Ontario funded the College to work with Niagara SMEs to provide 200 structured six-month paid internship opportunities for recent graduates. The funding provides local SMEs with a 50% contribution to an intern's salary up to a maximum of \$10,000 per graduate from an Advanced Diploma-level program in sciences, technology, engineering or math (STEM) programs.

In March 2013, we received word from HRSDC that we had won a proposal to provide similar internships and employer hiring incentives to our graduates from programs that do not fall within the science, technology, engineering and math programs approved for GEI funding. This contract is worth \$1,475,000 and will help an additional 100 Niagara College graduates find work in their field of study.

Employment Ontario

Employment Ontario has been restructuring training programs since 2009 and funds the following programs at Niagara College: Second Career, Employment Services, Summer Jobs Service, Self-Employment Benefit Program, Literacy and Basic Skills, Pre-Apprenticeship and Apprenticeship, including the Co-op Diploma Apprenticeship programs. Literacy and Basic Skills underwent restructuring through the 2012 academic year and new processes and curriculum are currently being implemented in this and the next academic year. As per the goal of Employment Ontario, all college programs funded by Employment Ontario have a referral and collaborative delivery process to enable better service coordination and programming for students, graduates and community members.

Niagara Research, Research & Innovation Division

In 2012-2013, Niagara Research continued its success in bringing applied research funding and learning to Niagara College. In addition to completing its fourth year of a five-year, \$2.3-million Natural Sciences and Engineering Research Council (NSERC) CCI grant on land-use technology, Niagara Research started the first year of a five-year, \$1-million NSERC Industrial Research Chair for Colleges in Precision Agriculture and Environmental Technologies.

New culinary science labs have been constructed through \$1.7 million in equipment secured through CFI and Ontario Research Fund (ORF) grants. The labs will support another five-year, \$2.3-million NSERC CCI grant to foster economic development in the Region through food, culinary, beer and wine research, which began in 2011.

The second wave of Fed Dev Applied Research & Commercialization funding (\$750,000) came to a successful close at the end of March 2013. Work was completed on 13 industry projects, several of which saw the private-sector partners offer employment to the research students and request further applied research with the College. Further Fed Dev funding (\$990,000 for one year) was secured to help launch the Industry Innovation Centre at Niagara (IIC@N); this will be augmented by \$250,000 from the Niagara Region (\$50,000/year for five years) and more than \$750,000 from industry partner contributions.

Niagara Research has also received funding on several projects from Colleges Ontario Network for Industry Innovation (CONII), ORF (a large collaboration with Brock University, Vineland and the University of Guelph on viticulture), NSERC (collaboration with the University of Waterloo on the cold pasteurization of beer), and IRAP's Digital Technology Adoption Program Pilot (more than 30 companies helped).

In all, 42 programs at Niagara College saw their students engaged in Applied Research in 2012-2013, for a total of 1,280 students. The strategic emphasis on applied research will be in the areas of New Media; Agriculture, Viticulture and Horticulture; Culinary, Food & Beverages; Advanced Manufacturing; and Business.

International Activities

International postsecondary enrolment projections for 2013-2014 remain strong, based on current applications data for fall 2013. Our contract training has continued to increase and has helped to further diversify our revenue sources and increase our student numbers. This business will continue to grow for 2013-2014 as we expand our cohort programs based on client demand. Our diversified marketing efforts continue to provide a well-balanced portfolio of students from more than 65 different countries studying in more than 70 programs. Citizenship and Immigration Canada will be implementing some significant changes in January 2014, which will benefit college and university students, and we expect to see a positive impact from these changes on our student recruitment efforts.

English as a Second Language (ESL) enrolment of international students is also projected to remain strong for 2013-2014. As we continue to build stronger overseas college and university partnerships, the number of English language students for short-term language learning from our partner schools will continue to increase.

To complement our in-Canada international contract training, we are exploring a number of off-shore delivery opportunities around the world. This includes delivery of funded projects and contract training initiatives.

The Be World Ready campaign continues to gain recognition across the College. The number of students involved in developing intercultural competencies as essential employability skills has increased over the past year, and plans are in place to engage even more students and staff in 2013-2014. This has led to an increase in study and work abroad activities, which will continue to grow in 2013-2014.

