

LAKEHEAD UNIVERSITY PROPOSED 13/14 OPERATING BUDGET (compared with Approved and Updated Budgets)				May 1, 2013
		2012/13 APPROVED	2012/13 UPDATED	2013/14 PROPOSED
ENROLMENT:				
Full Time Equivalent - TB Campus Undergrad		5,780	5,761	5,632
Full Time Equivalent - TB Campus Grad		620	650	630
Full Time Equivalent - International Base		100	100	100
Full Time Equivalent - Orillia Campus		1,300	1,301	1,450
Full Time Equivalent - all terms including FT & PT & Fall Grad & excluding AQ		7,800	7,812	7,812
Faculty of Law		0	0	58
Full Time Head Count - Additional International Base		100	114	190
INCOME:				
Grants		63,685	63,685	63,202
Tuition		46,591	45,886	48,019
Tuition International (Note 1)		1,521	1,521	2,880
Other (Note 2)		1,200	1,750	1,300
New Sources of Revenue (Note 3)		0	0	519
(000's)				
TOTAL INCOME		112,996	112,842	115,920
EXPENSES:				
Full Time Salaries and Wages		72,330	72,758	76,456
Part Time Salaries and Wages		13,409	13,309	13,787
Other Costs (Note 4 & Note 11)		19,598	19,458	18,901
Scholarships, and Bursaries fr Tuition Reinvestment		5,346	5,346	5,484
Contribution fr Bookstore Surpluses (Note 5)		0	0	(1,432)
Department Income and Cost Recoveries (Note 11)		(3,479)	(3,479)	(3,574)
Strategic Initiatives (Note 6)		1,250	1,000	1,275
Investment in Faculties from International		218	126	400
Deferred Maintenance		100	100	400
Total expenses before interest and principal		108,772	108,618	111,697
Principal & Interest - Orillia Campus (Note 7)		1,675	1,675	1,675
Donations for Orillia Academic Building		(1,500)	(1,500)	(1,500)
Principal & Interest - Thunder Bay Campus (Note 7)		4,049	4,049	4,049
TOTAL EXPENSES		112,996	112,842	115,921
SURPLUS (DEFICIT)		0	0	(0)
PLUS: PRIOR YEARS' ACCUMULATED SURPLUS		1,236	1,879	1,879
CHANGE IN ACCOUNTING POLICY (Note 12)		643	0	0
ACCUMULATED SURPLUS END OF YEAR		1,879	1,879	1,879

LAKEHEAD UNIVERSITY
 PROPOSED 2013/14 EXPENDITURES
 (compared with Approved and Updated Budgets)

(000's)

	APPROVED BUDGET 2012/13	UPDATED BUDGET 2012/13	PROPOSED BUDGET 2013/14
PROVOST AND VICE PRESIDENT (ACADEMIC)			
Faculty of Social Sciences and Humanities	10,633	10,779	10,893
Faculty of Sciences and Environmental Studies	10,872	11,022	11,796
Faculty of Health and Behavioral Sciences	9,693	9,802	10,117
Faculty of Business	2,982	2,980	3,111
Faculty of Education	6,514	6,578	6,766
Faculty of Engineering	6,344	6,407	7,042
Faculty of Natural Resources Management	2,643	2,643	2,781
Faculty of Law	975	675	1,721
Interviews and Recruitment	100	100	100
Faculty subtotal	<u>50,757</u>	<u>50,985</u>	<u>54,327</u>
Academic Services:			
Student Affairs			
Continuing Education & Distributed Learning	1,594	1,610	1,657
Vice Provost Student Affairs	3,360	3,398	3,512
Student Affairs subtotal	<u>4,955</u>	<u>5,009</u>	<u>5,169</u>
Provost & Vice President (Academic)			
Provost & Vice President (Academic)	667	629	587
Deputy Provost	322	283	349
Library	4,379	4,410	4,559
Dean of Graduate Studies	584	577	599
Graduate Assistantships	4,168	4,068	4,463
Aboriginal Initiatives	190	193	216
Miscellaneous Academic	101	101	80
Ombudsperson	23	23	23
Provost and VP Academic subtotal	<u>10,434</u>	<u>10,283</u>	<u>10,875</u>
PROVOST AND VICE PRESIDENT (ACADEMIC) TOTAL	66,145	66,277	70,371
APSET (Aboriginal Post Secondary Education and Training)	969	969	969
FIRST GENERATIONS (SAGE)	335	335	0
SCHOLARSHIPS & BURSARIES FROM TUITION REINVESTMENT	5,346	5,346	5,483
CONTRIBUTION FROM BOOKSTORE SURPLUSES (Note 5)	0	0	(1,432)
ORILLIA CAMPUS (Note 8)	9,776	9,893	10,123
INTERNATIONAL AFFAIRS	354	359	429
INVESTMENT IN FACULTIES FROM INTERNATIONAL	218	126	446

