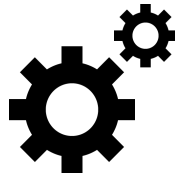


- 
- Christine Bovis-Crossen, Provost & VP Academic and Research
 - Matt Milovick, VP Administration & Finance

TRU's Budget Structure

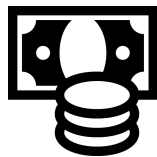
ALL FUNDS Budget



OPERATING FUND: Funds for the day-to-day needs of TRU to support teaching and administration. **75%** of the 2021/22 operating expenses are salaries & benefits.



CAPITAL FUND: Money used to fund campus infrastructure and major equipment purchases.



ANCILLARY FUND: This fund captures all of TRU's non-academic revenue generating activities such as the Bookstore, parking, food services, etc.



SPONSORED RESEARCH FUND: Funds restricted for externally funded research.

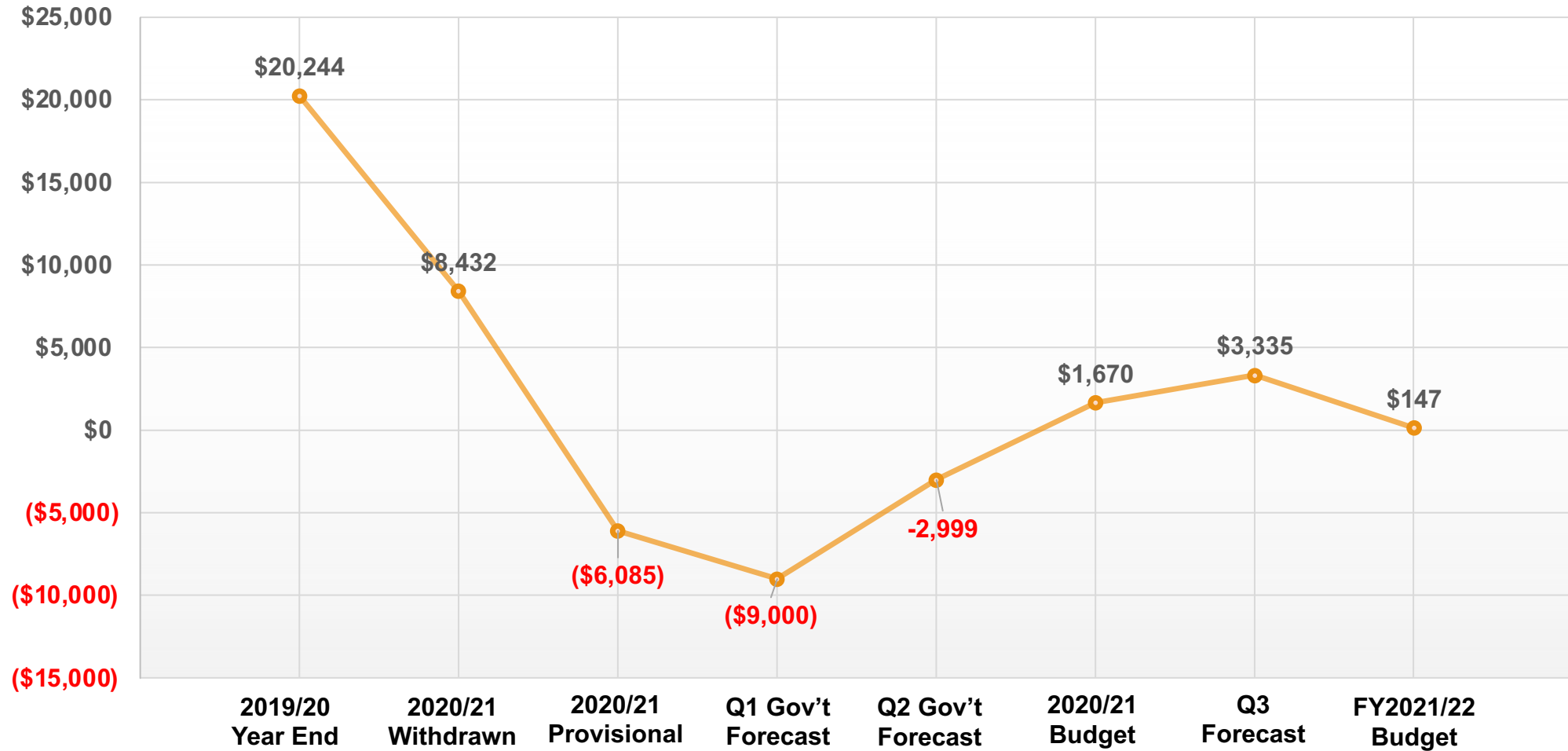


SPECIFIC PURPOSE FUND: Includes Faculty PD funds; specific purpose funds and bursaries.

