

Operating and Capital Budgets of

**LANGARA COLLEGE**

For the year 2017/18

With Projections for 2018/19 through 2020/21

# Langara College

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Proposed 2017/18 Budget

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Proposed 2017/18 Budget plus Three Year Projection**

This schedule includes a more detailed breakdown of expenses for 2015/16 actuals and the 2016/17 budget, with projections for 2018/19 through 2020/21 provided for information purposes.

**Langara College**  
Statement of Operations  
Proposed 2017/18 Budget  
(in 000's)

	<b>Proposed Annual Budget 2017/18</b>	<b>Approved Annual Budget 2016/17</b>	<b>Difference</b>	<b>Actual 2015/16</b>
<b>Revenue:</b>				
Province of British Columbia grants	\$ 45,681	\$ 44,073	\$ 1,608	\$ 38,667
Contract services	726	898	(172)	1,227
Tuition and student fees	90,654	71,661	18,993	64,754
Sales of goods and services	6,137	6,134	3	6,316
Investment income	499	195	304	845
Revenue recognized from deferred capital contributions	4,096	3,222	874	3,373
Miscellaneous income and contributions	1,046	1,063	(17)	1,194
	148,839	127,246	21,593	116,376
<b>Expenses:</b>				
Instruction	138,566	119,900	18,666	107,387
Ancillary operations	6,428	6,332	96	6,161
	144,994	126,232	18,762	113,548
Operating surplus before contributions	3,845	1,014	2,831	2,828
Transfer to Langara College Foundation	(1,292)	(1,014)	(278)	(1,473)
<b>Surplus (deficit) for the period</b>	<b>\$ 2,553</b>	<b>\$ -</b>	<b>\$ 2,553</b>	<b>\$ 1,355</b>

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.

## **Revenues**

### Grants:

Increased \$1,608,000 primarily to fund increases to union and non-management salaries under the provincial government's Economic Stability Mandate (\$1,207,000), additional grants were received for student assistance and awards (\$176,000), minor maintenance and rehabilitation, and energy efficiency (\$225,000).

### Contracts:

Decreased \$172,000, which reflects the completion of a contract to supply English language training to international students.

### Tuition and Student Fees:

Increased \$18,993,000:

Tuition budgets are based on the enrolment levels achieved in 2016-17 with trends and price increases factored in as noted below.

- 10% increase over 2016/17 international enrolment levels with no change in international fees. The expected international enrolment for 2016/17 accounts for approximately \$12,203,000 of the increase over the original 2016/17 budget. The 10% growth component accounts for \$5,038,000. Related direct expenses were adjusted to accommodate the anticipated level of activity.
- 4% lower domestic enrolment and a 2% increase in domestic tuition fees. Approximately \$(484,000) reflects lower 2016-17 enrolment, \$(365,000) reflects the projection for 2017/18.
- External Studies revenue decreased \$305,000 for which there is an equal decrease in operating expenses.
- Building Legacy and International Advancement Fund fees increased \$278,000, for which there are budgeted transfers to the Langara College Foundation.
- Changes to Post Degree Diplomas/Certificates and Continuing Studies courses and other fees amounted to \$2,627,000.

### Sales of Goods and Services:

Increased \$3,000, modest increases for cell tower rent, Daycare and Homestay fees were offset by lower anticipated bookstore sales.

Investment Income:

Increased \$304,000, which reflects higher cash balances resulting from growth in international revenue.

Revenue recognized from deferred capital contributions:

Increased \$874,000 including a \$600,000 estimate for planned capital acquisitions in fiscal year 2016/17.

## **Expenditures**

Expenses were budgeted based on the anticipated increased level of instructional activity, and approved academic enhancements. Other areas were status quo except where noted below.

