

# **OPERATING BUDGET**

## 2021-2022



St. Lawrence  
College



# St. Lawrence College

2021-22

## **Annual Budget Report**

&

5-year forecast (2021-22 to 2025-26)

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## **INTRODUCTION**

### **The 2021-22 Annual Budget Report**

The development of the Annual Budget is a collaborative process with all College departments to ensure department operations have the resources required to deliver our programs, services, and supporting activities. As part of the budget process, a new Budget Advisory Committee, consisting of all members of the College Executive Team (CET) and a diverse cross section of the College Leadership Team (CLT), was formed to provide advice, guidance and recommendations on budget decisions. This Budget Advisory Committee replaced the previous Budget Advisory Team. Appendix A provides an outline of the entire Budget and Planning Cycle.

The Annual Budget process ensures financial resources are allocated to enable the College to achieve its strategic plan, as the College enters the third year of its 2019-24 Strategic Plan, SLC in Five.

COVID-19 will continue to have a significant impact on the College's operations and finances during the 2021-22 fiscal year. This has been taken into consideration in developing the budget, however, uncertainty regarding COVID-19 persists.

## **EXECUTIVE SUMMARY**

The College is anticipating a deficit of \$2.89M for the 2021-22 fiscal year, which will be funded by reserves that have accumulated over the past few years due to our strong financial performance. The deficit is driven by the ongoing impact of COVID-19 on enrolment, resulting in insufficient tuition to cover our expenses.

Grant revenues are expected to remain relatively stable at \$51M.

Tuition and tuition related revenues are expected to increase year over year but are not expected to fully recover to pre-COVID levels. Tuition and tuition related revenues are budgeted at \$68.7M.

Ancillary revenues are expected to be \$5.6M and are also not expected to fully recover to their pre-COVID level due to the uncertainty of on campus activities impacting revenues from residences, food services, the bookstore, parking and event services.

Salaries and benefits are expected to increase to \$89.3M due to collective agreement wage rates, step increases, as well as additional proposed positions. Non-payroll expenses are expected to increase to \$38.5M due to anticipated costs associated with a return to on campus operations in the Fall and investments to support achieving operational and strategic objectives.

Amortization expense on capital assets is budgeted to increase to \$9.5M due to planned capital purchases as approved by the College's Board of Governors on February 16<sup>th</sup>, 2021.

## REVENUES

### BUDGET ASSUMPTIONS

- Government funding projections are based on the most recent memorandums from the Ministry of Colleges and Universities (MCU) and Ministry of Labour, Training and Skills Development (MLTSD) if received, or based on prior year actual funding. There is uncertainty concerning the continuity of some special purpose grants as the provincial government continues to implement funding changes and therefore this poses a budget risk.
- The College has developed a target enrolment plan, however, COVID-19 has resulted in some uncertainty, particularly related to achieving International enrolment targets. Assumptions regarding discounts to the enrolment targets have therefore been incorporated into the budget. The discount rates are based on international student recruitment trends, trends in international student visa approvals and feedback from our private partners. The budget includes the following discounts relative to the target enrolment plan.

| Enrolment Category        | Discount Factor Applied to Enrolment Targets |      |        |
|---------------------------|--|------|--------|
|                           | Summer                                       | Fall | Winter |
| International – On Campus | 30%  | 15%  | 5%     |
| Private Partnerships      | 20%  | 15%  | 10%    |

- Domestic tuition rates are maintained at 2020-21 rates, while International tuition rates have been increased by 3% over 2020-21 rates. The MCU has not released a tuition fee framework for the 2021-22 academic year for domestic tuition fees so we have assumed that the freeze remains in effect.
- Ancillary revenues consist of revenues from the bookstore, food services, parking, residences, and event and banquet services, and are based on limited on campus activity until September 2021 due to COVID-19. Total overall ancillary revenues are budgeted to more than double compared to the 2020/21 8-month forecast. However, these revenues will remain below pre-COVID levels.

### DISCUSSION

Prior to COVID-19, the contribution of grants and reimbursements to total revenues has steadily declined over the past five years (Refer to “Sources of Revenue” graph on page 7). However, since the onset of the pandemic, the Ministry of Colleges and Universities has provided grants to help mitigate the impact of COVID-19. On March 19, 2021, the Ministry of Colleges and Universities announced a new one-time Support Fund for Postsecondary Institutions for the most financially impacted institutions to address COVID-19 related expenses. The College has been allocated \$6.4M of this one-time funding for eligible expenses from July 1, 2020 to June 30, 2021. At the time of preparation of the budget, the College was in the process of assessing eligible COVID expenses to be claimed for the 2020-21 fiscal year. Consequently, any potential

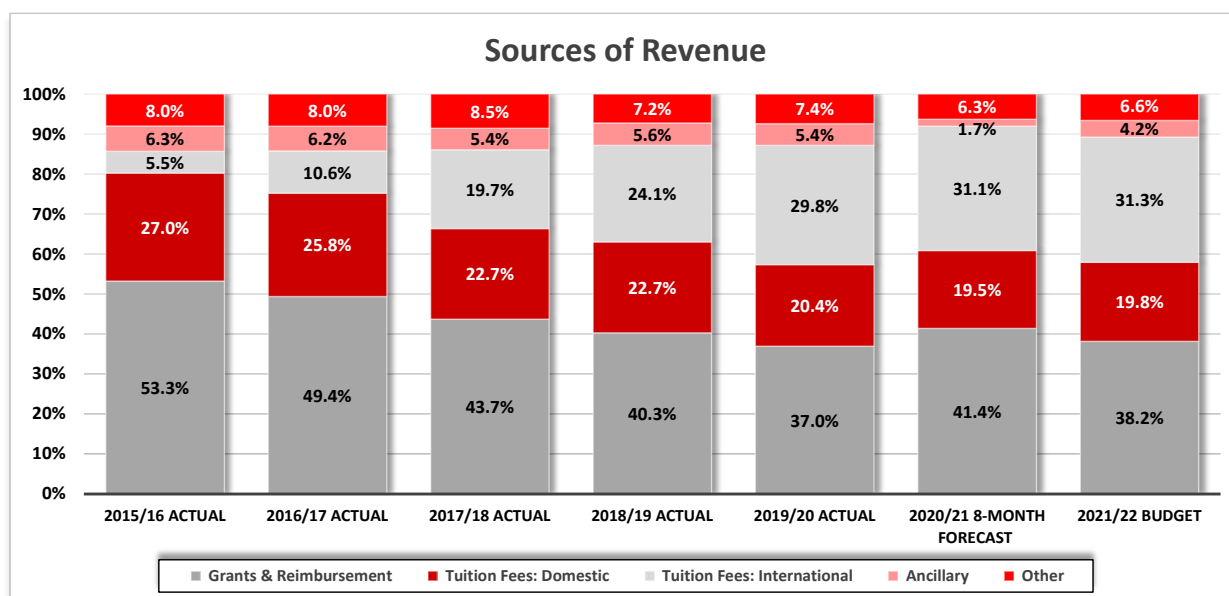
## St. Lawrence College – Annual Budget: Fiscal 2021-22

remaining funding has not been incorporated into the 2021-22 budget, as this was unknown. The College has also increased efforts at pursuing grant funding opportunities and exploring alternative revenue streams to reduce the heavy reliance on grant funding. At the time of preparing this budget several new grant applications were in progress and have not been incorporated into the budget due to the uncertainty of success. See Appendix B: Grant Summary for a complete summary of the College's grants. The inclusion of any new grants would have a positive impact on the budget as presented.

