



2023-2024

BUSINESS PLAN

mohawkcollege.ca

 **mOHAWK**
COLLEGE

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Section 1: Board of Governors

Name
External Members
Bill Chisholm, Chair
Anna Filice, Vice Chair
Brian Henry
Lisa Knap
Kathy Lerette
Rocco Passero
Shaun Padulo
Mila Ray-Daniels
Vacant, LGIC
Vacant
Internal Members
Faculty Representative - Vacant
Akanksha Berry
Tracey Richardson
Administrative Representative - Vacant
Ron McKerlie, President and CEO

Above membership is as of May 8, 2023

Section 2: Introduction

The Mohawk College 2023-2024 Business Plan and business priorities are developed in collaboration with all areas of the college at all levels. This ensures the college community is able to contribute to enabling the aspirations and prioritize the strategic directions.

This business plan outlines the annual priorities, tactics and institutional goals that will advance the strategic aspirations to meet the leadership outcomes found within the 2022 - 2025 Mohawk College Strategic Plan.

The priorities for 2023-2024 have been compiled, vetted and approved by the Mohawk Executive Group and reviewed by the Senior Leadership Team. They were then approved by the Board of Governors at the April 2023 meeting.

These priorities are aligned with the budgeting process and the Performance Management Planning (PMP) process of the college. The Business Plan is presented to the Board of Governors for final approval at the June 2023 meeting.

Section 3: Strategic Plan

Vision

Future Ready. Learning for Life

Mission

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

Values

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

Aspirations

- Meaningfully advance Truth and Reconciliation
- Enable Future Ready education, research, programs, services and experiences – for students, employees and our community
- Be a place that honours, values and celebrates the whole of every person
- Ensure access to education and reduce barriers for all
- Lead in workforce development
- Make a measurable impact on climate change

Section 4: 2023-2024 Key Priorities



Aspirations

Meaningfully Advance Truth and Reconciliation

The path towards Truth and Reconciliation is sharing and understanding the truth of Indigenous history and people, working towards decolonization and Indigenization, and building relationships in order to do good reconciliation work.

The following are the priorities identified for 2023-2024 to support reaching our leadership outcome.

- Finalize and approve the IKLOs and implement a process to map out how the learning will be integrated into all program areas and measured.
- Complete a detailed workplan that will support the implementation of year one of CIRKL including the first phase of the revised organizational structure.
- Issue the RFP for construction of the i Wing indoor gathering space, award the contracts and complete construction by the end of 2023.
- Identify student PD opportunities to be launched or continued as part of the CIRKL implementation plan.
- Integrate Indigenous history, content and practices into the new employee onboarding process as part of the overall People Strategy workplan.
- Through the college's role as C2R2 Secretariat, implement the Community Workforce Development project funded through ESDC supporting nine Indigenous Communities to create sustainable housing solutions.
- Pursue funding opportunities by Mohawk College and C2R2 to support education and research programs related to sustainable and safety of water sources and systems.



Enable Future Ready Education, Research, Services, Experiences – for Students, Employees and Our Community

We are transforming the way we deliver the educational experience. We've redefined the meaning of campus to meet our students' needs and to support the balance of school, work and family commitments.

The following are the priorities identified for 2023-2024 to support reaching our leadership outcome.

- Implement year 2 of the Digital Learning Strategy as defined in the multi-year plan.
- Complete a pilot for bring your own device in one program to evaluate considerations for college-wide roll-out in subsequent years.

- Implement the new Strategic Enrolment Management Structure.
- A renewed PLAR strategy will be developed and included in the Academic and Student Success Plan as a priority.
- Create a comprehensive student services model, inclusive of all Hamilton campus locations.
- Through an external consultant, develop and implement a space plan that is focused on effective and efficient use and allocation of on-campus space aligned to the Flexible Work Arrangements in place and captured through the policy.
- Complete the process to consult and develop an integrated Academic and Student Success plan.

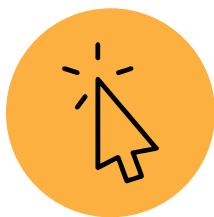


Be a Place That Honours, Values and Celebrates the Whole of Every Person

We are committed to nurturing an equitable, diverse and inclusive culture and environment for everyone who learns and works at Mohawk College.

The following are the priorities identified for 2023-2024 to support reaching our leadership outcome.

- Begin the implementation of the EDI framework into college policies, processes and practices as defined by the EDI Action Work Plan.
- Formalize the EDI Action Plan reporting structure and complete first formal reporting cycle including to the Board of Governors.
- Review and issue a report back and timeline on next steps for the EDI Action Plan.
- In partnership with triOS, implement Phases 2 and 3 of the PPPC partnership and enrolment strategy.
- Reduce barriers to global learning through introduction of Collaborative Online International Learning framework and exchange programs, to ensure that we prepare all students for a global industry.
- As part of the overall People Strategy, integrate the EDI framework into new employee onboarding and all relevant HR policies, processes and practices.

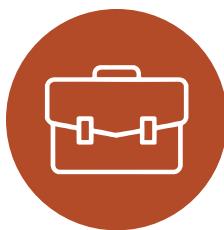


Ensure Access to Education and Reduce Barriers for All

We will ensure that Mohawk is the destination of choice for all learners by removing barriers encountered at various stages of the educational journey.

The following are the priorities identified for 2023-2024 to support reaching our leadership outcome.

