



Financial Update

March 22 & 23, 2022

Topics to be discussed



- 2020-21 Operating results
- 2021-22 Projected results
- 2022-23 Draft Budget
- Multi-Year Financial Forecasts
- Capital Projects Update

2020-21 Operating Results



Surplus of \$2,185,264

Key components:

- One-Time funding from Province - \$3,646,000
- Full-time enrolment was down/part-time enrolment was up.
- Travel costs eliminated
- No athletic events, no ceremonies
- COVID response expenses
- Residence revenue down
- Food Service revenues down

2021-22 Financial Projections



Currently projecting deficit of \$2,774,000

(Based on actual results to December 31, 2021)

Budget – Deficit of \$2,357,000

Key components:

- Rebate of Residence Fees
- Food Service Revenues
- Tuition and Fees
- COVID Expenses
- Repairs & Maintenance cost

Three Year Pandemic Impact

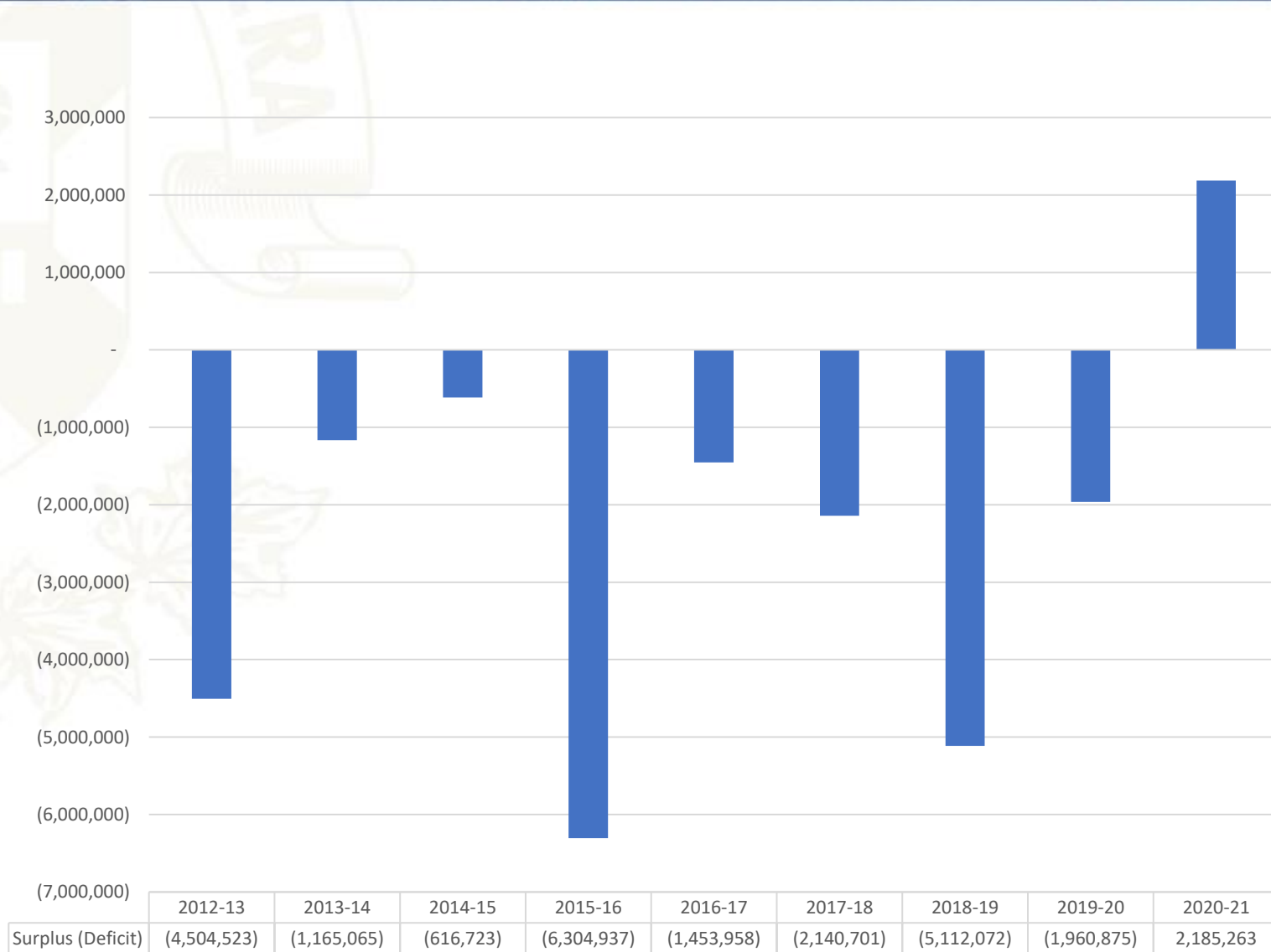


Far better financial results than originally anticipated when pandemic first started.