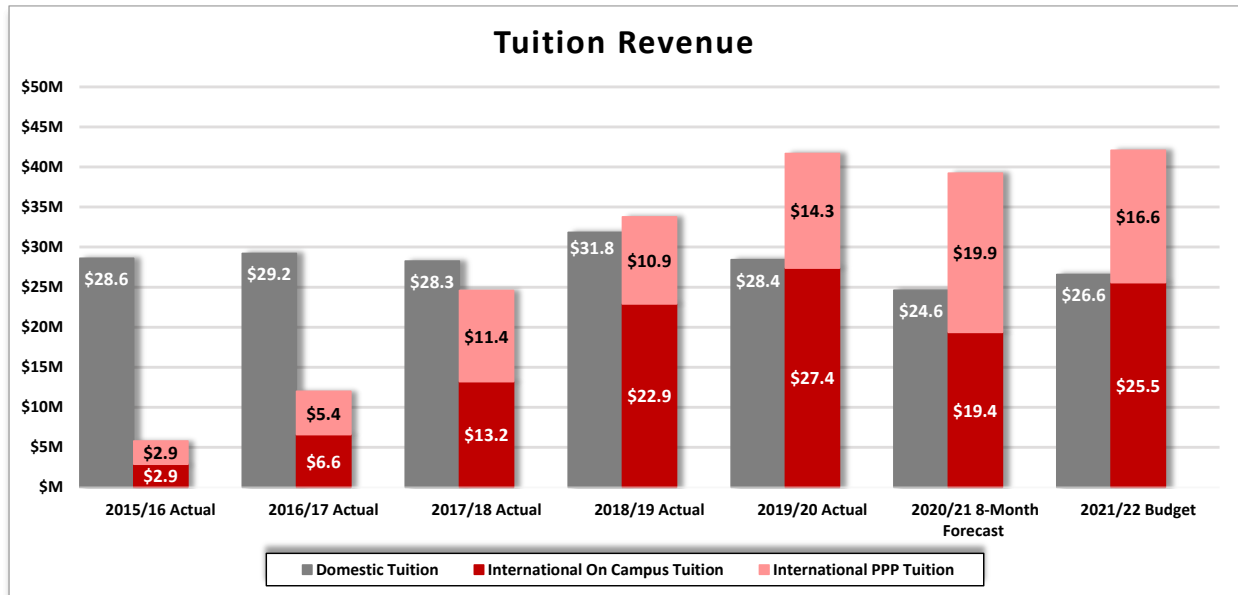
Last year, the College signed the Strategic Mandate Agreement (SMA3) with the Ministry of Colleges and Universities, effective for the period April 1, 2020 to March 31, 2025. This establishes the structure for performance-based funding for a portion of the government's operating grants. The Ministry has however agreed that activation of performance-based funding will not be in place for the periods 2020-21 and 2021-22, and activation thereafter will be determined through the SMA3 annual evaluation process. The corridor grant funding model provides a fixed amount of operating grant funding for the full term of the agreement at the 2019-20 level. Once the performance-based funding is activated this portion of the operating grant could potentially be at risk.

International tuition has been the fastest growing revenue stream for the College, and although impacted by the pandemic, has held its ground in terms of contribution to overall revenue. International tuition is expected to account for 60% of total tuition revenue in 2021-22, with increased tuition rates mitigating anticipated COVID related impacts. International tuition fees are budgeted at \$42.1M for 2021-22, with our private college partnerships accounting for 39% of this total. Excluding the International Student Recovery fee, net international tuition is \$37.6M.

Revenues from ancillary operations are predicted to partially rebound due to an anticipated return to on campus operation in September, in addition to a 2% increase in residence room rates, bolstering revenues from Residence. Ancillary revenues continue to be at risk, depending on the COVID vaccination program.



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## EXPENDITURES

### BUDGET ASSUMPTIONS

- Salaries and benefits are budgeted based on approved staffing levels, administrative wage rates and collective agreement wage rates and step increases. Salaries and benefits comprise 65% of the College's total budgeted expenditures.
- Contracted services are based on current contract amounts or expected contract renewal amounts.
- It was anticipated that full on campus operations will resume in September 2021, therefore impacting expenses such as utilities and maintenance.
- Discretionary expenses including travel and professional development budgets have been increased marginally as COVID related restrictions are anticipated to loosen. These increases have however been limited in order to manage the College's financial position, and in anticipation of ongoing adjustments in alternative ways of doing business and increased digital usage.
- Some COVID related cost such as security screening, communication, cleaning, personal protective equipment, technology support for students, faculty and staff, and alternative program delivery costs, will persist, particularly during the first half of the fiscal year.

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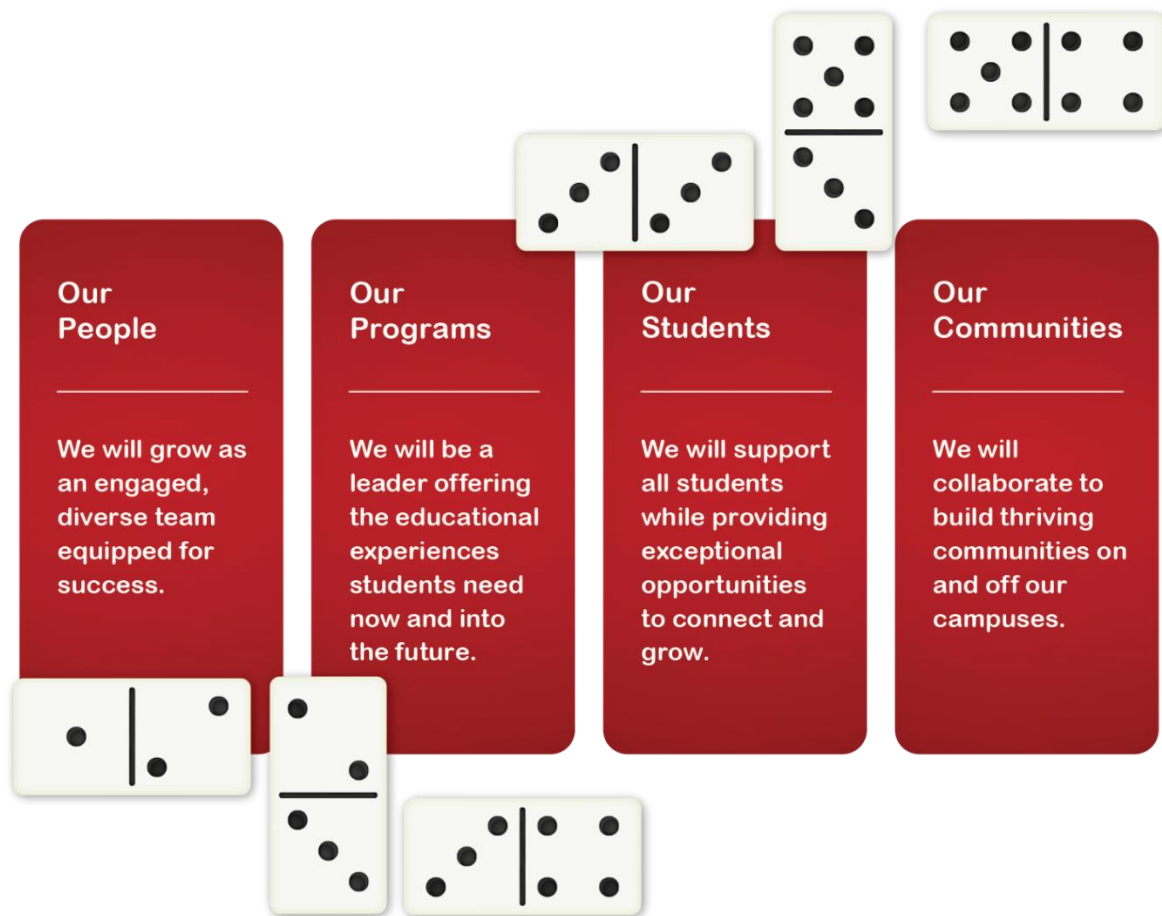
- Other operating expenditures have remained constant other than those approved through a rigorous review and approval process. Any significant items have been highlighted below.

### PRIORITY INVESTMENTS

The College has carefully planned investments in strategic initiatives and operational projects for the 2021-22 fiscal year, as we manage the impact of COVID-19 on our financial position. Nonetheless, the 2021-22 Annual Budget continues to provide adequate resources for programs and services to operate the College and fund Strategic Initiatives that support the 2019-24 Strategic Plan.

### Strategic Plan

Our 2019-2024 Strategic Plan, “SLC in Five”, focuses on four pillars that provide our strategic direction. These pillars are: **Our People, Our Programs, Our Students and Our Communities.**





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They are supported by six multi-year objectives, each broken down into focus areas designed to help us achieve our vision. These objectives are:



### Employee Success

- Foster a culture of belonging for everyone while providing balance and opportunities for growth.

### Academic Excellence

- Enhance programming and applied research to best prepare career-ready students.

### Student Enrichment

- Enrich student life with support and experiences focused on community and connections.

### Operational Excellence

- Drive sustainability and improvements in operations.

### Community Engagement

- Collaborate on solutions and foster relationships.

### Indigenous Ways of Knowing and Being

- Honour the history and contribute to a positive future for Indigenous learners and communities.

Prior to the COVID-19 pandemic, the Board of Governors approved the College's plan to budget \$2M in annual spend for Strategic Initiatives that support the College's 5-year Strategic Plan. In the 2020-21 fiscal year, the strategic initiative budget envelope was reduced to \$1.6M due to the College's projected deficit. As the effects of COVID-19 continue to impact the College's fiscal position, the strategic initiative budget envelope has been maintained at \$1.6M for the 2021-22 fiscal year.