- Develop an integrated learner lifecycle strategy to improve student learning and supports to include proactive and evidence-based tactics at every stage of the student journey.
- To support student success and skill development, a Math Strategy will be developed and included in the Academic and Student Success Plan as a priority.
- Further develop Challenge 2025 community training and explore new funding opportunities to support.
- Further develop the 4C Alliance partnership to expand national opportunities for providing barrier-free access to education.
- Review, propose and implement as appropriate, specific differentiated admissions process for equity-deserving groups.
- Operationalize the WiTT strategy within the Skilled Trades and Apprenticeship Hub and explore extended partnership opportunities for WiTT expansion with Industry Education Council of Hamilton and Skills Ontario. Schulich Builders Scholarships will provide support for students considering the skilled trades.
- Complete the needs assessment for additional student housing, issue an RFP for partnerships (construction and operations) and plan for a construction start in 2024.



Lead in Workforce Development

As a catalyst for community and economic resiliency, we are committed to developing and implementing transformative educational models to support workforce development, from small business through to large industry and sector partners.

The following are the priorities identified for 2023-2024 to support reaching our leadership outcome.

- Conduct a full assessment on the Future Ready Premium Partnership Program and confirm the go-forward strategy related to current partnership stewardship and potential expansion.
- Review, update and enact year 3 of the Alumni Strategy. The Alumni Strategy focuses more on supporting career objectives and programs such as FRPP.

- Develop and implement a comprehensive and consolidated career services strategy for both current students and graduates. This review will consider the organizational structure, online presence and physical space requirements.
- Further develop the 4C Alliance partnership to expand national opportunities for providing barrier-free access to education.
- Complete a strategic planning session with the C2R2 Founding Partners President's Group and develop a subsequent workplan that will explore long-term funding and financial sustainability.
- Complete construction of CIAMI and operationalize the Centre including implementation of a new and innovative MRI program, commencement of research and clinical operations.



Make a Measurable Impact on Climate Change

Climate change continues to be the biggest challenge of our lifetime. Our decisions and actions impact future generations. We will continue to focus on climate action to protect our environment. It is a global priority.

The following are the priorities identified for 2023-2024 to support reaching our leadership outcome.

- Approve and begin implementation of the Climate Action Plan.
- Implement a new School of Climate Resiliency (name to be finalized) which will serve to advance priorities within the Climate Action plan related to educational programming and applied research.
- Collaboration with the Canada Green Building Council to deliver Green Building technologies through City School with Research Chair, Sustainability.
- Implement the CWDP project with Canadian Colleges for a Resilient Recovery partners.



Strong Foundations

Strong Foundations underpin our new Strategic Plan to ensure that we can progress toward our aspirations and ultimately achieve our leadership outcomes.

People

- Implement strategies and tactics of the People Strategy as defined by the multi-year workplan.

Planning

- Secure an external partner to assess the space requirements for employees including policies related to space allocation to support facility utilization efficiency as a result of implementing Future of Work flexible working options.
- Finalize planning and implement the Unified Communications Strategy as part of the multi-year Enterprise Systems Strategy.

Reputation

- Develop and implement a new Mohawk College branding guideline and creative.
- Develop and implement a comprehensive domestic and international marketing and communications plan.
- Build reputation through media, story-telling and community outreach publications that is in alignment with SEM planning.

Technology

- Complete year one of the (Ellucian) Banner reimplementation project.

Financial Health

- Implement the key priorities under Strong Foundations, to ensure optimal financial health for the college.

Section 5: Financial Positions and Operations

FINANCIAL POSITION:	2023/24 BUDGET (\$)	2022/23 ACTUALS (\$)
Cash and Cash Equivalents	21,765,922	71,260,641
Accounts Receivable	21,978,424	25,616,415
Other Current Asset	173,105,344	169,764,125
Construction in Progress	4,600,000	2,906,291
Tangible Capital Assets	418,013,813	393,294,930
Tangible Capital Asset Accumulated Amortization	(226,943,388)	(211,006,435)
Long-Term Receivable	24,281,615	25,478,643
Investments and Other Long-Term Assets	1,401,329	1,357,608
TOTAL ASSETS	438,203,059	478,672,218
Accounts Payable and Accrued Liabilities	36,998,320	47,251,485
Deferred Revenue	93,238,403	119,369,337
Restricted Contribution	12,355,710	12,190,772
Deferred Capital Contributions	116,455,690	119,902,094
Debt	38,625,156	41,769,704
Other Long-Term Liabilities	10,882,384	10,701,579
TOTAL LIABILITIES	308,555,663	351,184,971
Unrestricted Net Assets	(1,288,993)	(3,547,385)
Internally Restricted Net Assets	53,771,245	69,770,000
Investment in Capital Assets	63,891,498	48,151,135
Endowments	18,333,879	18,173,729
Accumulated Remeasurement Losses	(5,060,233)	(5,060,232)
TOTAL NET ASSETS	129,647,396	127,487,247
TOTAL LIABILITIES & NET ASSETS	438,203,059	478,672,218
OPERATIONS:		
Grant Revenue	114,327,038	121,997,355
Tuition Fees	133,653,815	113,559,687
Educational and Other Fees-For-Services	49,640,763	34,368,623
Ancillary Revenue	12,802,837	11,493,464
Other Revenue	12,443,887	13,396,709
TOTAL REVENUE	322,868,340	294,815,838
Salaries and Wages	146,154,032	135,112,418
Employee Benefits	34,929,334	31,475,978
Transportation and Communication	2,743,222	2,566,220
Services	84,733,256	62,079,135
Supplies and Minor Equipment	11,442,222	11,856,065
Ancillary Services - Expenditures	9,272,838	7,884,905
Amortization Expense	15,936,954	16,074,636
Other Expenditures	15,656,482	15,722,912
TOTAL EXPENSES	320,868,340	282,772,269
TOTAL OPERATIONS SURPLUS	2,000,000	12,043,569

