



2018-19 Budget Presentation Board of Governors May 9, 2018

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- ▶ Financial Principles

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- ▶ Update on Strategic Initiatives in 2017/18
- ▶ Core Performance Targets
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- ▶ Opportunities for Future Funding
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- ▶ FTE Enrolment Summary
- ▶ Budget Dashboard
- ▶ Budget Summary
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- ▶ Operating Expenses

Agenda

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- ▶ Carryforward Analysis
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Budget Framework



- ▶ Budget Model
- ▶ Process
- ▶ Accounting Policies
- ▶ Financial Principles

Budget Model

Since 2017/18 UOIT has been using an incremental model of budgeting with strategic allocations of excess revenues over expense. Each unit will start with their prior year base and will be allocated funds to cover fixed costs such as salary and utility increases, contractual obligations, maintenance of faculty/student ratios, and to maintain faculty/staff ratios.

After these fixed costs are applied, any remaining excess of revenues over expense will be allocated based on budget ASKS which would be strategically prioritized by the BWG working in conjunction with SLT.

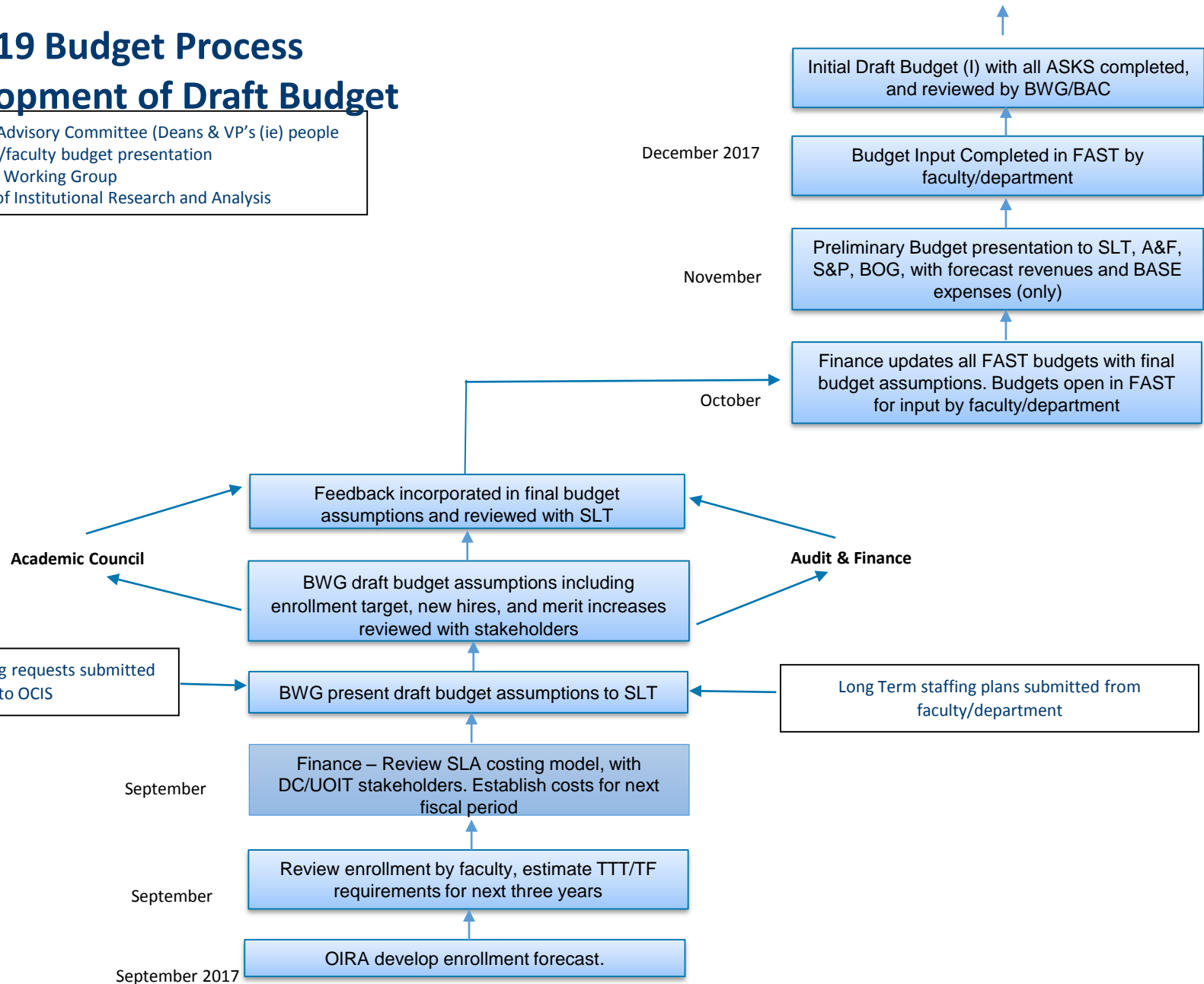
In order to confirm/validate our starting base position for incremental budgeting, we have introduced the following actions:

- Unit reviews (faculty and administration) every 5 years to ensure optimum allocation of resources.
- Additional rigor around the replacement or addition of new positions and continued year end variance discussion where actual results are significantly different from budget.

2018-19 Budget Process

Development of Draft Budget

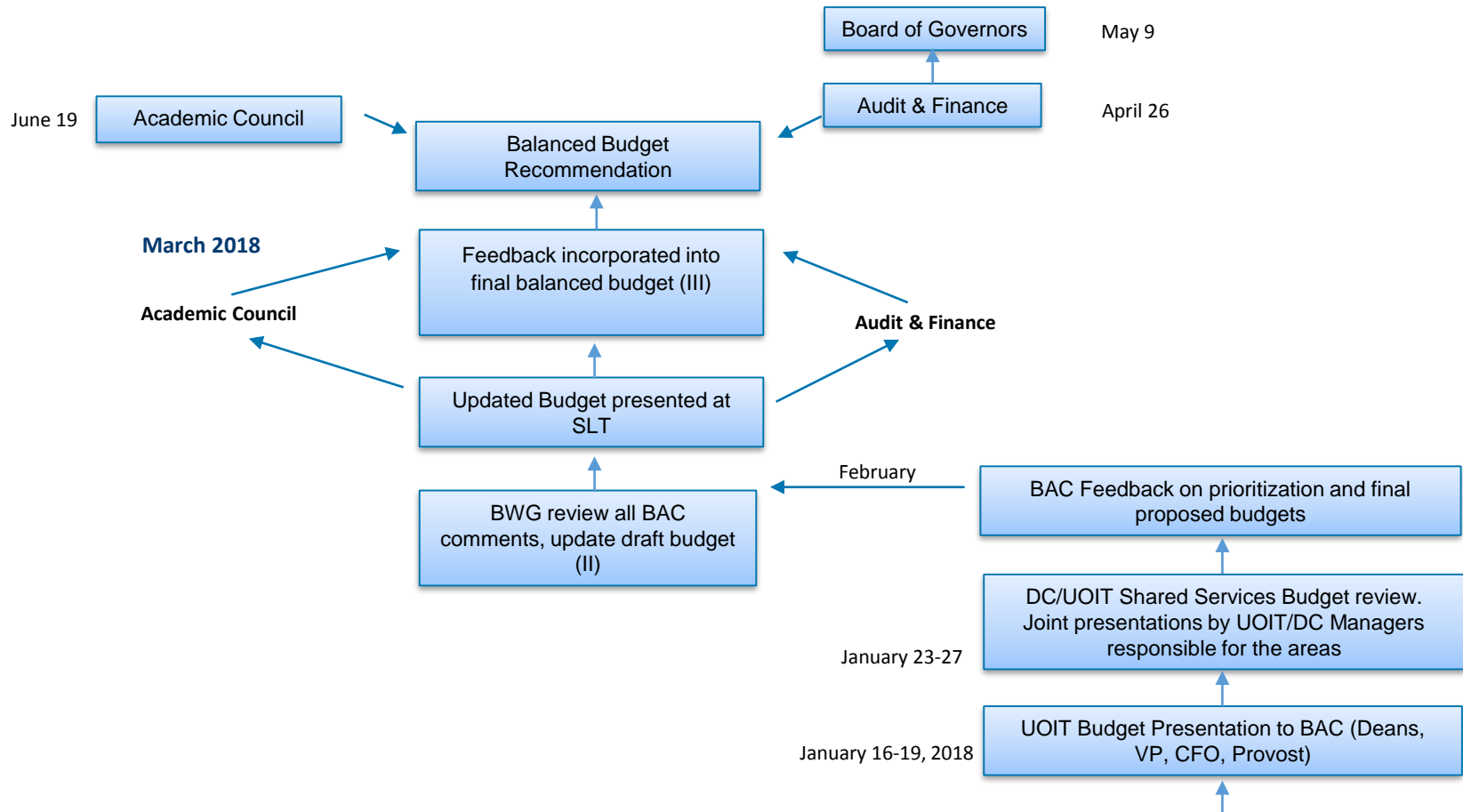
BAC = Budget Advisory Committee (Deans & VP's (ie) people at department/faculty budget presentation)
 BWG = Budget Working Group
 OIRA = Office of Institutional Research and Analysis



2018-19 Budget Process

Review and Final Budget Presentation

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Accounting Policies

- UOIT operating budgets are prepared on a “modified-cash” basis. All budgets are in the total UOIT operating statements, including TELE, ACE, Regent Theatre, Childcare, and Campus Ice/Campus Fieldhouse Centre.
- The audited Statement of Operations prepared by KPMG is a consolidated financial summary developed on an accrual basis.
- The difference between cash vs. accrual methodology can create a significant variance between management reporting and financial reporting. Non- cash transactions such as depreciation, or accrued research revenues and expenses impact financial reporting, but are excluded from management reports.
- Finance have created quarterly financial statements, prepared on an accrual basis, to reconcile these two methods. A UOIT balance sheet, income statement, and change in financial position are presented each quarter, along with a reconciliation to the management operating statements.

Financial Principles

1. **Provide career-oriented programs that focus on innovation in a cost effective and efficient manner.**
2. **Align the allocation of resources with strategic priorities, providing transparency and accountability.**
3. **Ensure long-term financial sustainability.**
4. **Combine long term planning, budgeting, and forecasting into a comprehensive integrated process.**
5. **Manage capital assets to maximize their useful life.**
6. **Maintain reserves at appropriate levels.**
7. **Demonstrate prudent investment management.**

Strategic Planning



- ▶ UOIT Strategic Plan
- ▶ Update on Strategic Initiatives in 2017/18
- ▶ Core Performance Targets
- ▶ Funding for Strategic Initiatives 2018/19
- ▶ Opportunities for Future Funding
- ▶ Integrated Strategic Planning and Financial Cycle

UOIT Strategic Plan



UOIT Strategic Plan 2017-2022

Three overarching priorities:

CHALLENGE: We will produce and inspire future leaders who have real-world skillsets

INNOVATE: We will create new approaches, partnerships, and solutions to improve society

CONNECT: We will build lasting relationships to make UOIT a remarkable place for work & study

Update on Strategic Initiatives in 2017/18

CHALLENGE

- **Develop or re-imagine at least 2 strategic programs**
 - Bachelor of Technology in Sustainable Energy Systems
 - Bachelor of Arts Liberal Studies
- **Increase and better communicate lifelong learning offerings**
 - Management Development Centre
 - Summer Day Camps
- **Increase support for students struggling with math**
 - Early diagnostic testing
 - Better TA support

INNOVATE

- **TELE2.0**
 - Phase 2 of BYOD complete; started Phase 3 (remaining programs in laptop program)
 - Increased online, hybrid offerings and support for development
- **Increased support for research programs of individual faculty members**
 - Saucier Early Research Award
 - Internal Chair program





Update on Strategic Initiatives in 2017/18

CONNECT





- **Increased breadth and depth of experiential learning opportunities**
 - Established Taskforce to distribute developmental funding to Faculties and School of Graduate & Postdoctoral Studies
- **Growing interdisciplinary research, pan-university collaboration on challenges and opportunities**
 - Centre on Hate, Bias and Extremism
 - President's Equity Taskforce, President's Indigenous Reconciliation Taskforce
- **Building our next generation of leaders**
 - Academic Advising Institute
 - Associate Deans reporting to the Provost for Quality Enhancement, Teaching and Learning, and Equity & Diversity

Core Performance Targets





CHALLENGE: We will produce and inspire future leaders who have real world skillsets

Indicator	16/17 Level	Proposed 17/18	17/18 Actual	SMA 2 Target	Long Term Objective
% UG students graduating with Experiential Learning	65%	65%	Waiting for final results	90%	
Graduate Employment Rates (2 years)	92.9%	94%	94.3%	94-96%	
Number of citations per paper (cummulative over 5 years)			13,096	12,000-13,500	
Percentage of UG students accessing peer support programs			28%	30-35%	

INNOVATE: We will create new approaches, partnerships, and solutions to improve society

Indicator	16/17 Level	Proposed 17/18	17/18 Actual	Proposed 19/20	Long Term Objective
Undergraduate e-learning courses (hybrid/online)			20.5%	20-22%	
Total Sponsored Research	\$9.8M	\$10.0M	\$10.5M	\$9.5-11.5M	
Number of transfer registrants (UOIT data)			684	650	
Proportion of fourth year students with two High-Impact Practices (HIPs) (NSSE measure, conducted in 2017 and every 3 years)	54%	N/A	N/A	52-56%	

CONNECT: We will build lasting relationships to make UOIT a remarkable place to work and study.

