



Financial Sustainability Roadmap Annual Report

2023-24

Table of Contents

MESSAGE FROM THE VICE PRESIDENT, FINANCE AND ADMINISTRATION	3
THE FINANCIAL FUTURE	4
FINANCIAL SUSTAINABILITY ROADMAP TIMELINES	5
2023-24 ACHIEVEMENTS	6
INITIATIVES CONTINUING AND STARTING IN 2024-25	11
APPENDIX A: FINANCIAL SUSTAINABILITY METRICS	12
APPENDIX B: FINANCIAL SUSTAINABILITY DASHBOARD	14
APPENDIX C: THEMES AND GOALS	15

Message from the Vice President, Finance and Administration, Duane McNair.

Algonquin College continues to focus on activities and initiatives that serve our learners and employees while moving toward enhancing financial sustainability. Since the development and endorsement of the Financial Sustainability Roadmap three years ago in the Spring of 2021, there have been numerous achievements.

The Human Resources department continues to develop its Strategic Workforce Planning process with several more pilot engagements with College departments. A process to assess the financial performance for all the College's lines of commercial and academic activities has been developed with initial recommendations. A pilot benchmarking study of two administrative departments has been completed.

On January 22, 2024, IRCC announced that international student study permits would be decreased nationally by 35% for 2024 and held at that level for at least two years. The announcement went further to indicate that post-graduate work permits would no longer be made available to any new international students enrolled in Public College-Private Partnership (PCPP) arrangements after January 22, 2024. This announcement has a significant financial impact to the College as there was in excess of \$60 million projected net contribution generated by Algonquin's PCPP.

Additionally, the Ontario college sector faces ongoing challenges that include a Provincial tuition policy that continues to freeze tuition fees up to 2026-27 at levels comparable to those assessed in 2015-16. The Provincial government announced modest increases to college sector funding in response to the Blue Ribbon Panel recommendations released in 2023. Provincial Bill 124, Protecting a Sustainable Public Sector for Future Generations Act, 2019, has been ruled



unconstitutional and public sector wages were adjusted in 2023. Talent shortages and inflationary pressures continue to disrupt and delay some College services and projects at higher costs.

However, the College achieved 62% year over year growth in international student enrolment in 2023-24. Growth in international student enrolments is essential for Ontario colleges to offset the impacts of the operating grant model and tuition policy. In large part, due to this significant growth in international enrolment, the College achieved a record \$35 million net income for 2023-24. The IRCC announcements will significantly impact the ability of the College to achieve financial results of this magnitude in the years ahead.

I would like to thank the Algonquin College Leadership Team for their efforts to support the execution of the Financial Sustainability Roadmap. We will continue to consult and provide updates to the College community on this journey to enhance financial sustainability at Algonquin College.

Duane McNair

A handwritten signature in black ink, appearing to read 'Duane'.

The Financial Future

“ An institution is being managed on a financially sustainable basis if it is recovering its full economic costs and is investing in its infrastructure (physical, human, and intellectual) at a rate adequate to maintain the future productive capacity needed to deliver its strategic plan, and to service its students and other customers.

”