- **Peoplesoft Upgrade Program – HCM Reimplementation**

The reimplementation of the Peoplesoft HCM system is the final component of our multi-year Peoplesoft Upgrade Program, with the upgrade of our Peoplesoft Finance and Campus Solutions systems to version 9.2 being completed last year. The 2021-22 strategic

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initiative budget includes \$1.3M in funding for the Peoplesoft HCM Reimplementation project. This project will address the need to upgrade the application to current support level, review and eliminate numerous customizations where possible, redesign security and implement key enhancements to improve the efficiency and effectiveness of overall HCM processes.

### **International Recruitment**

Aligned with increased international enrolment targets and to support achieving SMA targets, the College is investing more in international recruitment with an additional \$141K included in the budget to fund the following activities:

- Three new digital marketing contracts will be entered into in order to increase SLC brand recognition and recruitment reach within the marketplace. A tiered market approach will be used to better target recruitment activities. These contracts are essential given the limitations resulting from COVID-19.
- Third parties will be engaged to help develop lead generation. Technology systems are essential in order to implement a more systematic approach to lead generation, follow-up, reporting and agent performance management.
- Investments will be made in technology to integrate agent onboarding, contract management and agent payments with the OCAS-IAS system. This will improve agent performance management in order to meet recruitment targets. The increased integration of information between systems will provide additional intelligence for international recruitment.

### **Academic Programming**

The College continues to focus and invest in program design and development and has included \$250K in the budget to rebuild, renew and develop new programs. Funding is largely associated with personnel costs, including limited term contracts. Discipline specialists, industry partners, curriculum developers, instructional designers, and digital asset developers will be required for program development.

The primary focus will be on the creation of new offerings to attract and retain increasing numbers of students to meet SMA and Strategic Plan goals, including enrolment and credential mix targets. The 5-year Strategic Plan strives to position the College as a leader in innovative programs, involving digital learning technologies and flexible modes of delivery.

Several programs are at various approval stages with the Ministry and external parties and will require complete development. Additionally, a significant number of programs are also in the internal ideation/development pipeline, including micro-credentials which are becoming a postsecondary industry area of focus.

### **Positions**

In order to position the College to achieve its strategic plan and address the operational needs of the College, five new full-time non-faculty positions have been included in the budget along

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with seven non-faculty positions that are currently contract or part-time and will transition to full-time positions. Additionally, two new faculty positions and eight faculty retirement replacement positions have been budgeted. These faculty positions will offset current part-time or partial load contract positions.

To support the College's focus on program development and redesign as discussed above, a new Instructional Designer position has been included in the budget.

With the significant investment that has been made in the multi-year Peoplesoft Upgrade Project, and the completion of the Finance and Campus Solutions system upgrades, a new Associate Director, Peoplesoft Services & Sustainability and Peoplesoft Architect and Administrator position has been included in the budget to ensure sustainability, operational excellence, cross functional support and appropriate governance, to maximize the benefit of our investment.

A new Budget Analyst position has been included in the budget to support our increased focus on pursuing grants and exploring alternative revenue streams. This position will ensure a more structured approach to the financial review of proposals and the increasing associated reporting requirements, thus mitigating risks.

A new Web and Analytics Officer position has been included in the budget to perform upkeep of our newly revamped corporate website and functionalities that support marketing campaigns across digital channels. It is important that our all content pages remain updated as we focus on new programs and that we develop, deploy and assess website analytics to continually optimize customer navigation to ensure the site and all content are ranking high in search engines. This will ensure that we maximize the return on our investment made in the website redesign in 2020-21 and supports achieving enrolment targets.

In alignment with our SMA and enrolment targets, along with an increased focus on international enrolment, three part-time International Admissions Officers positions will become full-time positions. This will ensure we maintain service level standards, including with private partners, and remain competitive as application volumes increase.

A full-time Senior Advisor position has been budgeted to lead and advocate our value of Belonging and operationalize continuous Equity, Diversity & Inclusion (EDI) initiatives. This position will work with tri-campus stakeholders to develop and implement a longer term Belonging and EDI strategy, while acting as a resource to students and employees.

In alignment with a number of our strategic multi-year objectives, two Student Success Facilitator positions will become full-time. These roles support student academic success and retention through proactive academic advising, including academic interventions and service navigation, thus enhancing student academic outcomes and experiences. These positions are currently funded by the Ontario Post-Secondary Access & Inclusion Program (OPAIP) grant.

## **Capital**

The Board of Governors approved the College capital budget in February 2021. The total capital budget for 2021-22 was approved at \$8.3M. Some key capital projects include the Kingston Blue Wing design, the Brockville student health centre, parking lot upgrades, roofing repairs, washroom renewal, faculty, staff and academic lab computer renewal and other

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equipment and facility renewals. The 2021-22 operating budget includes amortization expense on our existing and budgeted additions to capital assets of \$9.5M.

## ENROLMENT

| Campus                              | Average 2021/22 Target |               |               | Average 2021/22 Discounted (Budget) |               |               | Average 2020/21 Actuals (unaudited) |               |               |
|-------------------------------------|------------------------|---------------|---------------|-------------------------------------|---------------|---------------|-------------------------------------|---------------|---------------|
|                                     | Domestic               | International | Total         | Domestic                            | International | Total         | Domestic                            | International | Total         |
| <b>Brockville</b>                   |                        |               |               |                                     |               |               |                                     |               |               |
| First Year                          | 274                    | 45            | 319           | 274                                 | 39            | 313           | 249                                 | 5             | 254           |
| Returning                           | 213                    | 7             | 220           | 213                                 | 7             | 220           | 254                                 | 26            | 280           |
|                                     | <b>487</b>             | <b>52</b>     | <b>539</b>    | <b>487</b>                          | <b>46</b>     | <b>533</b>    | <b>503</b>                          | <b>31</b>     | <b>534</b>    |
| <b>Cornwall</b>                     |                        |               |               |                                     |               |               |                                     |               |               |
| First Year                          | 440                    | 337           | 777           | 440                                 | 289           | 729           | 400                                 | 132           | 532           |
| Returning                           | 341                    | 88            | 429           | 341                                 | 88            | 429           | 289                                 | 109           | 398           |
|                                     | <b>781</b>             | <b>425</b>    | <b>1,206</b>  | <b>781</b>                          | <b>377</b>    | <b>1,158</b>  | <b>689</b>                          | <b>241</b>    | <b>930</b>    |
| <b>Kingston</b>                     |                        |               |               |                                     |               |               |                                     |               |               |
| First Year                          | 1,802                  | 1,207         | 3,009         | 1,802                               | 995           | 2,797         | 1,665                               | 434           | 2,099         |
| Returning                           | 1,479                  | 360           | 1,839         | 1,479                               | 354           | 1,833         | 1,443                               | 580           | 2,023         |
|                                     | <b>3,281</b>           | <b>1,567</b>  | <b>4,848</b>  | <b>3,281</b>                        | <b>1,349</b>  | <b>4,630</b>  | <b>3,108</b>                        | <b>1,014</b>  | <b>4,122</b>  |
| <b>BBA</b>                          |                        |               |               |                                     |               |               |                                     |               |               |
| First Year                          | 17                     | 5             | 22            | 17                                  | 4             | 21            | 15                                  | 1             | 16            |
| Returning                           | 112                    | 4             | 116           | 112                                 | 4             | 116           | 114                                 | 5             | 119           |
|                                     | <b>129</b>             | <b>9</b>      | <b>138</b>    | <b>129</b>                          | <b>8</b>      | <b>137</b>    | <b>129</b>                          | <b>6</b>      | <b>135</b>    |
| <b>BScN</b>                         |                        |               |               |                                     |               |               |                                     |               |               |
| First Year                          | 189                    | 0             | 189           | 189                                 | 0             | 189           | 180                                 | 0             | 180           |
| Returning                           | 460                    | 2             | 462           | 460                                 | 2             | 462           | 404                                 | 2             | 406           |
|                                     | <b>649</b>             | <b>2</b>      | <b>651</b>    | <b>649</b>                          | <b>2</b>      | <b>651</b>    | <b>584</b>                          | <b>2</b>      | <b>586</b>    |
| <b>ALPHA &amp; Canadian College</b> |                        |               |               |                                     |               |               |                                     |               |               |
| All Years                           | 0                      | 4,584         | 4,584         | 0                                   | 4,161         | 4,161         | 0                                   | 4,805         | 4,805         |
| <b>Grand Total</b>                  | <b>5,327</b>           | <b>6,639</b>  | <b>11,966</b> | <b>5,327</b>                        | <b>5,943</b>  | <b>11,270</b> | <b>5,013</b>                        | <b>6,099</b>  | <b>11,112</b> |

\*Average enrolment calculated as Summer + Fall + Winter enrolments divided by 2

The enrolment table above shows the target enrolment plan for 2021-22 and discounted enrolment assumptions for the 2021-22 budget. As discussed previously, a discount rate was applied to the enrolment plan for budgeting purposes due to the uncertainty of the impact of COVID-19 on international enrolment. The table shows that total average enrolment target is 11,966, however, for budgeting purposes, this has been reduced to 11,270, which is a marginal increase from 2020-21. It should be noted that for recruitment, the focus is on achieving the enrolment targets and not the discounted enrolment numbers used for budgeting purposes.