Salaries and benefits:

- Increased \$3,280,000 to provide for an additional 273 sections of instruction.
- Increased \$1,664,000 to fund new and ongoing enhancements to the Academic areas to support students and faculty and to implement various aspects of the College's Strategic and Academic plans.
- Net increase of \$1,850,000 due to changes in Post Degree Diploma/Certificate Programs, External Studies and Continuing Studies for which there is corresponding revenues.
- Increased \$324,000 to initiate a major promotional and fundraising campaign celebrating 49 years on 49 (in Communications and Marketing and College Advancement).
- Increased \$671,000 for salary increments, pay increases, and position annualizations.
- Decrease \$498,000 due to change in vacancy provision.
- Other new positions:
  - \$1,383,000 in administration for the Academic areas
  - \$884,000 in Information Technology
  - \$713,000 in International Education
  - \$663,000 in Student Services
  - \$252,000 in Facilities, \$25,000 of which is funded by provincial grants
  - \$223,000 in HR for a senior manager, a temporary recruitment consultant and part time payroll support
  - \$130,000 in Communications and Marketing
  - \$120,000 in College Advancement
  - \$38,000 in Organizational Risk Assessment.

Fees and contract services:

- Increased \$1,672,000 for international agent fees to accommodate an increase to expected levels of international enrolment.
- Increased \$809,000 for Information Technology, primarily to tackle existing backlog of IT projects.
- Net increase of \$413,000 due to changes in Post Degree Diploma/Certificate Programs, External Studies and Continuing Studies for which there is corresponding revenues.
- Increase \$169,000 for bank charges and various other administrative fees in line with activity levels.
- Increased \$420,000 the provision for legal and consulting services to renew the campus master plan.
- Increased \$72,000 for international education.
- Increased \$305,000 for employee recruitment, engagement and wellness programs.
- Increased \$108,000 in academic areas, including enhancements.
- Increased \$57,000 for College Advancement and the 49 on 49 initiative.
- Increased \$84,000 for various sponsorship and marketing initiatives.

Amortization of tangible capital assets:

- Amortization increased \$1,339,000. This consists of \$874,000 for restricted capital that will have matching amortization of revenue, and \$465,000 for unrestricted capital.

Facilities:

- Increased \$633,000 for facilities, \$208,000 is primarily resulting from incremental costs to operate the new Science and Technology Building for a full year, \$225,000 is for higher college wide janitorial and security costs, and \$200,000 relates to increase spending on minor maintenance and repairs and energy efficiency projects for which there are provincial grants.

Cost of goods sold:

- Reduced \$64,000 for cost of goods sold in the bookstore.

Professional development and travel:

- Net decrease of \$320,000 due to changes in Post Degree Diploma/Certificate Programs, External Studies and Continuing Studies for which there is corresponding revenues.
- Increase \$55,000 in Academic Enhancements.
- Increase \$88,000 for LFA Professional Development costs.
- Increase \$30,000 for College Advancement and the 49 on 49 initiative.
- Increased \$124,000 for International Education.

Supplies:

- Increase of \$170,000 due to changes in Post Degree Diploma/Certificate Programs, External Studies and Continuing Studies for which there is corresponding revenues.
- Increase \$40,000 for Student Services supplies for students with disabilities.
- Increase \$48,000 for facilities operations.
- Increase \$17,000 for International Education.

Leases and rental:

- Decreased \$81,000 due to lower costs related to renovations.
- Increased \$32,000 for Continuing Studies lease.
- Increased \$15,000 for Communications and Marketing display rentals.

Scholarships and bursaries:

- Increase \$342,000 for Aboriginal Students, International Students and Adult Basic Education, primarily funded by various provincial grants.

Transfer to Langara College Foundation:

- Increase \$278,000 in fees collected from students for the Building Legacy Fund and the International Advancement Fund.

Other:

- Increased \$200,000 for a general contingency.
- Increase \$155,000 due to higher annual software and IT related costs.
- Reduced \$71,000 International Education contingency.

## **Projections**

Projections for the three years are based on grant increases under the province's Economic Stability Mandate, contracted salary and benefit increases, adjustments for onetime expenses, 2% inflation on non-salary expenses, and a provision for salary increments and benefits. International tuition revenues are projected to be stable over the period. Domestic regular studies tuition revenue is projected to decrease due to an expected 4% annual drop in enrolment, partially offset with a 2% annual increase in domestic fees, material fees are projected to increase 2%.