Indicator	16/17 Level	Proposed 17/18	17/18 Actual	Proposed 19/20	Long Term Objective
Student Success Rate	79.9%	80.3%	81.0%	79-81%	
Employee Permanance	93.6%	95%	93.9%	95%	
NASM/ FTE (COU cat 1-5, 10)	4.08	4.60	4.57	4.57	
Applicants UG, (Application GR)	10,809 (1,589)	10,900 (1,600)	11,240 (1,763)	11,930 (1,770)	

Funding for Strategic Initiatives in 2018-19

CHALLENGE: We will produce and inspire future leaders who have real-world skillsets

Stronger Academic Programs - strategic hires (10 TTT, 7 TF)	2.8M
Increased Technology Enhanced Learning Environment	0.5M

INNOVATE: We will create new approaches, partnerships, and solutions to improve society

Research – increased scholarly activity and dissemination	0.6M
Partnerships that increase student and programmatic diversity	1.3M

CONNECT: We will build lasting relationships to make UOIT a remarkable place for work & study

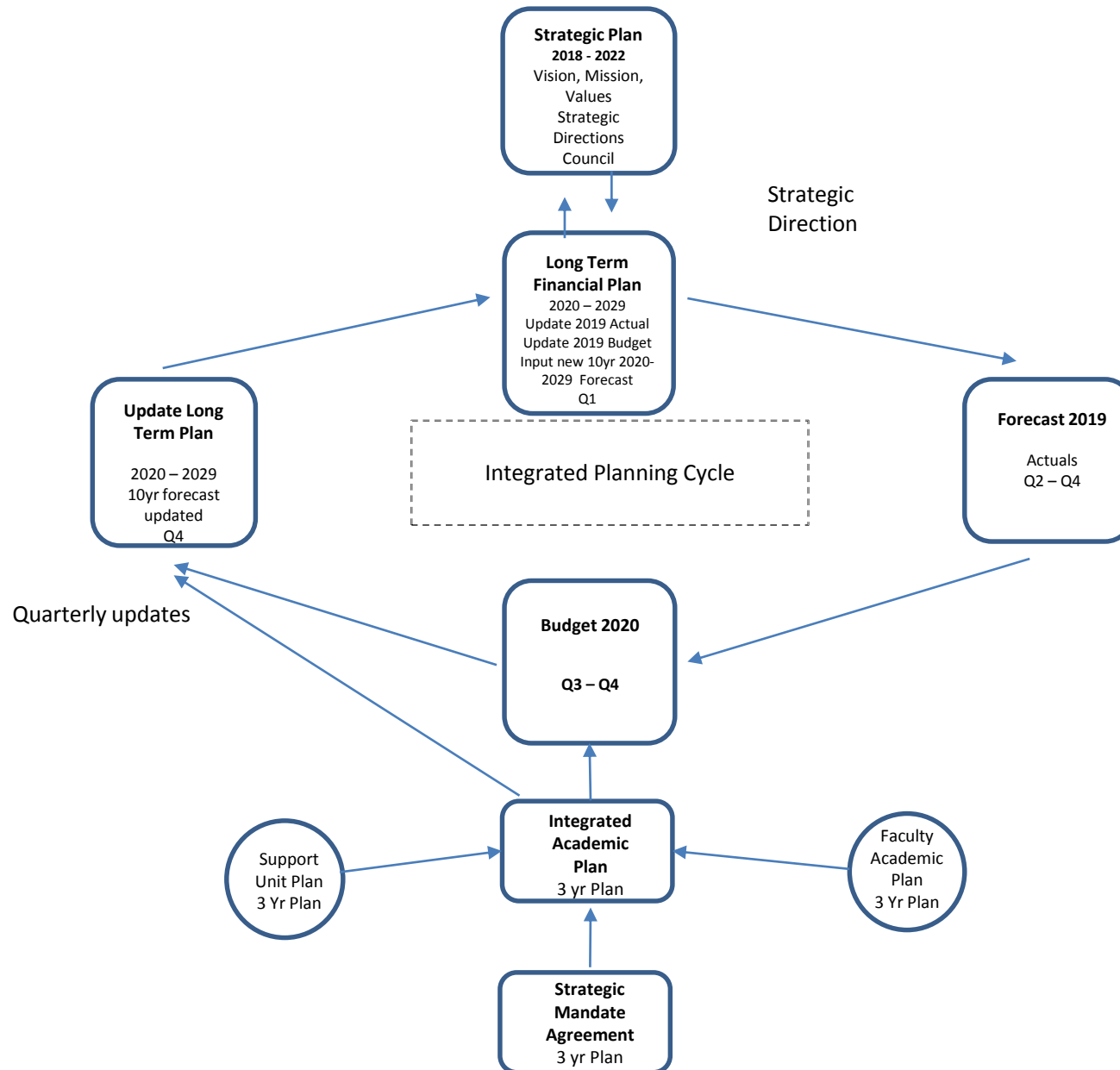
Improving Student Success	0.6M
Investment in UOIT physical building and IT infrastructure	2.3M
Unite our community by increasing awareness	1.0M

Opportunities For Future Funding

Increase Investment in ...

- Supporting Student Engagement
- Attracting & Retaining Highly Qualified Personnel
- University Recognition/ Reputation
- Organizational Effectiveness
- Technology
- Space, Infrastructure, and Capital Refurbishment

Integrated Strategic & Financial Planning Cycle



Financial Overview



- ▶ Key Budget Assumptions
- ▶ FTE Enrolment Summary
- ▶ Budget Dashboard
- ▶ Budget Summary
- ▶ Operating Revenues
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Key Budget Assumptions

1. Enrolment

- ▶ Domestic UG intake increase of 130 FTE, mainly due to increase in FBIT Tech Management and Computing Science. Flow thru down (51) FTE. Overall up 79 FTE at 7,834.
- ▶ International UG intake decrease of (19) FTE, mainly due to decrease in Engineering. Flow thru down (13) FTE. Overall down (32) FTE at 468.
- ▶ Grad Domestic FTE up 15% or 50 FTE totaling 379.
- ▶ Grad International up 26% or 35 FTE totaling 172.
- ▶ Total FTE up 2.0% or 132 FTE to 8,853.
- ▶ Student Success levels flat at 80.3%.

2. Government Grants

- ▶ Increase in 18/19 due to final 16/17 SMA 2 baseline being higher than originally calculated by the ministry, along with MAESD adjusting the funding formula during the year.

3. Tuition set at new 2018/19 rates

- ▶ Domestic average tuition increase 3% or \$2.2M.
- ▶ International average tuition increase 4.2% or \$0.6M

4. Salary/wage estimates are based on current and planned contracts, as well as the non-union compensation plan.

- ▶ Fringe benefit rates for full time employees is unchanged at 18.5%.
- ▶ Benefit rates for part time employees is unchanged at 9.0%.

5. Standard COU space measurement averages 7.5 NASM/FTE for Ontario universities.

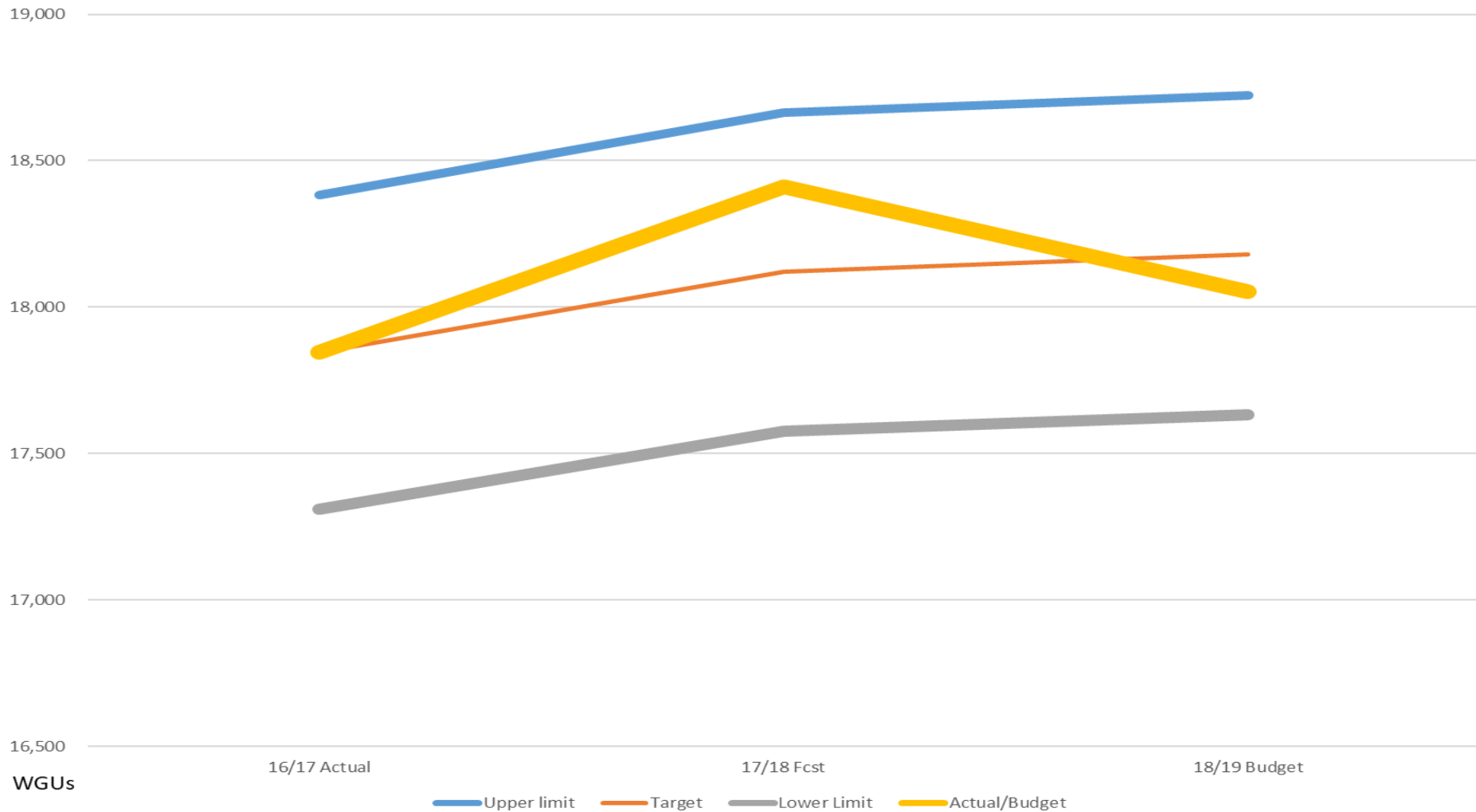
- ▶ 2017-18 average for UOIT was 4.6 NASM/FTE.
- ▶ 2018-19 average will be flat at 4.6 NASM/FTE

6. Student/Faculty ratio overall will improve to 29:1 if all positions are filled. 2017/18 budget ratio was 31:1

7. Operating budget includes a contingency of \$3.8M. Capital reserve of \$2M, deferred maintenance of \$0.5M, and \$1.3M of general contingency reserves.

