

**Report to the
FPIHR Committee
Information Item**

TOPIC: Q2 Report and 2014-15 Forecast

December 10, 2014

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This report contains forward looking information. It is the accumulation of financial information obtained from Unit budget developers across the University. In preparing the 2014-15 forecast, certain assumptions and estimates were necessary. These assumptions and estimates are based on information available to Unit budget developers at the time of preparing the 2014-15 forecast. Users of this information are cautioned that actual results may vary. All figures are in ('000s).

BACKGROUND

On October 3, 2013 the Board of Trustees passed a three part motion as follows:

“That the President be given mandates to:

1. Manage the affairs of the University such that it will achieve, or do better than, the budgeted deficit of \$7 million for fiscal year end April 30, 2014
2. Ensure that the budget prepared for fiscal year end April 30, 2015 will:
 - a. Incorporate any additional external financing requirements;
 - b. Include deferred maintenance spending of at least \$6 million;
 - c. Ensure that the University achieves an interest coverage ratio of greater than 2.0;
3. Manage the affairs of the University in order for it to achieve, or do better than, the budget for the fiscal year ended April 30, 2015.”

The Board of Trustees motion is consistent with the Board of Trustee and Senate endorsed Integrated Strategic Plan, specifically strategic priority #7 – Practice accountability, fiscal responsibility, and stewardship.

This topic sheet follows a similar format as the newly introduced Q2 and Q3 reporting last year with the following additions:

- Impact of financial results on budget guidance;
- Financial health metrics with comparisons to other comprehensive Universities;
- Introduction of year over year budget and actual comparisons;
- Enhanced reporting on the Capital and related project program;

Readers of this report are encouraged to read this topic sheet in its entirety, including the appendices.

SUMMARY

The appendices attached contain detailed information with respect to the University's financial results to date that can be summarized as follows:

Funding Budget

	2013-14 Actual	2014-15 Budget	Forecast	Difference
Revenue	281,415	290,204	289,730	(474)
Expense	(282,180)	(293,425)	(292,281)	1,144
		(3,221)	(2,551)	670
Mitigation	NIL	3,221	2,551	(670)
Funding Deficit	(765)	NIL	NIL	NIL

While the University currently finds itself in a deficit position we are reminded that the funding budget included a mitigation target of \$3,221. It anticipated enrolment and grants that are currently forecasted to miss target by a combined \$1,800 (this figure is slightly better than the \$2,000 originally estimated when setting budget guidance – see FPIHR Committee Budget Guidance Report), and it did not include the incremental costs associated with collective bargaining in 2014. The BUFA collective bargaining resulted in an additional \$3,800 in costs to the budget. These fiscal pressures have been offset by spending constraint and a projected savings of \$4,500 coming from the most recent actuarial valuation. This actuarial valuation has been reviewed by the Pension Committee and the FPIHR Committee will be reviewing and approving it at its December 11, 2014 meeting.

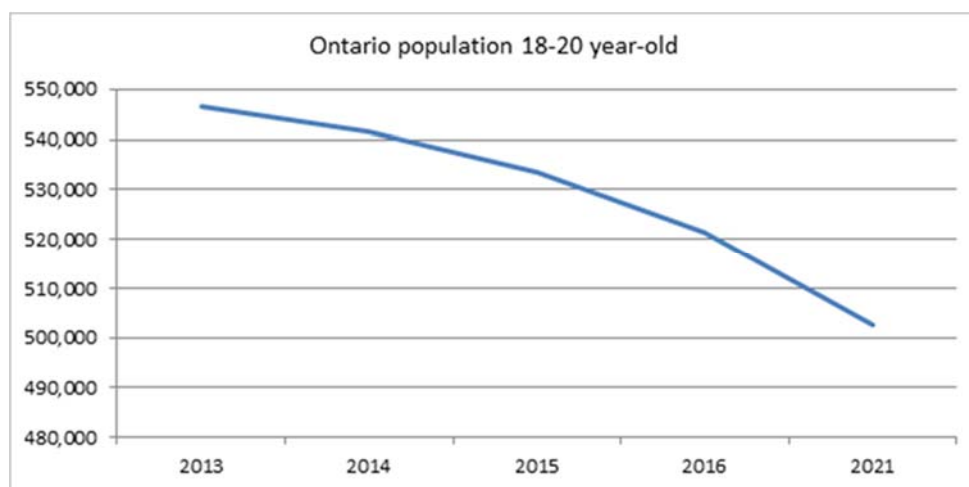
Included and new to the forecast above is an unbudgeted reserve transfer of \$816 representing the 2013-2014 current service cost increase to the non-pension post-retirement benefits liability related to retiree benefits and health care spending accounts in retirement for certain employees. The total actuarially determined liability for non-pension post-retirement benefits at the University was \$17,891 at April 2014. The forecasted reserve transfer shown here is consistent with commentary in past budget documentations that highlighted this obligation is currently unfunded. That same commentary noted it would be prudent and specifically consistent with the Integrated Strategic Plan, Strategic Priority #7 – Practice accountability, fiscal responsibility, and stewardship for the University to start setting funds aside if savings were noted after the actuarial pension valuation was completed. Although a final decision with respect to the transfer has not been made, it has been reflected for discussion purposes. Financial Services is planning a report for the March FPIHR Committee on this matter.

Also included and new to the forecast above is an unbudgeted reserve transfer for \$475 debt repayment. On February 14, 2013 the FPIHR Committee reviewed the repayment plan of the University's \$93,000 debenture through the use of its sinking fund. At that time it was concluded the \$475 payment to the sinking fund from the operating fund could be suspended temporarily given the current funding levels. Today funding levels remain sufficient and investment returns remain ahead of schedule. This said, since that time the University has borrowed an additional \$18,000 to finance the Marilyn I. Walker School of Fine and Performing Arts building and as illustrated in the financial health metrics below, the University's financial metrics related to borrowing have deteriorated compared to other Comprehensive University's. In this respect it would be prudent and again consistent with the Integrated Strategic Plan, Strategic Priority #7 – Practice accountability, fiscal responsibility, and stewardship for the University to start setting funds aside to pay down the \$18,000 when the loan matures in June 2019 with the goal of bringing the Universities financial health metrics on borrowing in-line with other Comprehensive Universities. Although a final decision with respect to the transfer has not been made, it has been reflected for discussion purposes. Financial Services is planning a report for the March FPIHR Committee on this matter.