## Strategic Enrolment Management

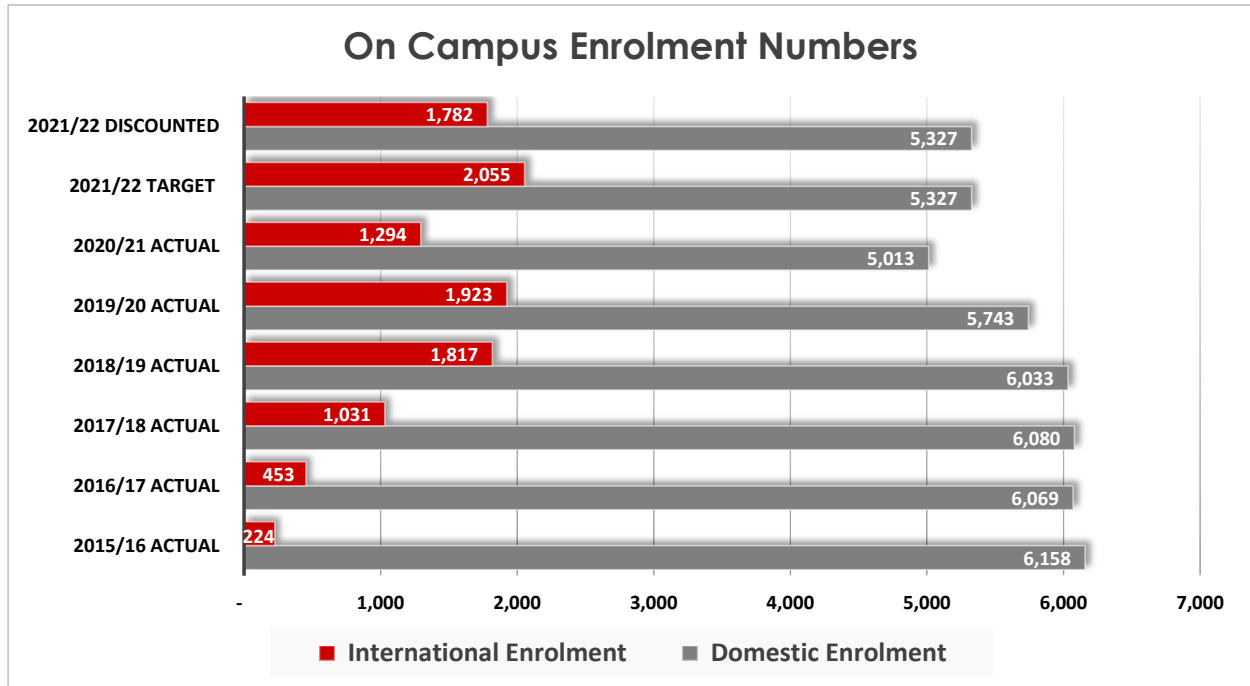
The College has a Strategic Enrolment Management (SEM) Committee with a mandate to recommend SEM objectives and targets, guided by the SLC in Five Strategic Plan, SMA Performance Metrics and the 5 Year Enrolment Profile. As part of this mandate, the SEM Committee makes recommendations to the College Executive Committee (CET) to optimize domestic and international recruitment, increase conversion and retention rates, and successfully graduate our students on all three campuses. The enrolment strategy is informed by data-driven decision making and cross-functional expertise.

The Committee is comprised of an Advisory Committee and four subcommittees including Enrolment Planning, Marketing & Recruitment, Student Success & Retention and a Data Team. The Enrolment Planning subcommittee is focused on creating the annual and long-term enrolment profile as well as program planning. While the other sub committees focus on student

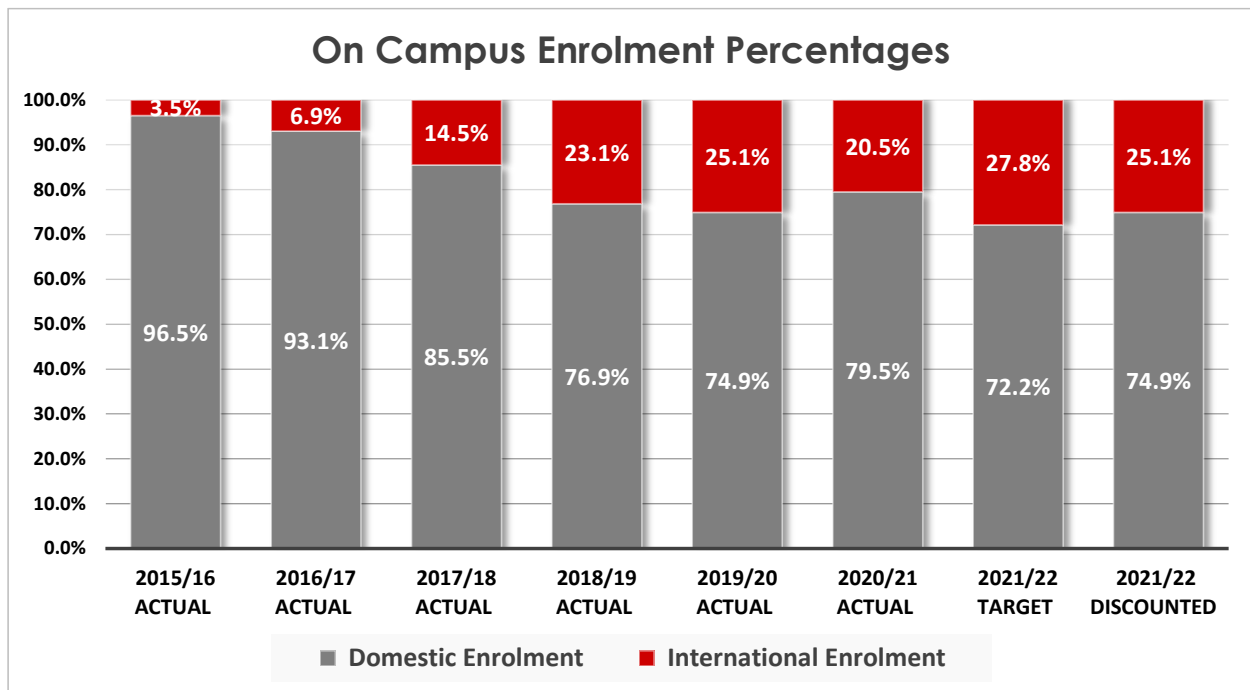
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recruitment, success and retention. The Data Team supports all SEM committees with data and analysis, ensuring data driven decisions are made.

The charts below show the increasing trend in international enrolment, while domestic enrolment show a general slow decline, consistent with tuition revenue trends. It also highlights the impact of COVID-19 on enrolment in 2020-21 and 2021-22.



Average enrolment calculated as Summer + Fall + Winter enrolments divided by 2



## RISKS

The key financial risks to the College are the uncertainty in grant funding, as discussed earlier, the College's increased reliance on International enrolment for financial stability, and the ongoing impact and uncertainty surrounding COVID-19 and the vaccination rollout.

With little to no growth in domestic enrolment and no domestic tuition increases, our international operations, has become the source of growth for the College, without which, the College would be in a sustained deficit position.