Section 6: Approved 2023-2024 Budget Book

Introduction

The following guiding principles were developed to assist the college's decision-making process in developing the 2023-2024 budget. The budget will:

- align with the college's core business, the education of students and services required to support them;
- take into consideration activities that have revenue sources attached to them that, in turn, help support investment in academic delivery and support services;
- ensure any spending outside of immediate staffing needs is essential to core operations;
- ensure continued investment in activities that will contribute to the recovery of enrolment and support differentiation; and
- ensure contractual obligations or legislative requirements continue to be fulfilled.

The 2023-2024 budget is comprised of total revenues of \$322.9M and total expenditures of \$320.9M, resulting in a budget surplus of \$2.0M.

Financial Planning Framework

The Financial Plan is comprised of three main budget components:

- The Operating Budget represents the revenue and expenses associated with the day-to-day operations of academic, student, ancillary and corporate services. Primary sources of revenue are government grants, student tuition fees, contracted services and ancillary business operations. These revenue sources support costs for salaries and benefits, supplies, utilities, commodities, and other non-salary-related expenses.
- The Fee Supported Budget represents the compulsory ancillary fees students pay for specific services, such as convocation, technology enhancement, academic support, career services and athletics and recreation.
- The Capital Budget reflects the funding sources and uses for capital, including building projects, facility improvements, deferred maintenance and academic equipment.

What is an Operating Budget?

The college's annual operating budget shows the spending requirements and revenue estimates needed to support the day-to-day ongoing operations of Mohawk's programs, services and activities in the academic, student, ancillary and corporate services areas.

Revenue is generated by various sources such as:

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

Student enrolment is a key driver in determining operating budget revenue levels as enrolment influences the level of student tuition fees and ancillary revenue, and is one of the metrics used to measure the value of the Ministry of Colleges and Universities' (MCU) operating grant. Ministry grants and tuition fees account for 87.5% of total revenue.

College expenses include but are not limited to:

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

The academic expenditure level represents direct academic delivery costs for the projected program enrolments and also program development, program review and accreditation

activities. The contribution margin from the academic area (operating grant plus tuition less academic delivery costs) in turn contributes towards learning resource centres, innovation and research, and related overhead costs.

What is a Fee Supported Budget?

In addition to tuition fees, all students are required to pay compulsory ancillary fees. Compulsory ancillary fees are charged to postsecondary, apprenticeship and continuing education students. The fees are collected for activities the MCU deems are not directly related to academics. Compulsory ancillary fees account for approximately 5.5% of total revenue.

What is a Capital Budget?

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

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

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

Financial Policies & Practices

College budget policy is influenced by Canadian public sector accounting standards and MCU guidelines, policies and operating procedures. In addition, Mohawk also maintains several policies that are well established in this organization and others that are equally as important but less formalized. Examples of budget practices or policies include:

Financial Plan

Under its governing legislation, a college's budget in normal circumstances is expected to be balanced.

Academic Allowable Spend

For the academic areas, the guidelines approved by the Mohawk Executive Group (MEG) require that allowable expenditures must be less than forecasted revenue in an amount sufficient to return a portion of revenue as an overall contribution to the college (the "Contribution"). The Contribution is allocated towards learning resource centres, innovation and research, and college-wide overhead costs. The academic expenditure budgets were created based on the 2023-2024 enrolment plan.

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

Compulsory Ancillary Fees

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

Approval of Capital, Investment, and Information Technology Projects

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

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

All projects valued over \$2,500,000 require the approval of the Audit, Finance & Infrastructure Committee of the Board of Governors.

Risk Mitigation Strategies

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

Accumulated Surplus

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

Budget Process Timetable

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

Planning

Planning (August – December 2022)

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

Review

Review (January – March 2023)

- Investment, Information Technology, & Campus Master Plan Committees prioritize submissions
- Partnership and contractual agreements, and ancillary business operations detailed reviews
- Compulsory ancillary fee proposal updates
- MEG review of operating, fee supported and capital budget plans
- Board approval of tuition fees, program specific and compulsory ancillary fees

Approval

Approval (March – April 2023)

- MEG approval of operating budget and capital plan
- Board of Governors approval of 2023-2024 budget
- Communication of budget to college employees

Operating Budget

Budget reflects Strategic Priorities

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

Enrolment Planning

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

Mohawk has developed a robust approach to Strategic Enrolment Management (SEM) and created an automated tool to model enrolment potential and trajectories, measure success, and determine areas of risk. Enrolment projections are informed by the Strategic Mandate Agreement 3 (SMA3), the effect of the corridor funding model, academic plan and international strategy.

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

Overall, there is a budgeted net increase in full-time enrolments over fiscal 2022-2023 of 19.1% as noted in the table below.

Full-Time Enrolments (Domestic & International)

	Spring	Fall	Winter	Total	Total % Increase over 2022-2023
2023-2024 Total Budgeted Enrolment Target	5,194	13,986	14,951	34,131	
2022-2023 Total Forecasted Enrolments	3,206	11,867	13,583	28,656	
Year over Year Semester Growth	1,988	2,119	1,368	5,475	19.1%

Postsecondary enrolments drive expected revenue from grants, tuition and fees, and ancillary services, and correspondingly drive staffing requirements throughout the college.