Budgets and Reporting

Quarterly/Comparative Reporting

Take-away: Uncertainty has made forecasting extremely difficult.



- **Planning for a return to campus in Fall 2021**
 - Distribution and success rate of vaccinations making a return to campus much more probable
 - If pandemic takes a turn for the worse, there could be a detrimental impact on TRU's bottom line (from a tuition revenue and ancillary operations perspective) which may necessitate employing in-year mitigation strategies
- **International student enrolment risk:**
 - The enrolment risk seems to be decreasing/evolving over time
 - Study permit processing times are beginning to improve dramatically in key countries
 - With students being permitted to continue studying in home countries and still be eligible for a post-graduate work permit, some international students may elect this option. Impact has yet to be determined.
 - It may be that TRU hits its international enrolment forecast, but students may not arrive on campus which could have an impact on ancillary revenues (and potentially extra teaching costs)
- **Budgeting too conservatively (greater than anticipated year-end surplus):**
 - \$3.8M contingency fund that could be accessed after fall stable enrolment counts upon hitting enrolment forecasts (means money is spent in year instead of contributing to year-end surplus)
 - Potential to reinstate surplus sharing in cost-recovery programs

- Seeking Board approval in March 2021 for a balanced budget (this is not a provisional budget)
- The FY2021/22 proposed budget is the first year of three years of sustainable budgets (but there is still work to do)
- The balanced budget includes the following expenditures:
 - **\$5M Return to Campus Fund:** One-time expenditures to ensure the success of TRU's return to campus strategy. The fund will be administered based on recommendations from the Return to Campus Planning team with endorsements by the VP's.
 - **\$3.8M Contingency Fund:** Assuming that TRU is trending according to its budget projections at Q2, \$3.8M held in contingency could be released to support ongoing hires or expenditures. The effect of this is that the TRU community sees that in-year issues are being addressed instead of the totality of the surpluses flowing into accumulated surpluses. The \$3.8M will be split among the executive portfolios.
- TRU will seek in-year deficit mitigation strategies if required (this could include a return to “extreme financial prudence” and/or hiring freezes)

Government Grants

- Base grant has not changed
- 2.25% increase to grant for Collective Agreement increases
- \$650k increase for Software Engineering

Tuition

- IPE projections used for calculation for all categories with the exception of SOBE Grad.
- Tuition fee increases were applied at 2% for domestic and 3% for international for all programs this year including grad
- Domestic undergrad enrolment increased by 0.99%
- Open Learning enrolment increased by 5.3%
- International student headcount is up by about 700 over 20/21 budget with a total of 3256 for Fall and 3215 for winter. 20/21 Budget was based on 2425

Student fees

- Move in line with the tuition revenue increases (or decreases) and tuition fee increases

Ancillary revenues

- Food service & parking based on same as April to August 2020/21 and 50% of 2019/20
- Book Store is based on April to July 2020/21 and 75% of 2019/20
- Residences are based on a 70% occupancy model.

Compensation

- Collective agreement increases of 2.25% have been contemplated for all bargaining groups
- Academic divisional budgets were based on the data approved by the Deans in the workload planning tool and subsequently approved by the Provost.
- Non-academic divisional budgets were based on discussions with budget holders and approved by the VP Admin.
- \$3.8M Contingency for enrolment increases held in compensation at the institution level

Non-compensation

- Based on current year activity and conversation with the various budget holders contemplating return to campus activity.
- \$5M Contingency for Return to Campus (one-time expenditures) and \$1M Contingency for enrolment increases are held in non-compensation at the institution level.