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LAKEHEAD UNIVERSITY
 PROPOSED 2013/14 EXPENDITURES
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(000's)

	APPROVED BUDGET 2012/13	UPDATED BUDGET 2012/13	PROPOSED BUDGET 2013/14
PRESIDENT			
Office of the President	706	709	723
Media Relations	162	240	213
Athletics	787	779	771
President subtotal	<u>1,655</u>	<u>1,728</u>	<u>1,708</u>
SENIOR ADVISOR TO THE PRESIDENT			
Office of the Senior Advisor	206	202	239
Institutional Analysis/Government Relations	364	369	381
Senior Advisor subtotal	<u>570</u>	<u>571</u>	<u>620</u>
UNIVERSITY SECRETARIAT	299	301	314
VICE PRESIDENT EXTERNAL RELATIONS			
Office of the Vice President	299	295	301
Office of Alumni & Advancement - Northwestern Ontario	873	865	859
Office of Advancement - Central Ontario	257	259	275
Office of Special Projects & Protocol	169	171	175
Marketing Support	484	396	422
VP External subtotal	<u>2,083</u>	<u>1,986</u>	<u>2,032</u>
VICE PRESIDENT RESEARCH, ECONOMIC DEVELOPMENT & INNOVATION			
Office of the Vice President	630	581	584
AVP Research	172	172	197
Centre for Biorefining	300	300	0
Research Office	409	413	369
Instrumentation Laboratory	265	270	278
IMO/BDO	296	299	310
Northern Studies	27	28	0
VP Research subtotal	<u>2,099</u>	<u>2,063</u>	<u>1,739</u>
VICE PRESIDENT ADMINISTRATION & FINANCE			
Office of the Vice President	312	311	314
Director, Risk Management & Access to Information	163	166	174
Office of Financial Services	1,631	1,662	1,783
Human Resources	848	863	885
University Services			
Print Shop and Mail Services	167	175	195
Security	837	833	818
Office of Executive Director	156	164	93
Technology Services Centre	3,620	3,643	3,653
Physical Plant	4,842	4,888	5,058
VP Administration & Finance subtotal	<u>12,577</u>	<u>12,705</u>	<u>12,974</u>
Utilities	3,316	3,216	3,316
General (Note 9)	1,700	1,704	1,700
Deferred Maintenance	100	100	400
Tuition Waiver	480	440	480
Strategic Initiatives	1,250	1,000	1,275
Savings from change in carry forward policy (Note 10)	(500)	(500)	(1,250)
Total	<u><u>108,772</u></u>	<u><u>108,618</u></u>	<u><u>111,697</u></u>

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LAKEHEAD UNIVERSITY
Notes to Proposed 13/14 Operating Budget

1. **Tuition International** includes an additional 90 (50 2012/13) International students that have been budgeted in 2013/14. This represents 190 (100 2012/13) International students above the 2010/11 base for International student revenue.

2. **Other income** includes revenues from the Ontario University Application Centre, Installment & Late Payment Fees, Interest on the Operating Bank Account, Overhead Income net of Overhead Allocation and other miscellaneous revenues.

3. **New Sources of Revenue**

Business MBA (apply AQ model)	20
ESL - 15% Overhead	100
Pay out (2%) from Trust towards Entrance Scholarships	31
Parking Overhead @15% (both campuses)	140
Sharing in Residence revenue; Res pays own OH	
- use 50% of moving average of 5 years of surpluses	168
Bookstore - 15% overhead	60
	519

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4. **Expenses - Other Costs** include printing & postage, office supplies, classroom & lab supplies, travel, books & related purchases, advertising, telephone, maintenance agreements, legal and audit, insurance, equipment purchases, software and hardware purchases, repairs and renewals, merchant provider costs, external consulting fees, cleaning supplies, interviews & recruitment, memberships, municipal taxes and utilities.