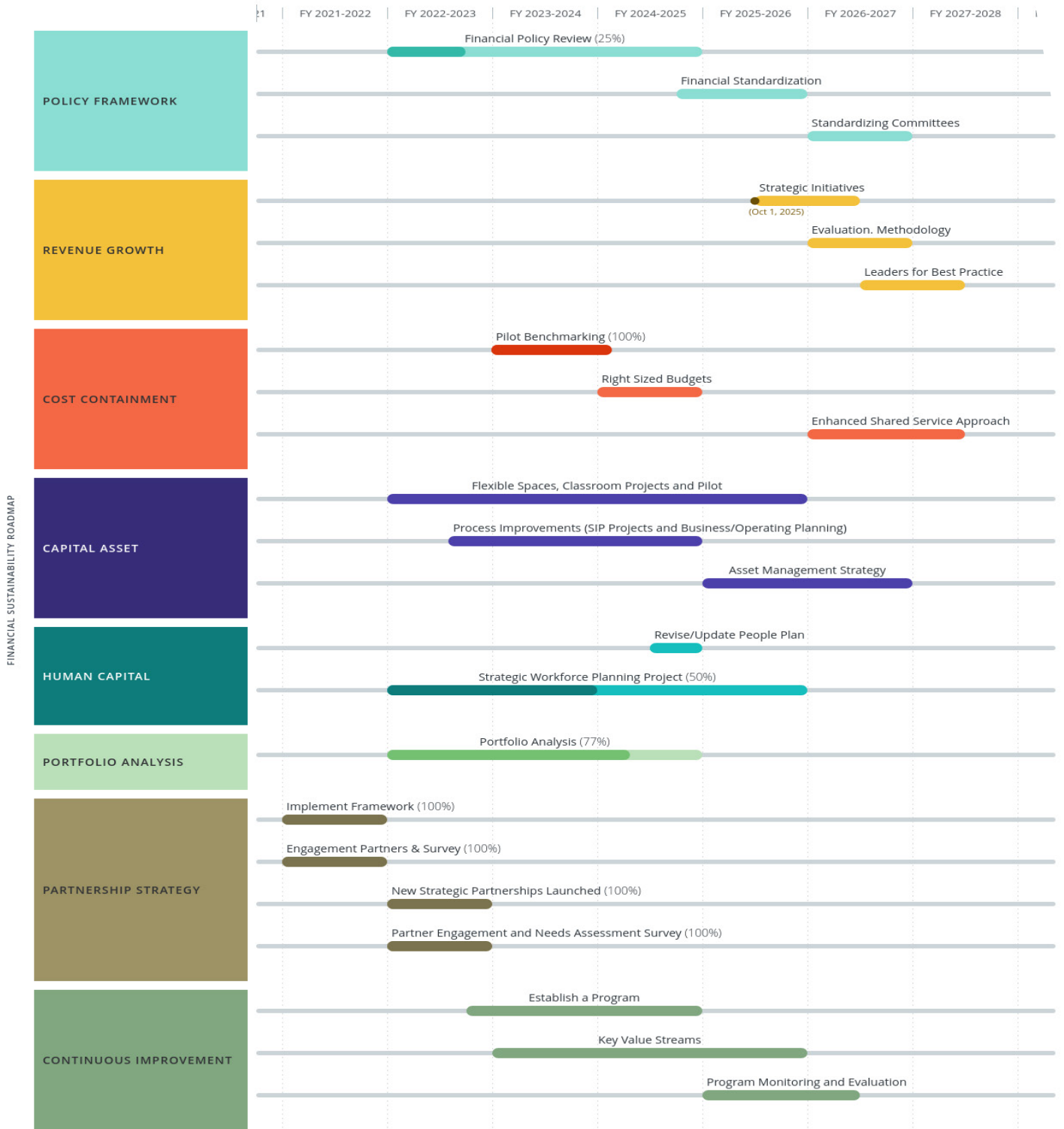
On the Edge: Securing a Sustainable Future for High Education
(OECD 2004)

WHAT THE FUTURE WILL LOOK LIKE

Financial Sustainability at Algonquin College will be achieved through:

- Having heightened financial sustainability measures in place with processes and procedures to support their monitoring, evaluation, regular reviews, and correction.
- The ability to access timely, accurate, complete, consistent and reliable data to inform decisions.
- Effective medium and long term planning, applying safeguards and controls to accounting practices, asset management and operational effectiveness.
- Full economic cost recovery through diversified revenue generation. This includes generating sufficient revenue to fund the total cost of ownership of the College.
- Measuring and monitoring cross subsidization of activities that do not achieve full economic cost recovery and adjusting activities to what is affordable.
- Investing appropriately in our people, information technology resources, facilities, infrastructure, equipment and other assets to maintain productive capacity over the long term.
- Managing risk appropriately in relation to strategy and being prepared to deal with potential financial problems.
- Promoting sustainable economic growth of the College and long-term financial stability.
- Respecting social and environmental factors in the economic commitments and decisions we make.

Financial Sustainability Roadmap



SOURCE LINK: [HTTPS://APP-RM.ROADMUNK.COM/PUBLISH/6CE91ECC07A691719664BF86F284034CC22FCCE3](https://app-rm.roadmunk.com/publish/6CE91ECC07A691719664BF86F284034CC22FCCE3)

Achievements

Over the third year of implementation, a number of Financial Sustainability Roadmap initiatives have attained notable achievements, some of which have been identified below.