Investment and Information Technology Strategies

Financial managers were given the opportunity to submit investment and information technology proposals requesting funding in support of strategic priorities. Investments of \$15.3M are included in the budget to support the key priorities of the college as identified in Section 4 of the business plan.

Unpredictable Revenue

While all revenue sources have some degree of volatility, the financial impact of changes in postsecondary enrolments is pronounced. Tuition revenue varies directly with in-year enrolment activity and failure to attain the planned enrolments poses a risk to the 2023-2024 financial plan. This is more pronounced with international enrolments given the higher value of the tuition fees associated with each student. With a projected enrolment increase of 19.1%, and continued uncertainty over travel and government restrictions for international student enrolments, the financial plan includes a tuition revenue contingency.

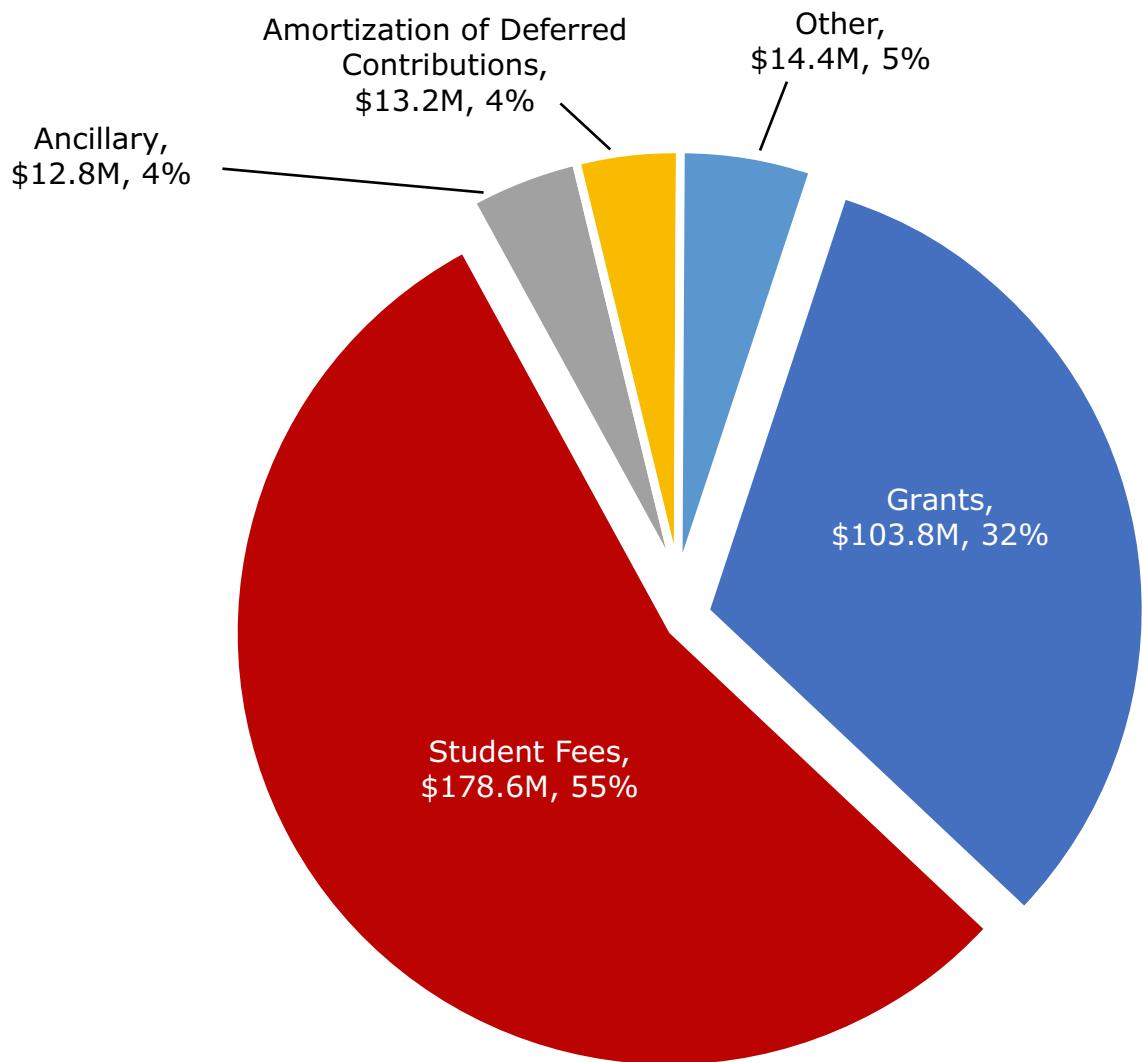
Operating Plan Highlights

The proposed 2023-2024 Budget has been developed in accordance with the approved budget directions, and has been thoroughly reviewed by MEG.

- The 2023-2024 Budget is a surplus of \$2.0M.
- Gross revenue is budgeted at \$322.9M, and expenditures are budgeted at \$320.9M.
- The plan was developed around delivering educational programming to 34,131 postsecondary enrolments.
- The full-time staffing complement for fiscal 2023-2024 is 1,148, representing 443 faculty, 422 support staff, and 283 administrative staff.

Total Revenue Breakdown (\$322.9 Million)

The total revenue for fiscal 2023-2024 is \$322.9M and the following pie chart shows the funding sources of the approved revenue budget.



