3rd QUARTER FINANCIAL REPORT | 2011 - 2012

A Presentation to the Board of Governors
February 13, 2012

ALGONQUIN COLLEGE

2011/2012 3rd Quarter Financial Report

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2011/2012 3rd Quarter Financial Report
SUMMARY
(all figures in $ 000's)

	Approved Annual Budget	Q2 Year-End Projection	Q3 Year-End Projection	Q3 vs. Approved Variance F/(U)
Revenue				
Grants	$ 102,519	$ 111,360	$ 114,349	$ 11,830
Tuition Fees	69,076	66,761	66,867	(2,209)
Contract Educational Services	30,810	30,803	30,732	(78)
College Ancillary Services Sales	40,245	39,710	39,362	(883)
International Education Centre	12,641	12,641	12,283	(358)
Other	71,500	68,943	57,477	(14,023)
TOTAL REVENUE	326,791	330,218	321,070	(5,721)
Expenditures				
Salaries & Benefits	131,096	127,712	127,477	3,619
Funding for Strategic Investment Priorities	74,721	78,205	66,908	7,813
Contract Activity	24,211	24,381	24,212	(1)
College Ancillary Services	35,937	35,707	35,446	491
International Education Centre	5,080	4,967	4,788	292
Other	54,746	55,479	55,386	(640)
TOTAL EXPENDITURES	325,791	326,451	314,217	11,574
NET CASH FLOW*	**1,000**	**3,767**	**6,853**	**5,853**
Adjustments to Comply with Generally Accepted Accounting Principles (GAAP) [1]	9,913	7,849	7,147	(2,766)
NET CONTRIBUTION before Expenditures from Internally Restricted Funds	**$ 10,913**	**$ 11,616**	**$ 14,001**	**$ 3,088**
Expenditures from Internally Restricted Funds	9,202	15,849	12,475	(3,273)
NET CONTRIBUTION as per GAAP	**$ 1,711**	**$ (4,233)**	**$ 1,526**	**$ (185)**

* Net Cash Flow Breakdown				
College Operations	(17,468)	(14,332)	(11,078)	6,390
Contract Activity	6,599	6,422	6,520	(79)
College Ancillary Services	4,308	4,003	3,916	(392)
International Education Centre	7,561	7,674	7,495	(66)
Total Net Cash Flow	1,000	3,767	6,853	5,853

[1] See Schedule of Adjustments for GAAP on Page 2 for details.

2011/2012 3rd Quarter Financial Report
ADJUSTMENTS FOR GENERALLY ACCEPTED ACCOUNTING PRINCIPLES
(all figures in $ 000's)

	Approved Annual Budget	Q2 Year-End Projection	Q3 Year-End Projection	Q3 vs. Approved Variance F/(U)
Adjustments to Comply with Generally Accepted Accounting Principles (GAAP)				
Less: Capital Grants and Donations to be recorded as Deferred Capital Contributions	$ (33,800)	$ (40,265)	$ (33,684)	$ 116
Add: Expenditures to be Capitalized - Equipment & Construction Projects	78,158	81,962	66,430	(11,728)
Add: Principal Portion of Debt Payments Recorded as Expenditures	1,745	1,745	1,745	-
Less: Loan Proceeds Recorded as Revenue	(33,319)	(32,139)	(26,150)	7,169
Add: Contributions to Internally Restricted Funds Recorded as Expenditures	3,998	3,998	4,367	369
Add: Amortization of Deferred Capital Contributions	5,446	5,240	5,337	(109)
Less: Amortization of Capital Assets	(11,959)	(12,229)	(12,039)	(80)
Less: Change in Accrued Vacation, Sick Leave & Post-Employment Benefits	(356)	(463)	1,141	1,497
TOTAL ADJUSTMENTS TO COMPLY WITH GAAP	**$ 9,913**	**$ 7,849**	**$ 7,147**	**$ (2,766)**

Note: The College manages and reports its Annual Budget on a cash flow basis with a targeted $1 million Net Cash Flow. Capital expenditures (new buildings, equipment costing more than $1,000, etc.), the principal portion of debt servicing payments and budgeted contributions to Internally Restricted Funds are treated as cash flow expenditures. Capital grants, donations for capital buildings and equipment, and loan proceeds are treated as revenue. Amortization of capital assets and deferred capital contributions (i.e. capital grants and donations) and the change in accrued vacation, sick leave and post-employment benefits are not recorded in the Net Cash Flow budget.