Initiative	Achievements
Strategic Workforce Planning	Four strategic workforce planning pilots generating over 70 key lessons learned were completed. The initiative improved knowledge of forecasting future skills, engaging employees by self-assessing their proficiency levels and enabling talent development processes that are employee-driven, team leader-enabled and College supported.
Portfolio Analysis	The Portfolio Analysis reports (Commercial Activities and Academic Programs) were completed and presented to the Algonquin College Executive team with a number of approved recommendations to save costs and improve financial performance.
Benchmarking of Services	The Benchmarking of Services for Value for Money initiative report with findings and recommendations was completed in 2023-24.
Financial Sustainability Metrics	The financial sustainability metrics for finance, space, people and technology improved over the previous year with 5 of the 12 metrics meeting future state targets (compared to 3 the previous year).



Initiative Progress Dashboards

In addition to the identified achievements, below are highlights from initiatives which are currently in progress and/or have been completed in 2023-24.

CAS2- Process Improvements (SIP Projects and Business/Operating Planning)



Schedule
Scope
Budget

- = On track – no significant issues
- = Minor or Potential Impact/Delay
- = Major impact or Delay
- ★ = Completed

Capital Asset Strategy:

ACET Sponsor: Mark Sayenkoff
Initiative Lead: Scott Gonsalves

- Implement a formal integrated college development planning process to manage assets, identify future capital investment requirements and inform annual budget development.

Key Initiative:

- Align existing space, Information Technology, Human Resources, and budget/Strategic Investment Priorities with business and operational planning and governance processes for strategic initiatives.

Project Constraint	Status	Comments
Scope	●	A new, integrated process for managing all strategic initiatives (Strategic Investment Priorities Project and Business/Operating Planning) was developed by the Office of Strategy and Planning and endorsed by Integrative College Development Planning. Algonquin College Executive Team approved the use of the process in March 2024 and an information session was held with Algonquin College Leadership Team in April 2024. This new process will result in the development of a yearly Business Plan and Operating Plan and adequately inform annual budget and resource plans.
Schedule	●	Initial schedule strived to have improvements for start of 2023-24 fiscal year, but availability of stakeholders have caused delays. The new, integrated process began in April 2024 and the tools and governance necessary will be piloted over the upcoming summer. The anticipated completion date for this initiative is March 31, 2025.
Budget	●	This initiative is being resourced with existing base operating budget resources.

As of June 2024

CAS3- Flexible Work Office Space Standards



Schedule
Scope
Budget

- = On track – no significant issues
- = Minor or Potential Impact/Delay
- = Major impact or Delay
- ★ = Completed

Capital Asset Strategy:

ACET Sponsor: Christopher Janzen
Initiative Lead: Ryan Southwood

- Implement a formal integrated college development planning process to manage assets, identify future capital investment requirements and inform annual budget development.

Key Initiative

- Implementation of office space standards throughout the College in response to Flexible Work arrangements. Pilots were completed in Fiscal year 2023-24. Next is establishing and publishing standards and then implementing across the College.

Project Constraint	Status	Comments
Scope	●	10 Multimodal classrooms were created and utilization was tracked in fiscal year 2022-23. Slower uptake than anticipated and some modifications to the systems were completed in fiscal year 2023-24. The first office suburb for employees on a flexible work arrangement was completed in fiscal year 2022-23. Utilization of the enclosed spaces in the suburb were monitored and utilization was approximately 70%. Volunteer departments implanted the developed space standards in a pilot in fiscal year 2023-24.
Schedule	●	Multimodal classrooms and suburb were completed on schedule in 2022-23. Space strategy and pilot of space was initiated in fiscal year 2023-24 with four departments/schools participating. Waiting on one more feedback session and will brief the expected standards to the various committees in fiscal year 2024-25. The space standards are behind schedule. The anticipated completion date for this initiative is March 31, 2026.
Budget	●	Multimodal project was completed within allocated Strategic Investment Priorities budget. Suburb exceeded initial budget allocation and funding was reallocated within the space envelope. Space strategy is on budget.

As of June 2024

Initiative Progress Dashboards

CC2- Pilot Benchmarking



● = On track – no significant issues
● = Minor or Potential Impact/Delay
● = Major impact or Delay
★ = Completed

Cost Containment:

- Align leadership accountability to focus on responsible budget management by adhering to Algonquin College budget principles that supports core delivery and value for money while minimizing annual growth of expenditures and enhancing productivity.