Revenue Highlights

Ministry grants represents \$103.8M or 32.2% of total revenue. Ministry grants are comprised of the core operating grant, special purpose grants and apprenticeship funding.

The core operating grant is valued at \$67.8M, representing 21.0% of total revenue. Under the SMA3, the operating grant allocation will shift funding from enrolment-based funding towards a higher weight of funding tied to performance and outcomes-based metrics.

Although the ministry had delayed the activation of performance-based funding for three years, it will activate it in fiscal 2023-2024 with 10.0% of the funding being dependent on performance-based metric results.

Tuition revenue was modelled directly from the enrolment plan and approved fees schedule. The enrolment plan projects the delivery of full-time postsecondary domestic and international education for 34,131 enrolments.

The tuition fees are aligned to the MCU Tuition Fee Framework that went into effect starting in 2019-2020, which saw a decrease of 10.0% in tuition fees. For fiscal 2023-2024, students are to pay the same tuition fees that students in the same program and program year paid in 2019-2020 when the 10.0% decrease took effect. International tuition fees are not impacted by this framework, and will increase by 1.0%.

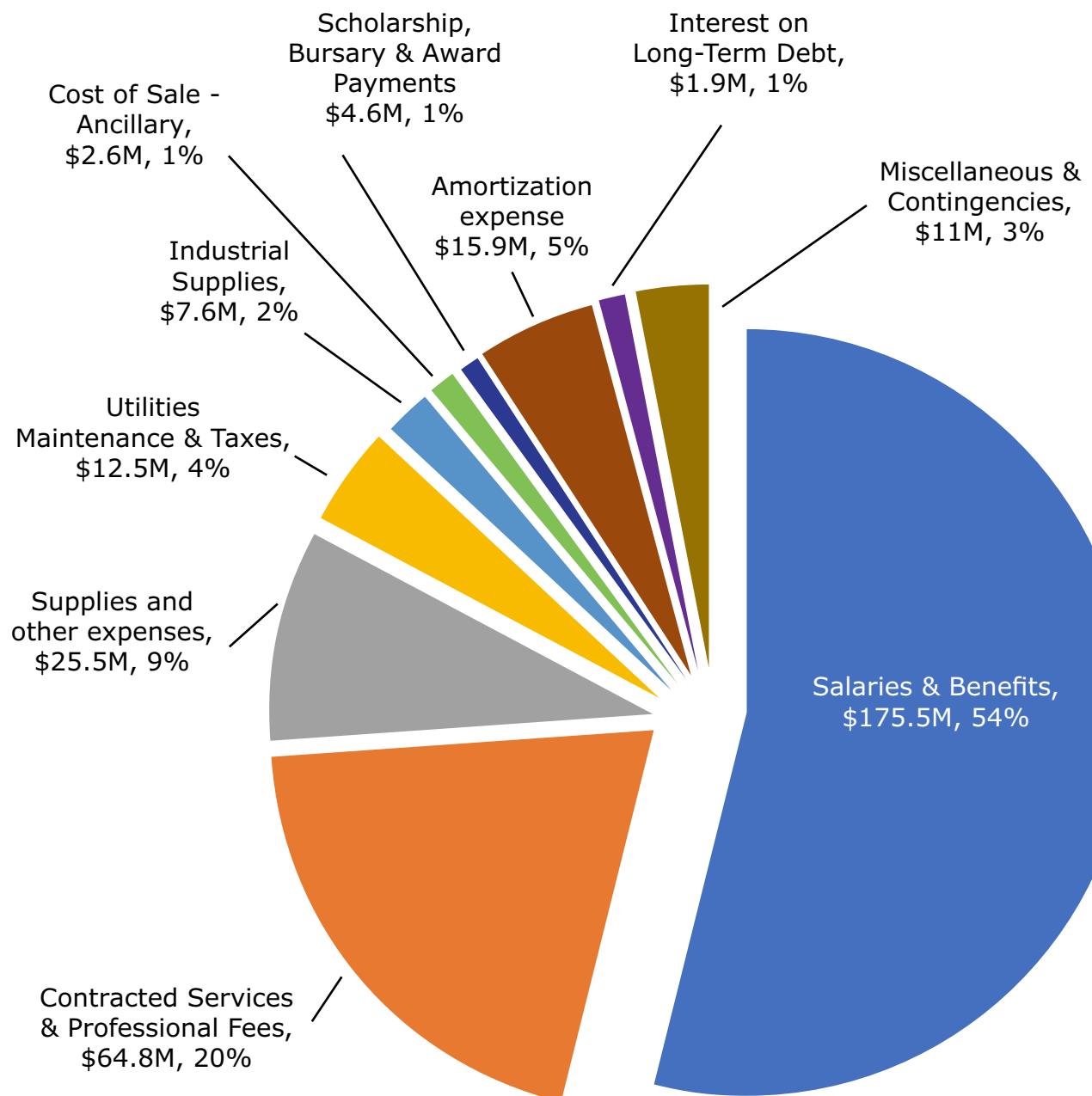
Enrolments at the public-private partnership Mississauga campus are forecasted at 5,814, representing gross tuition revenue of \$39.1M.

Ancillary revenue is derived from the ancillary business operations such as campus stores, parking, residence, food services and conferences. Management has assumed that ancillary operations will not be back at full pre-pandemic levels with 2023-2024 projected revenue of \$12.8M.