The adjustments shown in the above table are required to convert the College's reported net contribution from a Net Cash Flow basis to a GAAP basis.

2011/2012 3rd Quarter Financial Report
STATEMENT OF FINANCIAL POSITION
(all figures in $ 000's)

	March 31, 2012 Approved Annual Budget	March 31, 2012 Q2 Projected	March 31, 2012 Q3 Projected	Q3 vs. Approved Variance F/(U)
ASSETS				
Current Assets				
Cash & Short Term Investments	$ 47,147	$ 37,122	$ 42,816	$ (4,331)
Accounts Receivable	21,555	21,555	21,555	-
Inventory	2,112	2,112	2,112	-
Prepaid Expenses	402	889	889	487
	71,216	**61,678**	**67,372**	**(3,844)**
Investments	**35,493**	**46,475**	**47,704**	**12,211**
Endowment Assets	**15,271**	**15,271**	**15,271**	**-**
Capital Assets	**268,618**	**269,767**	**254,423**	**(14,195)**
TOTAL ASSETS	**$ 390,598**	**$ 393,191**	**$ 384,770**	**$ (5,828)**
LIABILITIES & NET ASSETS				
Current Liabilities				
Accounts Payable & Accrued Liabilities	$ 23,593	$ 26,285	$ 26,285	$ (2,692)
Accrued Salaries & Employee Deductions Payable	7,704	10,049	10,049	(2,345)
Deferred Revenue	21,635	21,635	21,635	-
Current Portion of Long Term Debt	1,862	1,862	1,862	-
	54,794	**59,831**	**59,831**	**(5,037)**
Long Term Debt	**79,100**	**75,702**	**69,713**	**9,387**
Vacation, Sick Leave & Post-Employment Benefits	**16,144**	**16,004**	**14,647**	**1,497**
Deferred Capital Contributions	**156,652**	**160,345**	**153,666**	**2,986**
Interest Rate Swaps	**9,369**	**9,369**	**9,369**	**-**
Net Assets				
Unrestricted	1,000	1,000	1,000	-
Investment in Capital Assets	31,541	31,859	29,183	(2,358)
Vacation, Sick Leave & Post-Employment Benefits	(16,144)	(16,004)	(14,647)	1,497
Internally Restricted	52,240	49,183	56,106	3,866
Interest Rate Swaps	(9,369)	(9,369)	(9,369)	-
Endowment Fund	15,271	15,271	15,271	-
	74,539	**71,940**	**77,544**	**3,005**
TOTAL LIABILITIES & NET ASSETS	**$ 390,598**	**$ 393,191**	**$ 384,770**	**$ 5,828**

2011/2012 3rd Quarter Financial Report
REVENUE SCHEDULE
(all figures in $ 000's)