Consolidated All-Funds Budget

Take-away: Expecting a balanced budget (but some uncertainty remains)

	21/22 Proposed Budget	20/21 Approved Budget	20/21 Q3 Forecast	19/20 Year End Actual
Revenue	\$238,582	\$220,341	\$225,927	\$244,605
Compensation & Benefits	(153,833)	(149,677)	(147,803)	(144,549)
Direct Expenditures	(84,602)	(68,994)	(74,789)	(79,812)
Accounting Surplus (before endowments)	\$147	\$1,670	\$3,335	\$20,244
Capital Spending (TRU funds)	(10,654)	(12,090)	(15,305)	(29,533)
Reserve (Usage) / Contribution	\$(10,507)	\$(10,420)	\$(11,970)	\$(9,289)

Capital Spending Plan

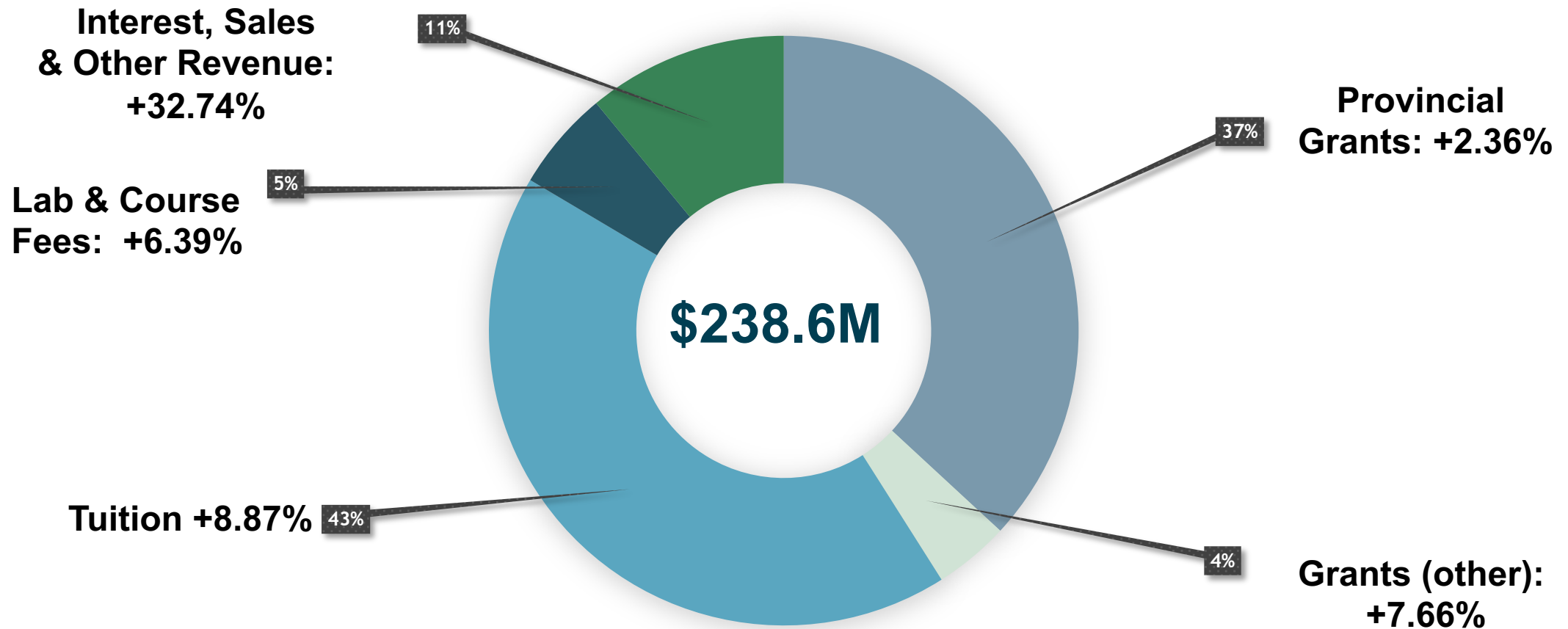
Take-away: Approximately one third of planned capital spending has come from external sources

	Project Total	TRU Funded	Externally Funded
Accounting Surplus		\$147	
IT Cloud Migration and Infrastructure Projects	1,605	1,605	0
Daycare (1274 McGill) Renovations	4,950	4,218	732
Maintenance, Improvements & Upgrades	3,022	1,484	1,538
Furniture, Fixtures & Equipment	3,068	1,122	1,946
East Village Electrification Project	2,200	2,025	175
Books	200	200	0
Total Planned Capital Spending	15,045	\$10,654	\$4,391
Drawdown of Reserves		(\$10,507)	