Key Budget Assumptions

SMA 2 Enrolment Corridor



FTE Enrolment Summary

	2018-19	2017-18	2017-18	Variance to		Variance to	
Total FTE	Budget	Budget	Fcst	Budget		Forecast	
Dept	Total	Total	Total	#	%	#	%
Faculty of ESNS	325	330	384	(6)	-2%	(59)	-15%
Faculty of Business and IT	1,665	1,674	1,721	(9)	-1%	(56)	-3%
Fac. of Social Science & Humanities	1,531	1,492	1,578	40	3%	(47)	-3%
Faculty of Education	378	352	396	26	7%	(18)	-5%
Faculty of Health Sciences	1,838	1,819	1,790	18	1%	48	3%
Faculty of EAS	2,051	2,065	2,018	(14)	-1%	33	2%
Faculty of Science	1,066	989	1,038	77	8%	28	3%
Total	8,853	8,721	8,924	132	2%	(71)	-1%

	2018-19	2017-18	2017-18	Variance to		Variance to	
Under Grad Domestic	Budget	Budget	Fcst	Budget		Forecast	
Dept	UG	UG	UG	#	%	#	%
Faculty of ESNS	252	262	276	(10)	-4%	(24)	-9%
Faculty of Business and IT	1,552	1,560	1,624	(8)	-1%	(71)	-4%
Fac. of Social Science & Humanities	1,456	1,409	1,501	47	3%	(45)	-3%
Faculty of Education	317	304	335	13	4%	(18)	-5%
Faculty of Health Sciences	1,737	1,749	1,711	(12)	-1%	26	2%
Faculty of EAS	1,589	1,593	1,562	(4)	0%	26	2%
Faculty of Science	931	878	927	53	6%	4	0%
Total	7,834	7,755	7,936	79	1%	(102)	-1%

	2018-19	2017-18	2017-18	Variance to		Variance to	
Under Grad International	Budget	Budget	Fcst	Budget		Forecast	
Dept	UG Int	Int UG	UG Int	#	%	#	%
Faculty of ESNS	15	12	22	3	27%	(7)	-31%
Faculty of Business and IT	90	100	82	(10)	-10%	8	10%
Fac. of Social Science & Humanities	25	25	26	(0)	0%	(0)	-2%
Faculty of Education	1	1	1	0	0%	0	0%
Faculty of Health Sciences	40	29	26	10	34%	14	54%
Faculty of EAS	220	260	226	(40)	-15%	(6)	-3%
Faculty of Science	78	73	53	5	7%	25	48%
Total	468	500	435	(32)	-6%	33	8%

FTE Enrolment Summary (Cont.)

Grad Domestic Dept	2018-19	2017-18	2017-18	Variance to		Variance to	
	Budget	Budget	Fcst	Budget		Forecast	
	Grad	Grad	Grad	#	%	#	%
Faculty of ESNS	49	51	76	(2)	-4%	(27)	-36%
Faculty of Business and IT	9	3	11	6	212%	(1)	-13%
Fac. of Social Science & Humanities	46	57	49	(11)	-19%	(3)	-6%
Faculty of Education	60	45	60	15	33%	(0)	0%
Faculty of Health Sciences	59	39	52	20	51%	7	13%
Faculty of EAS	107	100	116	7	7%	(9)	-8%
Faculty of Science	49	34	51	15	44%	(3)	-5%
Total	379	329	416	50	15%	(37)	-9%

Grad International Dept	2018-19	2017-18	2017-18	Variance to		Variance to	
	Budget	Budget	Fcst	Budget		Forecast	
	Int Grad	Int Grad	Int Grad	#	%	#	%
Faculty of ESNS	9	6	10	3	51%	(1)	-11%
Faculty of Business and IT	14	10	5	3	32%	9	175%
Fac. of Social Science & Humanities	4	-	2	4	100%	2	93%
Faculty of Education	-	2	-	(2)	-100%	0	0%
Faculty of Health Sciences	2	2	1	0	8%	1	90%
Faculty of EAS	135	112	113	23	21%	22	20%
Faculty of Science	8	5	7	4	76%	1	19%
Total	172	137	138	35	26%	34	24%

Budget Dashboard

Indicator	Metric	18/19 Budget/Target	17/18 Fcst	16/17 Actual	2018/19 Target vs 2017/18 Fcst
↓	Enrolment	8,853	8,924	8,916	
↓	UG Domestic	7,834	7,936	7,949	Domestic UG inflow is up 118 FTE, flow thru is down (220) FTE
↑	UG International	468	435	469	International UG inflow is up 58 FTE, flow thru is down (25) FTE
↓	Grad Domestic	379	416	369	Grad domestic FTE is down (37) FTE
↑	Grad International	172	138	129	Grad international enrolment is up 34
↑	Basic Operating Grant	\$56,818,156	\$55,170,124	\$54,929,617	Increase over forecast due to allowed SMA 2 growth
↑	Student/Faculty Ratio	29:1	30:1	31:1	Improvement as positions are added
↑	Tuition Rate Domestic	3.0%	3.0%	2.9%	Average 3% increase, can not go over 3% as per Ministry
↑	Tuition Rate International	4.2%	4.1%	4.0%	International Tuition not regulated by Ministry
↑	NASM/FTE	4.6	4.6	4.1	Increase with SIRC building
↑	Student Success	80.3%	80.3%	79.9%	Returning Students from 16/17
↑	Positions Filled	100.0%	93.8%	95.2%	Goal is to fill all open positions
↓	Expendable Donations	\$ 1,085,180	\$ 1,360,630	\$ 2,273,572	Does not include endowed principal and new capital campaign.

Budget Dashboard

Indicator	Metric	18/19 Budget/Target	17/18 Fcst	16/17 Actual	2018/19 Target vs 2017/18 Fcst
↓	Net Income/Loss Ratio	4.5%	6.8%	6.2%	Tracks the trend in UOIT earning
↑	Net Operating Revenues Ratio	11.5%	8.5%	18.1%	Indicates the extent to which UOIT is generating positive cash flows in the long-run to be financially sustainable
↓	Primary Reserve Ratio (days)	38	40	40	indicates UOIT's financial strength and flexibility by determining the number of days UOIT could function using its resources that are can be expended without restrictions.
↑	Interest Burden Ratio	7.7%	8.2%	8.9%	UOIT debt affordability and the cost of servicing debt
↓	IBR w MAESD Funding	1.8%	2.0%	2.0%	The "IBR" has been re-stated to reflect an annual "institution-specific" grant of \$13.5m from the Ministry to fund the University's debenture debt.
↓	Viability Ratio	11.0%	12.0%	10.0%	Determermines UOIT's financial Health, as it indicates the funds on hand to settle it's longterm obligations

Budget Dashboard

Budget Contingency

	2018/19 Budget	2017/18 Budget
General Contingency	\$ 1.3	\$ 2.1
Capital Reserve	\$ 2.0	\$ 2.0
Deferred Maintenance Reserve	\$ 0.5	\$ 0.5
Total	<u>\$ 3.8</u>	<u>\$ 4.6</u>

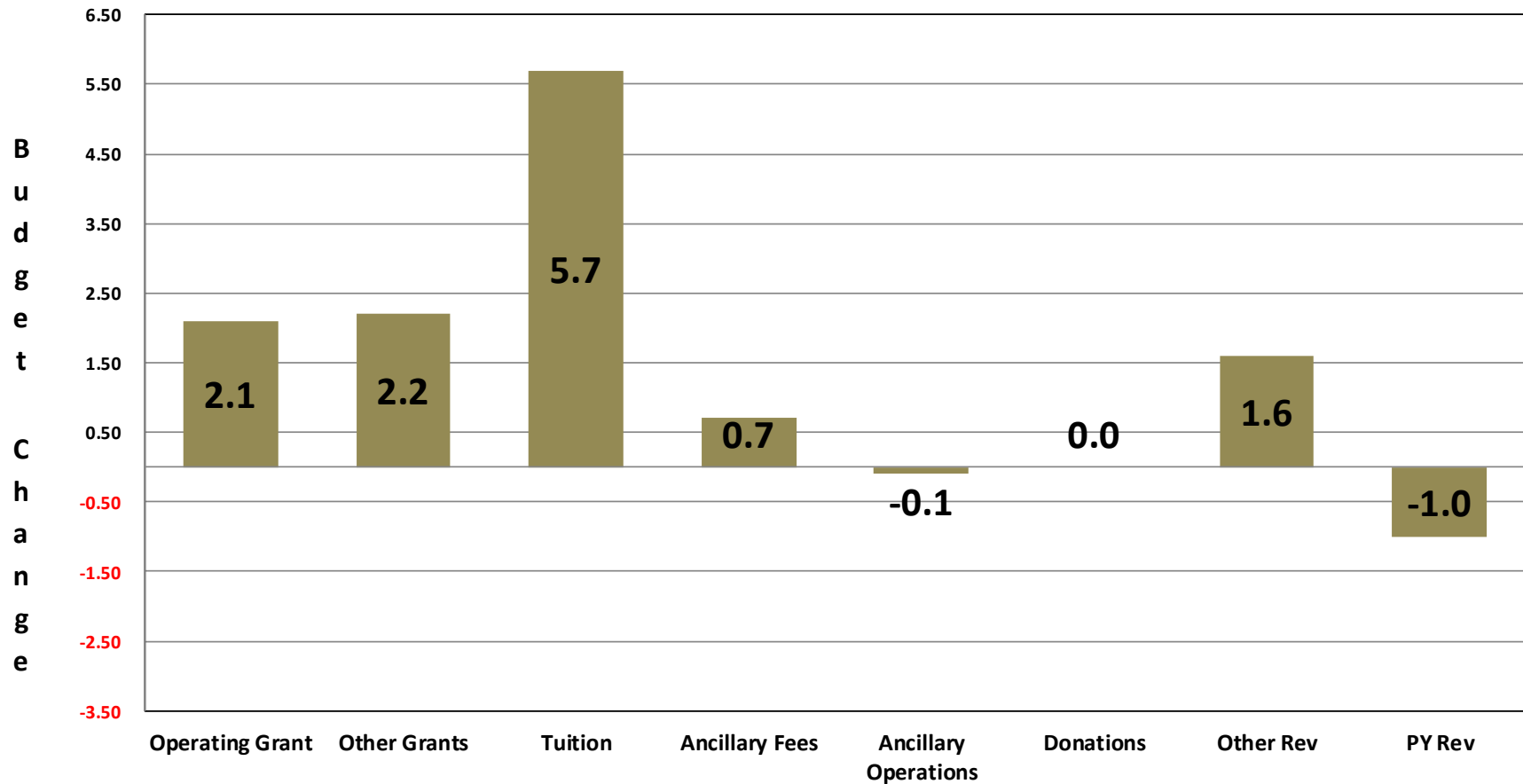
2018- 19 Proposed Draft Budget								
2018-19 Draft Operating Budget	Purchased Services	Debenture	TELE	ACE	Regent Theater	Campus ChildCare	Campus Field House and Arena	Total 2018 - 19 Draft Budget
REVENUES								
Operating Grants	\$ 56,818,156	\$ 13,500,000						\$ 70,318,156
Other Grants	\$ 9,417,791					\$ 250,144		\$ 9,667,935
Student Tuition Fees	\$ 83,992,017							\$ 83,992,017
Student Ancillary Fees	\$ 5,129,143	\$ 2,291,356	\$ 4,185,821					\$ 11,606,320
Revenues from Ancillary Operations	\$ 225,000	\$ 3,607,200						\$ 3,832,200
Donations *	\$ 725,500		\$ -					\$ 725,500
Other Revenues	\$ 5,626,210	\$ -	\$ 51,615	\$ 4,923,382	\$ 621,988	\$ 763,321	\$ 1,568,565	\$ 13,555,081
Subtotal Operating Revenues	\$ 161,933,817	\$ 5,898,556	\$ 13,500,000	\$ 4,237,436	\$ 4,923,382	\$ 621,988	\$ 1,013,465	\$ 193,697,209
Funded through PY Revenue			\$ 556,789					\$ 556,789
Total Revenue	\$ 161,933,817	\$ 5,898,556	\$ 13,500,000	\$ 4,794,225	\$ 4,923,382	\$ 621,988	\$ 1,013,465	\$ 194,253,998
EXPENDITURES								
FT Labour	(83,893,100)	\$ (6,939,944)	\$ (1,070,131)	\$ (1,788,446)	\$ (97,729)	\$ (356,019)	\$ (594,628)	\$ (94,739,997)
PT Labour	\$ (16,910,028)	\$ (260,169)	\$ (261,999)	\$ (58,990)	\$ (277,966)	\$ (321,308)		\$ (18,090,459)
Operating Expenses	\$ (43,769,235)	\$ (8,536,709)	\$ (16,501,006)	\$ (1,532,237)	\$ (3,133,411)	\$ (223,378)	\$ (1,000,827)	\$ (74,978,266)
Capital Expenses	\$ (3,843,173)	\$ (1,539,029)	\$ (1,929,858)	\$ -	\$ -	\$ -	\$ -	\$ (7,312,060)
Carry Forwards*	\$ 866,784	\$ -		\$ -	\$ -	\$ -	\$ -	\$ 866,784
Total Expenditures	\$ (147,548,752)	\$ (17,275,851)	\$ (16,501,006)	\$ (4,794,225)	\$ (4,980,847)	\$ (599,073)	\$ (1,595,455)	\$ (194,253,998)
Budget Surplus/(Deficit)	\$ 14,385,065	\$ (11,377,295)	\$ (3,001,006)	\$ (0)	\$ (57,465)	\$ 22,915	\$ 54,676	\$ -

