

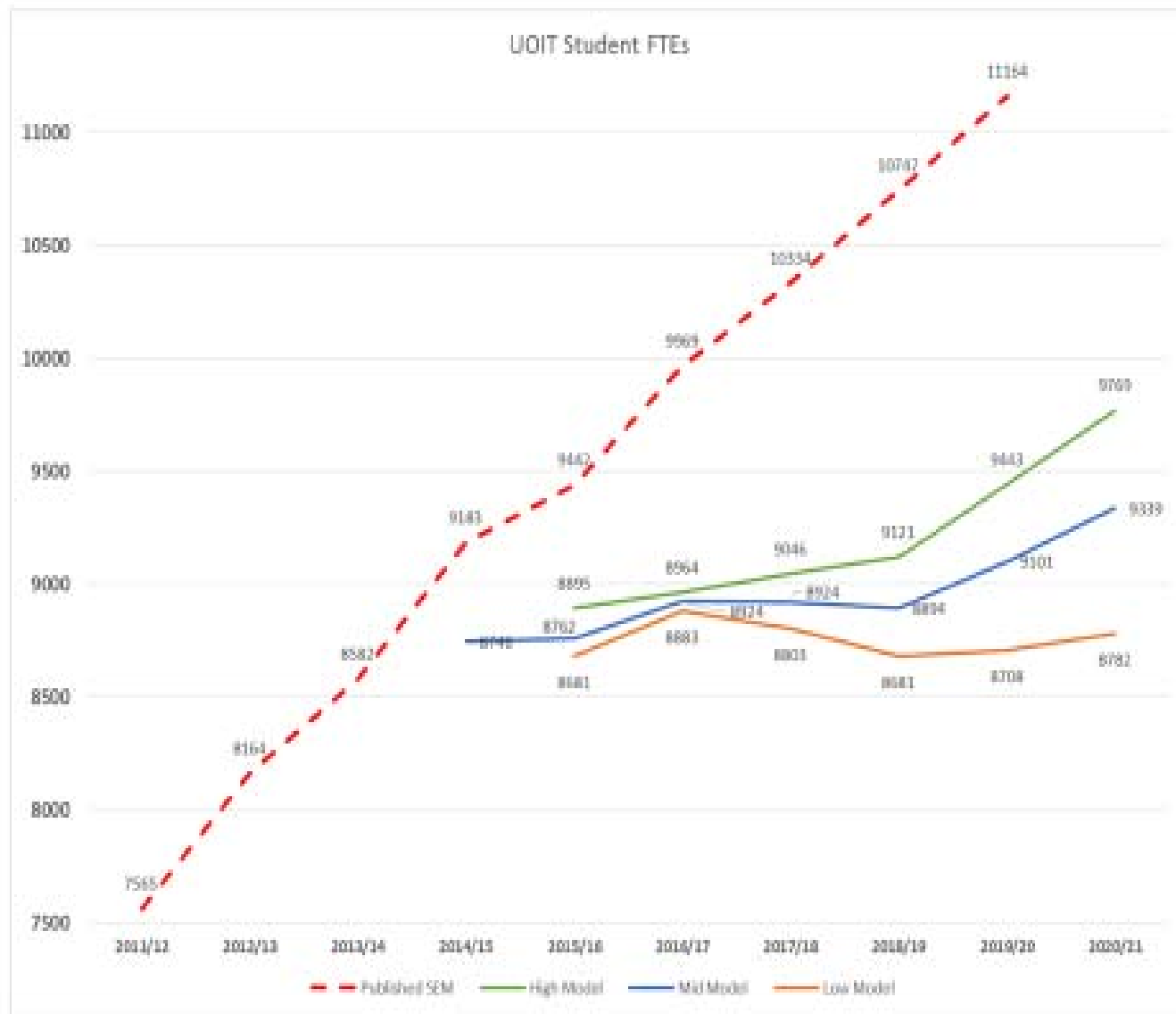


Budget Update to Academic Council

Presented By Craig Elliott, CFO and Deborah Saucier, Provost
October 20, 2015



UOIT Enrolment Projections



Significant Budget Assumptions

- Enrolment levels as forecasted
- Grant funding from the Province will remain at current level
- Tuition increase of 3% maintained each year
- Compensation increases and other fixed cost estimates as forecast
- New building occupied in 2019/20 funded by Fed gov't and UOIT
- Contingency included in the budget:
 - *\$2.5M for new building/capital renewal*
 - *\$1.0M for MTCU working capital reserve*
 - *\$1.0M general contingency for operations (reduced from \$2M)*
 - *\$2.0M UPF for strategic initiatives (allocated ~\$800K for 2016/17)*