FY2021/22 Consolidated Revenue

Comparison to 2020/21 Budget

Take-away: Tuition is the largest component of TRU's revenue



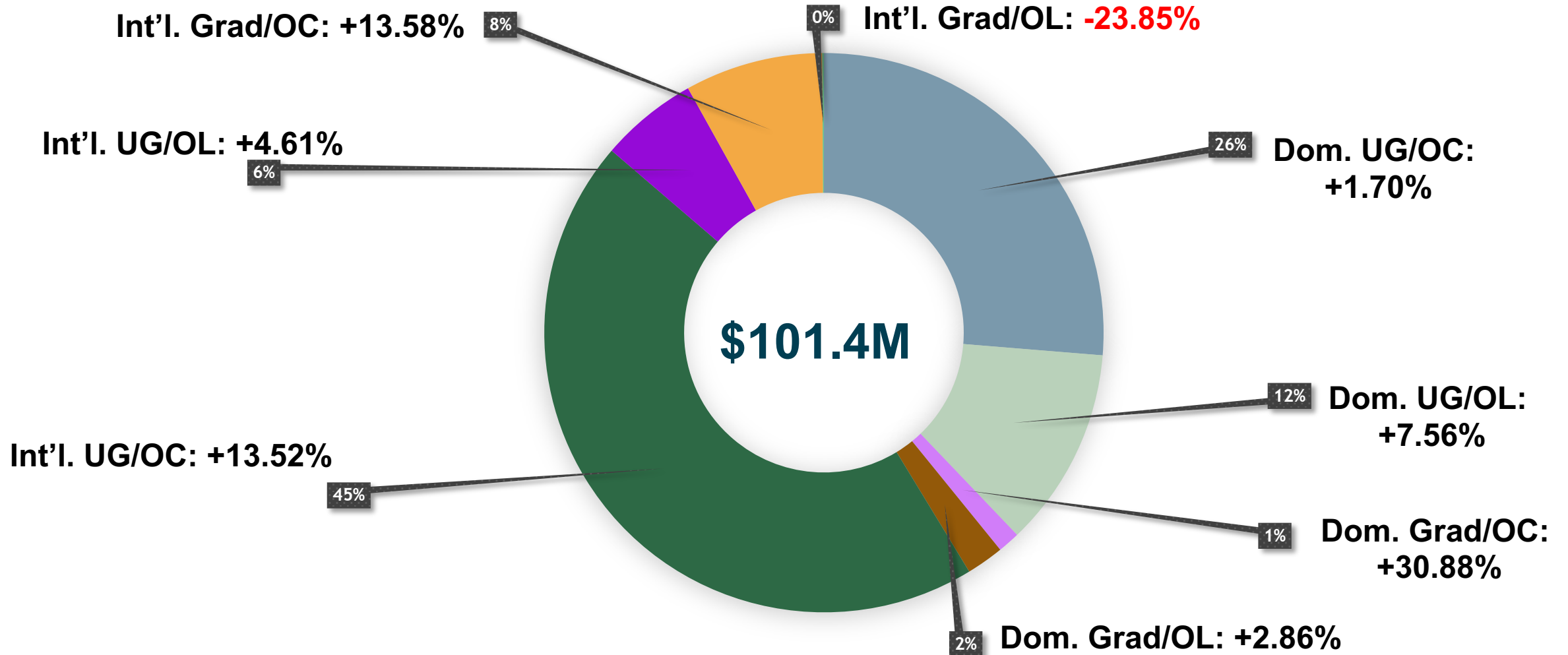
Notes:

- % within the pie represents that category's percentage of all consolidated revenue
- % increase/decrease in the legend labels represent changes from 2021/22 Proposed Budget to 2020/21 Approved Budget

FY2021/22 Consolidated Revenue

Tuition Breakdown – Comparison to 2020/21 Budget

Take-away: Growth in all tuition categories (except international grad OL)