* Donations relate to expendable and interest portion of endowed funds that will be disbursed as awards and scholarships in the budget year.
It does not include endowed principal and new capital campaign.

Budget Summary

Snapshot – Budget Revenue Increase

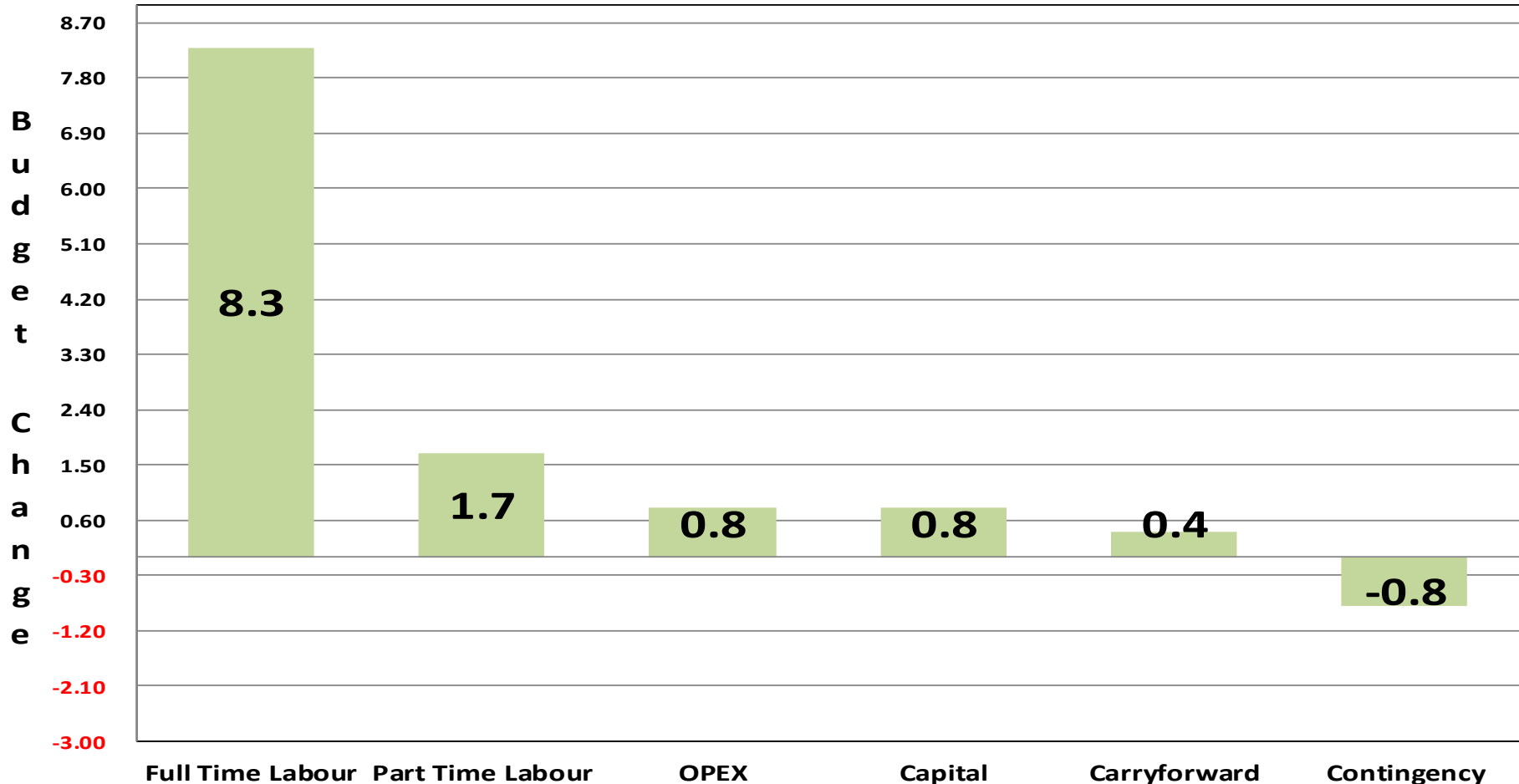
The overall UOIT budget has increased \$11.2M or 6.1%



Budget Summary

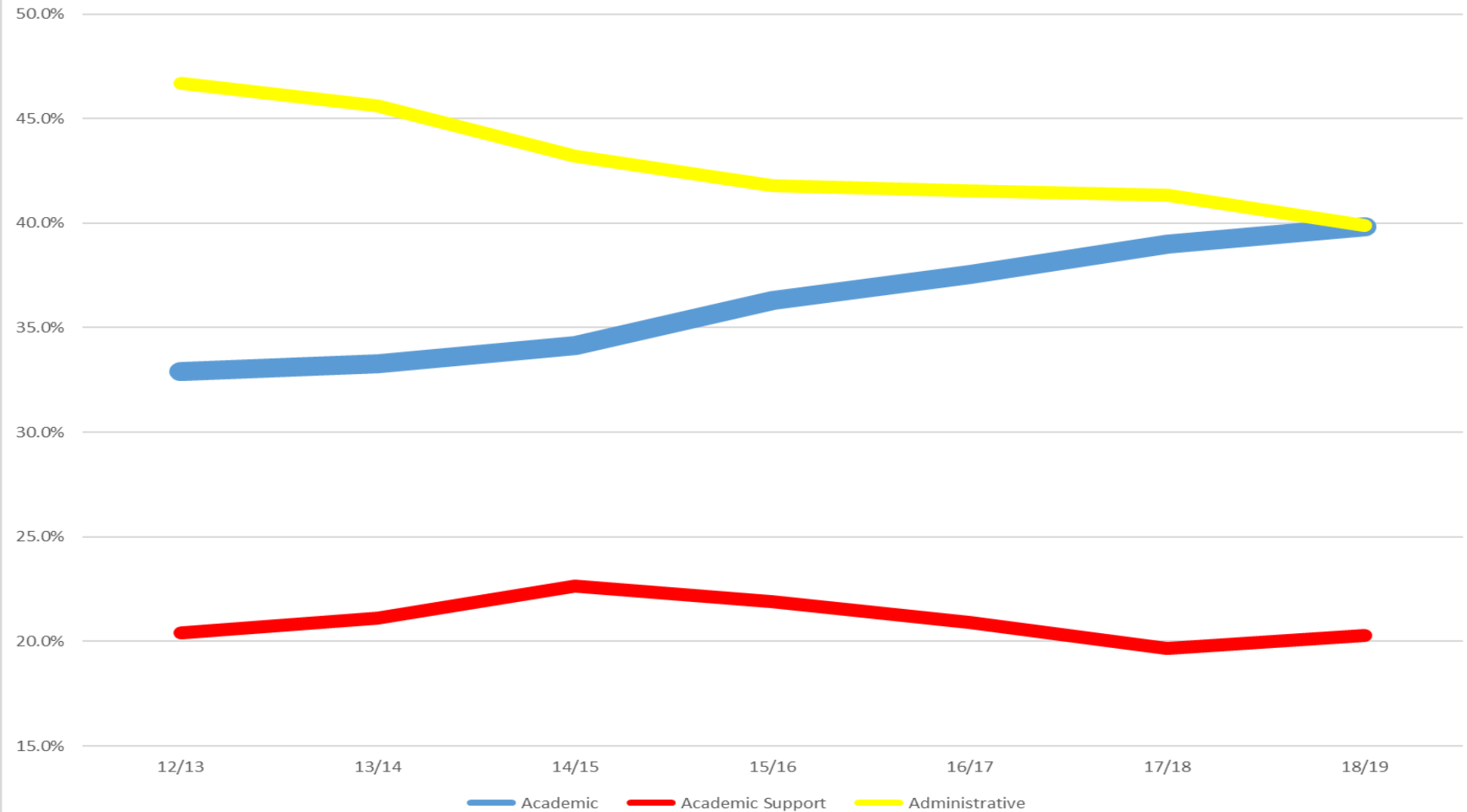
Snapshot – Budget Expense Increase

The overall UOIT budget has increased \$11.2M or 6.1%



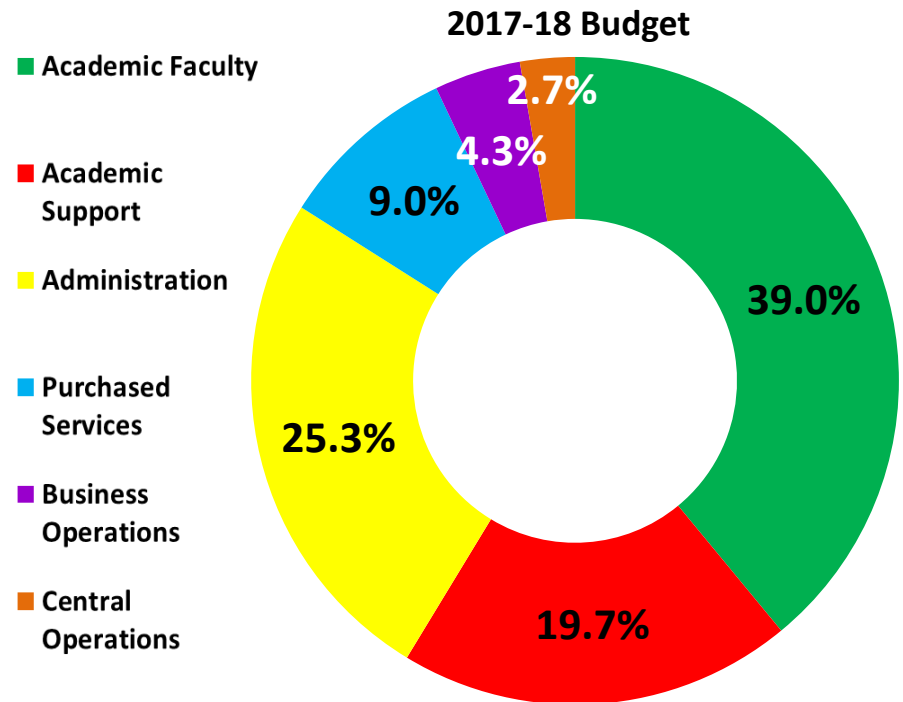
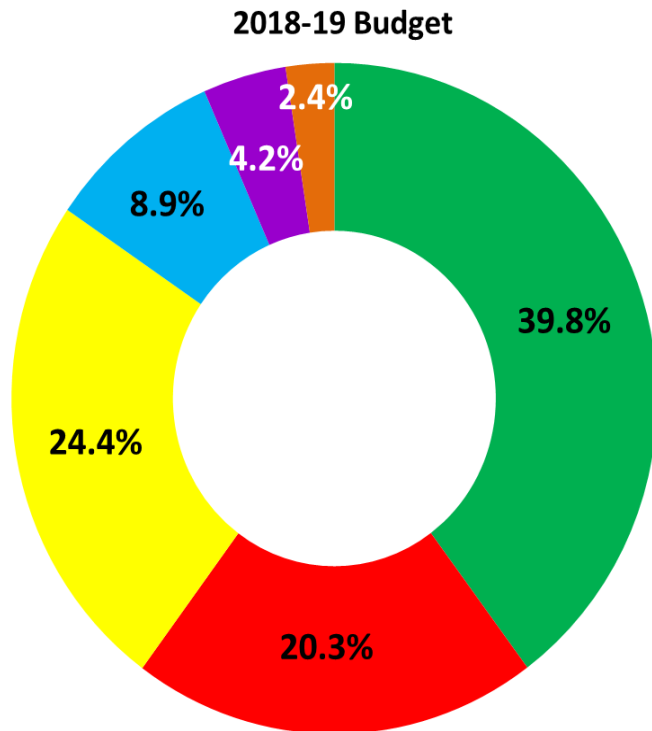
Budget Summary