5. An Entrance Scholarship program was started at Lakehead University in the early 1990s. The program was unfunded except for 2 internally created endowments - \$400K appropriated from Operating and transferred to Trust and a General Purpose account within Trust (representing the Trust surplus) at that time and the bookstore surpluses that were designated for that purpose. The entrance scholarship program grew becoming costly and exceeding the payouts from these designated funds.

In 2002/03, the scholarships were charged to the Operating Fund for the first time. In 2003/04, an Operating budget was created for Entrance Scholarships, the Presidential Scholarship, In-Course Scholarships and other miscellaneous amounts. Meanwhile, a deficit had been building in the Trust fund and the bookstore surplus continued to be transferred to Trust to cover the deficit. The 2008 market crash occurred reverting the Trust fund back into a deficit. Trust is now in a surplus position and accumulated Bookstore surpluses are being transferred to the Operating Fund to offset the Entrance Scholarships.

6. **Strategic Initiatives** is an annually renewable \$1,275K (\$1,250K 2012/13) established for the University to make critical strategic investments. The overall amount will remain stable so that having annual funds available will be dependent on avoiding clogging the fund with ongoing operating costs. There are three types of investments: 1) Long-term investments, including permanent staff, to be provided during the start-up phase for programs that have almost certain realizable potential for stable and growing long-term revenues, 2) President's request for initiatives which are relatively small amounts for which units will compete, 3) Temporary and medium term funds including capital equipment, consulting fees, term employees and other start-up funds for new projects. These funds must be related to either increasing revenue or decreasing future costs.

LAKEHEAD UNIVERSITY
Notes to Proposed 13/14 Operating Budget

7. Principal & Interest

All amounts included in Principal & Interest are owed as part of the Series A unsecured debenture payable.

Project	Principal	Interest	Sinking Fund Provision (000's)	2013/14 Proposed Budget
ATAC	174	790		964
Johnson Controls Phase 1	134	610	475	1,219
Johnson Controls Phase 2	120	545	425	1,090
Excess Borrowings	140	637		777
Orillia Academic Building	329	1,345		1,675
	<u>897</u>	<u>3,927</u>	<u>900</u>	<u>5,724</u>

8. ORILLIA CAMPUS

	2012/13 Budget	2012/13 Updated Budget	2013/14 Proposed Budget
Full Time Equivalent	1,300	1,301	1,450
Income:		(000's)	
Tuition (net of tuition set aside)	6,601	6,600	7,500
Grants (Note 11)	8,600	8,700	9,400
Total Revenue	<u>15,201</u>	<u>15,300</u>	<u>16,900</u>
Expenses:			
Full Time and Part-Time	7,663	7,780	8,036
Other Costs	2,113	2,113	2,087
Total Expenditures	<u>9,776</u>	<u>9,893</u>	<u>10,123</u>
Principal & Interest	<u>1,675</u>	<u>1,675</u>	<u>1,675</u>
Revenue less Expenses	<u>3,750</u>	<u>3,732</u>	<u>5,102</u>

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9. **General** includes municipal taxes, liability insurance, legal and audit fees, university memberships, bac debts and merchant provider costs.

10. **Carry Forward Policy** is being amended so that at the end of each fiscal year the carry forward amount otherwise calculated will be reduced by \$1,250K (\$500K 2012/13) which becomes a contribution to the following year's operating budget.

11. Certain comparative amounts presented in the 2012/13 Approved Budget have been restated to conform to the 2012/13 Updated Budget and the 2013/14 Proposed Budget Presentation.

12. With the adoption of Part III of the CICA Handbook, Lakehead University will retrospectively restate the treatment of the interest rate swaps. The change in the value of the interest rate swap will no longer be recorded in the Statement of Revenue and Expenses. The amount of \$643 was previously recorded in the 2009/10 Operating Statement. Subsequent losses on the interest rate swap were recorded in the Residence operations.