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

Total Expenditures breakdown (\$320.9 Million)

The pie chart below illustrates the college's 2023-2024 Approved Operating Budget expenditures by cost component.



Expenditure Highlights

Human Resources

The 2023-2024 plan projects 54.4% of the budgeted expenditures for full-time and part-time salaries and related fringe benefits.

The full-time staffing plan consists of 1,148 permanent full-time positions across the faculty, support and administrative groups. Salary rates are in accordance with respective collective agreements and legislation. Full-time salaries and benefits are calculated centrally on a position-by-position basis, while part-time budgets are calculated by departments. The distribution of salaries and benefits by employee group are noted in the table below.

2023-2024 Staffing Plan

	Total (\$)
Faculty	81,938,392
Support	51,345,672
Administrative	41,170,024
Total	174,454,088

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

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

Fee Supported Budget

In addition to tuition fees, all students are required to pay compulsory ancillary fees. These fees generate approximately \$17.9M, which is 5.5% of total revenue. The fees have offsetting expenses and are critical in supporting services including, athletics and recreation, career services, student buildings, academic support, etc.

Compulsory ancillary fees are governed by the MCU's "Tuition and Ancillary Fees Reporting" operating procedure and mandates that the students' governing body (i.e., Mohawk Students' Association – MSA) be involved in decisions regarding compulsory ancillary fees and subsequent increases.

Capital Budget

The 2023-2024 financial plan aligns capital priorities with funding sources and financing strategies in a concerted effort to improve the learning environment with investments in teaching space and academic equipment, and to address priority deferred maintenance needs. In keeping with budget guiding principles, capital projects have been prioritized to those supported by external funding and alternative funding sources to minimize operating funds.

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

2023-2024 Capital Additions & Funding Sources

The total gross capital value of additions is \$27.1M and are summarized in the table below.

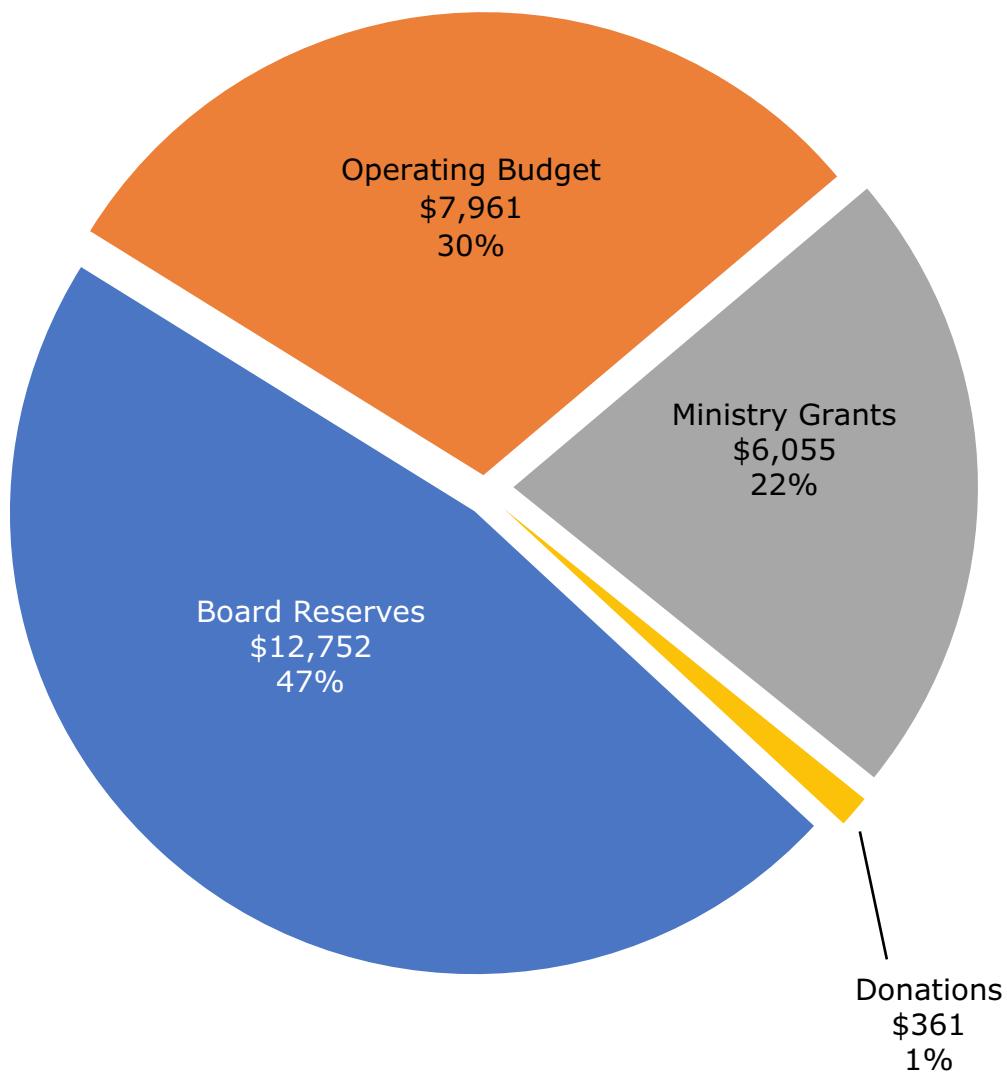
Campus Renewal activities represent \$12.8M or 47% of the plan, and include activities such as the completion of the 3T Magnetic Resonance Imaging (MRI) unit acquisition, LED lighting conversion project, and funds set aside for future growth opportunities. Facilities Renewal and Academic Equipment represent \$9.9M or 36% of the plan, and include renovations throughout the college to support enrolment growth, the college's climate change strategic priorities, indigenous culture and values, and accessibility initiatives. The college's continued commitment to essential deferred maintenance of \$4.5M or 17% of the plan includes activities such as roof membrane replacements, low voltage electrical upgrades, replacement of air handlers, refurbishing passenger elevators, and heating and distribution upgrades.