	Approved Annual Budget	Q2 Year-End Projection	Q3 Year-End Projection	Q3 vs. Approved Variance F/(U)
Grants				
Post Secondary Activity	$ 87,212	$ 88,162	$ 88,505	$ 1,293
Capital & Equipment	8,585	16,179	18,828	10,243
Apprentice	4,910	5,207	5,204	294
Flow-Through Student Aid	1,812	1,812	1,812	-
TOTAL GRANTS	102,519	111,360	114,349	11,830
Tuition Fees				
Full-Time Post Secondary	49,973	48,505	48,646	(1,327)
Full-Time Non-Funded	1,785	1,723	1,723	(62)
Part-Time	12,082	11,485	11,308	(774)
Adult Training	2,003	1,811	1,781	(222)
Student IT & Mobile Computing Fees	3,233	3,237	3,409	176
TOTAL TUITION FEES	69,076	66,761	66,867	(2,209)
Contract Educational Services				
Provincially Funded Programs	8,279	8,223	8,435	156
Corporate & Other Programs	18,005	17,964	17,669	(336)
Grants, Fees and Other Income Associated with Contract Activity	4,526	4,616	4,628	102
TOTAL CONTRACT EDUCATIONAL SERVICES	30,810	30,803	30,732	(78)
Other				
Ontario Financing Authority Loan Proceeds (Student Commons & Pembroke Campus)	33,319	30,269	24,265	(9,054)
Students' Association Contribution	21,844	20,909	15,333	(6,511)
Capital Campaign	3,200	3,400	3,257	57
Early Learning Centre	955	913	913	(42)
Student Ancillary Fees	4,016	3,918	4,027	11
Student Services Grant	100	100	100	-
Investment Income	1,387	2,887	2,575	1,188
Miscellaneous	6,679	6,547	7,007	328
TOTAL OTHER	71,500	68,943	57,477	(14,023)
COLLEGE ANCILLARY SERVICES SALES	40,245	39,710	39,362	(883)
INTERNATIONAL EDUCATION CENTRE	12,641	12,641	12,283	(358)
TOTAL OPERATING REVENUE	**$ 326,791**	**$ 330,218**	**$ 321,070**	**$ (5,721)**

2011/2012 3rd Quarter Financial Report
REVENUE SCHEDULE
Variance Analysis (all figures in $ 000's)

Description	Variance F/(U)	Comments
Post Secondary Activity Grants	$ 1,293	Enrolment Bridging Grant and increase in Apprentices with Disabilities grant announced after the budget was approved. Offset by lower than expected KPI Performance grant.
Capital & Equipment Grants	$ 10,243	*See Funding for Strategic Priorities Schedule.*
Apprentice	$ 294	Additional funding from MTCU.
Full-Time Post Secondary Tuition Fees	$ (1,327)	Lower than expected enrolment in various programs across the college, including Design Studies, Construction Project Management and Global Studies. Offset by higher than expected enrolment in Distance Education programs and E-Business Supply.
Part-Time Tuition Fees	$ (774)	Lower than expected enrolment in several programs including Business and Community Studies.
Corporate & Other Programs	$ (336)	Activity not expected to meet targeted growth this year.
Ontario Financing Authority Loan Proceeds	$ (9,054)	*See Funding for Strategic Priorities Schedule.*
Students' Association Contribution	$ (6,511)	*See Funding for Strategic Priorities Schedule.*
Investment Income	$ 1,188	Higher cash balance than anticipated as well as higher yields on longer term investments.
Miscellaneous Income	$ 328	Higher host fees for distance education due to higher than expected enrolment.
College Ancillary Services Sales	$ (883)	Lower bookstore revenue due to reduced traffic as a result of construction and labour disruption; summer hotel revenue did not meet expectations; and lower parking revenue due to deferral of the construction of an additional parking lots as a result of City storm water
International Education Centre	$ (358)	Lower than expected enrolment and contract activity.
Total Explained Variances	$ (5,539)	
Other Minor Variances	$ (182)	
Total Variance	$ (5,721)	

2011/2012 3rd Quarter Financial Report
EXPENDITURES SCHEDULE
(all figures in $ 000's)

