



Financial Update

June 2, 2020

Agenda



- 2019-20 Operating Results
- 2020-21 Operating Budget (Pre-COVID-19)
- Historical Trends
- Capital Projects updates
- COVID-19:
 - Scenario Planning
 - Financial Impacts

2019-20 Operating Results



Budget – (\$4,000)

Actual – (\$1,424,404)

Major variances:

- Tuition & Fees exceeded budget
- Scholarship Expenses over budget
- Repairs & Maintenance expenses over budget
- Residence & Food Service Revenues lower than budget
- Rebate of Residence and Food Service Fees

2020-21 Operating Budget (Pre-COVID-19)



Budget – (\$590,000)

Key Assumptions:

- Government Operating Grant – 1% Increase
- Enrolment – Assuming an increase of 150 students in total. This is made up of a combination a higher number of returning students as well as an increase in the size of the incoming class.
- Student Fees
 - Tuition increase of 3%; Other fees increasing 3%
 - Ancillary Fees – Room rentals increasing 1.5%; meal plans increasing 3.5%
- Salaries
 - Economic Adjustments
 - Progression through the ranks
- Residence Occupancy – 89%
- General inflationary increases 1.5%

2020-21 Operating Budget (Pre-COVID-19)



Revenue – up 5.57%

- Mostly related to Tuition & Fees

Expenses:

- Academic – 4.86% increase
 - Salary increases
- Student Services – 16.86% increase
 - Scholarship Expenses
- Advancement – 2.14% increase
 - Website redevelopment
- Facilities Management – 2.10% increase
- Information Technology – 11.08% increase
 - Network Security
 - Software maintenance
 - Computer Refresh
- Administration & General – 5.90% increase
 - Professional Fees (Legal, Audit, Actuary)

Historical Trends



REVENUE:

- % of revenue from Government Grants:
 - 2015/16 - 43.5%
 - 2020/21 - 40.5%
- % of Revenue from Tuition & Fees:
 - 2015/16 - 49.6%
 - 2020/21 – 51.7%

EXPENSES:

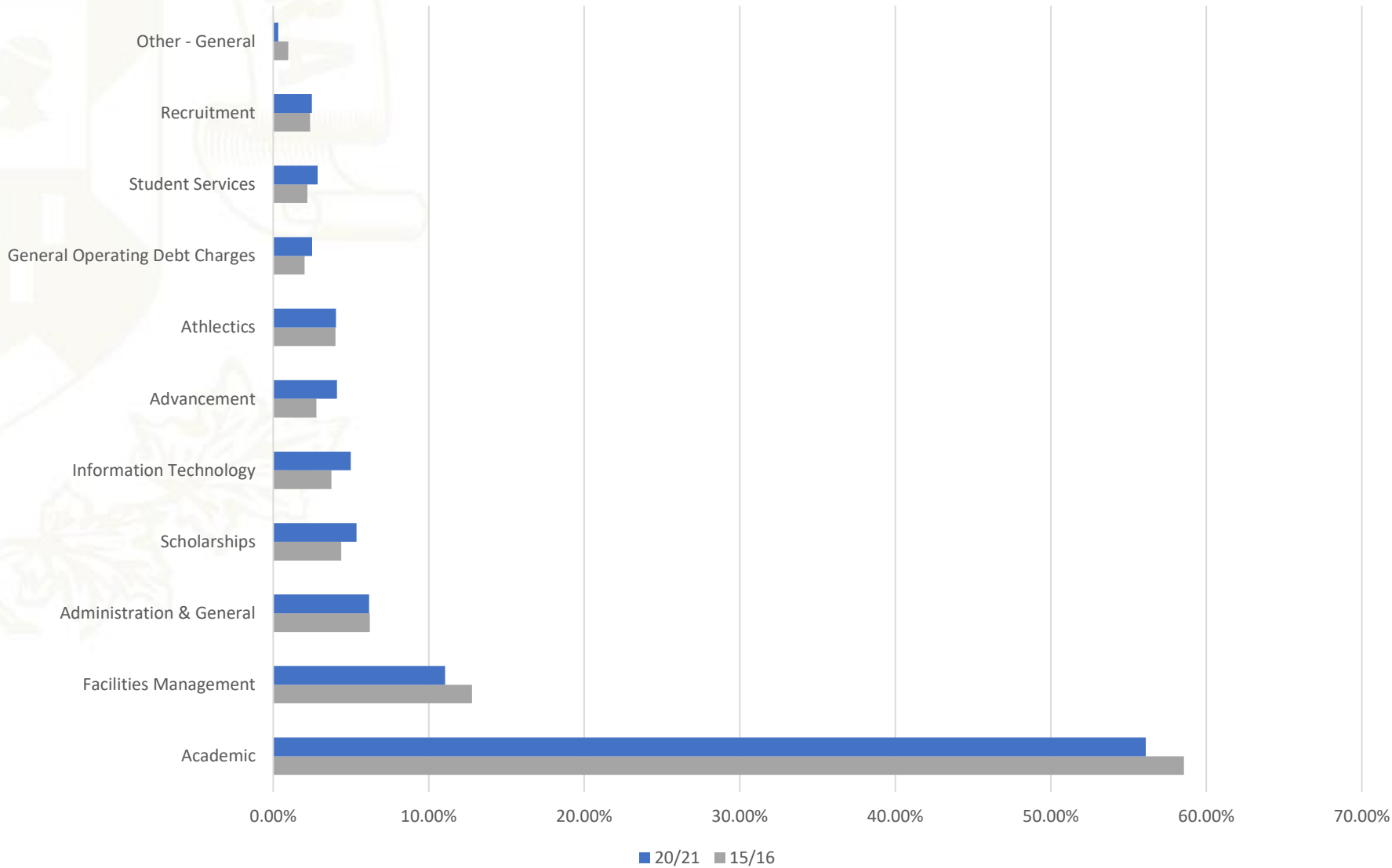
- 2015/16 Total Operating Expenses - \$75,713,561
- 2020/21 Total Operating Expenses - \$93,173,000
- Average Annual Increase in Expenses – 4.61%