2023-2024 Capital Plan Additions by Major Category

	Gross costs (\$000's)	% of Total
Campus Renewal	12,751	47
Facilities Renewal & Academic Equipment	9,878	36
Essential Deferred Maintenance	4,500	17
Total	27,129	100

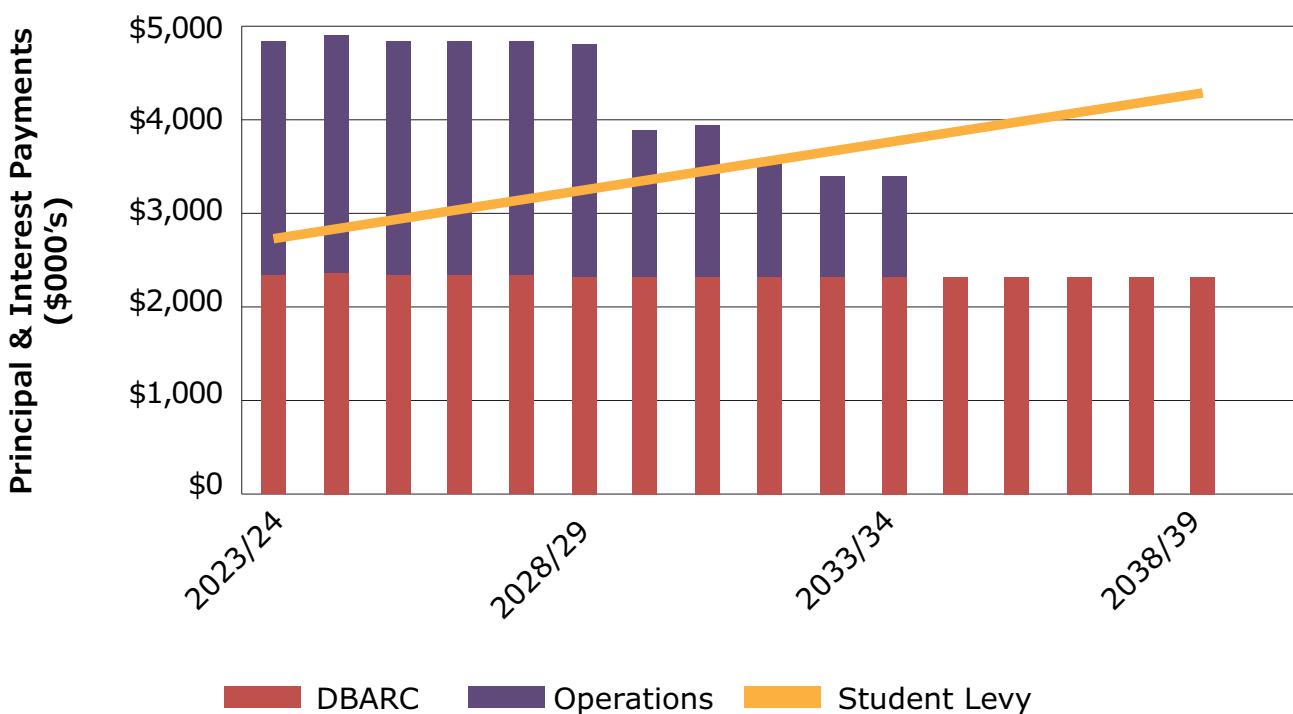
The funding sources for the capital plan are shown in the graph below. Board reserve funding is \$12.8M or 47% of the plan and include investments for campus renewal activities. Operating funds support \$8.0M or 30% of the total capital additions. Ministry grants of \$6.1M represent 22% of the capital plan's funding source and include funding to support essential deferred maintenance, apprenticeship renewal and academic equipment. Donations support \$361K or 1% of total capital additions.

2023-2024 Funding Sources for Capital Additions (\$000s)



The following graph identifies the sources of funds for existing loans. The DBARC loan is supported by the student capital levy fee (yellow line). The student levy amount will increase over time with the levy price indexing. The college should be fully repaid by 2034-2035 (12 years). Operations will cover the costs related to the energy savings loan, Brantford repatriation loan and The Joyce Centre for Partnership & Innovation loan.

Sources of Funds for Loans



Debt Capacity

The college's debt level is projected to be \$41.8M at March 31, 2024, which is comprised of the David Braley Athletic and Recreation Centre (DBARC) \$25.5M, The Joyce Centre for Partnership and Innovation \$8.8M, Justice and Wellness \$4.5M and Energy Savings \$3.1M.