In light of the funding budget deficit and the risks identified with respect to tuition estimates, mitigation efforts will remain in effect to facilitate the accomplishment of the balanced budget objective.

Impact to Budget Guidance

Recognizing the forecasted financial results of Q2 are shaping up close to plan and the budget to actual appears to be close to balance, a fair question might be, will the budget guidance change? The answer unfortunately is no. While the pension may have helped alleviate some of the funding challenges of 2014-15 there are a number of new headwinds going into 2015-16 which includes the \$3,800 in tuition and grant reduction to the Faculty of Education as a result of Ministry decisions and the \$2,000 in new operations costs for the Marilyn I. Walker School of Fine and Performing Arts. In addition it is important to remember that the guidance of 4% and 2% only addressed ½ of the \$17,900 status quo budget deficit forecasted for fiscal 2015-16 and enrolment may become a further headwind. The graph below illustrates the number of students between the ages of 18-20 each year according to Statistics Canada:



This said, this document can help inform the 2015-16 budget development. When the “status quo” budget forecast for 2015-16 was put together it was based on the 2014-15 budget so it was in every sense a budget over budget analysis. Appendix #3 illustrates that the Faculty budgets in aggregate almost absorbed the whole increase of the recent BUFA collective agreement even though the settlement was not budgeted. Since the target guidance is providing budget for the BUFA collective agreement one can conclude there is room to adjust budgets with limited impact on the Integrated Strategic Plan or the Strategic Mandate Agreement.

Financial Health Metrics

New to this topic sheet are financial health metrics relevant to the University’s credit rating. Additional information on each of the financial metrics can be found in Appendix #5 of the Treasury Update. These financial health metrics are as follows:

	Brock			Median*		Weighted Average*	
	Q2 Forecast	April 2014	April 2013	April 2014	April 2013	April 2014	April 2013
Primary reserve ratio	Q3^	3.4%	4.2%	31.6%	32.8%	35.3%	31.7%
Debt burden ratio	3.2%	3.7%~	2.8%	2.3%	2.1%	3.4%	3.3%
Interest burden %	2.6%	2.6%	2.5%	1.9%	1.8%	1.5%	1.4%
Interest coverage	2.8	2.8	1.97	7.53	6.67	6.43	5.85
Viability ratio	Q3^	7.0%	8.4%	111.5%	98.2%	109.3%	110.3%
Endowment per student	\$4,000	\$ 3,860	\$ 3,420	\$6,680	\$7,390	\$7,010	\$6,840

* Calculated using financial information from 15 other Comprehensive Universities

^ Financial Services is working on modelling additional metrics to start regular reporting in Q3 which include the primary reserve ratio, viability ratio, and other statement of operations ratios.

~ Increase year over year was impacted by the one-time repayment of the commercial plaza mortgage.

Management Discussion and Analysis of the Funding Budget and Forecast

The information obtained by way of this forecast will be used to guide future budget discussion.

Student fees (Budget of \$144,848 and Forecast of \$143,622)

Student fees are currently forecasted slightly behind budget. There was a re-write of the tuition general ledger accounts going into fiscal 2014-15 to capture tuition billed by faculty by students major. This information is illustrated in the chart below. This change occurred in response for the information from stakeholders throughout the University. The forecast is based on known registrants at the end of October. This calculation is new and users of this information can expect the results will fluctuate as students finalize their winter course registration. This said, it is consistent with the FTE information provided in the chart directly below.

		Forecast	Budget	Over/(Short)
Undergraduate and Graduate (Domestic and VISA) Tuition Revenue <i>This revenue budgeted in "Global"</i>	Applied Health Science	\$20,028		
	Goodman School of Business	28,337		
	Faculty of Education	6,922		
	Humanities	12,489		
	Math & Science	12,656		
	Social Science	39,814		
	No Identified Faculty	302		
	Sub total	120,548	\$121,218~	(\$670)
ISP Tuition Revenue <i>This revenue is budgeted in the Faculty's</i>	Goodman School of Business	7,706	7,813	(107)
	Faculty of Education	3,881	3,541	340
	Social Science	158	110	48
	Sub total	\$11,745	\$11,464	\$281
	Other	11,329	12,165	(836)
	Total	\$143,622	\$144,847	(\$1,225)

~ Difference from the Budget Report is \$1,122 as a result of a budget adjustment between Social Science (decrease) and Global (increase) in the tuition revenue budget.

The decline in "Other Tuition" is mainly as a result of decline relative to budget in tuition related to ESL programs of \$600 as well as a decline in tuition revenues related to the International Foundation program of \$111.

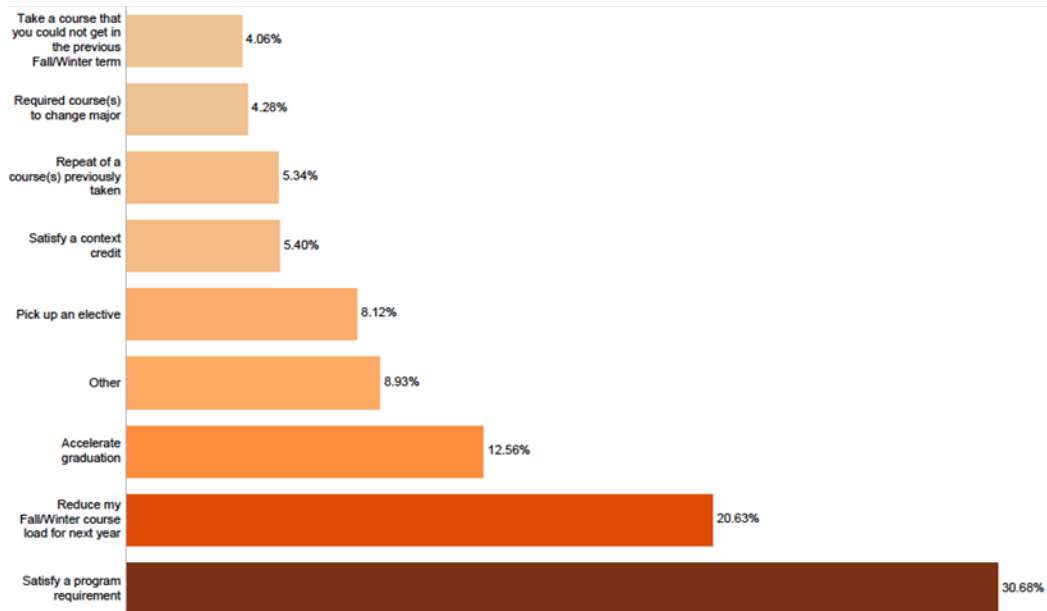
On a per student basis the following are estimated FTEs for fiscal 2014-15 and actual for 2013-14 at the end of October:

	Grant Eligible			Grant Ineligible			Total FTEs		
	2014	2013	Change	2014	2013	Change	2014	2013	Change
Spring/Summer	1,696	1,604	5.7 %	997	920	8.4%	2,693	2,524	6.7%
Fall	7,427	7,521	(1.3%)	1,357	1,289	5.3%	8,784	8,810	(0.3%)
Winter	7,214	7,295	(1.1%)	1,315	1,252	5.0%	8,529	8,547	(0.2%)
Total	16,338	16,420	(0.5%)	3,668	3,461	6.0%	20,006	19,882	0.6%

Note: 2014 figures are forecasted for fiscal 2014-15 at the end of October and the 2013 figures are actual for fiscal 2013-14.

When looking at these figures one might have some concern that spring/summer courses are impacting fall/winter enrolment. While definitively concluding this may not be possible with the information gathered to date given we do not know what a student would or would not have done had spring/summer courses not been available, we can note the following:

1. Students taking spring/summer courses are satisfying course credits which will move them through their degree. A recent survey performed with spring/summer students that had a 30% participation rate found that most students were in fact satisfying normal course requirements. The following chart illustrates students related responses:



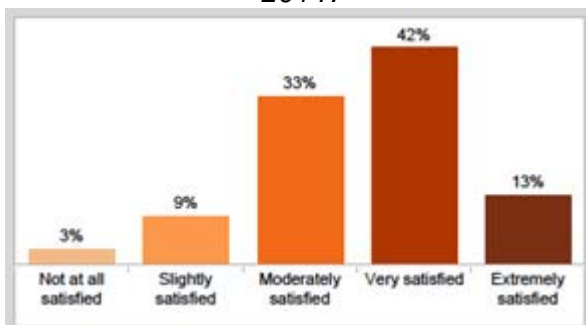
2. Intake into the University is not growing; the demographic trends and FTE numbers in this topic sheet help illustrate this point.

So what does this mean financially? It means that spring/summer likely has some impact on retention as 4.28% of respondents used the term to take a course to change major and 5.34% of respondents use the term to retake a course.

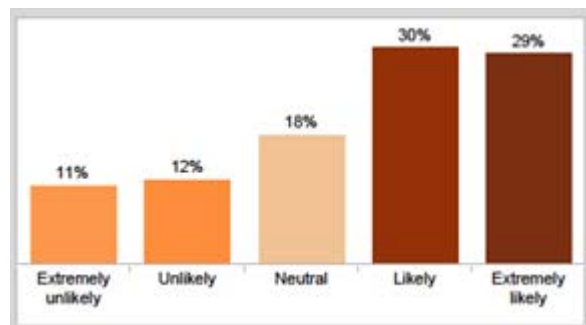
It may also mean that we are teaching the same number of students throughout the year just over more classes. The Goodman School of Business MBA consultants have taken on a project to review class offerings and provide some comment on this observation.

These comments made in the same student survey also illustrate that students had a positive experience with their spring/summer courses and a larger percentage expect to take further spring/summer courses.

How satisfied are/were you with Brock University's Spring/Summer course(s) in 2014?



What is the likelihood that you will take a Brock spring/summer course again?



Note: Regarding the question "what is the likelihood that you will take a Brock spring/summer course again?" the survey results noted that the "extremely unlikely" and "unlikely" categories were dominated by 4th year students who would be completing their degrees.

Grant revenue (Budget of \$95,544 and Forecast of \$95,606)

Forecasted grant revenue is on target with budget but the sources of funding are different than plan. As a result of the declining domestic enrolment, the Undergraduate Accessibility Fund is forecasted to be \$997 lower than budget. One of the primary offsets was the identification that certain graduate grants related to scholarships were budgeted net. When this grant is shown separately under grant revenue it increases grant revenue by approximately \$550.

Other revenue (Budget of \$49,812 and Forecast of \$50,502)

Forecasted other revenue is slightly ahead of budget. The two most notable changes from plan is the settlement of a legal claim where the University received \$605 and a forecasted decline in ancillary revenue related to the Campus store of \$678.

Personnel costs (Budget of \$196,980 and Forecast of \$195,752)

Forecasted personnel costs are slightly less than budget. The actuarial valuation related to the pension plan was completed during the second quarter. As a result of this valuation the annual payments related to the minimum guarantee are expected to be reduced from \$6,100 budgeted to \$1,600 forecast for 2014-15. Offsetting this reduction is the \$3,800 increase in personnel costs related to the BUFA collective agreement and the \$816 reserve payment to cover future employee future benefit payments. An observation noted is at October 31 personnel costs are 47% (Prior year – 45.7%) spent to forecast.

