

LANGARA COLLEGE

**Operating and Capital Budget
For the year ending March 31, 2019**

Langara College

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Langara College

Schedule 1

Statement of Operations and Accumulated Surplus Proposed 2019 Budget

	BUDGET			ACTUALS
	Proposed 2019	Approved 2018	Difference	2017
Revenue:				
Province of British Columbia grants	\$ 47,187,000	\$ 45,681,000	\$ 1,506,000	\$ 41,810,000
Contract services	1,412,000	726,000	686,000	922,000
Tuition and student fees	101,406,000	90,654,000	10,752,000	82,980,000
Sales of goods and services	6,112,000	6,137,000	(25,000)	6,096,000
Investment income	1,115,000	499,000	616,000	687,000
Miscellaneous income and contributions	1,263,000	1,046,000	217,000	1,825,000
Revenue recognized from deferred capital contributions	4,580,000	4,096,000	484,000	3,954,000
	163,075,000	148,839,000	14,236,000	138,274,000
Expenses:				
Instruction	154,568,000	138,566,000	16,002,000	116,738,000
Ancillary operations	6,528,000	6,428,000	100,000	6,297,000
Transfer to Langara College Foundation	1,560,000	1,292,000	268,000	1,434,000
	162,656,000	146,286,000	16,370,000	124,469,000
Surplus for the year	419,000	2,553,000	(2,134,000)	13,805,000
Accumulated operating surplus, beginning of year	74,121,000	71,568,000	2,553,000	57,763,000
Accumulated operating surplus, end of year	\$ 74,540,000	\$ 74,121,000	\$ 419,000	\$ 71,568,000

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

Revenues

Grants

Increased \$1,506,000 primarily due to fund increases to union and non-management salaries under the Provincial government's Economic Stability Mandate (\$979,000); additional grants expected as Adult Basic Education and English as a Second Language are now being funded by the Province (\$590,000).

Contracts

Increased \$686,000, primarily from the Nursing Community Assessment Service (NCAS) contract with the College of Registered Nurses of BC (CRNBC) (\$680,000). This contract ends in 2019.

Tuition and Student Fees

Increased \$10,752,000:

Tuition budgets are based on the actual enrolment levels achieved in 2018 with trends and price increases factored in as noted below:

- No increase in regular studies international enrolment levels over those achieved in 2018 and no change to international tuition fees. The actual international enrolment level achieved in 2018 accounts for \$7,095,000 of the increase over the original 2018 budget. Related direct expenses have been adjusted to accommodate the anticipated level of activity.
- 5% lower domestic enrolment and a 2% increase in domestic tuition fees (-\$330,000). Additionally, domestic revenue is projected to be \$160,000 lower for Adult Basic Education courses. This loss in revenue is expected to be offset by higher grant revenue.
- Building Legacy and International Advancement Fund fees increase \$258,000, for which there are offsetting budgeted transfers to the Langara College Foundation.
- Changes to Post Degree Diplomas/Certificates, Continuing Studies courses, and other fees total \$3,888,000. These changes are net of a reduction in Domestic ESL revenue of \$470,000 which is expected to be offset with higher grant revenue.

Langara College

Schedule 2

Budget Changes

Proposed 2019 Budget

Sales of Goods and Services

Decreased \$25,000, an anticipated decrease in bookstore sales is partially offset by increased revenue from daycare and copy services.

Investment Income

Increased \$616,000, which reflects higher cash balances resulting from the growth in international revenue over the past few years.

Miscellaneous income and contributions

Increased \$217,000, primarily from donation revenue for student awards for which award expenses have also been budgeted (\$130,000) and various sources of commission income (\$62,000).

Revenue recognized from deferred capital contributions

Increased \$484,000 to recognize amortization of deferred revenue received from the Provincial and Federal governments to fund capital acquisitions.

Expenditures

Expenses are budgeted based on the anticipated levels of instructional activity and approved academic enhancements. Budgeted expenditures for other areas were status quo except as noted below.