Historical Trends



	15/16	20/21	Increase	Growth over	Avg Annual
	ACTUAL	BUDGET	\$	5 years	Increase
Academic	44,338,823	52,277,000	7,938,177	17.90%	3.58%
Facilities Management	9,679,922	10,301,000	621,078	6.42%	1.28%
Administration & General	4,701,507	5,741,000	1,039,493	22.11%	4.42%
Scholarships	3,310,599	5,000,000	1,689,401	51.03%	10.21%
Information Technology	2,837,815	4,640,000	1,802,185	63.51%	12.70%
Advancement	2,106,488	3,825,000	1,718,512	81.58%	16.32%
Athletics	3,025,119	3,761,000	735,881	24.33%	4.87%
General Operating Debt Charges	1,524,171	2,338,000	813,829	53.39%	10.68%
Student Services	1,658,983	2,664,000	1,005,017	60.58%	12.12%
Recruitment	1,792,110	2,322,000	529,890	29.57%	5.91%
Other - General	738,024	304,000	(434,024)	-58.81%	-11.76%
	75,713,561	93,173,000	17,459,439	23.06%	4.61%

Historical Trends (Expenses as % of Total)



Capital Projects



- Mulroney Hall
- Alumni Plaza
- University Avenue
- Cameron & MacKinnon Hall roof replacement
- Elevator upgrade J. Bruce Brown
- Lane Hall demolition

COVID-19 Scenario Planning



- Options being considered for Fall

COVID-19 Financial Impact (Known)



Revenue/Expense:

- Residence & Food Service Rebates - \$1,200,000
- Ancillary lost Revenue - \$2,100,000
- Information Technology costs - \$150,000

Cost Reductions:

- laid-off all casual employees
- No ramping-up of custodial and other summer staff due to loss of conference business
- Closed down Food Service operations
- Closed Saputo/Keating Centre (removed ice and drained pool)
- Lower utility costs
- Reduced garbage collection/snow removal costs
- Lower employee benefit costs (dental)
- Decreased travel expenses
- Expenses associated with Convocation Ceremonies

Estimated cost reductions through to September 1: \$2,200,000

COVID-19 Financial Impact (Unknown)



Scenario 1:

- September opening with increased Public Health restrictions
- Enrolment likely to decline due to safety concerns, less foreign students, residence capacity and financial hardship of some students & their families
- Revenue at Risk - \$10-\$15 million
- Estimated loss: \$6 - \$8 million

Scenario 2:

- January opening with on-line course delivery for the Fall term
- Enrolment in September likely to be lower due to on-line course delivery, residences empty until January
- Revenue at Risk - \$20-\$25 million
- Estimated loss: \$10-\$15 million

Scenario 3:

- On-line course delivery for entire 2020-21 Academic year
- Revenue at Risk - \$40-\$45 million
- Estimated loss: \$30-\$35 million

COVID-19 Cost reduction options



- Personnel costs:
 - Temporary Layoffs
 - Wage Rollbacks
 - Benefit cost reductions
 - Unpaid Leave
 - Permanent layoffs
- Debt Principal deferment
- Utility costs
- Travel costs
- Athletics
- Scholarships
- General Operational expenses



QUESTIONS?