ACET Sponsor: Duane McNair
Initiative Lead: Grant Perry

Key Initiative

Pilot a benchmarking exercise of College services to ensure value for money with peer institutions.

Project Constraint	Status	Comments
Scope	●	The pilot of this initiative included two service areas; Finance and Administrative Services and Risk Management.
Schedule	●	This initiative was proposed as an Internal Audit plan initiative and approved for execution by the Audit and Risk Management Committee on March 30, 2023. The draft of the final report with recommendations is complete and was presented to the Audit and Risk Management Committee on May 22, 2024.
Budget	●	The estimated cost for this initiative was estimated between \$70,000 and \$95,000. Through a Request for Proposal competitive procurement process, KPMG was the successful vendor with a bid of \$85,000, plus applicable taxes.

As of June 2024

CI1- Establish a Continuous Improvement Program



● = On track – no significant issues
● = Minor or Potential Impact/Delay
● = Major impact or Delay
★ = Completed

Continuous Improvement

- Create a culture of continuous improvement that puts greater emphasis and measurement on financial sustainability through improved productivity and increased value for our learners and clients.

ACET Sponsor: Diane McCutcheon
Initiative Lead: Caleb Hui

Key Initiative

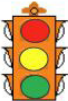
Establish a program that equips leaders and employees with just-in-time continuous improvement tools and competencies.

Project Constraint	Status	Comments
Scope	●	Unchanged from last year. The initiative continues as planned with the AC Way FY2023-FY2026 Refreshed Timelines.
Schedule	●	The schedule has been corrected from the previous status. An introductory course has been made available, and a full suite of just-in-time tools has been developed, covering basics to advanced-level materials. These tools will continue to be enhanced to meet emerging needs identified by employees and leaders. Completion is on schedule for March 2025.
Budget	●	The initiative remains on track and is being resourced within the planned base operating budget.

As of June 2024

Initiative Progress Dashboards

CI2- Key Value Streams

 <ul style="list-style-type: none"> Schedule Scope Budget 	● = On track – no significant issues	Continuous Improvement: <ul style="list-style-type: none"> Create a culture of continuous improvement that puts greater emphasis and measurement on financial sustainability through improved productivity and increased value for our learners and clients. 	ACET Sponsor: Diane McCutcheon Initiative Lead: Caleb Hui
	● = Minor or Potential Impact/Delay		
	● = Major impact or Delay		
	★ = Completed		

Key Initiative

Identify and map key value streams and ensure key project and programs have metrics aligned to corporate goals.

Project Constraint	Status	Comments
Scope	●	The initiative is on track with the goal to identify and analyze critical processes at the college through a continuous improvement lens.
Schedule	●	The project schedule is facing constraints primarily due to a change in practice in identifying operational and business planning processes. To address these challenges and realign with our goals, we are proposing an extension of the timeline or a reduction of the scope within the current budget parameters.
Budget	●	The budget remains stable with the current staffing model. However, constraints arising from process changes are impeding scheduled progress, indicating a need for scope or budget adjustment to maintain alignment with project delivery.

As of June 2024

HC2- Strategic Workforce Planning Project

 <ul style="list-style-type: none"> Schedule Scope Budget 	● = On track – no significant issues	Human Capital Strategy: <ul style="list-style-type: none"> To ensure Algonquin College has the right people (numbers and skills sets) in the right place (location, roles) at the right time (duration) and at the right cost (pay and rewards) in order to fulfill the goals of our organization. Enable an organization driven by data with effective employee support, where flexibility and agility are embedded in all of our workforce planning methodologies. 	ACET Sponsor: Diane McCutcheon Initiative Lead: David Soltis
	● = Minor or Potential Impact/Delay		
	● = Major impact or Delay		
	★ = Completed		

Key Initiative

Phase 1: Strategic Workforce Planning Framework (including Roadmap or Maturity Model)
 Phase 2: Proof of Concept model in a department(s) to assess effectiveness of systems, processes and support required
 Phase 3: Identify resource requirements and develop processes (e.g. Position Management Framework), roles and responsibilities and governance model and training to support strategic workforce planning
 Phase 4: Enhancement of technical capability and integrations between Workday, Adaptive Insights and other applications to improve data integrity and visualization, performance and insights
 Phase 5: Roll out College-wide Strategic Workforce Planning training, performance support, processes, tools, and access to dashboards