The following table identifies Board Risks and other risks and what the College is doing to mitigate the risks.

| Risk Identification   | Risk Mitigation   |
|---|---|
| <b>Board Risks</b>  |   |
| The potential for not achieving the strategic plan  | <ul style="list-style-type: none"> <li>• Strategic Initiative Evaluation &amp; Assessment</li> <li>• More evidence-based decision making</li> <li>• Prioritization</li> </ul>   |
| The potential for not achieving a balanced budget   | <ul style="list-style-type: none"> <li>• Budget Advisory Committee processes</li> <li>• Strategic Enrolment Management (SEM)</li> <li>• Increased recruiting efforts</li> <li>• Controlled expenditures</li> </ul>  |
| The potential for unreliable financial reporting  | <ul style="list-style-type: none"> <li>• Analytical review</li> <li>• Annual audit</li> <li>• Peoplesoft Upgrade Program (HRMS, SIS and Finance projects)</li> <li>• Investment in employees and training</li> </ul>  |
| The potential of significant disruption to the College's operations or ability to provide services / programs due to an adverse incident of natural, technological or human-caused origin | <ul style="list-style-type: none"> <li>• IT controls, maintenance and backup strategies and protocols</li> <li>• Incident Management Team</li> <li>• Alternative program delivery</li> <li>• Program redesigns</li> <li>• New positions to support Peoplesoft Sustainability</li> </ul> |
| The potential for the College to not be able to attract/recruit new students  | <ul style="list-style-type: none"> <li>• SEM Processes</li> <li>• New Programs</li> <li>• New Recruitment and Marketing Initiatives</li> <li>• New brand and website</li> <li>• Quality Assurance</li> <li>• Strategic Plan</li> <li>• Updated Facilities</li> </ul>                    |
| The potential for the College to not be able to attract, recruit and support international students   | <ul style="list-style-type: none"> <li>• Sector advocacy with IRCC</li> <li>• Diversification of country offices &amp; recruiting strategies</li> <li>• Increased international supports</li> <li>• Quality Assurance</li> <li>• SEM Processes</li> </ul>                               |
| <b>Other Risks</b>  |   |
| Provincial Operating Grants Less than Budgeted  | <ul style="list-style-type: none"> <li>• Reduce Direct Expenses</li> <li>• Defer strategic initiatives</li> <li>• Provincial advocacy</li> <li>• Explore alternative funding sources</li> </ul>   |
| Part-time collective bargaining contract impacts greater than budgeted  | <ul style="list-style-type: none"> <li>• Support negotiations between College Employer Council and OPSEU</li> <li>• Adapt cost structure</li> </ul>   |

## LONG-TERM FORECAST ASSUMPTIONS

The 2022-2026 Forecast includes the following assumptions:

- Continuation of the corridor funding model for the forecast period with no additional funding provided by the Ministry and no further Policy Levers reducing available funding;
- The College will achieve SMA3 performance targets once activated;
- Domestic enrolment expected to be flat throughout the forecast period and domestic retention is expected to increase by 1% annually driven by increased attractiveness of the College along with increased student support;
- Domestic tuition rates will remain flat until 2022-23 and increase by 2% annually thereafter;
- On campus International enrolments are expected to increase by 50% in 2023, 25% in 2024, 10% in 2025 and remain flat in 2026, while off campus enrolments at private partner colleges will increase to a 2 to 1 ratio versus on campus international enrolment;
- International tuition rates are expected to increase 2% annually;
- Ancillary Income – Return to pre-COVID levels in 2023 and subsequently increase overall by 2% annually;
- Salaries - Wage rate increases per government mandate and Collective Agreements + average step increases. Admin full-time assumes increases per government mandate and historical averages + average step increases; Academic part-time and sessional expected to move up the grid at the same rate as full-time academics;
- Salaries for new positions consist of three components: 1) historical rates of increase in positions; 2) an enrolment adjustment to maintain current levels of academic salaries to student ratio, 3) an additional factor for new private partnership support.
- Amortization is based on the approved 5 year Capital Plan.

## LONG-TERM FORECAST RISK

In addition to the risks identified above in relation to the 2021-22 Annual Budget, the following major risks have been identified in relation to the 2022-2026 forecast.

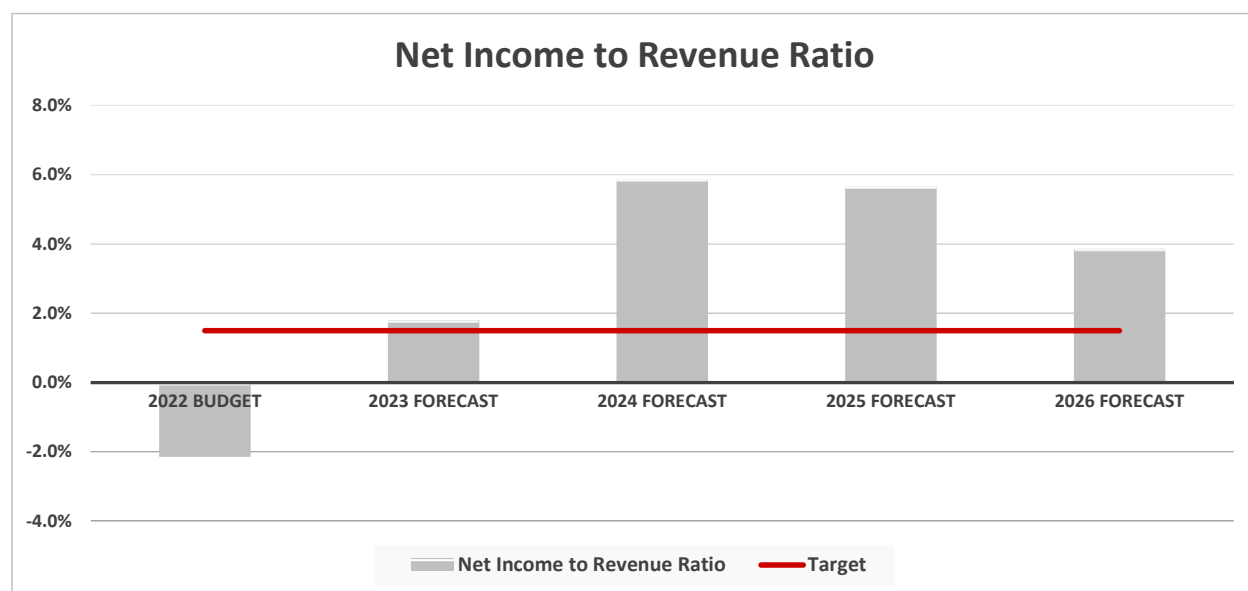
| Risk Identification   | Risk Mitigation   |
|---|---|
| <p><b>Board Risks</b></p> <p>The potential that changes in government commitment, priorities or support threaten the College's ability to achieve its strategic directions.</p> | <ul style="list-style-type: none"> <li>• Diversification of non-funded revenue sources</li> <li>• Advocacy through various platforms</li> <li>• Adapt cost structure</li> </ul> |

| Risk Identification   | Risk Mitigation   |
|---|---|
| The potential that our college does not have the ability to recruit and retain highly qualified, skilled and engaged employees to advance our mission | <ul style="list-style-type: none"> <li>• Comprehensive recruitment, selection and onboarding process</li> <li>• Professional development and performance management strategies</li> <li>• Succession planning</li> <li>• Strategic focus on Employee Success</li> </ul> |
| Other Risks   |   |
| Labour Relations – Part-time academics could certify.   | <ul style="list-style-type: none"> <li>• Adapt cost structure</li> </ul>  |
| The potential for not meeting performance metrics tied to significant portion of ministry funding   | <ul style="list-style-type: none"> <li>• Advocacy through SMA process</li> <li>• Link Strategic Plan measures of success to SMA performance metrics</li> </ul>  |
| Ability to adequately support significant growth in the international student community   | <ul style="list-style-type: none"> <li>• EDI strategy</li> <li>• Student Success Facilitators</li> <li>• SEM processes</li> </ul>   |

## FINANCIAL HEALTH

### Net Income to Revenue Ratio

The net income to revenue ratio is a financial sustainability metric that measures the return the College generates on each dollar of revenue. The MCU has established a benchmark of 1.5% as a surplus of less than this indicates that small changes in expenses or revenues may result in annual deficits. Due to the impact of COVID-19, the College does not expect to meet this 1.5% target in fiscal 2022, however the target is expected to be achieved in fiscal 2023 and for the balance of the forecast period.