	Approved Annual Budget	Q2 Year-End Projection	Q3 Year-End Projection	Q3 vs. Approved Variance F/(U)
SALARIES & BENEFITS	131,096	127,712	127,477	3,619
Other Operating Costs				
Mandated Student Aid	5,309 [1]	4,959	4,747	562
Contingencies	4,536	4,072	3,871	665
Debt Servicing	968	968	968	-
Contract Services	10,068 [2]	11,383	11,436	(1,368)
Instructional Supplies & Equipment	3,285 [2]	3,276	3,244	41
Promotion	2,273	2,266	2,339	(66)
Software	2,398	2,472	2,488	(90)
Building Maintenance & Utilities	5,753 [2]	5,751	5,898	(145)
Flow-Through Student Aid	1,800	1,800	1,800	-
Other	18,356 [1,2]	18,532	18,595	(239)
TOTAL OTHER OPERATING	54,746	55,479	55,386	(640)
FUNDING FOR STRATEGIC INVESTMENT PRIORITIES	74,721	78,205	66,908	7,813
CONTRACT ACTIVITY	24,211	24,381	24,212	(1)
COLLEGE ANCILLARY SERVICES	35,937	35,707	35,446	491
INTERNATIONAL EDUCATION CENTRE	5,080	4,967	4,788	292
TOTAL EXPENDITURES	$ 325,791	$ 326,451	$ 314,217	$ 11,574

[1] Approved Budget has been restated to correct the classification of expenditures included under Mandated Student Aid.
[2] Approved Budget has been restated due to reclassifcation of expenditures.

2011/2012 3rd Quarter Financial Report
EXPENDITURES SCHEDULE
Variance Analysis (all figures in $ 000's)

Description	Variance F/(U)	Comments
Salaries & Benefits	$ 3,619	Savings due to vacancies, sick leave, reduced/modified workload, internal assignments and labour disruption.
Mandated Student Aid	$ 562	Required amount lower than initial estimate.
Contingencies	$ 665	Reserves updated based on latest information.
Contract Services	$ (1,368)	Services required to backfill short term vacancies in Information Technology Services and Marketing Services; increase in Distance Education activity.
Funding for Strategic Investment Priorities	$ 7,813	*See Funding for Strategic Priorities Schedule.*
College Ancillary Services	$ 491	Lower cost of goods sold due to lower sales.
International Education Centre	$ 292	Less contract activity than expected.
Total Explained Variances	$ 12,074	
Other Minor Variances	$ (500)	
Total Variance	$ 11,574	

2011/2012 3rd Quarter Financial Report
FUNDING FOR STRATEGIC INVESTMENT PRIORITIES SCHEDULE
(all figures in $ 000's)

	Approved Annual Budget	Q2 Year-End Projection	Q3 Year-End Projection	Q3 vs. Approved Variance F/(U)
Revenue				
Facilities Renewal	$ 585	$ 585	$ 601	$ 16
College Equipment Renewal Fund	-	559	559	559
Knowledge Infrastructure Program	8,000	12,592	12,592	4,592
Apprenticeship Enhancement Fund	-	943	943	943
Ontario Financing Authority (OFA) Loan Proceeds (Student Commons & Pembroke Campus)	33,319	30,269	24,265	(9,054)
Students' Association Contribution	21,844	20,909	15,333	(6,511)
Capital Campaign	3,200	3,400	3,257	57
Enabling Accessibility Fund	-	1,500	2,000	2,000
Digital College Grant	-	-	2,133	2,133
TOTAL REVENUE	66,948	70,757	61,683	(5,265)
Expenditures				
Campus Expansion				
Algonquin Centre for Construction Excellence	10,068	13,935	13,792	(3,724)
Perth Campus	1,932	2,857	2,857	(925)
Pembroke Campus	19,482	19,482	18,213	1,269
Student Commons	34,881	32,395	22,585	12,296
Total Campus Expansion	66,363	68,669	57,447	8,916
Other				
College Technologies	2,000	1,894	1,835	165
College Space & Infrastructure	2,585	2,978	2,961	(376)
New Program Initiatives	250	200	250	-
Academic & Other Equipment	1,513	1,754	1,754	(241)
Business Plan Priorities	2,010	1,767	1,718	292
Apprenticeship Enhancement Fund	-	943	943	(943)
Total Other	8,358	9,536	9,461	(1,103)
TOTAL EXPENDITURES	74,721	78,205	66,908	7,813
NET CONTRIBUTION	$ (7,773)	$ (7,448)	$ (5,225)	$ 2,548