Project Constraint	Status	Comments
Scope	●	The Strategic Workforce Planning Project implemented year one of its multi-year plan which included a focus on position management, enhancements to analytics capabilities and testing of key processes. The project team implemented four strategic workforce planning pilots generating over 70 key lessons learned. The initiative improved knowledge of forecasting future skills, engaging employees by self-assessing their proficiency levels and enabling talent development processes that are employee-driven, team leader-enabled and College supported. In 2024-25, the project will continue to pilot workforce planning in an additional five areas of the College, assess technologies and develop training for people leaders to drive adoption of key processes.
Schedule	●	Strategic Workforce Planning completed on schedule per milestones set in the 2023-24 Business Plan. The anticipated completion date for this initiative is March 31, 2026.
Budget	●	2023-24 project scope completed within budget. \$225K (Adjusted at Third Quarter to \$155K) - Final spend \$155K.

As of June 2024

Initiative Progress Dashboards

PA1- Portfolio Analysis



Scope
Schedule
Budget

- = On track – no significant issues
- = Minor or Potential Impact/Delay
- = Major impact or Delay
- ★ = Completed

Strategic Goal:

Develop a portfolio review process and system to assess the financial performance of revenue-generating lines of business (Commercial Activities) and programs (Academic Activities).

ACET Sponsor: Duane McNair
Initiative Lead: Rahul Sharma

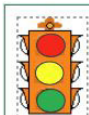
Key Initiative

Develop a portfolio review process and system to assess the financial performance of revenue-generating lines of business (Commercial Activities) and programs (Academic Activities).

Project Constraint	Status	Comments
Scope	●	Commercial Activities analysis included: Campus Services, Business Development & Corporate Training, International Education Centre, Public College Private Partnership (PCPP), and Contract Activity. Academic Activities analysis included: Apprenticeship, AC Online, Collaborative Programs, Applied Research, Cooperative Education, and Academic Learning Enterprises (ALE's).
Schedule	●	The 2023-24 Commercial Activity report and business unit recommendations were initially presented to Algonquin College Executive Team (ACET) on October 12, 2023 and it was presented again on February 7, 2024 to include impacts to some business owner remarks as a result of the Immigration, Refugees and Citizenship Canada's (IRCC's) announcement on January 22, 2024 regarding study permit application caps for international students. The 2023-24 Academic Activity report and business unit recommendations were presented to ACET on March 27, 2024. Although there were some delays to the original schedule, both reports were completed and presented to ACET by March 31, 2024, marking the completion of this 2023-25 Business Plan initiative. ACET approved many business unit recommendations and noted that some business units would require further discussion and analysis. Next steps for the portfolio analysis process were also approved. The second iteration of this exercise will be conducted in 2024-25.
Budget	●	The Strategic Investment Priorities (SIP) budget that supported this first iteration of the PA1 analysis has been fully consumed. Operational funds will be used for further work on this exercise in 2024-25.

As of June 2024

POL1- Financial Management Policy Framework



Schedule
Scope
Budget

- = On track – no significant issues
- = Minor or Potential Impact/Delay
- = Major impact or Delay
- ★ = Completed

Policy Framework:

- Establish clearer roles, responsibilities and authority for financial management decisions, with appropriate safeguards and controls that support long term sustainability

ACET Sponsor: Duane McNair
Initiative Lead: Duane McNair

Key Initiative

Undertake research, including the review of financial policies of other post-secondary institutions, with a focus on improving the College's financial policies and principles.

Project Constraint	Status	Comments
Scope	●	Algonquin College financial management policies including Board of Governors policies, management policies and budget principles.
Schedule	●	After the 2nd year of this 3-year initiative, the project is on track for completion as per the schedule. The anticipated completion date for this initiative is March 31, 2025.
Budget	●	This initiative is being resourced with existing base operating budget resources.