Public Sector Accounting Standards (PSAS)

In December 2010, The Accounting Standards Board of the Canadian Institute of Chartered Accountants and the Public Sector Accounting Board issued the accounting standards impacting the future financial reporting framework for not-for-profit organizations. These standards were released as a result of a joint, comprehensive standard setting process by both Boards. These standards are effective for years beginning on or after January 1, 2012.

Ontario community colleges are considered governmental not-for-profit organizations as they are consolidated into the financial statements for the Government of Ontario. As such, the colleges have implemented the Canadian Public Sector Accounting Standards supplemented with PS 4200 series for the year ended March 31, 2013.

The Operating Budget Summary includes the effect of the amortization of capital assets net of the amortization of deferred contributions relating to capital assets. The Budget has been presented according to PSAS with individual items in excess of \$5,000 capitalized.

2013-2014 Budget Overview

The 2013-2014 Budget has been balanced through cost containment, revenue diversification and the prioritization of resources to support ongoing operations and the College's strategic objectives. (Schedule 1) A focus remains on the continued development of long-term sustainable budget strategies to enhance the ability to fund high-priority initiatives. The following mid to long-term objectives were established for the 2013-2014 Budget:

- > The alignment of College operating expenditures and revenues within the provincial funding and tuition fee framework;
- > Provide program, community engagement and services consistent with the 2012-2013 fiscal year, absorbing enrolment increases within existing staffing levels unless identified as a new activity stream;
- > Improve retention and student success by revamping service delivery models;
- > Maximize International growth;
- > Identification of efficiencies and savings that can be redirected to areas of priority;
- > Initiate the new applied research strategy within the various college divisions;
- > Collaborative purchasing and strategic procurement initiatives; and
- > Multi-year capital renewal plan to support the learning environment.

2013-2014 Enrolment Strategies

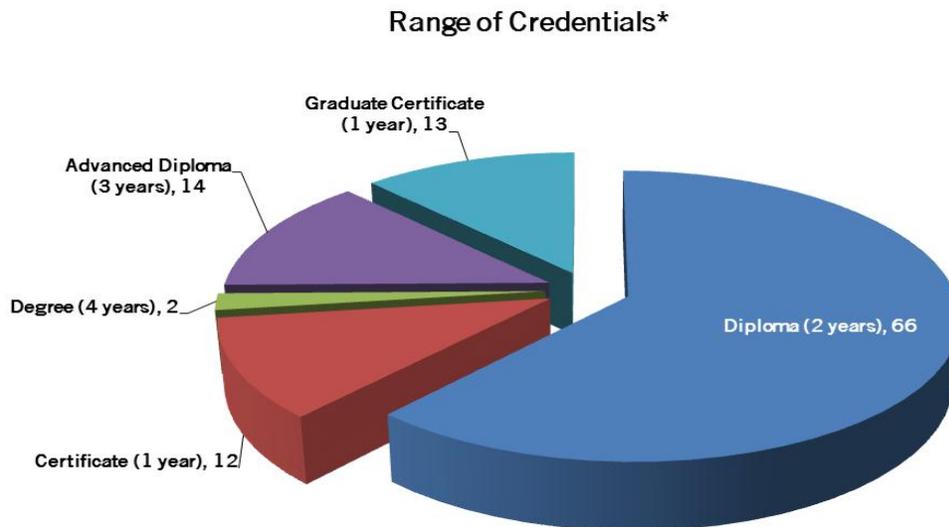
Balanced and sustainable enrolment growth remains central to Niagara's enrolment plans. For the 2013-2014 year, 107 full-time programs (Figure 1) will be offered and delivered through 11 schools, including the introduction of a new program, Baking and Pastry Arts, in fall of 2013. Total full-time postsecondary enrolments are expected to grow by 4.9%, with an increase in both domestic and international student enrolments. (Schedule 4)

A declining student population in Niagara's K-12 schools continues to pose a significant challenge to NC's future enrolments. To address this challenge, the College's Strategic Enrolment Management (SEM) planning includes a number of initiatives for 2013-2014, including:

- > Enhanced partnerships with local School Boards to increase awareness levels and participation rates amongst Niagara students in Niagara College programs;

- > Expanded marketing, recruitment and access programs to increase applications and enrolments by mature students, including enhanced initiatives to attract and retain First Generation and Second Career students, students with disabilities and aboriginal students;
- > Additional out-of-region marketing and recruitment activities in communities with growing high school populations within Southern Ontario;
- > Further growth in international student enrolments through expanded partnerships in established markets and additional recruitment in target emerging markets;
- > Continued improvement in conversion rates of applicants to confirmed students through enhanced communications and engagement activities;
- > Increased seats in well-subscribed programs and alternative offer strategies to over-subscribed programs;
- > Increased early intervention and supports for at-risk students to promote student success and retention;
- > Improved direct entry pathways for learners with postsecondary backgrounds.