2011/2012 3rd Quarter Financial Report
FUNDING FOR STRATEGIC INVESTMENT PRIORITIES SCHEDULE
Variance Analysis (all figures in $000's)

Description	Variance F/(U)	Comments
College Equipment Renewal Fund	$ 559	College Equipment Renewal Fund (CERF) grant announced after the budget was approved.
Knowledge Infrastructure Program	$ 4,592	Revised cash flow projection for ACCE and Perth construction projects. Both projects are still on budget.
Apprenticeship Enhancement Fund	$ 943	Apprenticeship Enhancement Fund grant announced after the budget was approved.
Ontario Financing Authority (OFA) Loan Proceeds	$ (9,054)	Revised cash flow projections for Student Commons and Pembroke campus construction projects.
Students' Association Contribution	$ (6,511)	Revised cash flow projection for Student Commons construction project.
Enabling Accessibility Fund	$ 2,000	Enabling Accessibility funding awarded for Pembroke campus construction project.
Digital College	$ 2,133	Digital college project approved after budget was approved.
Algonquin Centre for Construction Excellence	$ (3,724)	Revised cash flow projection (offset by grant).
Perth Campus	$ (925)	Revised cash flow projection (offset by grant).
Pembroke Campus	$ 1,269	Revised cash flow projection.
Student Commons	$ 12,296	Revised cash flow projection.
College Space & Infrastructure	$ (376)	Higher than anticipated costs for some projects (offset by savings on projects paid for out of internally restricted funds).
Business Plan Priorities	$ 292	Revisions to various projects.
Apprenticeship Enhancement Fund	$ (943)	Apprenticeship Enhancement Fund expenditures (offset by matching grant).
Total Explained Variances	$ 2,551	
Other Minor Variances	$ (3)	
Total Variance	$ 2,548	

2011/2012 3rd Quarter Financial Report
INTERNALLY RESTRICTED FUNDS SCHEDULE
(all figures in $ 000's)

	Approved Annual Budget	Approved June 2011 [1]	Total Approved Expenditures	Q2 Year-End Projection	Q3 Year-End Projection	Q3 vs. Total Approved Variance F/(U) [2]
Appropriations	$ 193	$ 258	$ 451	$ 445	$ 357	$ 94
Specific Reserves						
Delivering High Quality Facilities	1,395	2,127	3,522	3,304	2,981	541
Employee Development	-	413	413	413	268	145
Financial Sustainability	108	383	491	536	487	4
Innovation	418	886	1,304	1,146	946	358
Mobile College/Online College	221	1,304	1,525	1,241	1,195	330
Recruitment/Enrolment	174	1,441	1,615	1,481	1,164	451
Retention/Graduation Rate	393	789	1,182	1,130	821	361
TOTAL SPECIFIC RESERVES	2,709	7,343	10,052	9,251	7,862	2,190
Capital Projects	6,300	-	6,300	5,953	4,097	2,203
College Ancillary Services Reserves	-	200	200	200	159	41
TOTAL INTERNALLY RESTRICTED FUNDS	$ 9,202	$ 7,801	$ 17,003	$ 15,849	$ 12,475	$ 4,528

[1] At the time the budget was approved, final results for 2010/11 were not yet known; year-end net assets balances (i.e. internally restricted funds) were estimated to determine capacity to fund appropriations and specific reserves. Once the final net assets balances were determined, additional internally restricted funds totalling $7.801 million were approved. The final net assets balances were reported in the 2010/11 Financial Statements and approved by the Board of Governors on June 13, 2011.

[2] Projected expenses will be less than approved for various reasons including deferral of the construction of an additional parking lot.