2019-20	(1,424,400)
2020-21	2,185,000
2021-22	(2,774,000)
Overall impact	(2,013,400)

Collective efforts of Faculty, Staff and Students have allowed us to achieve these positive results

Surplus/Deficit History



2022-23 Operating Budget



- Budget deficit of \$2,354,000

Key Budget Assumptions:

1. Government Operating Grant – 1% Increase
2. Enrolment – Assuming an increase of 150 domestic and 50 international tuitions
3. Student Fees
 - a. Tuition increase of 3%; Other fees increasing 3%
 - b. Ancillary Fees – Room rentals increasing 2.95%; meal plans decreasing 2.95%
4. Salaries – Economic Adjustment increases/Collective Agreement obligations will add 1.5-2% to annual salary costs. In addition to the economic adjustment, progression through the ranks for faculty members will add approximately 2.5% to academic salary costs.
5. Residence Occupancy – There are 1,887 beds on campus. Occupancy is being budgeted at 1,692 which is 90% of the total beds on campus.
6. General inflationary increases will be capped at 1.5%

2022-23 Operating Budget



Academic		
2021-22		2022-23
Budget	Projected	Budget
56,993,000	57,782,000	60,621,000

- Increased salary costs - combination of annual economic adjustments and progression through the ranks
- Mulroney Institute expenses increased with offsetting revenue
- Recruitment – domestic travel reduced while international travel has increased. Increase in International Recruiter Fees. Increase in international conference registrations (education trade fairs)



Student Services

2021-22		2022-23
Budget	Projected	Budget
11,838,000	12,093,000	12,664,000

- new positions - Health and Wellness Councilor, Human Rights Investigator, Human Rights Education and Response Advocate
- Enhanced recreation activities with focus on more outdoor recreation initiatives.
- Additional Schwartz scholarships (offsetting revenue)

2022-23 Operating Budget



Advancement		
2021-22		2022-23
Budget	Projected	Budget
3,859,000	3,703,000	4,268,000

- Two homecomings (August & October)
- Communications – increase in advertising budget, promotion, production of a virtual tour of campus.
- Development Department enhancements - New communication production position, new proposal writer position. Increase in travel. These are funded by the endowment.



Facilities Management

2021-22		2022-23
Budget	Projected	Budget
10,439,000	10,863,000	11,221,000

- Three additional cleaners
- Repairs and Maintenance – increased to reflect actual, annual costs. However it is still not enough. Deferred maintenance continues to be a concern.



Information Technology

2021-22		2022-23
Budget	Projected	Budget
5,567,000	5,119,000	5,794,000

- On-going security projects now fully budgeted, proposed Operations team lead position
- IT Services has a list of security projects totaling \$1.7m for 2022/23, \$2.9m for 2023/24 and \$2.4m for 2024/25 that are not in the budget or the multi-year. The implementation of Banner across campus is also not included (\$6.5m total).



Administration & General

2021-22		2022-23
Budget	Projected	Budget
5,595,000	5,796,000	5,978,000

- Travel back to pre-Covid levels
- funding for PACAR
- VP Finance – moving costs for new VP Finance and Administration.
- Increase to payroll processing fees
- Moving costs for new employees



Ancillary Services

2021-22		2022-23
Budget	Projected	Budget
(3,608,000)	(4,940,000)	(1,551,000)

- Occupancy is budgeted to be 90% 1,692 rooms (1,610 in 2021/22)
- Increase in meal plan sales and Conference and catering sales are expected to be higher
- Conference Services sales and expenses are up based on the expectation of a normal operating environment
- Additional Residence Life staff added to support residence renewal initiative

Expenditure Trend



	2017-18		2022-23	
Academic	47,326	59.1%	60,621	57.8%
Student Services	8,410	10.5%	12,664	12.1%
Advancement	2,714	3.4%	4,268	4.1%
Facilities Management	10,273	12.8%	11,221	10.7%
Information Technology	3,414	4.3%	5,794	5.5%
General Administration	5,892	7.4%	5,978	5.7%
Other	2,011	2.5%	4,265	4.1%
	80,040		104,811	

Budget Challenges



1. There is vulnerability around enrollment and residence/food service.
2. Uncertainty remains as to what impacts will continue to be experienced associated with the pandemic. As an example, will we experience challenges with summer conference bookings.
3. The current draft budget only includes \$1 million for Repairs and Maintenance, this is not sufficient to address significant deferred maintenance issues. It is estimated that an annual allocation of \$4-5 million is needed to address these issues.
4. The current draft budget does not include estimated costs for replacement of the university's core enterprise software systems. The estimated cost for this work is \$2 million per year for the next 4-5 years.
5. Impact of current inflation levels

Multi-Year Financial Forecast



- Operating Grant
 - Funding is not tied to changes in enrolment (positive & negative)
 - Annual grant increase capped at 1%
- Tuition & Fees
 - Our Tuition fees are amongst highest in the Country
- Endowment Funding
 - Most endowment funding is restricted in nature based on donor agreements
- “fixed” expenditure structure
 - Expenses do not significantly fluctuate with variances in enrolment
 - 75% of Operating expenditures are salaries & benefits
 - Other significant “fixed” expenses include: scholarships, debt charges, utility costs, insurance costs

Multi-Year Financial Forecast



- Status Quo will see annual deficits exceed \$4 million within two years
- Enrolment growth needs to be focus
 - Maintaining current domestic enrolment levels
 - Increasing the retention of existing students particularly from year 1 to year 2
 - Increasing our international enrolment
 - Continuing & Distance Education
- investments will be needed to support development of new academic programs (2-year credential programs), enhance recruitment efforts and enhance student supports

Capital Project Update



- Fundraising efforts continue for the Centre for Innovation in Health. The new building will be constructed on the site where Lane Hall was located. Once funding is in place it is hoped that construction will commence in 2024.
- Conceptual Design work has started for Phase Three of the renovation to the Amelia Saputo Centre. The core components of Phase Three will consist of expanding and renovating the public locker rooms and constructing a new fitness facility. This work is expected to get underway in January of 2023.
- Replacement of windows in Xavier Hall. It is hoped that we will be able to complete this work during the summer of 2022.
- Parking Lot P-11, the lot adjacent to Power Hall, will be rebuilt and paved during the summer of 2022.



Questions?