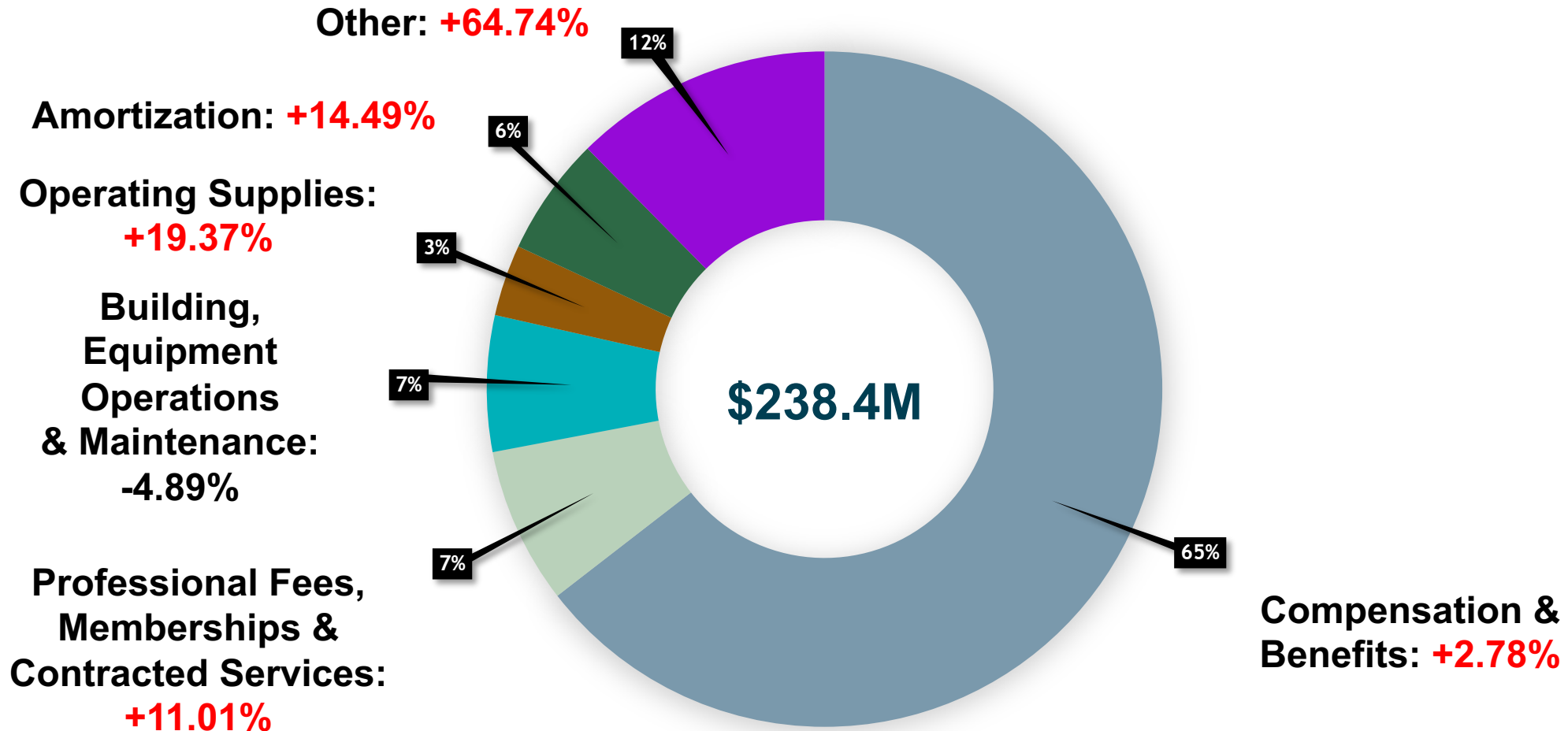
Notes:

- % within the pie represents that category's percentage of all consolidated revenue
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FY2021/22 Consolidated Expendi