% of Total Budget by Group



Budget Summary

Expense Components By Group

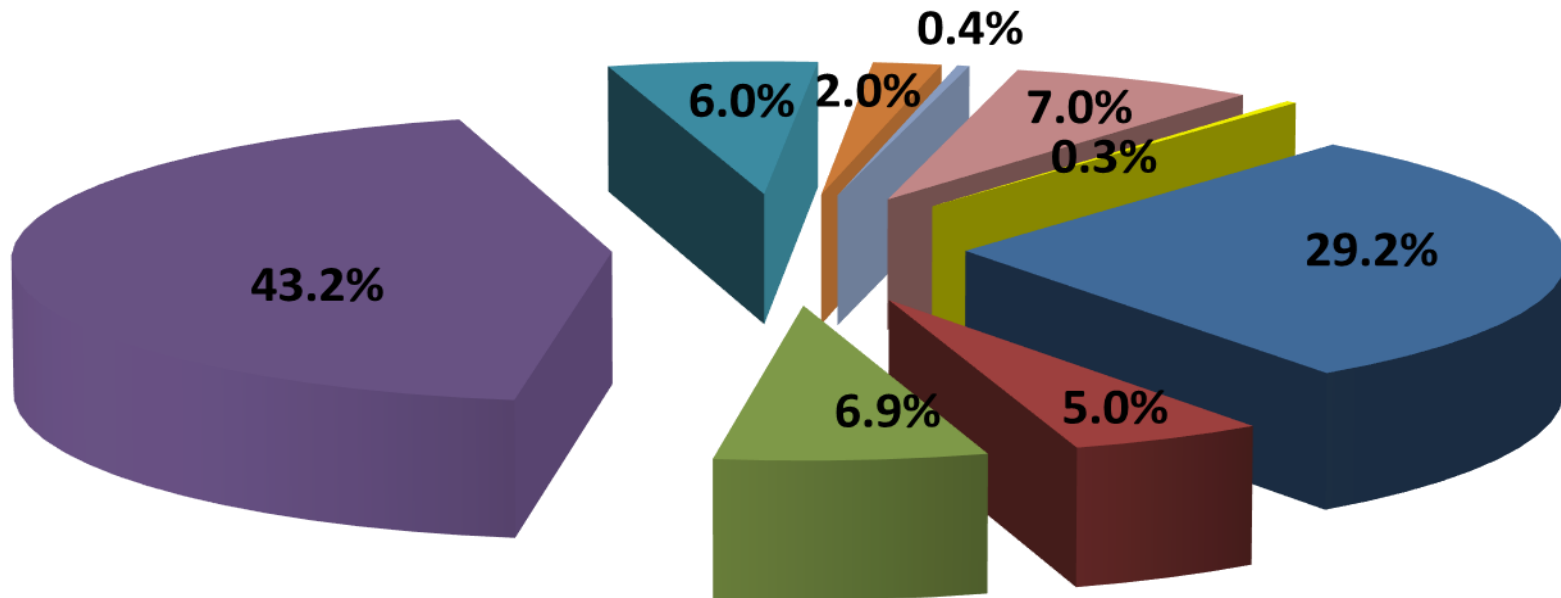


2018-19 Draft Operating Summary

UOIT Total Budget	18-19 Budget	17-18 Budget	17-18 Fcst	Bud-Bud	Bud-Bud	Bud-Fcst	Bud-Fcst
Revenue	(\$'000)	(\$'000)	(\$'000)	\$ Variance	%	\$ Variance	%
<i>Total Operating Grant</i>	\$56,818	\$54,729	\$55,170	\$2,089	3.8%	\$1,648	3.0%
<i>Total Other Grants</i>	9,668	7,469	9,446	\$2,199	29.4%	\$222	2.4%
<i>Total Debenture</i>	13,500	13,500	13,500	\$0	0%	\$0	0%
<i>Total Tuition</i>	83,992	78,318	80,864	\$5,674	7.2%	\$3,128	3.9%
<i>Total Student Ancillary Fees</i>	11,606	10,950	12,083	\$656	6.0%	(\$477)	(3.9%)
<i>Total Ancillary Operations</i>	3,832	3,957	3,877	(\$125)	(3.2%)	(\$45)	(1.2%)
<i>Donations</i>	725	680	1,448	\$45	6.6%	(\$723)	(49.9%)
<i>Other Revenue</i>	13,556	11,886	17,423	\$1,670	14.1%	(\$3,867)	(22.2%)
Subtotal Operating Revenue	\$193,697	\$181,489	\$193,811	\$12,208	6.7%	(\$114)	(0.1%)
<i>Funded through PY Revenue</i>	557	1,524	1,306	(\$967)	(63.5%)	(\$749)	(57.4%)
Total Revenue	\$194,254	\$183,013	\$195,117	\$11,241	6.1%	(\$863)	(0.4%)
Expense							
<i>Full Time Labour</i>	\$94,740	\$86,402	\$81,793	\$8,338	9.6%	\$12,947	15.8%
<i>Part Time Labour</i>	18,090	16,410	19,748	\$1,680	10.2%	(\$1,658)	(8.4%)
<i>Operating Expenses (OPEX)</i>	74,979	74,949	69,983	\$30	0%	\$4,995	7.1%
<i>Capital</i>	7,312	6,517	9,060	\$795	12.2%	(\$1,747)	(19.3%)
<i>Carry Forward Surplus</i>	(\$867)	(\$1,265)	\$0	\$398	31.5%	(\$867)	0%
Total Expenses	\$194,254	\$183,013	\$180,584	\$11,241	6.1%	\$13,669	7.6%

Operating Revenues

Revenue Components as a % of Total Revenue



■ Operating Grant
■ Tuition
■ Donations

■ Other Grant
■ Student Ancillary
■ Other Revenue

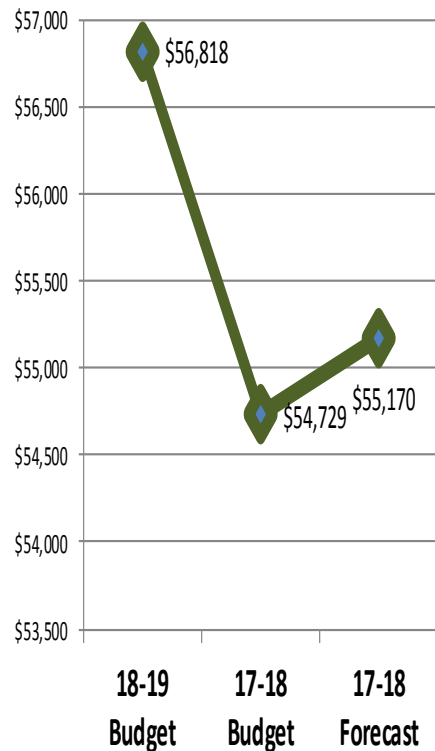
■ Debenture
■ Ancillary Operations
■ PY Rev

Total Revenue Budget (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	% Change Budget-Budget	% Change Budget-Fcst
Total Revenue	\$194,254	\$183,013	\$195,117	6.1%	(0.4%)
<i>Funded through PY Revenue</i>	557	1,524	1,306	(63.5%)	(57.4%)
Subtotal Operating Revenue	\$193,697	\$181,489	\$193,811	6.7%	(0.1%)
<i>Total Operating Grant</i>	\$56,818	\$54,729	\$55,170	3.8%	3.0%
<i>Total Other Grants</i>	9,668	7,469	9,446	29.4%	2.4%
<i>Total Debenture</i>	13,500	13,500	13,500	0.0%	0.0%
<i>Total Tuition</i>	83,992	78,318	80,864	7.2%	3.9%
<i>Total Student Ancillary Fees</i>	11,606	10,950	12,083	6.0%	(3.9%)
<i>Total Ancillary Operations</i>	3,832	3,957	3,877	(3.2%)	(1.2%)
<i>Donations</i>	725	680	1,448	6.6%	(49.9%)
<i>Other Revenue</i>	13,556	11,886	17,423	14.1%	(22.2%)

Operating Grant Revenue (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Operating Grant Revenue	\$56,818	\$54,729	\$55,170	\$2,089	3.8%	\$1,648	3.0%

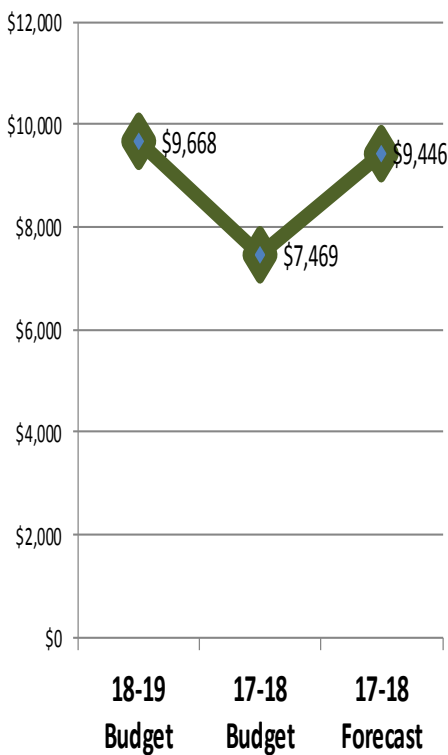


Budget: Increase in 18/19 due to final 16/17 SMA 2 baseline being higher than originally calculated by the ministry, along with MAESD adjusting the funding formula during the year. \$2.1M

Fcst: Increase over forecast due to allowed SMA 2 growth. \$1.6M.

Other Grant Revenue (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Other Grant Revenue	\$9,668	\$7,469	\$9,446	\$2,199	29.4%	\$222	2.4%



Budget: FRP grant \$0.8M, in 17/18 FRP applied to SIRC building rather than operations. New grants for 18/19 include: Career ready fund grant \$0.2M, Mental health support \$0.1M, Mental health worker grant \$0.2M. \$0.5M increase to our performance indicators. \$0.2M increase to Indirect costs grant. \$0.1M increase to childcare grant with increase in daycare enrolment. \$0.1M increase to Grad studies awards.

Fcst: FRP grant \$0.8M, in 17/18 FRP applied to SIRC building rather than operations. Will no longer receive teaching enrolment transition grant (\$0.8M). \$0.2M increase to research indirect costs program.