Operating costs (Budget of \$96,445 and Forecast of \$96,529)

Forecasted operating costs are slightly higher than budget. The primary reason is a change in accounting for Ministry matching scholarships. As noted under the grant comments above, it was identified during the course of the year that certain graduate grant and scholarships were netted in the budget. When the expense and grant is shown separately an expense is recorded in operating costs of \$725 that was not budgeted. The difference between this \$725 and the \$550 noted above is the University's matching contribution which was also noted budgeted. Other significant activities in operating costs include the new debt reduction reserve payment of \$475 and \$137 in additional debt payments as a result of issuing the debt for the Marilyn I. Walker School of Fine and Performing Arts building sooner than originally budgeted. Offsetting these reductions is a decline in forecasted spending in a number of areas including utilities and taxes which are forecast to be \$858 less than budget with savings of \$386 in Facilities and \$484 in Residence. Purchased service costs are forecast \$307 less than budget and repairs & maintenance spending is forecast \$335 less, with declines forecast in a number of departments throughout the University. Cost of sales at the Campus Store is forecast down \$301.

An observation noted is at October 31 operating costs are 50.2% (Prior year – 45.5%) spent to forecast. One reason for the variance is in the current year the capital budget dollars were moved to a separate capital fund (see Appendix #2) and this transfer shows the full \$9,034 as an operating costs even though the full amount is not forecasted to be spent this year (Appendix #4). In the prior year the unspent capital budget dollars were used in budget mitigation.

Forecasted Funding Budget Presented in Accordance with Canadian Accounting Standards for Not-for-profit Organizations (the “NFPS”)

	2013-14 Actual*	2014-15 Budget	Forecast	Difference
Revenue	297,687	306,419	305,701	718
Expense	(295,556)	(308,992)	(303,893)	(5,099)
	2,131	(2,573)	1,808	(4,381)
Mitigation	-	3,221	2,551	670
Surplus	2,131	648	4,359	3,711

*Adjusted for estimated change in accounting policies per the CPA Handbook to account for certain actuarial changes in employee future benefits directly through net assets instead of the statement of operations.

The management discussion and analysis presented with respect to the funding budget holds true for the NFPS presentation above when coupled with the adjustments denoted in Appendix #5.

APPENDICES – (Additional Salient Forecast Background and Analysis)

Appendix 1 – Forecast Development & Risks (1 page)

Appendix 2 – Consolidated Budget and Forecast (Funding Budget) (1 page)

Appendix 3 – Units Budget and Forecast (Funding Budget) (1 page)

Appendix 4 – Capital and Related Projects Program (Funding Budget) (4 pages)

Appendix 5 – Forecasted Funding Budget Presented in Accordance with Canadian Accounting Standards for Not-for-profit Organizations (2 pages)

Appendix #1 – Forecast Development & Risks

This being the University’s second full second quarter close and forecast, it is important that users of this financial information are aware of the process taken to achieve this task. Relevant to understanding the close process is that it was performed on a cash basis, not an accrual basis.

Forecasted Development

October 14, 2014	Second quarter accounting close and forecasting procedures were communicated. These procedures were updates from the previous Q2 and Q3 procedures. The procedures provided timelines and discussed purchase orders, travel and expense claims, procurement cards, cash deposits/receipts, internal charges, etc.
November 4, 2014	All remaining second quarter accounting transactions were due to Finance by noon.
November 6, 2014	Financial Services closed the general ledger for the second quarter.
November 14, 2014 <i>(extended timeline to November 19, 2014 for some Units)</i>	All forecasts were due to Finance by end of day.
November 19, 2014 to report completion	Financial Services worked with budget developers throughout the University to review their forecasted inputs and summarize the second quarter forecast in this topic sheet.

Other Assumptions

For the purpose of this report the professional expense accounts, start-up funds, and project accounts have all been forecasted to remain constant.

Forecast Risks

Noted at the beginning of this topic sheet is that the information contained in this topic sheet is forward looking. The assumptions and estimates are based on the availability of information available to Units at the time of preparing this forecast.

Some specific risks include changes to Ministry policy, legislation, enrolment, course offerings, and recognizing this is still only the second time the University has performed a second quarter close and forecast.

Additional Financial Resources

Audited financial statements	http://www.brocku.ca/finance/university-financial-information/audited-statements
Budget reports	http://www.brocku.ca/finance/university-financial-information/budget-reports
Budget guidance & schedule along with a video called “Brock Financials Explained...A Student Initiative”	http://www.brocku.ca/finance/faculty-and-staff/budgeting

Appendix #2 – Consolidated Budget and Forecast (Funding Budget)

The following is the funding budget in-year activity and forecast:

	2013-14 Funding Actual	2014-15 Funding Budget	Activity from May 1 to Oct 30	Forecast for Nov 1 to April 30	2014-15 Funding Budget Forecast @ Oct 30
Revenue					
Student fees	133,525	144,848	103,278	40,344	143,622
Grant revenue	95,162	95,544	42,170	53,436	95,606
Other revenue	52,728	49,812	24,919	25,583	50,502
Total revenue	281,415	290,204	170,367	119,363	289,730
Expenses					
Personnel costs	(194,543)	(196,980)	(92,137)	(103,615)	(195,752)
Operating costs	(87,637)	(96,445)	(48,491)	(48,038)	(96,529)
Total expenses	(282,180)	(293,425)	(140,628)	(151,653)	(292,281)
Funding (deficit) /surplus before mitigation target	(765)	(3,221)	29,739	(32,290)	(2,551)
Mitigation target	-	3,221	-	-	2,551
Funding (deficit) / surplus	(765)	NIL	29,739	(32,290)	NIL

Note: The funding budget is prepared on a cash receipts / disbursement accounting basis and recognizes transfers to/from reserves and other funds as expenses. An example of this is the \$9,034 budgeted for the capital and related projects program has been recorded in the funding budget as an operating expense. These funds were transferred to the capital fund. As a general rule by ensuring the funding budget balances the University can ensure it has not overextended itself and has the actual cash to pay for planned initiatives.