Comparison to 2020/21 Budget

Take-away: Expected increases due to cloud migration project and contingencies



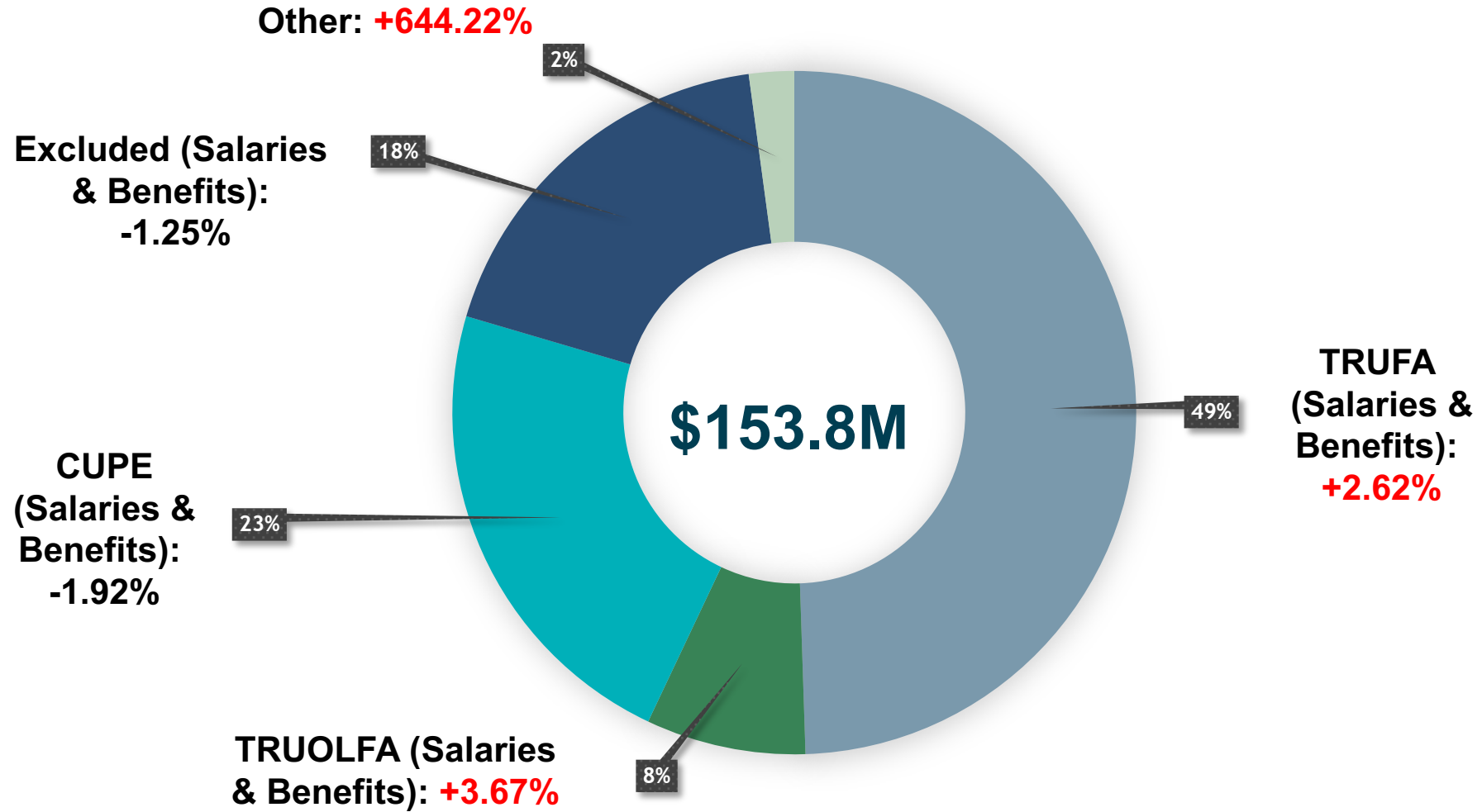
Notes:

- % within the pie represents that category's percentage of all consolidated expenditures
- % increase/decrease in the legend labels represent changes from 2021/22 Proposed Budget to 2020/21 Approved Budget