Debenture Revenue (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Debenture Revenue	\$13,500	\$13,500	\$13,500	\$0	0.0%	\$0	0.0%

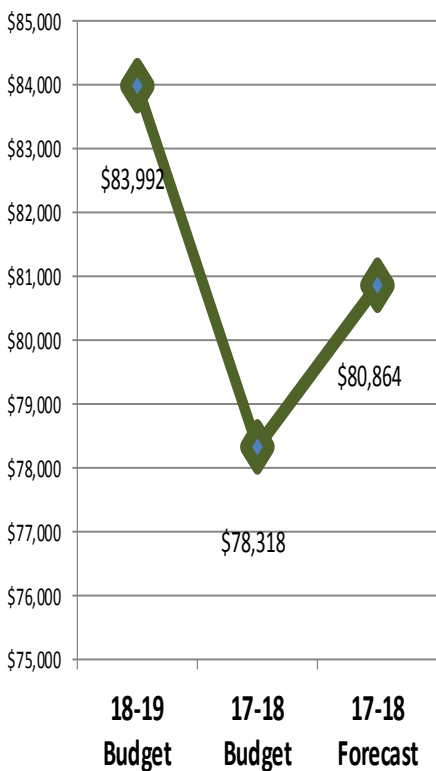


Budget: Unchanged

Fcst: Unchanged

Tuition Revenue (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Tuition Revenue	\$83,992	\$78,318	\$80,864	\$5,674	7.2%	\$3,128	3.9%

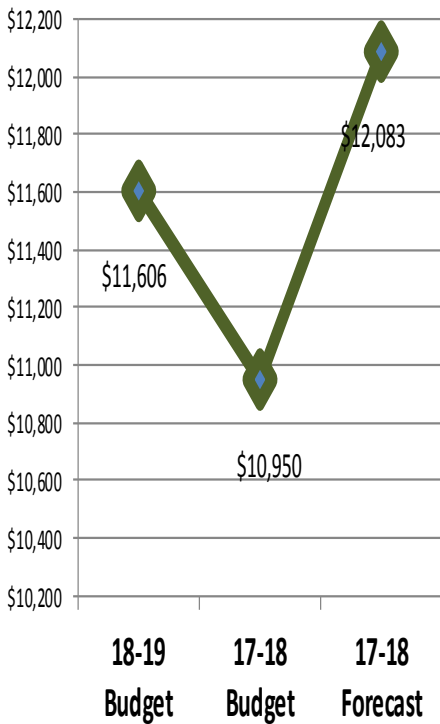


Budget: Domestic UG inflow is up 130 FTE or \$1.0M. Domestic UG flow thru is down (51) FTE or (\$0.4M). Domestic UG mix is down (\$0.1M). International UG inflow is down (19) FTE or (\$0.5M). Flow thru is down (13) FTE or (\$0.3M). Grad Domestic FTE is up 50 FTE or \$0.5M. Grad mix is down (\$0.1M). Grad International FTE is up 35 FTE or \$0.6M. Grad International mix is down (\$0.1M). ELC revenue is up \$0.7M. Increase from higher tuition rates for UG is \$2.5M and for Grad is \$0.3M. Budget model now includes tuition revenue from dropped courses and the recalculation of engineering tuition \$1.6M.

Fcst: Domestic UG inflow is up 118 FTE or \$0.9M. Domestic UG flow thru is down (220) FTE or (\$1.8M). Domestic UG mix is down (\$0.1M). International UG inflow is up 58 FTE or \$1.6M. Flow thru is down (25) FTE or (\$0.6M). International UG mix is down (\$0.1M). Grad Domestic FTE is down (37) FTE or (\$0.5M). Grad Domestic mix is down \$(0.1M). Grad International FTE is up 34 FTE or \$0.5M FTE. ELC revenue is up \$0.5M. Increase from higher tuition rates for UG is \$2.5M and for Grad is \$0.3M.

Student Ancillary Fee (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Student Ancillary Fees	\$11,606	\$10,950	\$12,083	\$656	6.0%	(\$477)	(3.9%)

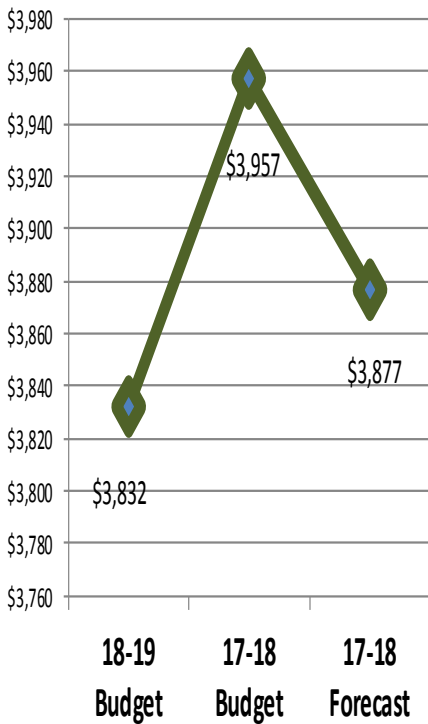


Budget: Increased enrolment 132 FTE \$0.2M. Ancillary fee increase \$0.1M. Tele fee increase \$0.4M.

Fcst: Decreased enrolment, down 71 FTE (\$0.1M). In 17/18 CRCW used ancillary fees for equipment purchase (\$0.5M). Ancillary fee increase \$0.1M.

Ancillary Operations (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Ancillary Operations	\$3,832	\$3,957	\$3,877	(\$125)	(3.2%)	(\$45)	(1.2%)



Budget: Text book sales are down (\$0.1M)

Fcst: Flat

Donations Revenue (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Donation Revenue	\$725	\$680	\$1,448	\$45	6.6%	(\$723)	(49.9%)



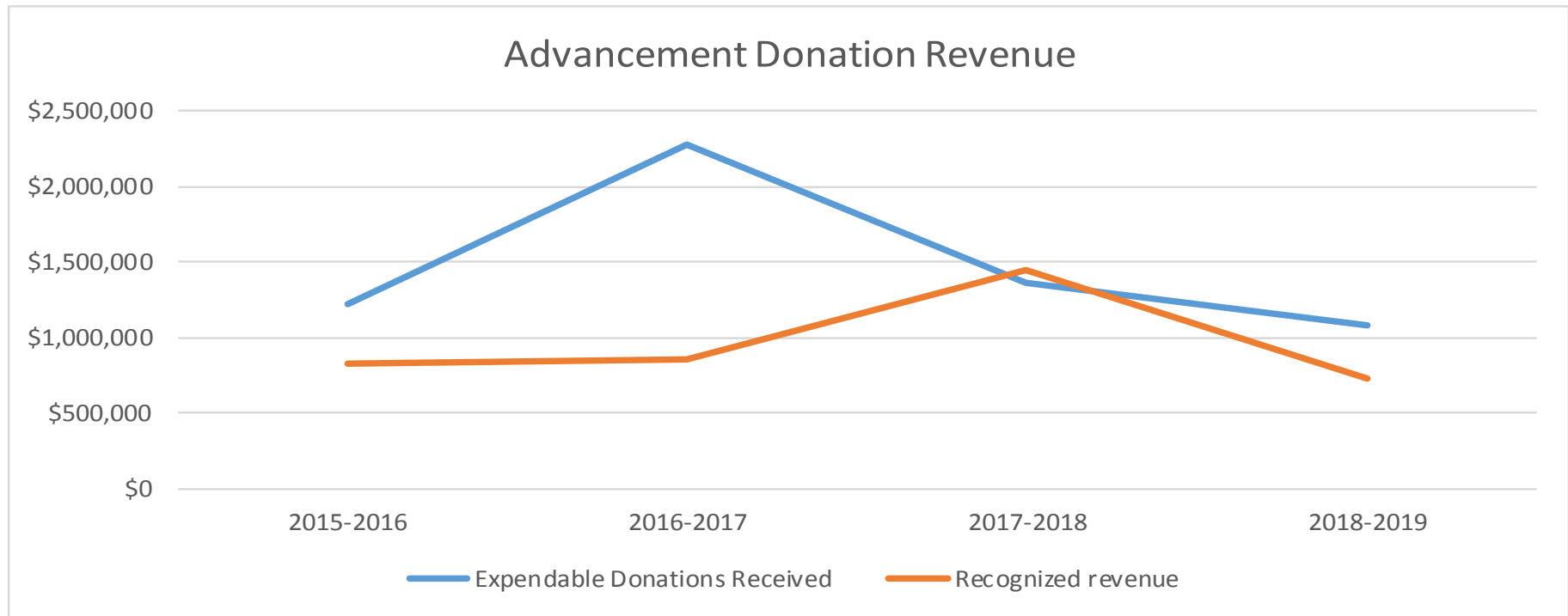
Budget: Flat

Fcst: 17/18 Includes; (\$0.4M) unplanned donations from OPG/Hydro one, (\$0.2M) in capital building campaign not included in 18/19 budget, and 17/18 (\$0.1M) in unplanned Grad scholarships donations.

Expendable Donations

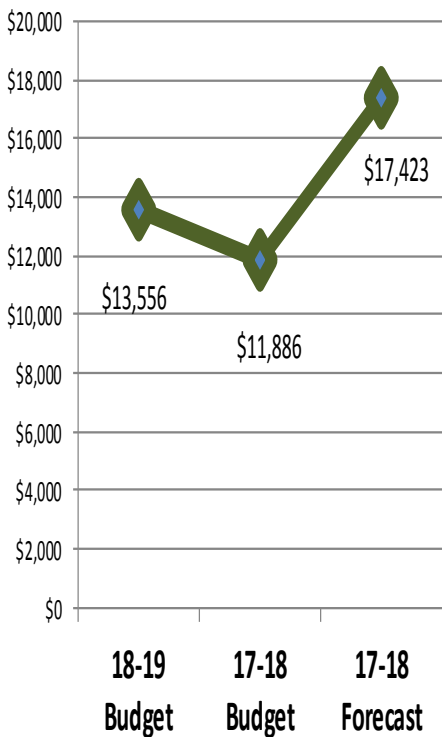
Note: Expendable Donations does not include endowments and new capital campaign.

	<u>2015-2016</u>	<u>2016-2017</u>	<u>2017-2018</u>	<u>2018-2019</u>
Expendable Donations Received	\$1,224,874	\$2,273,572	\$1,360,630	\$1,085,180
Recognized revenue	\$827,096	\$848,985	\$1,448,349	\$725,000



Other Revenue (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Other Revenue	\$13,556	\$11,886	\$17,423	\$1,670	14.1%	(\$3,867)	(22.2%)

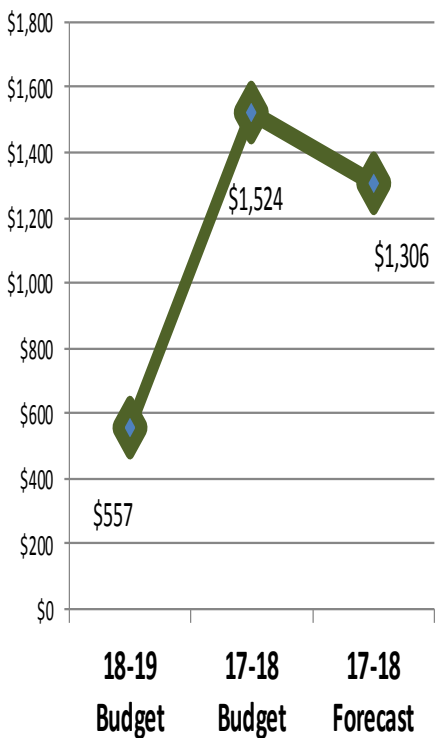


Budget: New revenue sources from the province include student success fund and OCADU project \$0.8M. ACE revenue up \$0.2M. Summer camps up \$0.2M. Regent increased number of shows, up \$0.2M. Shop SIRC up \$0.1M. Varsity fundraising up \$0.1M. Bank interest up \$0.1M

Fcst: 17/18 received (\$4.9M) PST rebate. New revenue sources from the province include student success fund and OCADU project \$0.8M. Summer camps up \$0.2M.