As of June 2024

Initiative Progress Dashboards

Initiatives Continuing & Starting in 2024-25

POLICY FRAMEWORK	COST CONTAINMENT	CONTINUOUS IMPROVEMENT	CONTINUOUS IMPROVEMENT
<p>FINANCIAL STANDARDIZATION (POL1)</p> <ul style="list-style-type: none"> Undertake research, including the review of financial policies of other post-secondary institutions, with a focus on improving the College’s financial policies and principles. 	<p>RIGHT SIZED BUDGETS (CC2)</p> <ul style="list-style-type: none"> Create a process to ensure budgets are right sized, focused on core activities and demonstrate value with benchmarks and measures 	<p>ESTABLISH A PROGRAM (CI1)</p> <ul style="list-style-type: none"> Establish a program that equips leaders and employees with just-in-time continuous improvement tools and competencies. 	<p>KEY VALUE STREAMS (CI2)</p> <ul style="list-style-type: none"> Identify and map key value streams and ensure key project and programs have metrics aligned to corporate goals.
PORTFOLIO ANALYSIS	CAPITAL ASSET STRATEGY	CAPITAL ASSET STRATEGY	HUMAN CAPITAL
<p>PORTFOLIO ANALYSIS (PA1)</p> <ul style="list-style-type: none"> Develop a portfolio review process and system to assess the financial performance of revenue-generating lines of business (Commercial Activities) and programs (Academic Activities). 	<p>PROCESS IMPROVEMENTS (CAS2)</p> <ul style="list-style-type: none"> Align existing space, IT, HR and budget / SIP with business and operational planning and governance processes for strategic initiatives. 	<p>FLEXIBLE WORK OFFICE SPACE STANDARDS (CAS3)</p> <ul style="list-style-type: none"> Implementation of office space standards throughout the College in response to Flexible Work Arrangements. 	<p>STRATEGIC WORKFORCE PLANNING (HC2)</p> <ul style="list-style-type: none"> Phased approach over 5 years to ensure Algonquin College has the right people in the right places, at the right cost to fulfill the goals of the organization.

Appendix A

Financial Sustainability Metrics

	Metric Name	Formula/ Calculation	Future State Target	True North Target	Description
FINANCE	Return on Net Assets	Change in Net Assets during the fiscal year / Total Net Assets at the beginning of the fiscal year	8.0%	100.0%	Net Asset growth positions the College to sustain ongoing operations and investments.
	Viability Ratio	Expendable Net Assets/Long Term Debt	1.25	10	The viability ratio indicates the relative liquidity of the College and ability to pay debt obligations.
	Primary Reserve Ratio	Expendable Net Assets (internally restricted and unrestricted) / Total Expenses	0.4	5	Expendable Net Assets should be at least 0.4 or enough to pay for 5 months' expenses.
	Net Operating Revenue Ratio	Operating Surplus/ Total Operating Revenue	At least 10%	50.0%	Healthy operating margins ensure that the College earns sufficient revenues to deliver current programs/services, fund in year SIP and reserve cash for future needs.
SPACE	Facilities Condition Index	Total Deferred Maintenance Costs/Current Replacement Value of Campus Facilities	Less than 5%	0.00%	Facilities Condition Index is a standard facility management benchmark that is used to objectively assess the current and projected condition of building assets on College campuses. These values are derived from the most recent College facilities assessments and the data is pulled from SLAMCap.
	Investment in Facilities as a % of Current Replacement Value	Annual Maintenance and Suitability Costs/ Current Replacement Value of Campus Buildings	1.25% for Maintenance and 0.5% for Suitability	5% for Maintenance and 2% for Suitability	Includes annual operational maintenance costs (inc. contract maintenance), infrastructure envelope and space envelope costs. Industry standard is X% for Maintenance and Y% for Suitability. Current Replacement Value is drawn from SLAMCap and includes all College physical assets.
	Assignable square meter per student	Total # of Assignable square meters/Number of Full Time Post Secondary Registrations	2.40	1	The utilization rate of the College's assignable space is a metric that indicates the productivity of our facilities. Greater students served with less space leads to higher productivity. However, the quality of the student experience must also be measured and considered when developing new strategies to serve more students with less space .
PEOPLE	Vacancy Rate	# of Vacant Full Time Positions / Total number of Full Time positions available	6% or less	0%	Managing full time position vacancies to the lowest point possible helps ensure appropriate capacity and productivity required to effectively deliver College programs and services.
	Vacation Liability	# of accrued vacation days (hours) for all full time employees multiplied by daily (hourly) rate of employee compensation	\$11,800,000 (\$9,600,000)	\$0.0	Vacation liability must be monitored and managed to ensure that employees are maintaining their health and wellness and that the College is not carrying excessive financial liabilities . Note: this metric is under review due to challenges in forecasting and setting an appropriate target.