FY2021/22 Consolidated Expenditure

Compensation Breakdown – Comparison to 2020/21 Budget

Take-away: Compensation increasing for TRUFA and TRUOLFA



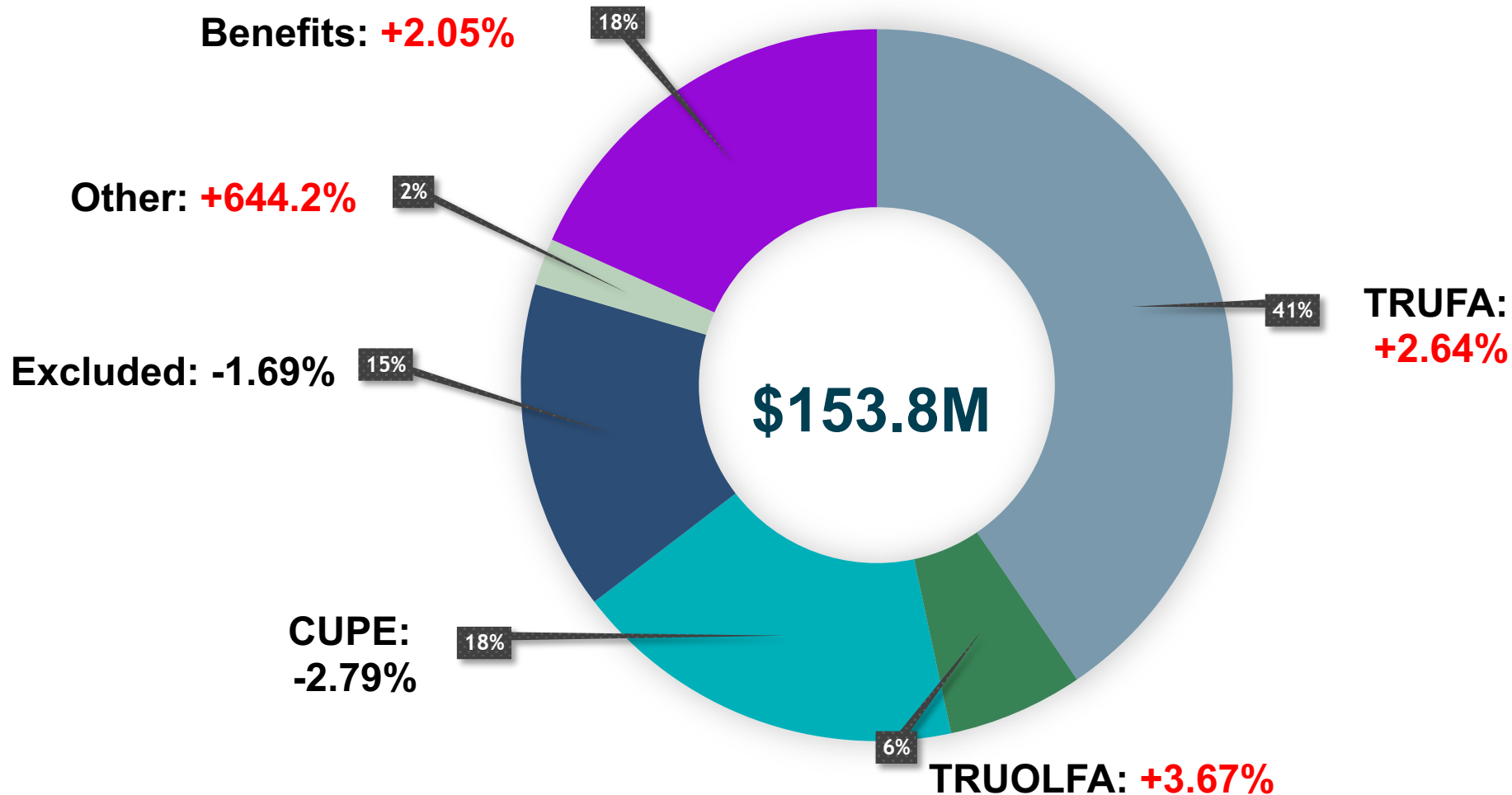
Notes:

- % within the pie represents that category's percentage of all consolidated compensation
- % increase/decrease in the legend labels represent changes from 2021/22 Proposed Budget to 2020/21 Approved Budget