Funded through PY Revenue (\$'000)

Revenue	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Funded through PY Revenue	\$557	\$1,524	\$1,306	(\$967)	(63.5%)	(\$749)	(57.4%)

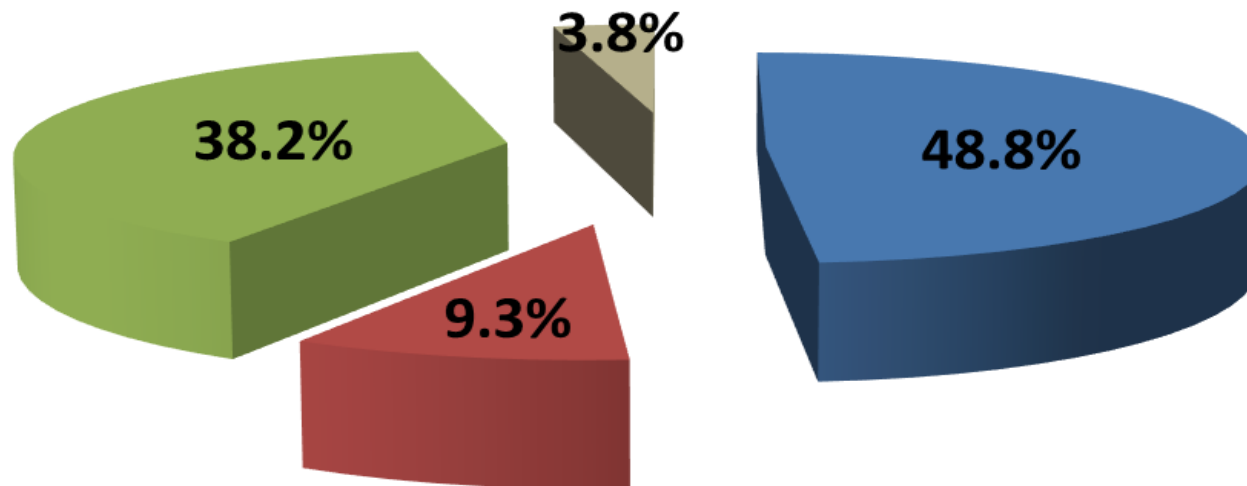


Budget: Use of PY (deferred) revenue is down as TELE has increased revenue and cut expenses (\$0.6M) as it transitions from full TELE to BYOD. 17/18 Budget included capital building campaign and it required (\$0.4M) to fund part of the campaign's start up expenses

Fcst: Use of PY (deferred) revenue is down as TELE has increased revenue and cut expenses (\$0.5M) as it transitions from full TELE to BYOD. 17/18 Fcst included capital building campaign and it required (\$0.2M) to fund part of the campaign's start up expenses

Operating Expense

Expense Components as a % of Total Expense



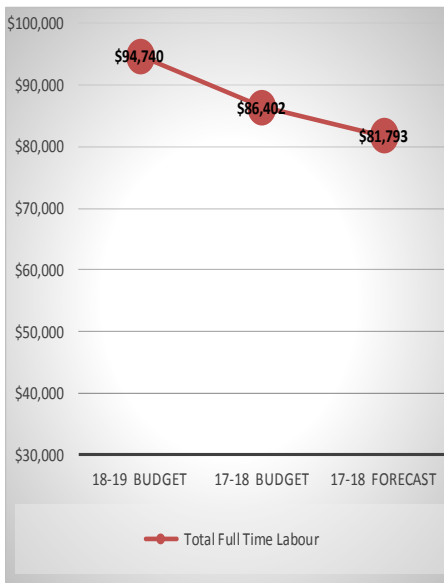
- Full Time Labour
- Part Time Labour
- Operating Expense & Carryforward
- Capital

Total Expense Budget (\$'000)

Expense	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	% Change Budget-Budget	% Change Budget-Fcst
Total Expense	\$194,254	\$183,013	\$180,584	6.1%	7.6%
<i>Total Full Time Labour</i>	\$94,740	\$86,402	\$81,793	9.6%	15.8%
<i>Total Part Time Labour</i>	18,090	16,410	19,748	10.2%	(8.4%)
<i>Total Operating Expense</i>	74,979	74,949	69,983	0.0%	7.1%
<i>Total Capital</i>	7,312	6,517	9,060	12.2%	(19.3%)
<i>Total Carry Forward Surplus</i>	(867)	(1,265)	0	31.5%	0%

Full Time Labour (\$'000)

Expense	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Full Time Labour	\$94,740	\$86,402	\$81,793	\$8,338	9.6%	\$12,947	15.8%
<i>Academic</i>	\$56,165	\$51,342	\$48,239	\$4,823	9.4%	\$7,926	16.4%
<i>Academic Support</i>	17,124	15,299	15,061	\$1,825	11.9%	\$2,063	13.7%
<i>Administrative</i>	11,674	10,481	9,611	\$1,193	11.4%	\$2,063	21.5%
<i>Purchased Services</i>	6,940	6,657	6,404	\$283	4.3%	\$536	8.4%
<i>Business Operations</i>	2,837	2,623	2,478	\$214	8.2%	\$359	14.5%



Budget Variance:

Annual increase \$2.6M. 18/19 20 FTE net new hires, \$1.8M. Conversions, 12 FTE from part time, \$1.0M. 17/18 net new hires of 23 FTE, \$2.5M. \$0.2M PY budget allocation to part time. \$0.2M Annualization of PY salary increases

Forecast Variance:

Labour Savings from open head count \$4.3M. Annual increase \$2.6M. 18/19 20 FTE net new hires, \$1.8M. Conversions, 12 FTE from part time, \$1.0M. 17/18 net new hires of 23 FTE; \$1.7M (Annualization effect). Annualization of 17/18 budget hires, \$0.4M. Release of vacation accrual \$0.3M. Increase in teaching releases \$0.2M. \$0.2M Allocation of salary to part time contract. Reversal of 16/17 accrued admin leaves \$0.4M.

Part Time Labour (\$'000)

Expense	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Part Time Labour	\$18,090	\$16,410	\$19,748	\$1,680	10.2%	(\$1,658)	(8.4%)
<i>Academic</i>	\$11,987	\$11,743	\$12,747	\$244	2.1%	(\$760)	(6.0%)
<i>Academic Support</i>	4,417	3,419	4,881	\$999	29.2%	(\$463)	(9.5%)
<i>Administrative</i>	767	378	816	\$389	102.8%	(\$49)	(6.0%)
<i>Purchased Services</i>	260	255	544	\$5	2.0%	(\$284)	(52.2%)
<i>Business Operations</i>	658	615	761	\$44	7.1%	(\$102)	(13.5%)



Budget Variance:

Sessional increase due to new TF agreement \$0.5M. \$0.4M Sessional/TA increase due to increased students. Converting 12 part time to full time (\$0.7M). \$0.5M increase in minimum wage. Sessional/TA wage increase \$0.2M. Limited term positions funded by new grants \$0.5M. New research limited term positions \$0.3M.

Forecast Variance:

17/18 part time backfill for open head counts (\$2.5M). Sessional increase due to new TF agreement \$0.2M. Converting 12 part time to full time (\$0.7M). \$0.3M increase in minimum wage. Sessional/TA wage increase \$0.2M. Limited term positions funded by new grants \$0.5M. New research limit term positions \$0.3M.

Operating Expenses (\$'000)

Expense	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Operating Expense	\$74,978	\$74,949	\$69,983	\$29	0.0%	\$4,994	7.1%
<i>Academic</i>	\$8,901	\$7,981	\$8,332	\$920	11.5%	\$569	6.8%
<i>Academic Support</i>	15,845	15,432	14,727	\$413	2.7%	\$1,119	7.6%
<i>Administrative</i>	37,056	38,765	34,041	(\$1,708)	(4.4%)	\$3,016	8.9%
<i>Purchased Services</i>	8,536	8,232	8,669	\$304	3.7%	(\$133)	(1.5%)
<i>Business Operations</i>	4,639	4,539	4,215	\$100	2.2%	\$424	10.1%



Budget Variance:

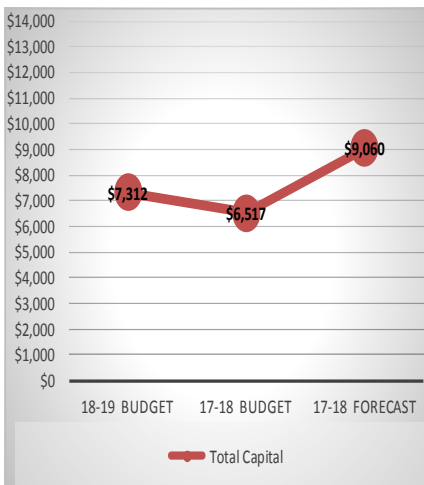
Centrally held contingency fund down (\$0.8M). Library subscriptions up \$0.3M. Legal fees up \$0.3M. Utilities increase \$0.2M.

Forecast Variance:

Centrally held contingency fund for 18/19 Budget \$3.8M. Faculty start-up and PD - budget topped up \$1.2M.

Capital (\$'000)

Expense	18-19 Budget (\$'000)	17-18 Budget (\$'000)	17-18 Forecast (\$'000)	\$ Variance Budget-Budget	% Change Budget-Budget	\$ Variance Budget-Fcst	% Change Budget-Fcst
Total Capital	\$7,312	\$6,517	\$9,060	\$795	12.2%	(\$1,747)	(19.3%)
<i>Academic</i>	\$1,185	\$1,317	\$2,562	(\$132)	(10.1%)	(\$1,377)	(53.8%)
<i>Academic Support</i>	2,037	1,806	2,460	\$230	12.7%	(\$424)	(17.2%)
<i>Administrative</i>	2,552	2,094	3,176	\$458	21.9%	(\$625)	(19.7%)
<i>Purchased Services</i>	1,539	1,207	849	\$332	27.5%	\$690	81.3%
<i>Business Operations</i>	0	93	12	(\$93)	(100.0%)	(\$12)	(100.0%)



Budget Variance:

Banner 9 project \$0.4M. Lab equipment up \$0.1M. IT up \$0.2M for media capital upgrades. Purchase services IT upgrades \$0.1M.

Forecast Variance:

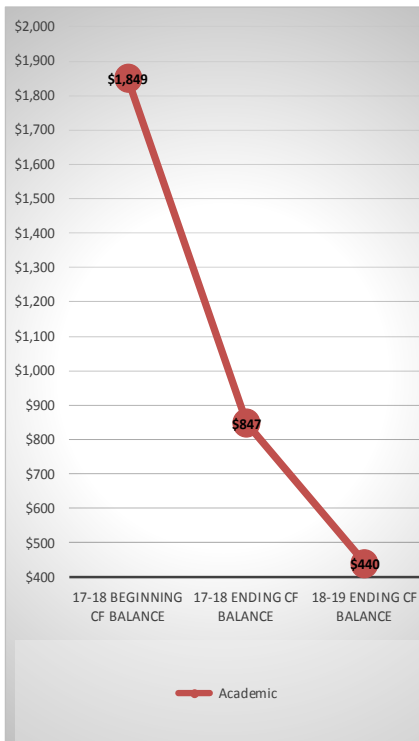
17/18 in year strategic spend (\$0.7M) and Dean's innovation fund capital spending (\$0.5M). 17/18 NMR faculty equipment (\$0.5M).