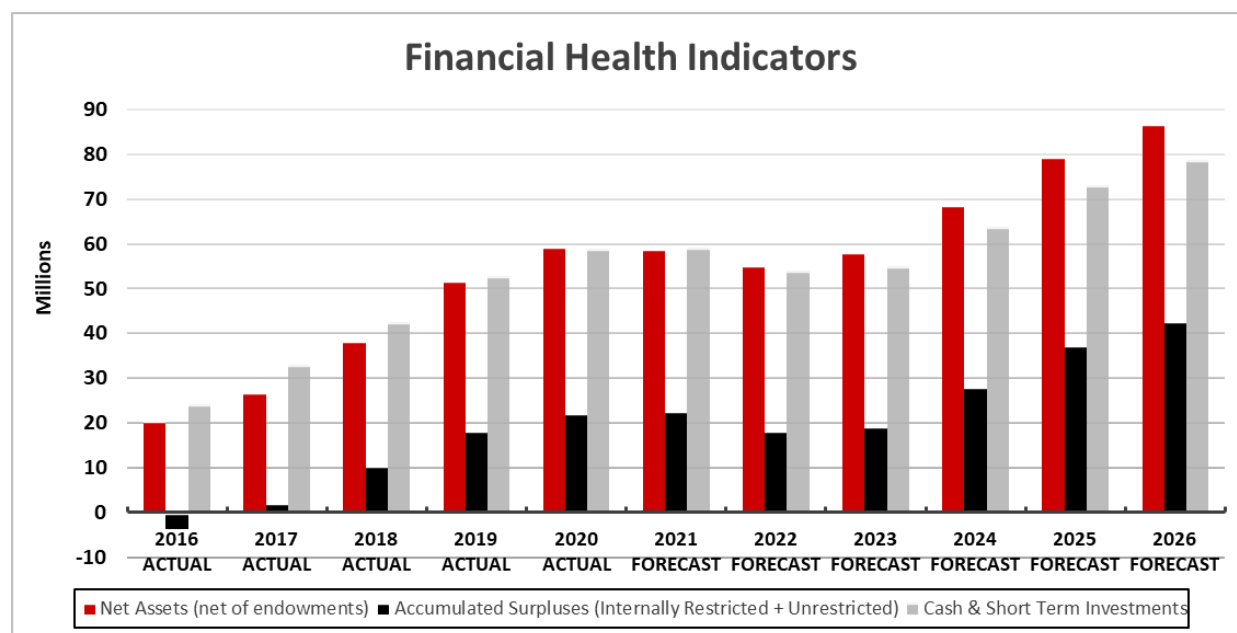




## Financial Strength

Despite the College's anticipated short-term inability to achieve the 1.5% net income to revenue ratio, the College has a strong accumulated surplus which enables it to fund its budgeted deficit and a strong cash position which enables it to meet its obligations. This strong financial position enables the College to withstand short-term financial challenges. Our strategic plan is focused on maintaining our long-term financial health and positions us well to continue to strengthen our financial position following the pandemic.

The Net Assets illustrated in the graph below is based on the methodology used by the Ministry to calculate the College's Accumulated Surplus, one of the Ministry's Financial Health Indicators. The Accumulated Surpluses shown below is a subset of Net Assets and includes only Internally Restricted and Unrestricted surpluses. This is the College's measure of its performance.

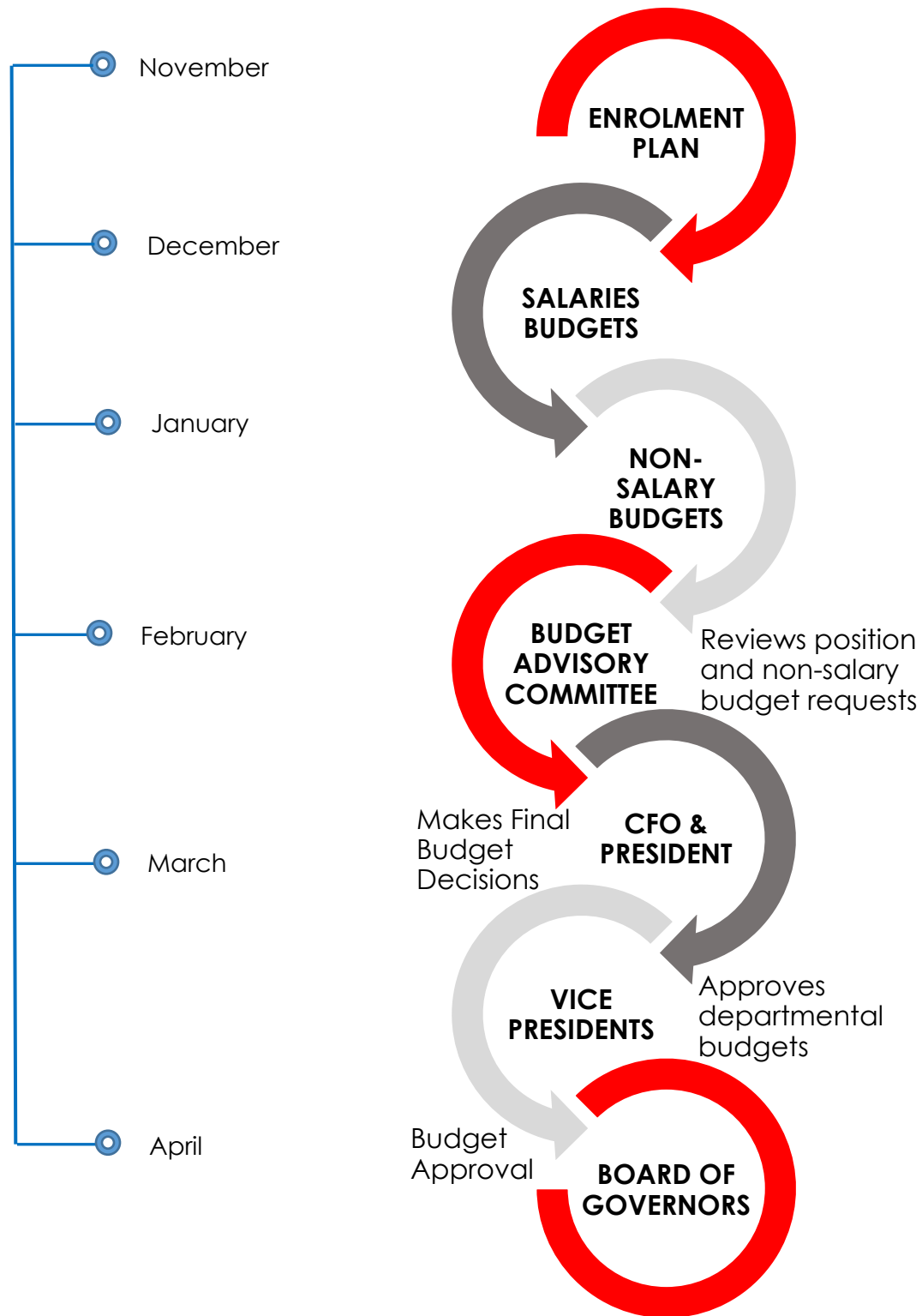


## OUTLOOK AND NEXT STEPS

The College continues to navigate through COVID-19 and has performed well due to the risk mitigation steps taken. We continue to aspire to be a globally recognized college delivering innovative learning opportunities and preparing career-ready graduates to be leaders in their fields, while maintaining and living our values of **Students First**, **Teamwork**, **Innovation**, **Integrity** and **Belonging**, as articulated in our strategic plan.

The College is in a strong financial position, and its strategic focus and assets acquired to transition to alternative modes of teaching and learning during the pandemic positions it to take advantage of future opportunities and achieve growth targets post-pandemic. Trends in enrolment will continue to be actively monitored and managed by the College's Strategic Enrolment Management Committee. Operations will continue to adapt as we navigate through COVID-19 and mitigating the potential financial impacts of COVID-19 will continue to be an area focus.

