



Budget Summary Report 2015-2016

May 14, 2015

1.0 Introduction

An initial Budget Development Report for 2015-16 was produced and communicated to the University community in February 2015. The report is available on the University website at: http://w3.stu.ca/stu/administrative/vp_financial/documents/STUBudgetDevelopmentReport2015-2016.pdf.

The Budget Development Report identified the composition of the President's Advisory Committee on the Budget (PACB) and described the context and challenges of developing the University's 2015-16 budget. The principles in developing the budget recommendations were:

In late March 2015, the Minister of Finance delivered the 2015-16 Budget Speech. Although we had hoped that the Province would honor the previous Government's commitment of a 2% increase in the operating grant, it was announced that the funding to universities and community colleges for 2015-16 was frozen. The estimated revenue impact of this freeze for 2015-16 for St. Thomas University is \$237,000.

Of even greater concern is the Province's decision to impose a tuition freeze on universities for 2015-16, with no regard to the signed agreement in place between the Province and St. Thomas University with respect to tuition fees. We are in the end of the second year of that five year agreement. Based on that agreement, tuition was to be increased by no more than 3% plus \$170 in order to bring our tuition for a Bachelor of Arts closer to the provincial average tuition. The 3% increase was based on the provincial average tuition of the three other publicly funded universities. An imposed tuition freeze on domestic and international tuition fees represents an estimated loss of revenue of \$630,000 for 2015-16 for St. Thomas, compared to the tuition fee planned as part of the 816 9()Tj-3.261- -33.97.8297A1(p)1

operations. This is not a true expenditure reduction, as this expenditure will be charged to the scholarship endowment fund (instead of operations).

3.0 Ancillary Operations

The 2015-

4.0 Endowment Funds

The University's endowed funds consist of 9 major endowment fund categories that have varying origins. The scholarship endowment, which represents approximately 45% of total endowment value, has a number of funds that originated with gifts and bequests and are managed in accordance with terms specified by the donors and accepted by the University. However, most of the scholarship endowments have resulted from operating surpluses over the years that have been transferred by the Board of Governors to the scholarship fund.

The other endowment funds relate mainly to eight endowed chairs. A number of the chairs were established with the assistance of external funding. Generally these funds support teaching and research activities in a number of disciplines and supplement the operating fund budget. However, expenditures must be in accordance with the respective terms of reference of the endowed chairs.

The University's investment policy permits expenditures of up to 5% of endowment fund values based on a rolling three-year average of market values (\$30.9 million at February 28, 2015). A spend rate in excess of 5% for (internally restricted) endowment funds requires the approval of the Board of Governors. This normally takes place as part of the budget approval process.

The expenditure allocations from the University's endowment funds are presented in Schedule III, and incorporate the following:

- Total endowment fund expenditures of \$3.5 million.
- Externally restricted endowments are budgeted at a 5% spend rate, while the internally restricted endowments are budgeted at a higher spend rate in order to balance the operating budget (this higher spend rate varies from 8% to 17%).

5.0 Capital Expenditures Budget

The 2015-2016 capital expenditure budget of \$1.6 million is

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Appendix II: MPHEC Policy on Operating Deficits

Operating Deficits

It is a policy of the MPHEC that institutions should not incur an operating deficit. However, where an institution has accumulated a deficit subsequent to 1974-75 in excess of 2.0% of annual operating grants, the following policy applies:

- (1) Any such accumulated operating deficits must be reduced by a minimum of 2% of the next year`s operating grant, up to the amount of the accumulated deficit. Institutions have the option of using operating funds or presenting a proposal for the use of Restricted Operating Assistance allotments for this purpose.
- (2) Should an institution not reduce its accumulated operating deficit by such an amount in any given year the Commission will subsequently suspend consideration of that institution`s request for new programmes and new capital projects.