Appendix A

Financial Sustainability Metrics

	Metric Name	Formula/ Calculation	Future State Target	True North Target	Description
TECHNOLOGY	IT Infrastructure Condition Index	(The total # of Infrastructure Devices within the Target Life Expectancy)/(Total Number of Hardware Devices)	100%	100%	<p>This metric measures the number of infrastructure devices that are not beyond end of life or are still being supported by the vendor as a percentage of the total number of infrastructure devices. The KPI represents the risk of hardware failure due to age, but also the risk of prolonged outages because the asset is no longer supported; this can lead to a lack of available expertise and spare parts to correct a failure.</p> <p>As of FY 2021-22 the scope has been changed to include cabling. As a result, cabling has been added to the denominator and numerator of the forecasted metrics for FY2021-22 and onward. Cabling was originally not included in metrics previous to FY2021-22 and will not be retroactively calculated.</p>
	IT Services Customer Satisfaction (Net Promoter Score)	Clients who have submitted a service request to the ITS Service Desk (via phone or email) are requested to complete an NPS survey. Approximately 10% of service requests result in a completed survey. This metric is the NPS calculation of all NPS scores received for the reporting year.	86	100	<p>This metric is tracked monthly and presented to CTC. However, only the annual number is provided to FSR to reflect actuals and forecasts for each year.</p> <p>Note: Upon reviewing our forecasts, the target and forecast has been lowered from 90 to 86. The rationale is that ITS believe a score of 86 is very high and very difficult to maintain and a score of 90 is not realistically feasible.</p>
	Cyber Security Maturity Rating	This metric is based on the Ernst and Young Cybersecurity Program Assessment method which was developed as an objective means to evaluating any organizations security program. Points are awarded for achieving levels of maturity across various Cyber Program categories (e.g. Awareness, Policy and Legislative Compliance). The overall score is on a scale from 1 to 5	2.5	5.0	<p>Areas reviewed in the assessment are as follows: • Architecture • Asset management • Awareness • Business continuity management • Data infrastructure • Data protection • Governance and organization • Host security • Identity and access management • Incident management • Metrics and reporting • Network security • Operations • Policy and standards framework • Privacy • Security monitoring • Software security • Strategy • Third-party management • Threat and vulnerability management</p>

Appendix C

Financial Sustainability Dashboard

The Audit and Risk Management Committee of the Board of Governors requested a dashboard report on progress being made to enhance financial sustainability at the College. The following dashboard reports were presented to the Audit and Risk Management Committee in May 2024 to inform the Committee on progress:

Funded Activity / College Operations – Cash Flow Net Contribution (\$000s)

Calculated on modified cash flow – expenses includes principal portion of debt, excludes planned contributions to reserves

Target: >\$0

	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Q3 / Actuals	2023-24 Q1 / Actuals	2024-25 Budget	2025-26 Pro Forma	2026-27 Pro Forma	2027-28 Pro Forma
Actuals / Projected (Baseline 31Jan2023)	\$18,754	\$3,399	\$(4,173)	\$(7,547) Q3-Projection	\$(8,921) Q3-Projection	\$(12,297)	\$(8,592)	\$(559)	\$7,088
Actuals / Projected (7May2024)	\$18,754	\$3,399	\$(4,173)	\$(1,451) Year-End Actuals	\$6,247 Actuals	\$4,398	\$(13,413)	\$(46,102)	\$(60,371)

Net Operating Revenue Ratio

Calculated on modified cash flow – expenses includes principal portion of debt

Target: 10%

	2019-20 Actuals	2020-21 Actuals	2021-22 Actuals	2022-23 Actuals	2023-24 Actuals	2024-25 Budget	2025-26 Pro Forma	2026-27 Pro Forma	2027-28 Pro Forma
Actuals / Projected (Baseline 31Jan2023)	9.6%	4.9%	2.6%	5.8%	5.2%	6.1%	7.7%	9.6%	11.7%
Actuals / Projected (7May2024)	9.6%	4.9%	2.6%	5.8%	9.9%	9.2%	5.2%	-2.8%	-4.8%

Return on Net Assets

Target: 10%

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 Budget	2025-26 Pro Forma	2026-27 Pro Forma	2027-28 Pro Forma
Actuals / Projected (Baseline 31Jan2023)	8.6%	6.2%	-1.0%	2.9%	1.5%	-3.2%	-2.1%	9.2%	11.0%
Actuals / Projected (7May2024)	8.6%	6.2%	-1.0%	5.7%	21.7%	9.4%	-9.3%	-25.8%	-36.4%