## APPENDIX A: BUDGET AND PLANNING CYCLE



St. Lawrence College – Annual Budget: Fiscal 2021-22

**APPENDIX B  
2021/22 OPERATING BUDGET  
GRANT SUMMARY**

|   | 2021/22<br>Budget    | 2020/21 8-Mth<br>Forecast | 2020/21<br>Budget    |
|---|----------------------|---------------------------|----------------------|
| <b>Operating Grants</b>                     |                      |                           |                      |
| Formula Grant                               | \$ 17,872,210        | \$ 21,414,152             | \$ 21,414,152        |
| Performance Funding                         | 12,936,596           | 9,394,654                 | 9,394,654            |
| Formula Grant - Laurentian                  | 4,775,090            | 4,866,253                 | 4,822,983            |
| Small Northern and Rural Grant              | 2,888,159            | 2,888,159                 | 2,888,159            |
| Other MCU Grants                            | 273,834              | 811,697                   | 852,000              |
| Second Career Grant                         | 200,000              | 200,000                   | 200,000              |
| <b>Total Operating Grants</b>               | <b>38,945,889</b>    | <b>39,574,915</b>         | <b>39,571,948</b>    |
| <b>Special Purpose Grants</b>               |                      |                           |                      |
| Accessibility Grant                         | 795,698              | 790,173                   | 790,173              |
| Disabled Bursary (Prov/Fed)                 | 433,806              | 586,202                   | 572,443              |
| First Generation Grants and Bursaries       | 530,215              | 532,787                   | 533,877              |
| Municipal Taxes                             | 365,925              | 407,775                   | 407,775              |
| Clinical Education Grant                    | 393,908              | 393,908                   | 393,908              |
| Mental Health Grants                        | 312,939              | 212,939                   | 212,939              |
| Aboriginal Education Grants and Bursaries   | 163,600              | 163,600                   | 163,600              |
| Tuition Compensation Grant                  | 56,995               | 60,020                    | 60,020               |
| Campus Safety                               | 57,482               | 114,421                   | 57,482               |
| Interpreters' Grant                         | 45,500               | 45,500                    | 45,500               |
| <b>Total Special Purpose Grants</b>         | <b>3,156,068</b>     | <b>3,307,325</b>          | <b>3,237,717</b>     |
| <b>Employment Services</b>                  | <b>4,188,310</b>     | <b>4,173,713</b>          | <b>4,206,537</b>     |
| <b>Contract Education</b>                   | <b>4,341,985</b>     | <b>3,401,097</b>          | <b>2,970,681</b>     |
| <b>Apprenticeship and Training Grants</b>   | <b>1,866,372</b>     | <b>2,215,298</b>          | <b>1,988,038</b>     |
| <b>Literacy and Basic Skills</b>            | <b>1,307,646</b>     | <b>1,307,646</b>          | <b>1,307,646</b>     |
| <b>School College Work Initiative</b>       | <b>1,095,527</b>     | <b>1,091,826</b>          | <b>1,162,672</b>     |
| <b>Other</b>                                | <b>861,617</b>       | <b>1,589,843</b>          | <b>1,166,602</b>     |
| <b>Less: International Student Recovery</b> | <b>(4,456,500)</b>   | <b>(4,449,000)</b>        | <b>(5,115,000)</b>   |
| <b>Total Grants and Reimbursements</b>      | <b>\$ 51,306,913</b> | <b>\$ 52,212,663</b>      | <b>\$ 50,496,841</b> |

# St. Lawrence College – Annual Budget: Fiscal 2021-22

**APPENDIX C**  
**2021/22 OPERATING BUDGET**  
**STATEMENT OF REVENUE AND EXPENDITURE**  
(dollars in 000s)

|  | Funded Activity / College Operations | Contract Education | College Ancillary Operations | International Education *** | Strategic Initiatives | 2021/22 Budget    | 2020/21 8-Mth Forecast | 2020/21 Approved Budget |
|--|--------------------------------------|--------------------|------------------------------|-----------------------------|-----------------------|-------------------|------------------------|-------------------------|
| <b>REVENUE</b>   |                                      |                    |                              |                             |                       |                   |                        |                         |
| Grants & reimbursement                                 | \$ 52,393                            | \$ 2,828           | \$ -                         | \$ (3,914)                  | \$ -                  | \$ 51,307         | \$ 52,213              | \$ 50,497               |
| Tuition fees   | 26,368                               | 234                | -                            | 42,085                      | -                     | 68,687            | 63,848                 | 69,421                  |
| Ancillary  | 151                                  | -                  | 5,449                        | -                           | -                     | 5,600             | 2,207                  | 4,152                   |
| Other  | 1,828                                | -                  | 68                           | 380                         | -                     | 2,276             | 1,998                  | 2,066                   |
| Amortization of deferred contributions                 | 4,308                                | -                  | -                            | -                           | -                     | 4,308             | 4,161                  | 4,182                   |
| Realized gain (loss) on sale of short-term investments | 775                                  | -                  | -                            | -                           | -                     | 775               | (10)                   | (10)                    |
| Realized gain (loss) on sale of long-term investments  | -                                    | -                  | -                            | -                           | -                     | -                 | -                      | -                       |
| Donations  | 451                                  | -                  | -                            | -                           | -                     | 451               | 707                    | 712                     |
| Interest   | 1,055                                | -                  | -                            | -                           | -                     | 1,055             | 1,048                  | 1,148                   |
| <b>TOTAL REVENUE</b>                                   | <b>87,329</b>                        | <b>3,062</b>       | <b>5,517</b>                 | <b>38,551</b>               | <b>-</b>              | <b>134,459</b>    | <b>126,172</b>         | <b>132,168</b>          |
| <b>EXPENDITURE</b>                                     |                                      |                    |                              |                             |                       |                   |                        |                         |
| Salaries & benefits                                    | 85,247                               | 954                | 265                          | 2,212                       | 636                   | 89,314            | 84,558                 | 87,388                  |
| Non-payroll  | 27,395                               | 1,734              | 3,475                        | 4,958                       | 964                   | 38,526            | 34,555                 | 38,426                  |
| Amortization of capital assets                         | 9,511                                | -                  | -                            | -                           | -                     | 9,511             | 9,045                  | 9,044                   |
| Employee future benefits recovery                      | -                                    | -                  | -                            | -                           | -                     | -                 | -                      | -                       |
| <b>TOTAL EXPENDITURE</b>                               | <b>122,153</b>                       | <b>2,688</b>       | <b>3,740</b>                 | <b>7,170</b>                | <b>1,600</b>          | <b>137,351</b>    | <b>128,158</b>         | <b>134,858</b>          |
| <b>SURPLUS / (DEFICIT)</b>                             | <b>\$ (34,824)</b>                   | <b>\$ 374</b>      | <b>\$ 1,777</b>              | <b>\$ 31,381</b>            | <b>\$ (1,600)</b>     | <b>\$ (2,892)</b> | <b>\$ (1,986)</b>      | <b>\$ (2,690)</b>       |
| <b>REDUCTION FROM (CONTRIBUTION TO) NET ASSETS</b>     |                                      |                    |                              |                             |                       | <b>\$ 2,892</b>   | <b>\$ 1,986</b>        | <b>\$ 2,690</b>         |

|  |                   |                   |                   |
|--|-------------------|-------------------|-------------------|
| Funded Activity / College Operations               | \$ (34,824)       | \$ (29,661)       | \$ (36,504)       |
| Contract Education                                 | 374               | 199               | 267               |
| College Ancillary Operations                       | 1,777             | (781)             | 785               |
| International Education***                         | 31,381            | 29,803            | 34,362            |
| Strategic Initiatives                              | (1,600)           | (1,546)           | (1,600)           |
| <b>Total Surplus / (Deficit)</b>                   | <b>\$ (2,892)</b> | <b>\$ (1,986)</b> | <b>\$ (2,690)</b> |
| <b>Reduction From (Contribution to) Net Assets</b> | <b>\$ 2,892</b>   | <b>\$ 1,986</b>   | <b>\$ 2,690</b>   |

\*\*\* International Education executive administration and delivery costs are included in College Operations