Maritime Provinces Higher Education Commission; Policies, Procedures and Activities, February 1986

Appendix III: Tuition Fees Comparison 2014-2015

	Canadian	International	International Health Fee	International Total
STU	5,552	13,192	457	13,649
Acadia	7,488	14,990	744	15,734
Dal	6,786	15,234	491	15,725
Kings	6,786	15,234	491	15,725
MSVU	6,249	12,387	618	13,005
SMU	6,280	13,064	820	13,884
StFX	6,985	13,970	899	14,869
CBU	6,380	12,870	732	13,602
USA	6,360	8,820	562	9,382
NSCAD	6,180	13,656	650	14,306
UPEI	5,520	11,948		

St. Thomas University
General Operating Revenue and Expenses
For Budget Year Ending April 30, 2016

Schedule

	2015-2016 Budget	2014-2015 Budget	2014-2015 Forecast	Budget Increase/ (Decrease) (\$)	Budget Increase (Decrease) %
Revenues					
MPH&C Opera Grant	12,180,800	12,180,800	12,180,800	0	0.00%
MPH&C Fiscal Transfer UNB	1,902,200	1,902,200	1,902,200	0	0.00%
Tuition and Colony Fees	12,530,900	12,662,800	12,400,000	-131,900	-1.04%
Miscellaneous Student Fees	446,000	446,000	446,000	0	0.00%
Other Government Grants	371,000	731,000	581,000	-360,000	-49.11%
Advancement and Auxiliary Functions	75,000	75,000	200,000	125,000	166.67%
Miscellaneous Income	309,000	270,000	508,000	238,000	88.15%
Total Revenue	27,814,900	28,267,800	28,348,000	-45,900	-0.16%
Expenses					
Academic					
Faculty salaries and benefits	16,323,600	16,217,500	16,246,200	128,700	0.79%
Department Expenses	232,900	232,900	205,000	-27,900	-11.98%
Travel Study and Research	584,800	557,500	450,000	-277,300	-49.56%
Other Academic	400,300	427,900	444,700	27,400	6.42%
	17,543,600	17,435,800	17,345,900	107,700	0.62%
Computing Services					
Salaries and benefits	632,600	581,000	640,100	59,100	10.17%
Systems Support	163,000	150,000	150,000	-13,000	-8.63%
Other Computing	148,200	118,200	148,200	30,000	25.38%
	943,800	849,200	938,300	89,100	10.49%
Administration and General					
Salaries and benefits	2,817,100	2,916,200	3,034,000	216,900	7.44%
Unit Expenses	686,700	624,700	755,900	129,200	20.68%
Other Administration	377,000	344,800	438,500	93,700	27.18%
Advancement and Auxiliary	607,800	525,900	525,900	-81,900	-15.55%
Professional Services and memberships	173,000	235,000	250,000	15,000	6.38%
	4,657,600	4,646,600	5,024,300	366,700	7.89%
Student Services					
Salary and Benefits	1,194,400	1,171,900	1,126,900	-67,500	-5.76%
Scholarships	0	400,000	200,000	-400,000	-100.00%
Athletics	399,500	399,500	399,500	0	0.00%
Other Student Services	129,700	142,300	120,000	-12,700	-8.92%
	1,723,600	2,113,700	1,846,400	-367,100	-17.37%
Physical Plant					
Salary and Benefits	170,600	148,200	150,000	21,400	14.44%
Utilities and Insurance	1,119,800	1,118,500	1,054,000	-64,300	-5.75%
Cleaning	480,000	480,000	480,000	0	0.00%
Maintenance and Repairs	331,500	329,700	325,000	-4,700	-1.43%
	2,101,900	2,076,400	2,009,000	-72,900	-3.51%
Fiscal Transfer to Other	1,902,200	1,902,200	1,902,200	0	0.00%
Total Expenditure	28,871,700	29,023,900	29,076,100	-154,200	-0.53%
Excess of revenue before inter-fund transfers	-1,056,800	-756,100	-768,100	-301,700	39.77%
Inter-fund transfer	1,069,000	760,000	750,000	309,000	40.65%
Excess of revenue after inter-fund transfers	3,200	3,900	-1,100	-4,700	-119.23%
					9.72%
					9.42%
					7.94%

