



Budget 100

Information and Terms

Brought to you by:
Nanci Lucas, SBAC
Mike Proud, Finance

Budget 100

Goals of this session:

- Differences from last year.
- Why budget?
- How does CapU balance its books?
- Questions answered.
- Outlook for Fiscal 2014/2015.

Differences From Last Year

This year we know answers to some financial questions now:

1. Can we use the surplus? **NO**
2. Can we expect government to rectify our low FTE funding? **NO**
3. Is government going to cut our grant? **YES**
 - Approximately \$500,000 (2014/15) then another \$400,000 (2015/16).

Why Budget?

- Accountable to stakeholders
- Sustainability for Capilano University
- Achieve a balance (government mandate - no deficits)
- New accounting standards required for consistency across the province

How Do We Balance Our Books?

- ❑ CapU has areas that run deficits and areas that run surpluses.
- ❑ In general, surpluses will offset the deficits.
- ❑ The 2014/15 financial forecast remains challenging.

Where Does Our Money Go?

- ❑ 72% goes to salary and benefits
- ❑ CapU does not have a lot of “room” for shortfalls when these expenses are the bulk of our budget
- ❑ Increases in salary and benefits **negatively** affect the bottom line.

Slide 6

U1

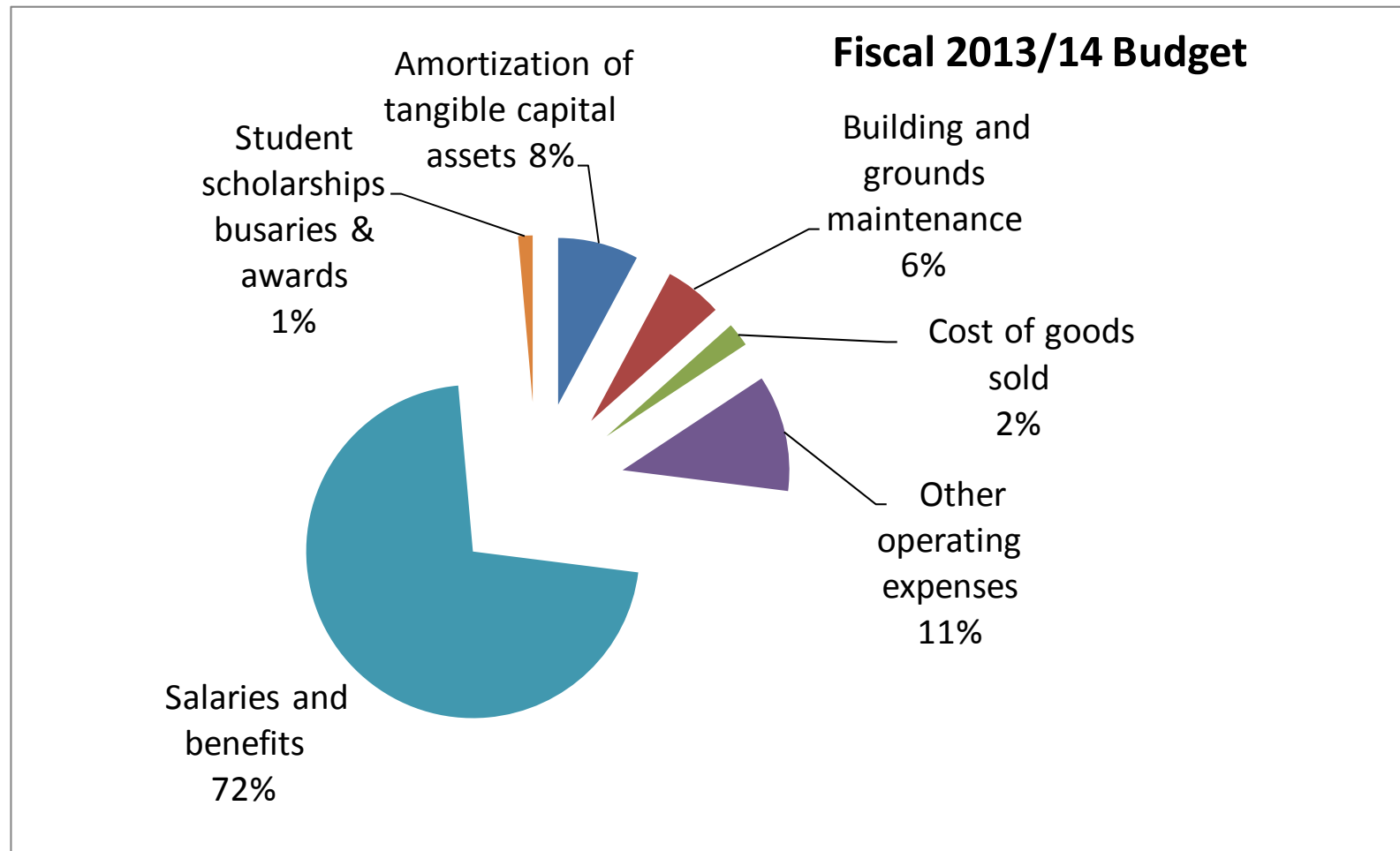
User, 10/16/2013

U2

negatively affect bottom line

User, 10/16/2013

Where Does Our Money Go?



Can We Charge A New Fee To Students?

- ❑ **No**, all mandatory fees are subject to the government's tuition limit policy.
- For example, a new activity fee or technology fee would not be permitted.

Does A Class Of 35 Students Break Even?

- ❑ **No** - when we add back the support and infrastructure costs, student tuition does not cover costs.
- ❑ Tuition revenue accounts for approximately 39% of all revenue.
- ❑ The average cost of a course (section) is \$32K (total expenses divided by total sections).

What Is The Difference Between One-time and Ongoing?

- ❑ Ongoing items are repeated, annualized, and subject to inflation in future.
- ❑ One-time items happen in a fiscal year.
- For example, the Aboriginal Gathering Place was a one-time project that was funded externally while the janitorial contract is ongoing.

Fiscal 2014/2015

- ❑ Wage and inflationary increases will be larger than tuition increases
- ❑ CapU's grant from the government will decrease.
- ❑ CapU ranks 24th out of 26 for post-secondary FTE funding.
- ❑ Approx. \$675,000 potential cost for retiree benefits.

Moving Forward

- ❑ Board Meeting in November will discuss timeline and strategic priorities
- ❑ November 28 Forum will start the discussion on options.
- ❑ In January, more forums to start the discussion on where to make cuts.

Budget 100

Questions?