Financials					
UOIT 5 yr Operational Forecast- 1 Building - Proposed 3.95% Cut on all expenses, except non-eligible					
Revenues	16/17 Fcst	17/18 Fcst	18/19 Fcst	19/20 Fcst	20/21 Fcst
Basic Operating Grant	50,988,961	51,226,598	51,009,530	52,468,684	54,266,725
CN Grant	4,450,498	4,449,242	4,520,045	4,587,102	4,671,306
Debenture Grant	13,500,000	13,500,000	13,500,000	13,500,000	13,500,000
Other Grants	7,279,958	7,279,958	7,279,958	7,279,958	7,279,958
Donations	1,305,000	1,305,000	1,305,000	1,305,000	1,305,000
Tuition	76,001,061	78,449,541	81,088,150	86,105,827	91,678,145
Ancillary Fees	15,462,366	9,759,510	9,752,698	9,944,697	10,189,807
Other Revenue	10,090,719	10,090,719	10,090,719	10,090,719	10,090,719
DC	4,231,100	4,231,100	4,231,100	4,231,100	4,231,100
Total Revenues	183,309,663	180,291,667	182,777,199	189,513,086	197,212,759
Increase %	1.8%	-1.6%	1.4%	3.7%	4.1%
Expenses	16/17 Fcst	17/18 Fcst	18/19 Fcst	19/20 Fcst	20/21 Fcst
FT Labour	65,828,278	67,063,606	68,329,817	69,627,683	70,957,996
PT Labour	13,194,611	13,194,611	13,194,611	13,194,611	13,194,611
Benefits	13,365,746	13,594,282	13,828,531	14,068,636	14,314,744
OPEX (Other than listed below)	52,687,039	53,740,780	54,815,596	56,161,907	57,285,146
Contracts (Consulting & Other)	3,751,773	3,751,773	3,751,773	3,751,773	3,751,773
Utilities	1,936,429	1,975,158	2,014,661	2,304,954	2,351,053
Leases	2,052,650	2,093,703	2,135,577	2,178,289	2,221,855
RAM Unallocated	2,899,596	4,510,512	6,005,919	9,932,251	14,404,989
CarryForwards					
Contingency Reserve	4,500,000	4,500,000	4,500,000	4,500,000	4,500,000
OPEX DC	15,728,418	15,728,418	15,728,418	15,728,418	15,728,418
Total Expenses	175,944,541	180,152,843	184,304,902	191,448,523	198,710,584
Increase %	1.7%	2.4%	2.3%	3.9%	3.8%
Capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Capital Tele	5,545,036	584,515	584,515	584,515	584,515
Capital DC	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total Expenditures	185,689,577	184,937,358	189,089,417	196,233,038	203,495,099
Increase %	3.0%	-0.4%	2.2%	3.8%	3.7%
Revenues less Expenses	(2,379,914)	(4,645,691)	(6,312,218)	(6,719,952)	(6,282,341)
Proposed 3.95% Cut	(5,268,025)	(5,268,025)	(5,268,025)	(5,268,025)	(5,268,025)
Revenues less Expenses After Cuts	2,888,111	622,334	(1,044,193)	(1,451,927)	(1,014,316)
Average over 5 years					2

Financials UOIT 5 yr Operational Forecast- 1 Building - Proposed 3.95% Cut on all expenses, except non-eligible

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Other Grants	7,279,958	7,279,958	7,279,958	7,279,958	7,279,958
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PT Labour	13,194,611	13,194,611	13,194,611	13,194,611	13,194,611
Benefits	13,365,746	13,594,288	13,594,288	13,594,288	13,594,288
OPEX (Other than listed below)	52,687,039	53,740,788	53,740,788	53,740,788	53,740,788
Contracts (Consulting & Other)	3,751,773	3,751,773	3,751,773	3,751,773	3,751,773
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Increase %	1.7%	2.4%	2.3%	3.9%	3.8%

Priority on maintaining faculty and staff ratios but may have reallocations

Priority increasing percentage of total budget going to instruction & research

Capital	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Capital Tele	5,545,036	5,545,036	5,545,036	5,545,036	5,545,036
Capital DC	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000
Total Expenditures	185,689,577	184,937,355	184,937,355	184,937,355	184,937,355
Increase %	3.0%	-0.1%	-0.1%	-0.1%	-0.1%

Priority maintaining reserves and current amounts in annual capital

Revenues less Expenses	(2,379,914)	(4,645,691)	(6,312,218)	(6,719,952)	(6,282,341)
Proposed 3.95% Cut	(5,268,025)	(5,268,025)	(5,268,025)	(5,268,025)	(5,268,025)
Revenues less Expenses After Cuts	2,888,111	622,334	(1,044,193)	(1,451,927)	(1,014,316)

Potential Options For 2016-17



Topics For Discussion

One time budget cut of ~4% on eligible expenses to balance over the next 5 years verses ~2% cut in each of the next three years?

Across the board cuts verses strategic?

Maintain current faculty & staff numbers as a priority (ie focus on operating first)?

Maintaining the building reserve at current/ increasing levels?

Maintain University Priority Fund at current/ increasing levels?