For Q3 Financial Services plans to introduce a new appendix illustrating the budgets interconnectedness with other reserves/funds that make up internally restricted net assets on the audited financial statements. In the meantime the capital fund is illustrated below:

	FM	ITS	Capital Fund	Source
Opening Balance	1,050	-	1,050	Audited FS
Transfer from the funding budget (recorded as an expense in operating costs in the table above)	7,594	1,440	9,034	2014-15 Budget / Appendix #4
Additional funded projects	726	-	726	Appendix #4
Forecasted spending fiscal 2014-15	(4,455)	(1,285)	(5,740)	Appendix #4
Forecasted Ending Balance	4,915	155	5,070	
Components				
Work-in-progress	1,705	150	1,855	Appendix #4
Contingency Reserve	160	6	165	Appendix #4
DM Reserve	3,050*	-	3,050	Appendix #4
Total	4,915	156	5,070	

* The \$3,050 DM reserve is committed as follows: \$1,000 has been allocated to be spent on the projects proposed in the fiscal 2015-16 capital and related projects budget and the remaining \$2,050 is an unallocated DM reserve for Residence.

The introduction of this capital fund is new and is possible because of the restructuring (as previously reported) of the capital program for the fiscal 2014-15 budget. Important to note is the above capital fund only represents projects approved in fiscal 2014-15. The capital fund above does not include major capital projects approved prior to fiscal 2014-15 like the Marilyn I Walker School of Fine and Performing Arts building. There was a decision for Q2 to leave these separate and report them separately though the Capital Infrastructure Committee given they began before this new capital program was established, they are fully cash flow funded with the external debt payments or donations, and these project are set to complete within the next year. This said, Financial Services is presently working on integrating all capital and related projects going forward into this capital fund to enhance transparency and understanding of the capital and related projects program.

Appendix #3 – Units Budget and Forecast (Funding Budget)

The following summary is new to the Q2 this year. It introduces year over year budget and actual comparisons.

Responsibility Centres	2013-14 Budget	2013-14 Actual	Change	2014-15 Budget	2014-15 Forecast	Change
Academic						
Faculty of Applied Health Sciences	(16,134)	(15,022)	1,112	(16,350)	(16,732)	(382)
Goodman School of Business	(16,135)	(17,460)	(1,325)	(15,967)	(16,419)	(452)
Faculty of Education	(15,004)	(13,751)	1,253	(14,508)	(14,245)	263
Faculty of Humanities	(20,006)	(19,778)	228	(20,002)	(20,020)	(18)
Faculty of Mathematics and Science	(18,890)	(18,249)	641	(19,183)	(19,323)	(140)
Faculty of Social Sciences	(31,726)	(29,962)	1,764	(32,926)	(32,994)	(68)
Faculty of Graduate Studies	(7,417)	(6,894)	523	(6,843)	(7,039)	(196)
Library	(8,071)	(7,811)	260	(7,710)	(7,834)	(124)
Research Services	(2,298)	(2,258)	40	(2,407)	(2,424)	(17)
Centre for Pedagogical Innovation	(1,539)	(850)	689	(1,124)	(1,036)	88
Total Academic	(137,220)	(132,035)	5,185	(137,020)	(138,066)	(1,046)
Non-Academic						
Alumni Relations and Development	(2,439)	(1,601)	838	(1,954)	(1,854)	100
Marketing and Communications	(1,740)	(1,395)	345	(1,657)	(1,539)	118
Board of Trustees	(27)	(20)	7	(20)	(34)	(14)
Leadership	(4,336)	(4,170)	166	(3,769)	(3,802)	(33)
Facilities Management	(23,422)	(18,042)	5,380	(25,286)	(24,710)	576
Finance and Administration	(15,833)	(14,794)	1,039	(15,143)	(15,256)	(113)
University Services	(867)	(526)	341	(752)	(770)	(18)
Centre for the Arts	(700)	(623)	77	(696)	(646)	50
Co-op Programs Office	(381)	60	441	(60)	121	181
Department of Residences	1,050	3,790	2,740	686	903	217
Student Services	(15,866)	(13,378)	2,488	(14,028)	(14,550)	(522)
Recreation Services and Athletics	(1,252)	(862)	390	(794)	(911)	(117)
Ancillary Operations	3,650	3,676	26	4,010	3,652	(358)
Total Non-Academic	(62,163)	(47,885)	14,278	(59,463)	(59,396)	67
Sub total	(199,383)	(179,920)	19,463	(196,483)	(197,462)	(979)
Global	192,205	186,815	(5,390)	201,000	198,157	(2,843)
Pension allocation	(5,808)	(6,094)	(286)	(6,100)	(1,600)	4,500
PDR allocation	(1,519)	(1,566)	(47)	(1,638)	(1,646)	(8)
Total	(14,505)	(765)	13,740	(3,221)	(2,551)	(670)

Note: The totals above tie directly to the 2014-15 Budget Report but the Pension Allocation representing the additional pension payments required as a result of the actuarial valuation and the PDR allocation have been removed here to reflect budget to actual as budget developers manage. In removing these expenses for comparative purposes it also assists in year over year comparisons after normalizing for the change in the pension allocation.

Appendix #4 –Capital and Related Project Program

Below is a summary of the capital and related project program that is also seen as Appendix #1 to the Capital Infrastructure Committee report called “Q2 Financial Update on Capital and Related Projects”:

Project Name	2014-15			2014-15			2015-16	Total Project Variance (A-B-C)
	Apr 2014 Approved Funding	Funding Adjustments (See Note 1 for Funding Sources)	Revised Funding (A)	Actual Costs to Date	Projected Total Cost May1/14 to April 30/15 (B)	Projected Cost Variance (over)/under (A-B)	Projected Cost in 15/16 (C)	
14/15 LONG TERM CAPITAL PLAN								
<i>BUILDINGS</i>								
East Academic Seminar Room A/V Renewal	\$ 117,000		\$ 117,000	\$ 86,543	\$ 111,000	\$ 6,000		\$ 6,000
Lowenberger Kitchen AHU Replacement	\$ 275,000		\$ 275,000	\$ 60,961	\$ 200,000	\$ 75,000		\$ 75,000
Mackenzie Chown Fire Alarm Replacement	\$ 1,667,000		\$ 1,667,000	\$ 46,126	\$ 850,000	\$ 817,000	\$ 817,000	\$ -
Faculty of Math & Science Paint Booth Code Compliance	\$ 70,000		\$ 70,000	\$ 66,738	\$ 68,700	\$ 1,300		\$ 1,300
Faculty of Math & Science Nitrogen Room Upgrades	\$ 30,000		\$ 30,000	\$ 4,405	\$ 46,800	\$ (16,800)		\$ (16,800)
Thistle Make-up Air Upgrade	\$ 27,000		\$ 27,000	\$ 19,304	\$ 27,000	\$ -		\$ -
Village Courts 10, 11, 12 Roof Replacement	\$ 125,000		\$ 125,000	\$ 142,490	\$ 142,490	\$ (17,490)		\$ (17,490)
Walker Complex - Faculty of AHS Air Quality Upgrades - Ph 1 Design	\$ 60,000		\$ 60,000	\$ -	\$ 53,000	\$ 7,000	\$ 7,000	\$ -
Aquatic Centre Structural Repair - Ph 1 Design	\$ 150,000		\$ 150,000	\$ -	\$ 100,000	\$ 50,000		\$ 50,000
Facility Improv. To Support ITS Classroom Improv.	\$ 40,000		\$ 40,000	\$ 25,427	\$ 25,430	\$ 14,570	\$ -	\$ 14,570
High Voltage Equipment Renewal	\$ 75,000		\$ 75,000	\$ 76,402	\$ 75,000	\$ -		\$ -
Annual Controls Conversion	\$ 75,000		\$ 75,000	\$ 1,580	\$ 75,000	\$ -		\$ -
Podium Roof - Phase 1	\$ 200,000	\$ (90,000)	\$ 110,000	\$ 88,217	\$ 109,230	\$ 770		\$ 770
Thistle Door Replacements	\$ 87,900	\$ (54,870)	\$ 33,030	\$ -	\$ 33,030	\$ -		\$ -
Cairns East Entrance Door Replacement		\$ 56,970	\$ 56,970	\$ -	\$ 46,340	\$ 10,630		\$ 10,630
Post-198 St. Paul Street Moves/Renovations	\$ 275,000		\$ 275,000	\$ -	\$ 275,000	\$ -		\$ -
WH 311	\$ 8,000		\$ 8,000	\$ 8,138	\$ 8,138	\$ (138)		\$ (138)
WH 327	\$ 85,000		\$ 85,000	\$ 86,612	\$ 86,612	\$ (1,612)		\$ (1,612)
WH 324 (tiered classroom) - Ph1 Design	\$ 20,000		\$ 20,000	\$ -	\$ 20,000	\$ -		\$ -
Single Use Accessible Washroom Call Stations	\$ 25,000		\$ 25,000	\$ -	\$ 25,000	\$ -		\$ -
Jubilee Court & Decew Ramps	\$ 125,000		\$ 125,000	\$ -	\$ 5,000	\$ 120,000	\$ 120,000	\$ -
<i>Sub-Total Buildings</i>	\$ 3,536,900	\$ (87,900)	\$ 3,449,000	\$ 712,942	\$ 2,382,771	\$ 1,066,229	\$ 944,000	\$ 122,229
<i>ROAD, PARKING LOTS, WALKWAYS, STRUCTURES, SURFACE DRAINAGE</i>								
Third Campus Entrance Design	\$ 45,000		\$ 45,000	\$ 5,451	\$ 45,000	\$ -		\$ -
BRIC Parking Lot Rebuilding	\$ 273,000		\$ 273,000	\$ 25,538	\$ 268,000	\$ 5,000	\$ 5,000	\$ -
Exterior Paths of Travel (Design of Public Spaces)	\$ 95,000		\$ 95,000	\$ -	\$ 20,000	\$ 75,000	\$ 75,000	\$ -
Campus Entrance Sign Renewal	\$ 30,000		\$ 30,000	\$ 6,730	\$ 6,730	\$ 23,270		\$ 23,270
Sculpture Relocation	\$ 40,000		\$ 40,000	\$ 20,092	\$ 33,000	\$ 7,000	\$ 6,000	\$ 1,000
<i>Sub-Total Road, Parking Lots, Sidewalks, etc.</i>	\$ 483,000	\$ -	\$ 483,000	\$ 57,811	\$ 372,730	\$ 110,270	\$ 86,000	\$ 24,270
<i>UTILITIES</i>								
Back-flow Prevention - St. Catharines	\$ 50,000		\$ 50,000	\$ -	\$ 50,000	\$ -		\$ -
Potable Water Piping Master Plan/Design (for tunnel and buried piping)	\$ 110,000		\$ 110,000	\$ -	\$ 60,000	\$ 50,000	\$ 50,000	\$ -
BRIC Watermain Replacement - Additional Expenses	\$ -		\$ -	\$ 8,554	\$ 8,554	\$ (8,554)		\$ (8,554)
<i>Sub-Total Utilities</i>	\$ 160,000	\$ -	\$ 160,000	\$ 8,554	\$ 118,554	\$ 41,446	\$ 50,000	\$ (8,554)
<i>ENERGY</i>								