Figure 1



*Excludes apprenticeship program

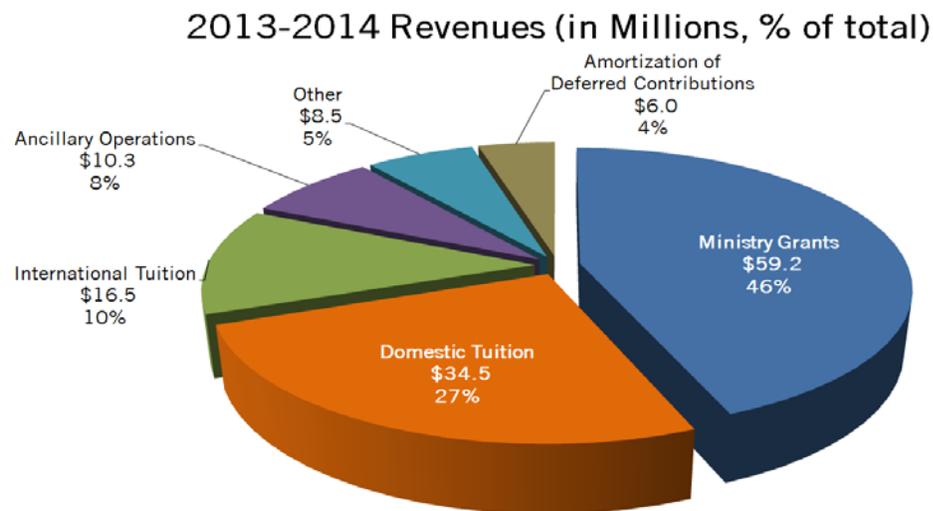
Revenue Budget

The total revenue for fiscal 2013-2014 is \$134,883,556. (Schedule 2) The strategic objective of internalization has positioned Niagara to manage the budget challenges through revenue diversification. Ministry grants are now 46% of the total revenue budget in 2013-2014 compared to historical levels that exceeded 53%. (Figure 2) The implementation of the expenditure measures announced in the 2012 Provincial Budget present a major budget obstacle for the next two fiscal years. Beginning in 2013-2014, Niagara will be negatively impacted with the elimination of the Small, Northern and Rural Grant (SNR), the introduction of the International student levy and additional policy levers. The net impact for Niagara College is a funding reduction of \$1.5 million in 2013-2014 and \$2.6 million in 2014-2015.

The 2013-2014 Budget includes the following revenue strategies:

- > General Purpose Operating Grant revenue is based on the College Funding Framework with the adjustment for 2012 Provincial Budget policy lever impact;
- > Domestic tuition includes a 3% increase as per the 2013-2014 Tuition Fee Framework;
- > Increase in fees to offset costs within Ministry guidelines;
- > International enrolment growth;
- > Increase in International revenue with continued growth in contract training opportunities; and
- > Aggressive pursuit of funding to support economic development, through both Employment Ontario and Services Canada.