Salaries and benefits

- Increased \$1,725,000 to fund new and ongoing enhancements to academic areas to support students and faculty, and to implement various aspects of the College's Strategic and Academic plans.
- Net increase of \$1,914,000 to reflect changes in Post Degree Diploma/Certificate Programs and Continuing Studies for which there are corresponding revenues.
- Increased \$622,000 for salary increments, pay increases, and annualizations.
- Decreased \$1,373,000 due to an increase in the estimate for vacant positions.
- Increased \$1,023,000 for the ERP implementation program, including a provision for backfilling employees assigned to the project.
- Increased \$183,000 to provide for 14 additional instructional sections (in addition to the number in the 2018 budget).
- Increased \$117,000 to fund students working as peer-tutors.
- Other new positions include:
 - \$393,000 in Information Technology;
 - \$391,000 in Financial Services;
 - \$305,000 in Facilities, including (\$60,000 for a temporary consulting position);
 - \$235,000 in People Services;
 - \$214,000 in International Education;
 - \$206,000 in Communications and Marketing;
 - \$75,000 in Organizational Risk Assessment; and
 - \$50,000 for temporary support in Disability Services.

Langara College

Schedule 2

Budget Changes

Proposed 2019 Budget

Fees and contract services

- Increased \$1,420,000 for expenses related to the acquisition and implementation of a new ERP system.
- Increased \$763,000 for international agent fees to accommodate the expected level of international students enrolled through agents.
- Net increase of \$748,000 due to changes in Post Degree Diploma/Certificate Programs, External Studies and Continuing Studies for which there are corresponding revenues.
- Increased \$395,000 related to IT support for new facilities.
- Increased \$190,000 for employee recruitment, engagement and wellness programs.
- Increased \$120,000 in academic areas, including enhancements.
- Increased \$200,000 for several organizational risk assessment reviews and exercises.
- A one-time increase of \$50,000 for an experiential education review.
- Increased \$130,000 for Information Technology consulting and security monitoring.

Amortization of tangible capital assets

- Amortization increased \$1,966,000. This consists of \$484,000 for restricted capital that will have offsetting revenue and \$1,482,000 for unrestricted capital and leasehold improvements.

Facilities

- Increased \$45,000 for property taxes assessed on areas of the College deemed to be used for commercial activities.
- Increased \$308,000 due to an increase in janitorial and engineering contract costs.
- Increased \$215,000 for maintenance and repairs cost that the College can no longer fund from deferred ACA contributions from the Province as these funds have now been fully depleted.
- Increased \$170,000 for planned new office and education space.

Cost of goods sold

- Reduced \$55,000 to reflect decreased sales in the bookstore.

Langara College

Schedule 2

Budget Changes

Proposed 2019 Budget

Professional development and travel

- Net increase of \$181,000 due to changes in Post Degree Diploma/Certificate Programs, Study Tours and Continuing Studies for which there are corresponding revenues.
- Increased \$66,000 for approved additions to the Academic area.
- Increased \$72,000 for International Education recruitment travel.
- Increased \$40,000 for leadership development.

Supplies

- Increased \$437,000 due to changes in Post Degree Diploma/Certificate Programs, External Studies and Continuing Studies for which there are corresponding revenues.
- Increased \$365,000 for academic enhancements, including \$285,000 for the Langara Student Success Course initiative.

Leases and rental

- Increased \$1,400,000 for planned new office and education space.
- Decreased \$86,000 following the purchase of previously leased office trailers.
- Increased \$197,000 for campus wide copier/printer lease.

Other:

- Increased \$541,000 due to higher annual software licensing costs and IT related costs.
- Decreased \$340,000 for the provision for employee benefit costs as this provision was moved into the labour budget.

Communications:

- Increased \$87,000 mainly for budgeted higher communication costs for new office space (\$50,000), and higher telephony costs (\$37,000).

Langara College

Budget Changes

Proposed 2019 Budget

Schedule 2

Scholarships and bursaries

- Increased \$138,000 for third party awards for which associated donation revenue has also been budgeted.

Transfer to Langara College Foundation

- Increased \$268,000 in fees collected from students for the Building Legacy Fund and the International Education Development Fund.

Projections

Projections for the three years subsequent are based on increases to grants and salaries similar to the last 2 years under the Province's Economic Stability Mandate, adjustments for onetime expenses, 2% inflation on non-salary expenses, and a provision for salary increments and benefits. Domestic regular studies tuition revenue is projected to decrease due to an expected 5% annual drop in enrolment which is partially offset by a 2% annual increase in domestic tuition fees. International tuition revenues are projected to increase in 2020, 2021 and 2022.