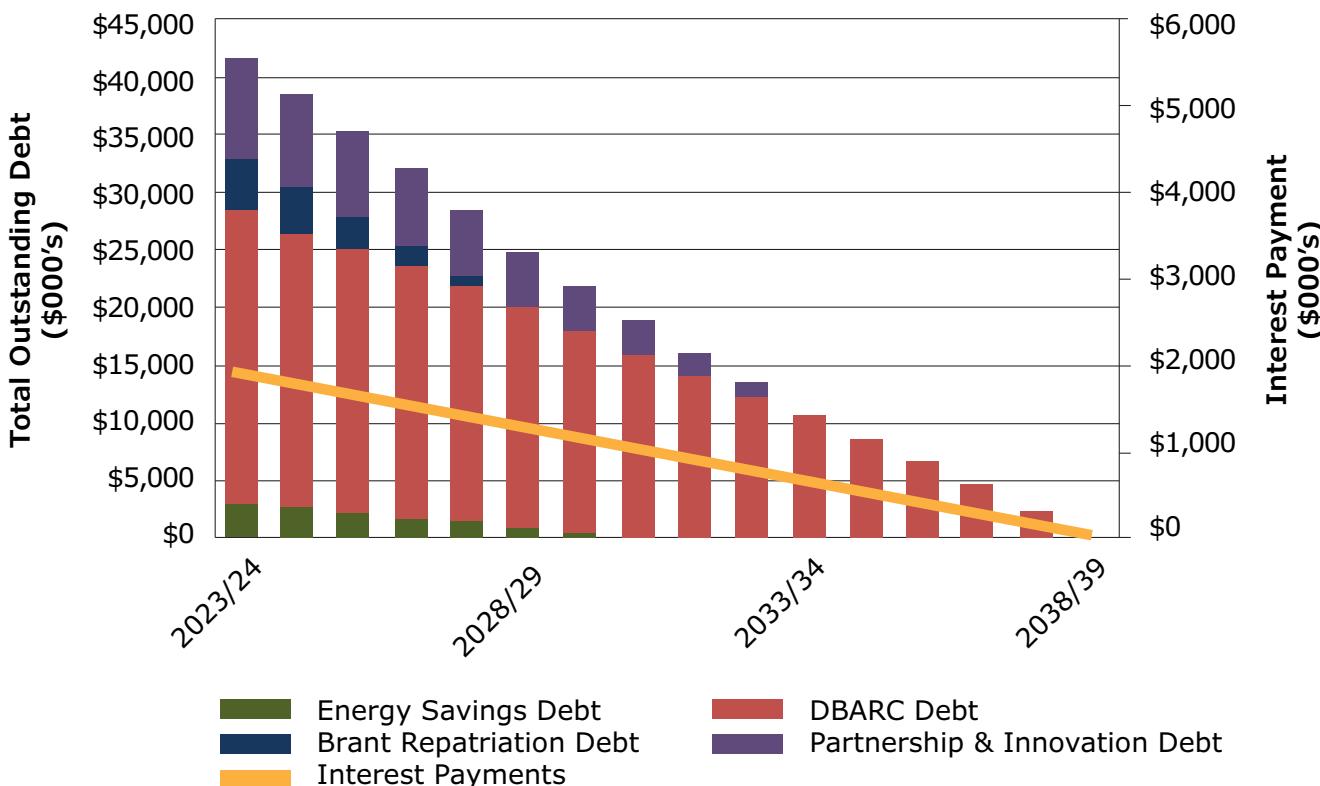
The debt financial health indicators for the next five-year period provide the following projected favourable results compared to MCU benchmarks:

- Debt to Assets ratio: Average 20.0% projection is below 35.0% benchmark
- Debt Servicing ratio: Average 1.8% projection is below 3.0% benchmark

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

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

Interest & Debt



Accumulated Surplus

Based on ministry directives, colleges are expected to report a positive accumulated surplus balance. Accumulated surplus is comprised of four components:

- Investments in capital assets – represents the unamortized portion of college funds that have been invested in capital assets. This is net of any external funding such as grants, donations, and debt.
- Internally restricted net assets – funds held aside for capital projects, strategic initiatives and future operating expenses. Expenditures require approval by the Board of Governors.
- Unrestricted operating net assets – represents undesignated reserves and is a safety cash threshold for the college's operating activity. The ending balance is held at approximately 3% - 5% of total revenue.
- Vacation pay and post-employment benefits and compensated absences – represents liabilities that will always be present as long as the college is a going concern.

The forecasted accumulated surplus balance at March 31, 2024 is \$112.2M, thereby meeting Ministry requirements.

Glossary of Terms

Base Budget

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

Budget

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

Budget Process Timetable

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

Canadian Public Sector Accounting Standards

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

Contribution Margin

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

Debt

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

Expenditure

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

Fiscal Year

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

Grant

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

Infrastructure

The basic installations and facilities necessary for the continuance and growth of the college.

Revenue

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

Strategic Plan

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

Abbreviations and Acronyms

AODA	Accessibility for Ontarians with Disabilities Act
C2R2	Canadian Colleges for a Resilient Recovery
CIAMI	Centre for Integrated and Advanced Medical Imaging
CIRKL	Centre for Indigenous Relations, Knowledge & Learning
CCPEL	The Centre for Community Partnerships and Experiential Learning
CE	Continuing Education
CWDP	Community Workforce Development Program
DBARC	David Braley Athletic & Recreation Centre
EDI	Equity, Diversity and Inclusion
ESDC	Employment, Social Development Canada
FRPP	Future Ready Premium Partner
IKLO	Indigenous Knowledge Learning Outcomes
MCU	Ministry of Colleges and Universities
MEG	Mohawk Executive Group
MSA	Mohawk Students' Association
PLAR	Prior Learning Assessment & Recognition
SEM	Strategic Enrolment Management
SMA3	Strategic Mandate Agreement 3
SWSP	Sectoral Workforce Solutions Program
WiTT	Women in Technology & Trades