Figure 2



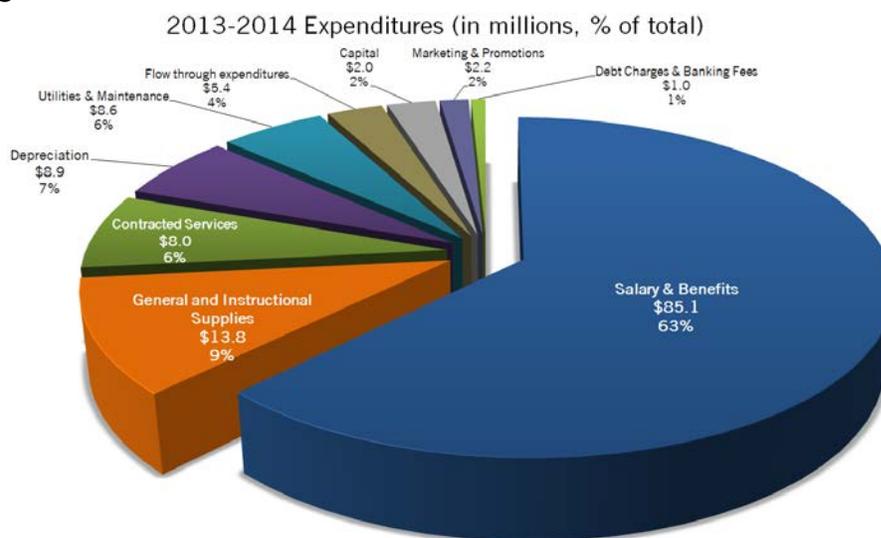
Expenditure Budget

The total expenditures for fiscal 2013-2014 is \$134,883,556 (Schedule 3) The expenditure profile remains consistent with prior years as salary and benefit costs are 63% of the total expenditures, with 37% of the operating budget related to non-salary expenses. The 2013-2014 full-time salary costs include the existing collective agreements wage rates that are set to expire for both faculty and support on August 31, 2014. The Public Sector Compensation Restraint to Protect Public Services Act, 2010 (Bill 16) to freeze compensation in the Ontario Public Service and the Broader Public Sector non-bargaining employees for two years expired on March 31, 2012. The 2012 Provincial Budget extended the pay freeze for Presidents, Vice Presidents, Deans and Directors for an additional two years. The 2013-2014 Budget does not include an allocation for the potential unionization of part-time staff.

The 2013-2014 Budget includes the following expenditure strategies:

- > Student-initiated course selection and expanded selection for general education courses;
- > Efficiencies in delivery where effectiveness is maintained or enhanced;
- > Management of salary costs through vacancy management and complement control;
- > Non-salary expenditures managed within a 1% increase, including existing agreement increases;
- > Sustainable initiatives have allowed for utilities expenditures to be held at the same budget level as 2012-2013; and
- > Support for innovation in program delivery and capital replacement.

Figure 3



Summary Staffing Changes

A full-time complement review was undertaken in early 2012-2013 to address the significant pressures put on existing systems and processes in student services as a result of the exceptional growth over the past five years. A number of retirements and departures at senior levels provided an opportunity for the College to review organizational structures and responsibilities before proceeding with replacements. This review resulted in the transitioning of vacant positions into complements that support the objectives of enhanced services to better support student success, an increased focus on academic excellence and ensure ongoing program quality. The approved Budget full-time staffing complement at March 31, 2013 is 651. (Table 1)

The 2013-2014 budget process included a review and assessment of the operational budget to identify opportunities and risks within the current base budget for redistribution and consideration aligned with the strategic priorities of the College. To facilitate the identification of potential funds for reallocation or opportunities to better utilize current resources each new request submitted required a complete assessment of financial, human, facility and capital resource requirements along with the strategic relevance. A total of 30 new full-time complements were identified to support the demands of enrolment growth and to maintain or enhance program and service quality. (Table 1) The new complements are funded through the reallocation of existing part-time salary costs and new revenue driven activities. The complement reduction is attributable to the Child Care Centre. The College will cease operations of the Child Care Centre effective April 30, 2013. An independent provider will lease the child care facility effective May 1, 2013.

Table 1: Full-Time Staff Complements

	(Decrease)/Increase	Total
As at April 1, 2012 – Approved Budget		649
As at March 31 st , 2013		
Quality Improvements	11	
New revenue driven activities	4	
Position Redundancies	(13)	651
2013-2014		
Quality Improvements	25	
New revenue driven activities	5	
Child Care Centre Redundancies	(11)	670

2013-2014 Capital Budget

The 2013-2014 Capital Budget was developed with an enhanced focus of defining capital needs beyond the current year and aligning capital investments with the priorities of the 2013-2016 Strategic Plan. The current capital issues facing the College relate to space pressures due to continued enrolment growth, further enhancing student life and student services at NOTL, facilities renewal and partnership opportunities.

The proposed Capital Budget for 2013-2014 is \$5,982,239. (Schedule 6) The capital strategies included in the 2013-2014 Budget that support the long-term capital plan include:

- > The completion of the approved Master Plan projects, including renovations to the International department (scheduled completion for May 2013); student services redesign and renovations (scheduled completion for August 2014); and parking lot repairs at the NOTL campus (scheduled completion for summer 2014);
- > Renovation of classroom and office spaces, new roads and parking lot expansions;
- > New Brewery expansion of 2,650 sq. ft. in the amount of \$1 million;
- > \$700,000 new roof replacement at the Maid of the Mist campus;
- > Facilities renewal from the Infrastructure Program;
- > Enhancements from the College Equipment Renewal Fund and the Apprentice Equipment Renewal Fund; and
- > Additional investment for Information Technology, Facilities Renewal and Instructional equipment for a total of \$750,000.