NOTE: Comparative figures have been reclassified for presentation purposes

**St. Lawrence College – Annual Budget: Fiscal 2021-22**

**APPENDIX D  
2021/22 OPERATING BUDGET  
STATEMENT OF EXPENDITURE BY FUNCTIONAL AREA**  
(dollars in 000s)

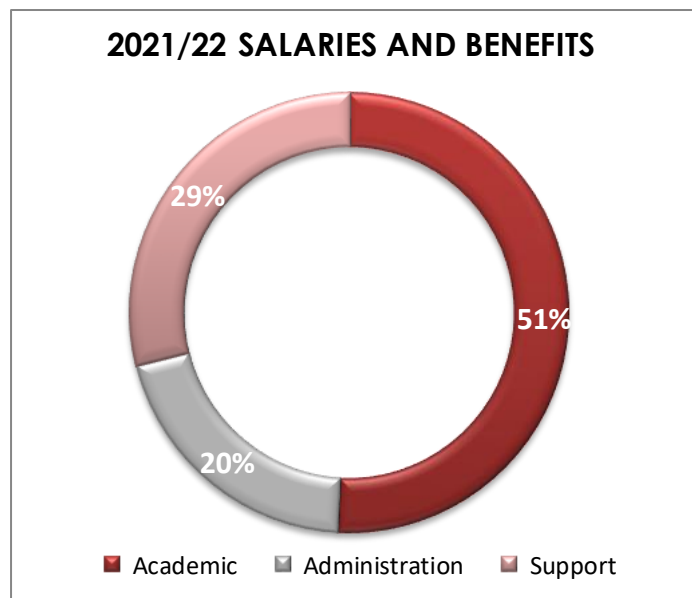
|  | 2021/22 Budget    | 2020/21 8mth Forecast | 2020/21 Approved Budget |
|--|-------------------|-----------------------|-------------------------|
| <b>Academic Division</b>                               |                   |                       |                         |
| Brockville Campus                                      | \$ 9,190          | \$ 8,763              | \$ 9,719                |
| Cornwall Campus  | 10,195            | 10,440                | 10,320                  |
| Kingston Campus  | 41,683            | 38,459                | 40,380                  |
| <b>Total Academic Division</b>                         | <b>61,068</b>     | <b>57,662</b>         | <b>60,419</b>           |
| <b>Business Units</b>                                  |                   |                       |                         |
| Ancillary  | 3,740             | 2,966                 | 3,220                   |
| Corporate Learning & Performance Improvement           | 2,688             | 2,561                 | 2,882                   |
| Employment Service                                     | 4,736             | 4,060                 | 3,723                   |
| International Education                                | 7,170             | 5,602                 | 7,341                   |
| <b>Total Business Units</b>                            | <b>18,334</b>     | <b>15,189</b>         | <b>17,166</b>           |
| <b>Administration</b>                                  |                   |                       |                         |
| Athletics  | 1,700             | 1,372                 | 1,988                   |
| Communications   | 501               | 526                   | 500                     |
| Executive Administration                               | 3,040             | 2,837                 | 2,920                   |
| Finance  | 2,924             | 2,684                 | 2,784                   |
| Facility Management Services                           | 8,278             | 7,021                 | 7,387                   |
| Foundation and Alumni                                  | 901               | 773                   | 864                     |
| Human Resources  | 2,059             | 1,908                 | 1,994                   |
| Information Technology                                 | 7,352             | 6,512                 | 6,808                   |
| Innovation and Partnerships                            | 1,550             | 2,201                 | 2,236                   |
| Libraries  | 1,435             | 1,312                 | 1,359                   |
| Marketing  | 1,623             | 2,054                 | 2,136                   |
| Program Planning & Development                         | 1,239             | 1,171                 | 1,083                   |
| Recruitment  | 968               | 833                   | 929                     |
| Registrar  | 2,105             | 1,852                 | 1,968                   |
| Research   | 405               | 458                   | 530                     |
| Strategic Corporate Planning                           | 476               | 483                   | 507                     |
| Student Services                                       | 2,393             | 2,207                 | 2,271                   |
| Student Wellness, Accessibility & Student Success      | 3,819             | 3,260                 | 3,500                   |
| <b>Total Administration</b>                            | <b>42,768</b>     | <b>39,464</b>         | <b>41,764</b>           |
| <b>Fundraising</b>                                     | <b>760</b>        | <b>950</b>            | <b>950</b>              |
| <b>Committed Funds</b>                                 |                   |                       |                         |
| Bursaries/Tuition Set-Aside                            | 2,211             | 1,890                 | 2,294                   |
| Strategic Initiatives                                  | 1,600             | 1,546                 | 1,600                   |
| Central Budgeting/Contingency/Flowthrough              | 1,859             | 3,237                 | 2,553                   |
| Amortization and offset to capital incl. in operations | 8,751             | 8,220                 | 8,112                   |
| <b>Total Committed Funds</b>                           | <b>14,421</b>     | <b>14,893</b>         | <b>14,559</b>           |
| <b>TOTAL EXPENDITURE</b>                               | <b>\$ 137,351</b> | <b>\$ 128,158</b>     | <b>\$ 134,858</b>       |

Note: Comparative figures have been reclassified for presentation purposes

**APPENDIX E**  
**2021/22 OPERATING BUDGET**  
**SCHEDULE OF SALARY AND BENEFITS**  
(dollars in 000s)

| 2021/22 Budget                     | 2020/21 8mth Forecast | 2020/21 Approved Budget |
|------------------------------------|-----------------------|-------------------------|
| <b>SALARIES AND BENEFITS</b>       |                       |                         |
| <b>Academic</b>                    |                       |                         |
| Full-time                          | \$ 22,703             | \$ 23,481               |
| Partial-Load                       | 9,685                 | 9,563                   |
| Part-time                          | 5,507                 | 4,997                   |
| Sessional                          | 86                    | 14                      |
| Benefits                           | 7,402                 | 7,378                   |
| <b>Total Academic</b>              | <b>45,383</b>         | <b>45,433</b>           |
| <b>Administration</b>              |                       |                         |
| Full-time                          | 13,745                | 12,557                  |
| Part-time                          | 715                   | 766                     |
| Benefits                           | 3,622                 | 3,305                   |
| <b>Total Administration</b>        | <b>18,082</b>         | <b>16,628</b>           |
| <b>Support</b>                     |                       |                         |
| Full-time                          | 15,454                | 14,562                  |
| Part-time                          | 5,038                 | 5,488                   |
| Benefits                           | 5,357                 | 5,277                   |
| <b>Total Support</b>               | <b>25,849</b>         | <b>25,327</b>           |
| <b>TOTAL SALARIES AND BENEFITS</b> | <b>\$ 89,314</b>      | <b>\$ 87,388</b>        |

*NOTE: Above exclusive of Salaries and Benefits for Employment Services and Set-Aside*



St. Lawrence College – Annual Budget: Fiscal 2021-22

**APPENDIX F  
2021/22 OPERATING FUND BUDGET  
LONG TERM FORECAST**

|  | <b>Year 1<br/>2022 Draft Budget</b> | <b>Year 2<br/>2023 Forecast</b> | <b>Year 3<br/>2024 Forecast</b> | <b>Year 4<br/>2025 Forecast</b> | <b>Year 5<br/>2026 Forecast</b> |
|--|-------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| <b>Revenue:</b>  |                                     |                                 |                                 |                                 |                                 |
| Grants & reimbursement   | \$ 51,306,913                       | \$ 48,586,672                   | \$ 47,180,734                   | \$ 46,314,940                   | \$ 46,278,132                   |
| Tuition Fees - Domestic (Incl. Ancillary Fees)                   | 26,602,278                          | 28,422,918                      | 29,245,443                      | 30,088,671                      | 30,933,695                      |
| Tuition Fees - International                                     | 42,084,506                          | 69,905,890                      | 87,120,076                      | 95,417,780                      | 98,269,336                      |
| Ancillary  | 5,600,204                           | 6,777,655                       | 6,922,751                       | 7,071,168                       | 7,222,985                       |
| Other (Dual credits, OCAS application etc.)                      | 1,896,602                           | 1,915,568                       | 1,934,724                       | 1,954,071                       | 1,973,612                       |
| Other International Revenues                                     | 379,760                             | 568,140                         | 709,425                         | 780,068                         | 780,068                         |
| Amortization of deferred contributions related to capital assets | 4,307,993                           | 4,520,400                       | 4,605,717                       | 4,746,178                       | 4,930,469                       |
| Realized gain (loss) on sale of short-term investments           | 775,448                             | 5,000                           | 5,000                           | 5,000                           | 5,000                           |
| Realized gain (loss) on sale of long-term investments            | -                                   | -                               | -                               | -                               | -                               |
| Donations  | 450,595                             | 450,595                         | 450,595                         | 450,595                         | 450,595                         |
| Interest   | 1,055,000                           | 1,318,750                       | 1,735,938                       | 1,835,938                       | 1,910,938                       |
| <b>Total Revenue</b>   | <b>134,459,300</b>                  | <b>162,471,588</b>              | <b>179,910,401</b>              | <b>188,664,408</b>              | <b>192,754,828</b>              |
| <b>Expenses:</b>   |                                     |                                 |                                 |                                 |                                 |
| Salaries, wages & benefits (excl. Strategic Initiatives)         | 88,678,258                          | 103,505,908                     | 110,137,224                     | 116,585,578                     | 122,297,434                     |
| Non-payroll (excl. Strategic Initiatives)                        | 37,562,023                          | 43,524,536                      | 46,420,760                      | 48,401,201                      | 49,489,739                      |
| Amortization of capital assets                                   | 9,510,913                           | 10,009,606                      | 10,306,270                      | 10,498,680                      | 11,021,242                      |
| <b>Total Operating Expenses</b>                                  | <b>135,751,194</b>                  | <b>157,040,049</b>              | <b>166,864,255</b>              | <b>175,485,459</b>              | <b>182,808,415</b>              |
| <b>Strategic Initiatives :</b>                                   |                                     |                                 |                                 |                                 |                                 |
| Expenses   | 1,600,000                           | 2,500,000                       | 2,500,000                       | 2,500,000                       | 2,500,000                       |
| <b>Excess of Revenue over Expenses</b>                           | <b>\$ (2,891,894)</b>               | <b>\$ 2,931,539</b>             | <b>\$ 10,546,147</b>            | <b>\$ 10,678,949</b>            | <b>\$ 7,446,413</b>             |
| <b>Net Income to Revenue Ratio - Benchmark 1.5%</b>              | <b>-2.2%</b>                        | <b>1.8%</b>                     | <b>5.9%</b>                     | <b>5.7%</b>                     | <b>3.9%</b>                     |



St. Lawrence  
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