Schedule II

St. Thomas
Revenue and Expenses
For Budget Year

	2015 Budget	2014-2015 Budget	Budget Increase/ Decrease (\$)	Budget Increase/ (Decrease) %
Revenues				
Residence Fees	2,920,000	2,747,000	-257,000	-8.08%
English Language Program Room Revenue	18,000	17,900	23,700	15.16%
Conferences and rentals	14,000	14,000	0	0.00%
Miscellaneous	2,000	17,210	-94,000	-54.62%
Total Revenue	3,322,000	3,224,000	-327,300	-8.96%
Expenditures				
Food Service		230,000	-155,000	-100.00%
Administration Salaries and Benefits	45,000	44,000	13,000	2.95%
Utilities	92,000	90,000	-20,500	-2.17%
Property Management	91,000	89,500	13,500	1.50%
Maintenance and Repairs	75,000	72,500	25,000	3.45%
Interest on long-term debt	1,100,000	1,100,500	-500	-0.45%
Insurance	55,000	55,500	0	0.00%
Residence Bursaries	0	40,000	0	0.00%
Equipment Purchases	0	20,000	0	0.00%
Miscellaneous	0	20,000	0	0.00%
Total Expenses	3,322,000	3,402,600	-124,500	-3.61%
Excess of Revenue over Expenses			-202,800	na
Principal payments on long-term debt	223,100	3,180,100	200,000	na
Net cash flow Ancillary	-215,000	145,000	-470,600	na
	78,100	172,100	11,000	
	26,200	3,653,500		
			10,000	
		155,000	10,000	
	3,100	440,100	10,000	
	26,000	946,500	10,000	
	1,000	897,500	10,000	
	50,000	725,000	10,000	
	10,000	110,500	10,000	
	55,500	55,500	10,000	
	50,000	60,000	10,000	
	20,000	20,000	10,000	
	40,000	40,000	10,000	
	25,600	3,450,100		
	500		10,000	
	600	203,400		
	100		10,000	
	13,000	203,000		
	100		10,000	
	12,400	400		

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	Bud 2015-	For 20	Est 15	Budget 014-2015	Fund B 2013-
Scholarships	1,700,000	(1)	1,500,000	1,100,000	13,56
Endowed Chairs					
Aquina Chair in Interdisciplinary Studies	800,000	(2)	734,000	734,000	5,03
Canadian Citizenship & Human Rights	1,000,000	(3)	900,000	96,000	1,99
Catholic Theology	1,000,000		1,000,000	102,000	2,13
Criminology and Social Justice	1,000,000	(4)	900,000	58,000	1,21
Campdownment in Journalism	500,000		400,000	48,000	1,00
Gerontology	2,000,000	(5)	1,500,000	159,000	3,29
Irving Chair in Journalism	500,000		400,000	49,000	1,0
Native Studies	1,000,000	(6)	1,000,000	83,000	1,6
	<u>3,400,000</u>		<u>2,050,000</u>	<u>2,429,000</u>	<u>30,9</u>

Schedule III

	age alance 2015	Available (5%)
(1) Budget increase of \$100,000 represents full draw on scholarship; no allocation made for 2015-16. Expenditure represents 12.5% of fund balance.		
(2) Includes an additional transfer of \$590,000 from operations to academic salaries bringing annual draw to 17%.	\$2,700	678,000
(3) Includes an additional transfer of \$90,000 from operations to academic salaries bringing annual draw to 10%.		
(4) Represents a transfer of \$90,000 from operations for academic salaries bringing annual draw to 9%.	\$1,800	252,000
(5) Includes an additional transfer of \$126,000 from operations to academic salaries bringing annual draw to 9%.	\$1,700	100,000
(6) Includes an additional transfer of \$50,000 from operations to academic salaries bringing annual draw to 8%.	\$4,000	107,000
	\$3,700	61,000
	\$9,200	50,000
	\$3,300	165,000
	\$8,800	51,000
	\$71,100	84,000
	<u>\$26,300</u>	<u>1,548,000</u>

Schedule IV

St. Thomas University
Capital Expenditures
2015-2016

Capital Expenditures

Equipment

Computer equipment and furnishings	171,400
Martin Hall-Common space equipment	115,000
Holy Cross - Chapel renovations equipment	40,000

Renovations

Academic building and grounds improvements	83,000
Martin Hall-Common space development	310,000
Holy Cross -Chapel renovations	285,000

Grant-Harvey Centre

2015-16 installment	<u>265,800</u>
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Total Capital Expenditures-Operations	<u>1,270,200</u>
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Funding Sources

Restricted Government Assistance -Non-space	318,300
Restricted Government Assistance -Alteration and Renovation	380,200
University Deferred Maintenance Program (UI, MP)	115,900
Forest Hill property sale proceeds	152,000
Internally Restricted funds (Grant Harvey)	265,800
James Durbin Foundation-balance of 2013-14 donation	<u>38,000</u>
	<u>1,270,200</u>

Ancillary Capital Expenditures

Martin Hall	Kitchen equipment per Aramark agreement	35,000
	GMH '06 Food Service equipment	20,000

Harrington Hall	Conceptual design to tender opening	<u>320,500</u>
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Total Capital Expenditures-Ancillary	<u>375,500</u>
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Total Capital Expenditures	<u>1,645,700</u>
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