To support the implementation of the Capital Vision 2016, an annual allocation of \$1,030,000 to the internally restricted reserve has been included in the 2013-2014 Budget.

2013-2014 Financial Schedules

Schedule 1- Statement of Operations

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Summary of Budget for 2013-2014

with comparison to 2012-2013 Preliminary Actual Results and 2011-2012 Actual

	2013-2014 Proposed Budget	2012-2013 Preliminary Actuals	2011-2012 Actuals	% Variance 2013-2014 from 2012-2013 Preliminary
Revenue:				
Grants and reimbursements	\$ 59,205,756	\$ 59,166,918	\$ 59,045,488	0%
Student Tuition and Fees	50,957,561	47,617,342	40,991,012	7%
Ancillary Operations	10,250,835	9,726,559	8,990,070	5%
Other	8,470,868	8,443,170	7,680,706	0%
Amortization of Deferred contributions of capital assets	5,998,536	5,637,083	5,306,926	6%
Total revenue	134,883,556	130,591,072	122,014,202	3%
Expenditures:				
Salaries and benefits	85,117,232	81,322,492	74,993,270	5%
Non-salary expenditures	35,493,268	36,155,176	34,045,674	-2%
Flowthrough to third parties	5,418,752	4,026,567	3,996,648	35%
Amortization of Capital Assets	8,854,304	8,176,566	7,959,996	8%
Total expenditures	134,883,556	129,680,801	120,995,588	4%
Excess of revenues over expenditures	-	\$ 910,271	\$ 1,018,614	

Schedule 2 – Revenue by Source

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Revenue by Source

with comparison to 2012-2013 Preliminary Actual Results and 2011-2012 Actual

	2013-2014 Proposed Budget	2012-2013 Preliminary Actuals	2011-2012 Actuals	% Variance 2013-2014 from 2012-2013 Preliminary
Grants and reimbursements:				
General Purpose Operating Grant (GPOG)	\$ 40,859,640	\$ 40,011,163	\$ 39,029,741	2%
Special Purpose Grants	2,799,126	3,451,681	3,295,418	-19%
Services Canada	1,952,591	477,048	477,954	309%
Apprenticeship Training	2,764,767	3,417,153	3,989,187	-19%
Employment Services and Summer Jobs Service	2,183,548	2,295,137	2,774,724	-5%
Literacy and Basic Skills	1,441,021	1,528,321	1,529,900	-6%
Second Careers	955,405	1,315,472	1,427,259	-27%
Provincial Bursaries	534,456	489,368	1,095,079	9%
Niagara Region Day Care Grant	61,588	874,269	806,944	-93%
Research Grants/Funding	1,877,761	2,110,216	1,796,678	-11%
Other provincial and federal funding	2,561,358	2,929,757	3,078,366	-13%
	57,991,261	58,899,585	59,301,250	-2%
Capital Grants	2,732,239	1,154,289	41,808,617	137%
Less: Contributions related to Capital	(1,517,744)	(886,956)	(42,064,379)	
	59,205,756	59,166,918	59,045,488	0%
Student Tuition and Fees:				
Full-time domestic	31,512,047	29,613,614	26,632,045	6%
Full-time international	14,211,577	12,536,865	8,399,483	13%
Part-time domestic	2,965,937	3,198,863	3,672,697	-7%
International - ESL	2,268,000	2,268,000	2,286,787	0%
	50,957,561	47,617,342	40,991,012	7%
Ancillary Operations:				
Campus Store	450,000	422,801	433,348	6%
Residence	3,837,228	3,687,297	3,476,675	4%
Parking	1,278,168	1,212,876	1,109,317	5%
Athletics	1,104,240	1,022,917	750,120	8%
Commissions	300,000	274,271	253,935	9%
Facilities rentals	494,738	510,576	479,939	-3%
Day Care Fees	10,869	104,128	69,748	-90%
Restaurant	1,406,000	1,337,226	1,299,019	5%
Greenhouse	210,000	204,467	215,359	3%
Niagara Learning Enterprise Corporation	1,159,592	950,000	902,610	22%
	10,250,835	9,726,559	8,990,070	5%
Other:				
Contract training	57,650	162,927	209,838	-65%
International Contract Training and Special Projects	3,955,284	3,338,136	2,167,599	18%
Investment income	375,000	484,864	481,835	-23%
Sale of course materials and service charges	3,582,934	3,954,087	3,912,389	-9%
Donations - awards and bursaries	250,000	250,000	373,660	0%
Foundation	250,000	250,000	246,484	0%
Other Revenue	-	-	158,187	
Other Donations, net	-	3,156	130,714	-100%
	8,470,868	8,443,170	7,680,706	0%
Total Revenue - Cash Received	128,885,020	124,953,989	116,707,275	3%
Add: Amortization of Deferred Contributions	5,998,536	5,637,083	5,306,926	
Total Revenue per GAAP	\$ 134,883,556	\$ 130,591,072	\$ 122,014,202	3%