# Langara College

Capital Acquisitions

Proposed 2017/18 Budget plus Three Year Projection

(in 000's)

	Approved Annual Budget 2016/17	Proposed Annual Budget 2017/18	Projected Annual Budget 2018/19	Projected Annual Budget 2019/20	Projected Annual Budget 2020/21
<b><u>College Funded</u></b>					
<b>Regular Studies &amp; Student Services</b>	\$ 240	\$ 285	\$ 270	\$ 270	\$ 270
<b>Continuing Studies</b>	40	90	40	40	40
<b>Library</b>	140	140	140	140	140
<b>Facilities</b>					
Equipment	100	350	350	350	350
Renovations	440	249	200	200	200
SIF Capital (College portion)		591	-	-	-
	540	1,190	550	550	550
<b>Information Technology</b>	3,375	3,235	2,200	2,200	2,200
<b>International Education</b>	590	400	-	-	-
<b>Major Items</b>					
Science and Technology Building	12,400	-	-	-	-
Science and Technology Building - Equipment	1,200	-	-	-	-
Building A Renovations		3,325	2,000	-	-
ERP System	-	2,000	2,250	2,500	2,750
	13,600	5,325	4,250	2,500	2,750
<b>Contingency</b>	600	670	680	680	680
<b>Total College Funded Capital Acquisitions</b>	\$ 19,125	\$ 11,335	\$ 8,130	\$ 6,380	\$ 6,630
<b><u>Provincial Funded</u></b>					
Renovation Capital	1,000	1,332	1,501	1,501	1,501
SIF Capital		565			
<b>Total Provincially Funded Capital</b>	\$ 1,000	\$ 1,897	\$ 1,501	\$ 1,501	\$ 1,501
<b><u>Federal Funded</u></b>					
SIF Capital		974			
<b>Total Federally Funded Capital</b>	\$ -	\$ 974	\$ -	\$ -	\$ -
<b>TOTAL CAPITAL</b>	\$ 20,125	\$ 14,206	\$ 9,631	\$ 7,881	\$ 8,131

# Langara College

Statement of Operations with Expenses by Object  
 Proposed 2017/18 Budget plus Three Year Projection  
 (in 000's)

	Actual	Approved	Proposed	Projected	Projected	Projected
	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget	Annual Budget
	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
<b>Revenue:</b>						
Province of British Columbia grants	\$ 38,667	\$ 44,073	\$ 45,681	\$ 46,527	\$ 47,012	\$ 47,012
Contract services	1,227	898	726	726	726	726
Tuition and student fees	64,754	71,661	90,654	90,350	90,055	89,768
Sales of goods and services	6,316	6,134	6,137	6,037	5,937	5,837
Investment income	845	195	499	499	499	499
Revenue recognized from deferred capital contributions	3,373	3,222	4,096	4,209	4,284	4,337
Miscellaneous income and contributions	1,194	1,063	1,046	1,046	1,046	1,046
	<b>116,376</b>	<b>127,246</b>	<b>148,839</b>	<b>149,394</b>	<b>149,559</b>	<b>149,225</b>
<b>Expenses:</b>						
Salaries and benefits	84,453	90,477	102,172	104,517	106,460	107,809
Fees and contract services	8,183	8,609	12,717	12,946	13,180	13,419
Amortization of tangible capital assets	6,029	6,922	8,261	8,974	9,449	9,802
Facilities	4,027	4,451	5,084	5,181	4,979	5,078
Cost of goods sold	2,992	3,229	3,165	3,065	2,965	2,865
Professional development and travel	1,795	2,567	2,738	2,791	2,845	2,900
Supplies	2,188	2,152	2,418	2,465	2,513	2,562
Leases and rental	939	1,265	1,250	1,250	1,250	1,250
Communications	535	604	619	631	643	655
Interest on long-term debt	468	468	468	468	468	468
Scholarships and bursaries	658	359	701	701	701	701
Other	1,281	5,129	5,401	5,436	5,472	5,509
	<b>113,548</b>	<b>126,232</b>	<b>144,994</b>	<b>148,425</b>	<b>150,925</b>	<b>153,018</b>
Operating surplus before contributions	2,828	1,014	3,845	969	(1,366)	(3,793)
Transfer to Langara College Foundation	(1,473)	(1,014)	(1,292)	(1,318)	(1,345)	(1,373)
<b>Surplus (deficit) for the period</b>	<b>\$ 1,355</b>	<b>\$ -</b>	<b>\$ 2,553</b>	<b>\$ (349)</b>	<b>\$ (2,711)</b>	<b>\$ (5,166)</b>

Certain comparative figures have been reclassified to conform with the presentation adopted in the current year.