Capital Projects (\$'000)

	2018/19 Budget	2017/18 Budget	2017/18 Fcst
<u>Consists of:</u>			
Lap Tops	\$1.8	\$1.8	\$1.8
IT Services	\$0.7	\$0.5	\$1.0
Facility Capital Spend	\$1.3	\$1.6	\$2.5
Purchase Services	\$1.5	\$1.2	\$0.8
Lab Equipment	\$1.4	\$1.3	\$2.1
Other	\$0.6	\$0.1	\$0.9
Total	\$7.3	\$6.5	\$9.1

Carryforward Analysis

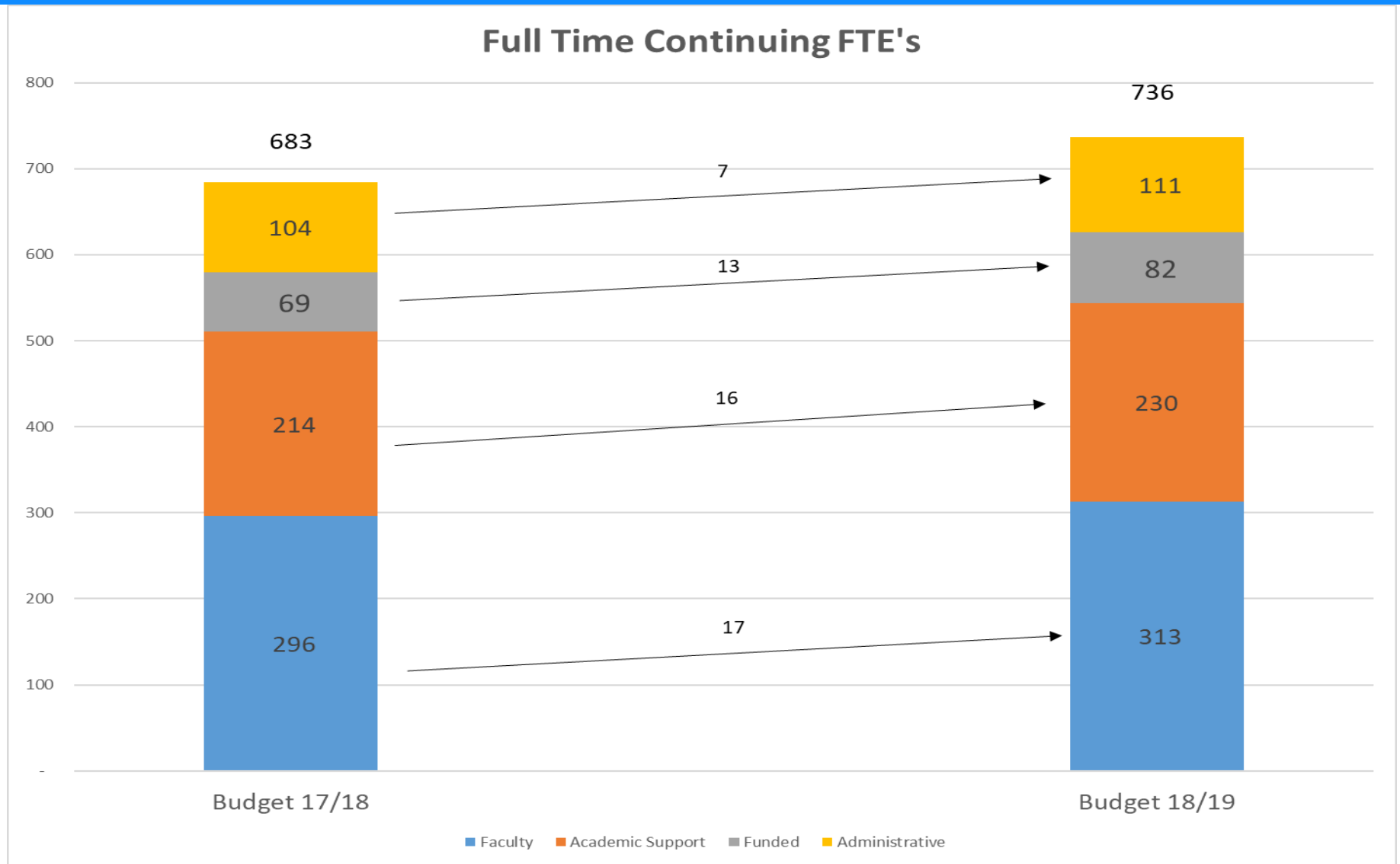
Expense	17-18 Ending CF Balance (\$'000)	17-18 New Carryforward (\$'000)	18-19 Utilization (\$'000)	18-19 Ending CF Balance (\$'000)	
Total Carry Forward Surplus	\$847	\$460	-\$867	\$440	



Faculty	Actual/Fcst Results						C&M	Total
	FBIT	SSH	HS	EAS	SCI	Total		
17/18 Budget								
Carry Forward from 16/17	290	225	167	870	169	1,721	245	1,966
Adjustment based on Actual results	20	(41)	10	36	(145)	(120)		(120)
Spent	310	45	39	336	24	754	245	999
Roll forward	-	139	138	570	-	847	-	847
18/19 Budget								
Roll Forward from 17/18	-	139	138	570	-	847	-	847
New Carry Forward	150		227	83	-	460	-	460
Carry Forward Amount	150	139	365	653	-	1,307	-	1,307
Planned to be Spent	-	139	265	463	-	867	-	867
Carry Forward Amount	150	-	100	190	-	440	-	440

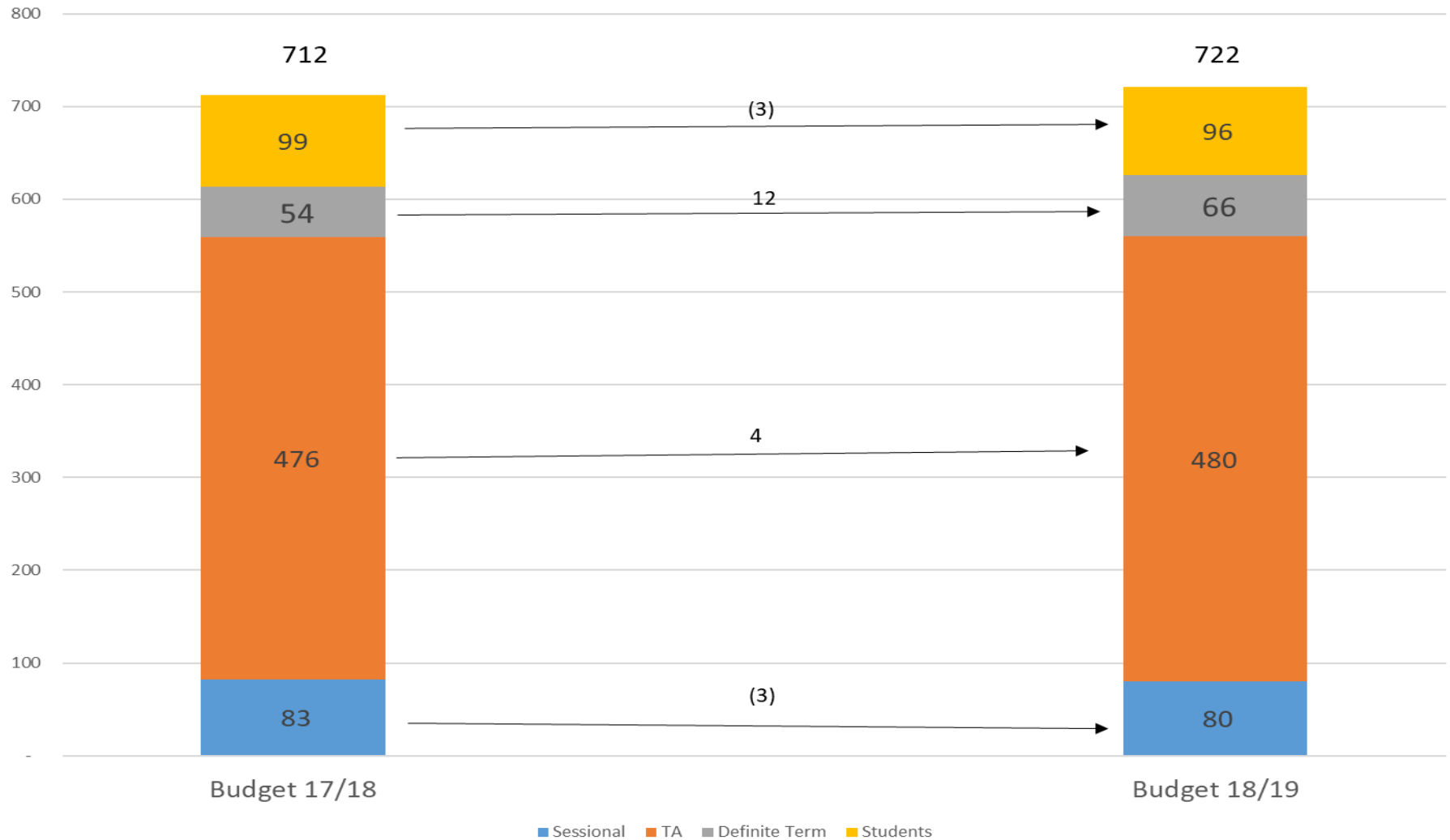
Notes:

Allocation of Human Resources



Allocation of Human Resources

Limited Term (FT and PT) FTE's



Employment Benefits

Full Time Continuing

in \$'000's	Budget 2017/18 FT Wages Excluding Benefits \$67,740		Forecast 2017/18 FT Wages Excluding Benefits \$64,153		Budget 2018/19 FT Wages Excluding Benefits \$72,157		
Description of Benefit	2017/18 Budget \$	2017/18 Budget %	2017/18 Fcst \$	2017/18 Fcst %	2018/19 %Benefit Change	2018/19 Budget %	2018/19 Budget \$
Health Care Spending Account and Life Insurance	\$837	1.2%	\$926	1.4%	0.2%	1.4%	\$1,042
Health and Dental	\$2,465	3.6%	\$2,181	3.4%	-0.5%	3.1%	\$2,237
Employer Employment Insurance	\$767	1.1%	\$675	1.1%	0.0%	1.1%	\$760
Employer Canada Pension Plan	\$1,794	2.6%	\$1,709	2.7%	0.1%	2.7%	\$1,922
Workers' Safety Insurance Board	\$143	0.2%	\$183	0.3%	0.1%	0.3%	\$206
Employer Health Tax	\$1,321	2.0%	\$1,250	1.9%	0.0%	2.0%	\$1,406
Employer Pension Expense	\$5,313	7.8%	\$4,945	7.7%	-0.1%	7.7%	\$5,562
Total Fringe Benefit Costs for Full Time	\$12,641	18.50%	\$11,870	18.50%	-0.3%	18.20%	\$13,135

Employment Benefits

Limited Term (FT and PT)

in \$'000's	Budget 2017/18 PT Wages Excluding Benefits \$18,070		Forecast 2017/18 PT Wages Excluding Benefits \$19,047		Budget 2018/19 PT Wages Excluding Benefits \$16,363		
Description of Benefit	2017/18 Budget \$	2017/18 Budget %	2017/18 Fcst \$	2017/18 Fcst %	2018/19 %Benefit Change	2018/19 Budget %	2018/19 Budget \$
Employer Employment Insurance	\$452	2.5%	\$417	2.2%	-0.3%	2.2%	\$359
Employer Canada Pension Plan	\$687	3.8%	\$754	4.0%	0.2%	4.0%	\$648
Workers' Safety Insurance Board	\$54	0.3%	\$76	0.4%	0.1%	0.4%	\$66
Employer Health Tax	\$343	1.9%	\$371	1.9%	0.0%	1.9%	\$319
Employer Pension Expense	\$108	0.6%	\$78	0.4%	-0.2%	0.4%	\$78
Total Fringe Benefit Costs for Part Time	\$1,644	9.0%	\$1,698	8.9%	-0.1%	8.9%	\$1,469

Restricted Funds

Why include restricted funds in budget planning?

1. **Provide stability from uncontrollable factors such as fluctuations in funding levels, or unforeseen economic factors**
2. **Provide financing for one-time requirements without impacting current year's operations**
3. **Allocate funds in support of “Carry Forward” amounts in Academic units**
4. **Ensure adequate cash flows, and provide flexibility to manage debt levels to protect UOIT's financial position**
5. **Provide for future liabilities**

2018-19 Estimated Internally Restricted Fund Schedule

Internally Restricted Assets (\$'000)	2018 - 19 Draft Budget End Balance (\$'000)	2017-18 Forecast End Balance (\$'000)	2017 - 18 Budget End Balance (\$'000)	2016 - 17 Actual End Balance (\$'000)
Research Related	\$4,700	\$4,900	\$4,500	\$4,972
Capital Related	\$14,900	\$12,400	\$6,200	\$14,666
Student Awards	\$1,000	\$1,000	\$500	\$1,000
Working Capital	\$6,000	\$6,000	\$6,000	\$6,000
Budget Carry Forward	\$440	\$850	\$700	\$1,604
Other	\$3,275	\$3,250	\$1,100	\$3,332
Total Restricted	\$30,315	\$28,400	\$19,000	\$31,574
Change in Restricted	\$1,915	\$9,400	(\$12,574)	

Conclusion



- ▶ Next Steps
- ▶ Questions and Discussion

Next Steps

- Budget presented to Academic Council June 19, 2018

Questions/Discussion

- Are there any questions or comments?