Schedule 3 – Expenditures by Object Type

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Expenditures by Object Type

with comparison to 2012-2013 Preliminary Actual Results and 2011-12 Actual

	2013-2014 Proposed Budget	2012-2013 Preliminary Actuals	2011-2012 Actuals	% Variance 2013-2014 from 2012-2013 Preliminary
Salaries and benefits				
Academic salaries and benefits	\$ 35,405,400	\$ 32,627,336	\$ 31,070,511	9%
Support salaries and benefits	18,777,444	17,619,963	16,074,623	7%
Administration salaries and benefits	13,587,247	12,184,975	11,883,790	12%
Part-time teaching, Sessional and Partial load salaries and benefits	7,600,898	7,777,289	7,564,842	-2%
Part-time support salaries and benefits	9,746,243	11,112,929	9,095,808	-12%
Post employment, vacation and sick leave	-	0	(696,304)	-100%
	85,117,232	81,322,492	74,993,270	5%
Non-salary expenditures				
Instructional supplies and field work	4,851,965	5,437,395	4,634,097	-11%
Supplies	3,919,682	4,694,547	3,088,823	-17%
Office expense and insurance	2,674,729	3,058,925	2,890,847	-13%
Professional development	648,670	574,595	531,774	13%
Travel	1,162,665	1,151,282	1,019,178	1%
Marketing and promotions	2,199,913	1,883,514	1,969,018	17%
Equipment maintenance and rentals	656,076	890,055	804,368	-26%
Debt charges & Banking Fees	985,992	1,010,281	1,107,570	-2%
Contracted services and professional fees	7,952,865	9,375,110	10,488,976	-15%
Building and grounds maintenance	4,545,793	4,390,655	4,177,249	4%
Utilities and telecommunications	3,358,593	3,188,817	2,637,380	5%
Disbursements -awards and bursaries	250,000	250,000	373,660	0%
Foundation	250,000	250,000	164,547	0%
Other			158,187	
	33,456,943	36,155,176	34,045,674	-7%
Flowthrough funds to third parties				
Bursaries	1,544,845	1,535,192	1,677,085	1%
Participant stipends and allowances	3,219,607	1,893,250	1,763,813	70%
Municipal taxes-in-lieu	654,300	598,125	555,750	9%
	5,418,752	4,026,567	3,996,648	35%
Capital Expenditures	5,982,239	-	(0)	
Less: Contributions related to Capital in year Additions/WIP	(3,945,914)			
Capital Expenditures Expensed in Year	2,036,325	-	(0)	
Add: Amortization of capital assets	8,854,304	8,176,566	7,959,996	8%
Total Expenditures per GAAP	\$ 134,883,556	\$ 129,680,801	\$ 120,995,588	4%

Schedule 4 – Enrolment

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Full-Time Postsecondary Student Enrolment
For the fiscal year 2013-2014