Langara College

Capital Acquisitions

Proposed 2019 Budget

Schedule 3

	BUDGET		PROJECTIONS		
	Approved 2018	Proposed 2019	2020	2021	2022
College Funded					
Regular Studies & Student Services	\$ 285,000	\$ 445,000	\$ 430,000	\$ 430,000	\$ 430,000
Continuing Studies	90,000	40,000	40,000	40,000	40,000
Library	140,000	158,000	158,000	158,000	158,000
Facilities					
Equipment	350,000	340,000	340,000	340,000	340,000
Renovations	249,000	1,075,000	350,000	350,000	350,000
Opening of Master Plan	-	400,000	-	-	-
SIF project PSI Internal	591,000	-	-	-	-
	599,000	1,815,000	690,000	690,000	690,000
Information Technology	3,235,000	3,453,000	2,200,000	2,200,000	2,200,000
International Education	400,000	800,000	-	-	-
Major Items					
Building A Renovations	3,325,000	3,587,000	-	-	-
New Facilities		3,370,000			
ERP System	2,000,000	1,530,000	2,040,000	2,805,000	3,060,000
	5,325,000	8,487,000	2,040,000	2,805,000	3,060,000
Contingency	670,000	1,451,000	1,390,000	1,390,000	1,390,000
	11,335,000	16,649,000	6,948,000	7,713,000	7,968,000
Provincially Funded					
Renovation Capital	1,332,000	1,501,000	1,501,000	1,501,000	1,501,000
SIF Capital	565,000	-	-	-	-
	1,897,000	1,501,000	1,501,000	1,501,000	1,501,000
Federally Funded					
SIF Capital	974,000	-	-	-	-
	974,000	-	-	-	-
TOTAL	\$ 14,206,000	\$ 18,150,000	\$ 8,449,000	\$ 9,214,000	\$ 9,469,000

Langara College

Statement of Operations with Expenses by Object

Proposed 2019 Budget with projections for the period 2020 to 2022

	ACTUAL	BUDGET		PROJECTIONS		
	2017	Approved 2018	Proposed 2019	2020	2021	2022
Revenue						
Province of British Columbia grants	\$ 41,810,000	\$ 45,681,000	\$ 47,187,000	\$ 48,292,000	\$ 49,397,000	\$ 50,502,000
Contract services	922,000	726,000	1,412,000	731,000	731,000	731,000
Tuition and student fees	82,980,000	90,654,000	101,406,000	104,354,000	107,031,000	109,117,000
Sales of goods and services	6,096,000	6,137,000	6,112,000	6,012,000	5,912,000	5,812,000
Investment income	687,000	499,000	1,115,000	753,000	682,000	562,000
Miscellaneous income and contributions	1,825,000	1,046,000	1,263,000	1,263,000	1,263,000	1,263,000
Revenue recognized from deferred capital contributions	3,954,000	4,096,000	4,580,000	4,655,000	4,708,000	4,761,000
	138,274,000	148,839,000	163,075,000	166,060,000	169,724,000	172,748,000
Expenses						
Salaries and benefits	89,125,000	102,173,000	108,337,000	111,029,000	113,729,000	116,429,000
Amortization of tangible capital assets	7,182,000	8,261,000	10,227,000	10,463,000	10,764,000	10,410,000
Fees and contract services	9,153,000	12,717,000	16,840,000	17,057,000	17,391,000	17,732,000
Facilities	4,917,000	5,083,000	5,838,000	5,978,000	6,121,000	6,267,000
Cost of goods sold	2,838,000	3,165,000	3,110,000	3,010,000	2,910,000	2,810,000
Professional development and travel	2,256,000	2,738,000	3,129,000	3,181,000	3,242,000	3,304,000
Supplies	2,455,000	2,418,000	3,256,000	3,267,000	3,333,000	3,400,000
Leases and rental	1,166,000	1,250,000	2,742,000	2,742,000	2,742,000	2,742,000
Other	1,929,000	5,401,000	5,604,000	5,716,000	5,830,000	5,946,000
Communications	561,000	619,000	706,000	719,000	732,000	745,000
Interest on long-term debt	468,000	468,000	468,000	468,000	468,000	468,000
Scholarships and bursaries	985,000	701,000	839,000	839,000	839,000	839,000
Transfer to Langara College Foundation	1,434,000	1,292,000	1,560,000	1,591,000	1,623,000	1,656,000
	124,469,000	146,286,000	162,656,000	166,060,000	169,724,000	172,748,000
Surplus (deficit) for the period	13,805,000	2,553,000	419,000	-	-	-
Accumulated operating surplus, beginning of year	57,763,000	71,568,000	74,121,000	74,540,000	74,540,000	74,540,000
Accumulated operating surplus, end of year	\$ 71,568,000	\$ 74,121,000	\$ 74,540,000	\$ 74,540,000	\$ 74,540,000	\$ 74,540,000

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