Project Name	2014-15			2014-15			2015-16	Total Project Variance (A-B-C)
	Apr 2014	Funding Adjustments	Revised Funding	Actual Costs to Date	Projected Total Cost	Projected Cost Variance	Projected Cost in 15/16	
	Approved Funding	(See Note 1 for Funding Sources)	(A)		May/1/14 to April 30/15 (B)	(over)/under (A-B)	(C)	
Boiler Piping Reconfiguration for HX-2	\$ 40,000		\$ 40,000	\$ -	\$ 10,000	\$ 30,000	\$ 30,000	\$ -
Add Twin Exchanger at HX-2	\$ 60,000		\$ 60,000	\$ -	\$ 60,000	\$ -		\$ -
Lighting Conversion PH4 Main Campus	\$ 20,000		\$ 20,000	\$ -	\$ 20,000	\$ -		\$ -
Parking Lot Lighting Conversion to LED	\$ 10,000		\$ 10,000	\$ -	\$ 10,000	\$ -		\$ -
Hot/Chilled Water Metering	\$ 20,000		\$ 20,000	\$ -	\$ 20,000	\$ -		\$ -
Electrical Metering	\$ 20,000		\$ 20,000	\$ -	\$ 20,000	\$ -		\$ -
Electrical Distribution - Transformer Auto Tap Changes	\$ 10,000		\$ 10,000	\$ -	\$ -	\$ 10,000	\$ 10,000	\$ -
Water Conservation - low flow toilets	\$ 15,000		\$ 15,000	\$ -	\$ 10,000	\$ 5,000	\$ 5,000	\$ -
Water Conservation - shower heads	\$ 4,000		\$ 4,000	\$ -	\$ 2,000	\$ 2,000	\$ 2,000	\$ -
Emergency Exit Light Replacements (LED)	\$ 10,000		\$ 10,000	\$ -	\$ 10,000	\$ -		\$ -
CBF Supply and Exhaust Air Improvements (CFHBRC)	\$ 100,000		\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000	\$ -
Water Treatment Review (CFHBRC)	\$ 10,000		\$ 10,000	\$ -	\$ 5,000	\$ 5,000	\$ 5,000	\$ -
Walker Complex Humidification Boiler Replacement		\$ 45,000	\$ 45,000	\$ -	\$ 45,000	\$ -		\$ -
Sub-Total Energy	\$ 319,000	\$ 45,000	\$ 364,000	\$ -	\$ 212,000	\$ 152,000	\$ 152,000	\$ -
EQUIPMENT								
B Block Level 300 Network Upgrades	\$ 70,000		\$ 70,000	\$ 12,423	\$ 65,000	\$ 5,000		\$ 5,000
South Block Wireless Upgrading	\$ 50,000		\$ 50,000	\$ 49,282	\$ 49,282	\$ 718		\$ 718
Campus Wireless Upgrading	\$ 28,100		\$ 28,100	\$ 27,999	\$ 27,999	\$ 101		\$ 101
Sub-Total Equipment	\$ 148,100	\$ -	\$ 148,100	\$ 89,704	\$ 142,281	\$ 5,819	\$ -	\$ 5,819
OTHER								
Facility Condition Audits (VFA)	\$ 75,000		\$ 75,000	\$ -	\$ 75,000	\$ -		\$ -
Campus Plan Update	\$ 200,000		\$ 200,000	\$ -	\$ 75,000	\$ 125,000	\$ 125,000	\$ -
Energy Audits for Key Buildings and Areas	\$ 20,000		\$ 20,000	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Cogen Energy Audit and Mass Balance Study	\$ 20,000		\$ 20,000	\$ -	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Project Management Expenses	\$ 300,000		\$ 300,000	\$ 20,172	\$ 107,000	\$ 193,000	\$ 193,000	\$ -
Prox. Card access system - residence	\$ 150,000		\$ 150,000	\$ -	\$ 15,000	\$ 135,000	\$ 135,000	\$ -
Furniture repl-residence	\$ 100,000		\$ 100,000	\$ -	\$ 100,000	\$ -		\$ -
Vehicles - Ancillary Utility Vehicles	\$ 17,000		\$ 17,000	\$ 17,062	\$ 17,250	\$ (250)		\$ (250)
Vehicles - FM Small Equipment	\$ 10,000		\$ 10,000	\$ -	\$ 10,000	\$ -		\$ -
Vehicles - Security	\$ 55,000		\$ 55,000	\$ 27,418	\$ 49,000	\$ 6,000		\$ 6,000
CFHBRC Asset Management Plan/Reserve Fund Study		\$ 42,900	\$ 42,900		\$ 42,900	\$ -		\$ -
Sub-Total Other	\$ 947,000	\$ 42,900	\$ 989,900	\$ 64,652	\$ 511,150	\$ 478,750	\$ 473,000	\$ 5,750
RESERVES								
Sub-Total Reserves	\$ 2,000,000	\$ -	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000	\$ 2,000,000	\$ -
TOTAL 14/15 LTCP	\$ 7,594,000	\$ -	\$ 7,594,000	\$ 933,664	\$ 3,739,486	\$ 3,854,514	\$ 3,705,000	\$ 149,514
							Includes \$2m Reserve	

14/15 LTCP - OTHER FUNDING

Lowenberger Kitchen AHU Replacement		\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ -		\$ -
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Project Name	2014-15			2014-15			2015-16	Total Project Variance (A-B-C)
	Apr 2014	Funding Adjustments	Revised Funding	Actual Costs to Date	Projected Total Cost	Projected Cost Variance	Projected Cost in 15/16	
	Approved Funding	(See Note 1 for Funding Sources)	(A)		May1/14 to April 30/15 (B)	(over)/under (A-B)	(C)	
Plaza - 513	\$ -	\$ 8,200	\$ 8,200	\$ -	\$ 8,200	\$ -		\$ -
Artificial Turf Sports Field	\$ -	\$ 60,045	\$ 60,045	\$ -	\$ 60,000	\$ 45		\$ 45
BIUSU Roof Replacement	\$ -	\$ 300,000	\$ 300,000	\$ -	\$ 300,000	\$ -		\$ -
Goodman School of Business - Alternative Planning		\$ 125,000	\$ 125,000	\$ 387	\$ 125,000	\$ -		\$ -
Isaac Brock Boulevard Transit Waiting Area Improvements (Reduced Scope)	\$ -	\$ 64,700	\$ 64,700	\$ 52,861	\$ 54,700	\$ 10,000		\$ 10,000
Aquatic Centre - Final Costs		\$ 8,190	\$ 8,190	\$ 8,190	\$ 8,190	\$ -		\$ -
CDH Facility Plan- Design		\$ 25,000	\$ 25,000	\$ -	\$ 25,000	\$ -		\$ -
Athletics & Rec.Services Facility Needs Study		\$ 35,000	\$ 35,000	\$ -	\$ 35,000	\$ -		\$ -
TOTAL 14/15 LTCP - OTHER FUNDING	\$ -	\$ 726,135	\$ 726,135	\$ 161,438	\$ 716,090	\$ 10,045	\$ -	\$ 10,045
TOTAL 14/15 LTCP (INCL. OTHER FUNDING)	\$7,594,000	\$726,135	\$8,320,135	\$1,095,102	\$4,455,576	\$3,864,559	\$3,705,000	\$159,559