Full-Time (Semestered)	Plan 2013-2014				Actual 2012-2013*				Variance	
	S'13	F'13	W'14	Total	S'12	F'12	W'13	Total	Change	%
NOTL Campus										
School of Business & Management	184	1,067	1,230	2,481	122	1,045	1,204	2,371	110	4.6%
School of Hospitality, Tourism & Administration	164	1,105	1,132	2,401	88	992	1,039	2,119	282	13.3%
Canadian Food and Wine Institute	83	596	616	1,295	83	539	570	1,192	103	8.6%
School of Liberal Arts & Science	50	125	165	340	29	137	150	316	24	7.6%
School of Environmental & Horticultural Studies	56	427	408	891	48	408	397	853	38	4.5%
Subtotal NOTL Campus	537	3,320	3,551	7,408	370	3,121	3,360	6,851	557	8.1%
Welland Campus										
School of Community Studies	78	1,103	1,091	2,272	93	1,090	1,083	2,266	6	0.3%
School of Justice Studies	55	877	898	1,830	54	878	893	1,825	5	0.3%
School of Allied Health	132	450	417	999	76	442	394	912	87	9.5%
School of Media	42	1,091	1,001	2,134	33	1,030	964	2,027	107	5.3%
School of Technology	151	1,044	1,041	2,236	92	1,024	1,034	2,150	86	4.0%
School of Nursing & Personal Support Worker	325	373	403	1,101	285	339	395	1,019	82	8.0%
School of Liberal Arts & Science	80	621	600	1,301	88	626	612	1,326	-25	-1.9%
Subtotal Welland Campus	863	5,559	5,451	11,873	721	5,429	5,375	11,525	348	3.0%
Total College	1,400	8,879	9,002	19,281	1,091	8,550	8,735	18,376	905	4.9%
Number of students included above:										
<i>International Students</i>	252	1,060	1,189	2,501	177	978	1,141	2,296	205	8.9%
<i>Level One Starts</i>	83	4,865	995	5,943	73	4,821	947	5,841	102	1.7%

*2012/2013 are provided by 10th day enrollment data

Schedule 5 – Summary of Net Assets

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY
Statement of Changes in Net Assets
2013-2014 Budget

	Unrestricted	Vacation and future employee benefits	Fair value of interest rate swaps	Internally restricted for future expense	Foundation	NLEC	Endowments	Investment in capital assets	Proposed Budget March 31, 2014	Actuals March 31, 2012
Net assets, balance beginning of year	(1,447,213)	(8,379,937)	(2,526,962)	3,390,000	198,999	(15,149)	12,496,164	41,067,400	44,783,302	45,634,096
Excess of revenue over expenses (expenses over revenue)	1,614,221			1,200,000	-	41,547	-	(2,855,768)	-	1,018,614
Endowments							500,000		500,000	1,370,558
Change in unrealized Investment Income									-	38,670
Change in fair value of interest rate swaps									-	(530,884)
Net change in investment in capital assets (1)*	(1,747,482)			(1,030,000)				2,777,482	-	-
Balance, end of period	(1,580,474)	(8,379,937)	(2,526,962)	3,560,000	198,999	26,398	12,996,164	40,989,114	45,283,302	47,531,054

* N.B. The deficit in the unrestricted is created by the College funding capital out of operating funds instead of taking out debt. The College anticipates it will repay the amount by 2014-2015.

Schedule 6 – Capital Revenue and Expenditure

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY

Revenue and Expenditures by Type of Capital Project

	2013-2014 Proposed Budget
Revenue	
College Equipment Renewal Fund	297,400
Facilities Renewal grant	320,300
Apprenticeship Enhancement Fund	596,795
STEC - capital	1,517,744
	2,732,239
Expenditures	
Instructional Equipment	297,400
Facilities Renewal	320,300
Apprenticeship Enhancement Fund	596,795
STEC - capital	1,517,744
Additional Instructional, IT, Facilities Capital	750,000
MMC Roof Replacement	700,000
Welland Capital Enhancements	800,000
NOTL Capital Enhancements	1,000,000
	5,982,239
Net	
Funded from Net Assets	(3,250,000)

Schedule 7 – Statement of Cash Flows

NIAGARA COLLEGE OF APPLIED ARTS AND TECHNOLOGY Statement of Cash Flows

	2013-2014 Proposed Budget
Cash provided by (used in):	
Operations:	
Excess (deficiency) of revenue over expenditure	\$ -
Items not involving cash:	
Amortization of deferred contributions related to capital assets	(5,998,536)
Amortization of capital assets	8,854,304
Change in non-cash operating working capital:	(2,750,000)
	105,768
Financing and investing activities:	
Short-term investments	(615,513)
Endowments	483,986
Long-term receivables	1,000,000
Principal payments on long-term debt	(662,572)
Increase in deferred contributions related to capital assets	2,732,239
Purchase of capital assets	(5,982,239)
	(3,044,099)
Increase/(Decrease) in cash	(2,938,331)
Cash beginning of year	35,646,281
Cash, end of year	\$32,707,950