2011/2012 3rd Quarter Financial Report
SUMMARY OF FUNDED POSITIONS

	Full-Time Approved Budgeted Positions				Position Changes			Full-Time Funded Positions at Q2				Total Staffed at Dec. 31/11	Total Vacant at Dec. 31/11
	Admin	Support	Academic	Total	Positions Opened	Positions Closed	Positions Transferred	Admin	Support	Academic	Total		
President & Board of Governors													
President's Office	3	-	-	3				3	-	-	3	3	-
Total	3	-	-	3	-	-	-	3	-	-	3	3	-
Human Resources													
Human Resources	21	-	-	21			4	22	2	1	25	24	1
Total	21	-	-	21	-	-	4	22	2	1	25	24	1
Administration													
Vice-President's Office	2	-	-	2				2	-	-	2	2	-
College Ancillary Services	17	68	-	85		(1)		17	67	-	84	81	3
Finance & Administrative Services	7	28	-	35				7	28	-	35	35	-
Physical Resources	14	39	-	53				14	39	-	53	46	7
Total	40	135	-	175	-	(1)	-	40	134	-	174	164	10
Student Services													
Vice-President's Office	2	-	-	2				2	-	-	2	2	-
Student Support Services	7	22	16	45				7	22	16	45	42	3
Registrar	10	58	-	68				10	58	-	68	67	1
Total	19	80	16	115	-	-	-	19	80	16	115	111	4
Business Development													
Vice-President's Office	3	1	-	4				3	1	-	4	4	-
Applied Research & Development	2	-	-	2				2	-	-	2	1	1
Algonquin College Foundation	3	2	-	5				3	2	-	5	5	-
Institutional Research & Planning	2	-	-	2				2	-	-	2	1	1
International & Corporate Business Development	9	11	21	41				9	11	21	41	36	5
Workforce & Personal Development	2	3	-	5				2	3	-	5	4	1
Information Technology Services [1]	7	66	-	73				7	66	-	73	67	6
Total	28	83	21	132	-	-	-	28	83	21	132	118	14
Academic Services													
Vice-President's Office	11	2	20	33	7		(16)	12	3	9	24	14	10
Faculty of Arts, Media & Design	6	28	100	134			8	7	28	107	142	138	4
School of Business	5	9	77	91			4	5	9	81	95	92	3
School of Hospitality & Tourism	3	9	34	46			1	3	9	35	47	44	3
Faculty of Technology & Trades	8	37	146	191		(2)	2	8	35	148	191	188	3
Faculty of Health, Public Safety & Community Studies	8	32	120	160	1	(1)	2	8	31	123	162	157	5
Centre for Continuing and Online Learning [2]	5	17	-	22			(1)	4	17	-	21	20	1
Algonquin College in the Ottawa Valley	5	27	25	57	1			6	27	25	58	57	1
Learning & Teaching Services	6	24	6	36		(1)	(4)	5	22	4	31	29	2
Total	57	185	528	770	9	(4)	(4)	58	181	532	771	739	32
Advancement													
Executive Director's Office	3	6	-	9		(1)	(3)	3	2	-	5	5	-
Recruitment [3]	-	-	-			(1)	9	2	6	-	8	6	2
Marketing Services [3]	4	12	-	16			(6)	2	8	-	10	8	2
Total	7	18	-	25	-	(2)	-	7	16	-	23	19	4
COLLEGE TOTAL	175	501	565	1,241	9	(7)	-	177	496	570	1,243	1,178	65

[1] Information Technology Services was included under President & Board of Governors when the budget was approved.
[2] School of Part-time Studies has been renamed Centre for Continuing and Online Learning since budget was approved.
[3] Advancement has undergone a realignment since budget was approved - the new structure is shown here.

The complement report represents the total number of positions for each of the College's major areas.
Not all positions are 100% funded in the budget as some positions are vacant at the start of the year and other positions have a start date projected for other than April 1st.