Internally Restricted Net Assets (\$000s)

Target: Increasing Five Year Rolling Average

	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 Budget	2025-26 Pro Forma	2026-27 Pro Forma	2027-28 Pro Forma
Actuals / Projected (Baseline 31Jan2023)	\$88,821	\$86,835	\$76,737	\$76,770	\$56,644	\$41,878	\$42,375	\$64,251	\$93,510
5 Year Rolling Average (Baseline 31Jan2023)					\$75,417	\$66,029	\$57,137	\$54,640	\$59,732
Actuals / Projected (7May2024)	\$88,821	\$86,835	\$76,737	\$76,770	\$104,446	\$104,065	\$78,744	\$22,248	\$(41,628)
5 Year Rolling Average (7May2024)					\$86,722	\$89,771	\$88,152	\$77,255	\$53,575

International Student Mix (Algonquin College Campuses)

Target: 40%

Baseline 31Jan 2023	2019-20	2020-21	2021-22	2022-23	2023-24 Approved	2024-25 Pro Forma	2025-26 Pro Forma	2026-27 Pro Forma	2027-28 Pro Forma
Domestic	35,388	33,341	34,144	33,314	33,735	33,735	33,735	33,735	33,735
International	9,676	7,790	7,355	10,765	13,688	15,741	18,102	20,818	23,940
Total	45,064	41,131	41,499	44,079	47,423	49,476	51,837	54,553	57,675
%International	21.5%	18.9%	17.7%	24.4%	28.9%	31.8%	34.9%	38.2%	41.5%

7May2024	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 Pro Forma	2025-26 Pro Forma	2026-27 Pro Forma	2027-28 Pro Forma
Domestic	35,388	33,341	34,144	32,805	33,552	34,478	33,444	32,440	31,467
International	9,676	7,790	7,355	10,500	17,076	20,444	20,667	16,819	17,660
Total	45,064	41,131	41,499	43,305	50,628	54,922	54,111	49,259	49,127
%International	21.5%	18.9%	17.7%	24.2%	33.7%	37.2%	38.2%	34.1%	35.9%

Appendix D

Themes and Goals

Vision	We will support decision-making that ensures long-term financial health of the College, predictable infrastructure investment, responsible debt management, and delivering value for money while maintaining a high-quality learning environment.			
Objectives	Clear Direction	Innovation & Quality	Operating Sustainably	Risk Management
Results	The ability to assess future needs and risks and measure performance.	Investing at an appropriate level to maintain productive capacity and competitiveness.	Recovering costs and generating income to cover total costs of operations.	Managing risk appropriately in relation to strategy & prepared to deal with potential financial problems.

Themes	Goals
Revenue Growth	To develop a College-approved evaluation method that is used when considering revenue generation/growth proposals in order to ensure that the College prioritizes initiatives that are aligned with our academic mandate, and gives preference to initiatives that improve enrolment, retention, and competitive differentiation.
Cost Containment	Align leadership accountability to focus on responsible budget management by adhering to Algonquin College budget principles that supports core delivery and value for money while minimizing annual growth of expenditures and enhancing productivity.
Capital Asset Strategy	Implement a formal integrated college development planning process to manage assets, identify future capital investment requirements and inform annual budget development.
Human Capital Strategy	To ensure Algonquin has the right people in the right jobs at the right time and at the right cost in order to fulfill the goals of our organization. An organization driven by data and employee support, where flexibility and agility are embedded in all of our workforce planning methodologies.
Portfolio Analysis	Ongoing review and adjustment to our program mix, lines of business and service activities for revenue generating areas of the college to optimize sustainable net revenues and ensure cross-subsidization is deliberate, transparent, measured and monitored.
Continuous Improvement	Create a culture of continuous improvement that puts greater emphasis and measurement on financial sustainability through improved productivity and increased value for our learners and clients.
Policy Framework	Establish clearer roles, responsibilities and authority for financial management decisions, with appropriate safeguards and controls that support long term sustainability.
Partnerships Framework	Develop an overarching and integrated strategy for the development and management of partnerships.



“ Ensuring long-term future sustainability for the College is critical to the success of our mission and strategic goals. ”

Claude Brulé,
President and Chief Executive Officer