Includes \$2m Reserve

14/15 LTCP ITS								
<i>IT INFRASTRUCTURE</i>								
SHAREPOINT INFRASTRUCTURE	71,000	-	71,000	-	71,000	-		-
CLOUD READINESS	29,000	-	29,000	-	29,000	-		-
CLOUD STUDENT EMAIL	25,000	-	25,000	-	25,000	-		-
MICROSOFT DYNAMICS/CRM	50,000	-	50,000	-	50,000	-		-
PCI COMPLIANCE (includes Project 656-Bookstore Chase Payment)	20,000	-	20,000	32,380	45,380	(25,380)		(25,380)
<i>Sub-Total IT Infrastructure</i>	<i>195,000</i>	<i>-</i>	<i>195,000</i>	<i>32,380</i>	<i>220,380</i>	<i>(25,380)</i>	<i>-</i>	<i>(25,380)</i>
<i>IT EVERGREENING</i>								
DISK STORAGE REPLACEMENT	21,009	-	21,009	111	21,009	-		-
SECURITY(DOOR SECURITY)	30,000	-	30,000	6,624	30,000	-		-
UPS REPLACEMENT-BATTERIES	35,000	-	35,000	26,322	35,000	-		-
CCTV EVERGREENING	25,000	-	25,000	27,044	27,044	(2,044)		(2,044)
NETWORK SWITCHES	325,000	-	325,000	93,920	325,000	-		-
BAU-EVERGREENING-RESIDENCE	373,992	-	373,992	126,933	223,992	150,000	150,000	-
CATV	10,000	-	10,000	9,287	9,287	713		713
COMPUTER REDEPLOYMENT	186,000	-	186,000	-	186,000	-		-
AUDIO VISUAL BAU 2014	50,000	-	50,000	38,147	50,000	-		-
<i>Sub-Total IT Evergreening</i>	<i>1,056,001</i>	<i>-</i>	<i>1,056,001</i>	<i>328,388</i>	<i>907,332</i>	<i>148,669</i>	<i>150,000</i>	<i>(1,331)</i>
<i>IT SOFTWARE</i>								
MICROSOFT PROJECT SERVER	10,000	-	10,000	-	10,000	-		-
EDUCATION DESKTOP/365	90,000	-	90,000	-	90,000	-		-
SPACE PLANNING-ARCHIBUS	34,331	-	34,331	1,705	1,705	32,626		32,626
CONTRACT MANAGEMENT	55,000	-	55,000	-	55,000	-		-
<i>Sub-Total IT Software</i>	<i>189,331</i>	<i>-</i>	<i>189,331</i>	<i>1,705</i>	<i>156,705</i>	<i>32,626</i>	<i>-</i>	<i>32,626</i>

Appendix #5 – Forecasted Funding Budget Presented in Accordance with Canadian Accounting Standards for Not-for-profit Organizations (“NFPS”)

The following is the forecasted funding budget presented in accordance with NFPS:

	2014-15 NFPS budget	2014-15 Adjusted Funding Budget Forecast	NFPS Entries	NFPS Re-class	2014-15 NFPS Forecast @ Oct 31
Revenue					
Student fees	144,848	143,622	-	-	143,622
Grant revenue	94,971	95,606	(573)	-	95,033
Other revenue	66,600	50,502	20,849	(4,305)	67,046
Total revenue	306,419	289,730	20,276	(4,305)	305,701
Expenses					
Personnel costs	(196,786)	(195,752)	(44)		(195,796)
Operating costs	(112,206)	(96,529)	(15,873)	4,305	(108,097)
Total expenses	(308,992)	(292,281)	(15,917)	4,305	(303,893)
Deficit before mitigation target	(2,573)	(2,551)	4,359	-	1,808
Mitigation target	3,221	2,551	N/A	N/A	2,551
Surplus	648	NIL	4,359	-	4,359

Note: The NFPS budget is prepared on an accrual basis with working capital accounts estimated as constant.

Appendix #5 – Forecasted Funding Budget Presented in Accordance with Canadian Accounting Standards for Not-for-profit Organizations (continued)

The following is a review of the entries required to convert the funding budget to NFPS financial statements (Additional detail regarding these entries can be found on pages 12 and 13 of the 2014-15 Budget Report):

	Budget	Forecast	Comments
Capital grants	(573)	(573)	Estimated Facilities Renewal Grant.
BUSU roof contribution	-	(300)	For NFPS statements this funding will be deferred and amortized over the life of the roof.
Amortization of deferred capital contributions	6,897	6,953	Forecasted that the Marilyn I. Walker School of Fine and Performing Arts will not be substantially complete prior to year end.
Research, including fellowships	12,396	12,396	Forecast is the same as budget as these accounts net with the expense adjustments below. These accounts are monitored internally; however, predictability is limited.
Endowments	1,500	1,500	Forecasted as budget. Currently investment income is trending positively toward budget.
Sinking fund	300	300	
Total revenue adjustments	20,520	20,726	
Amortization of capital assets	(15,991)	(16,060)	Forecasted that the Marilyn I. Walker School of Fine and Performing Arts will not be substantially complete prior to year end.
Research, including fellowships	(12,396)	(12,396)	Forecast is the same as budget as these accounts net with the revenue adjustments above. These accounts are monitored internally; however, predictability is limited.
Endowments	(1,504)	(1,504)	
Internal financing	1,542	1,542	Forecast in-line with budget
Principal payments	1,885	2,087	Principal payments are forecasted slightly higher than budget as the \$18,000 debt issuance was an estimate at budget time
Debt reduction	-	475	Forecast based on proposed debt reduction recorded in the funding budget.
Capital purchases	4,393	5,963	Capital purchases are only adjusted for those funded through the funding budget without external or debt funding sources.
Deferred maintenance reserves / capital fund	2,000	4,020	Addition to the reserve / unspent at year end in the capital fund.
Employee future benefit reserve	-	816	Forecast based on proposed funding strategy for employee future benefits recorded in the funding budget.
Employee future benefit expense	(1,106)	(1,273)	Estimates updated based on valuation completed following budget development
Pension	1,300	413	
Total expense adjustments	(19,872)	(15,917)	
Net impact	648	4,359	