FY2021/22 Consolidated Expenditures

Compensation Breakdown (Benefits isolated) – Comparison

Take-away: Benefits account for 18% of total compensation expenses



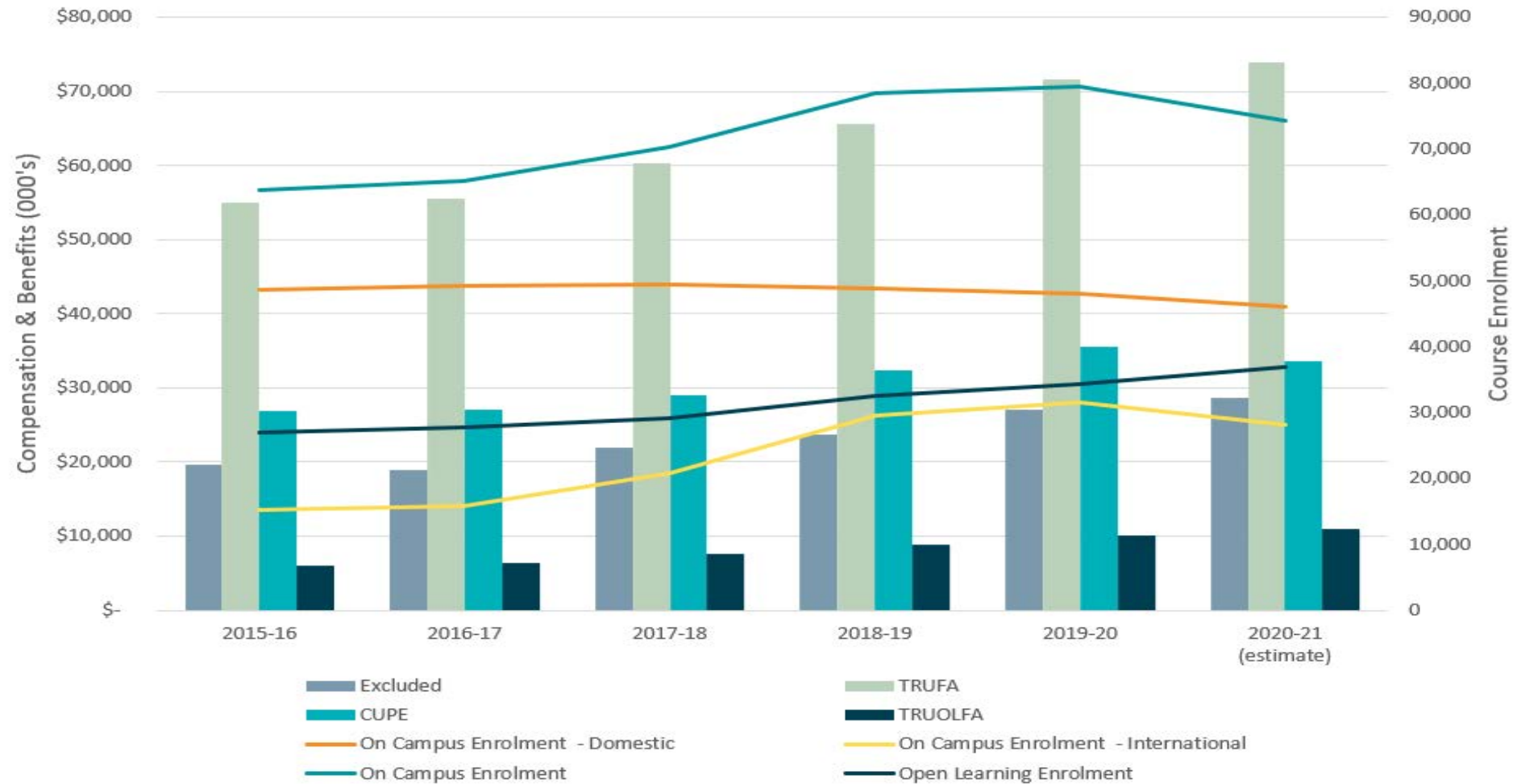
Notes:

- % within the pie represents that category's percentage of all consolidated compensation
- % increase/decrease in the legend labels represent changes from 2021/22 Proposed Budget to 2020/21 Approved Budget

5-Year Compensation Trend

Salaries/Benefits Relative to Course Enrolment

Take-away: Steady annual increase in compensation but enrolments decreasing



Notes:

- Faculty includes LTC's and sessionals
- CUPE includes auxiliaries and students

2021/22 Consolidated Budget

Expenditure by Portfolio (000's)

**Take-away: Overall
increase of 9.04%
compared to 2020/21**

	2021/22 Proposed Budget	2020/21 Approved Budget	% Change *	2020/21 Q3 Forecast	% Change**	2019/20 Year End Actuals	% Change***
Provost and VP Academic & Research Portfolio	\$126,158	\$119,447	+5.62%	\$118,409	+6.54%	\$122,687	+2.83%
VP Admin and Finance Portfolio	40,391	40,206	+0.46%	43,165	-6.43%	44,986	-10.21%
VP University Relations Portfolio	6,291	6,532	-3.69%	6,256	+0.56%	6,944	-9.40%
President Portfolio	2,232	2,120	+5.28%	2,082	+7.20%	1,956	+14.11%
Institution	10,999	11,284	-2.53%	13,793	-20.26%	3,391	+224.36%
Institutionally held contingencies for Return to Campus & Increased Enrolment	8,800	0	N/A	0	N/A	0	N/A
Non-Operating Funds	43,564	39,082	11.47%	38,887	+12.03%	44,398	-1.88%
	\$238,435	\$218,671	+9.04%	\$222,592	+7.12%	\$224,362	+6.27%

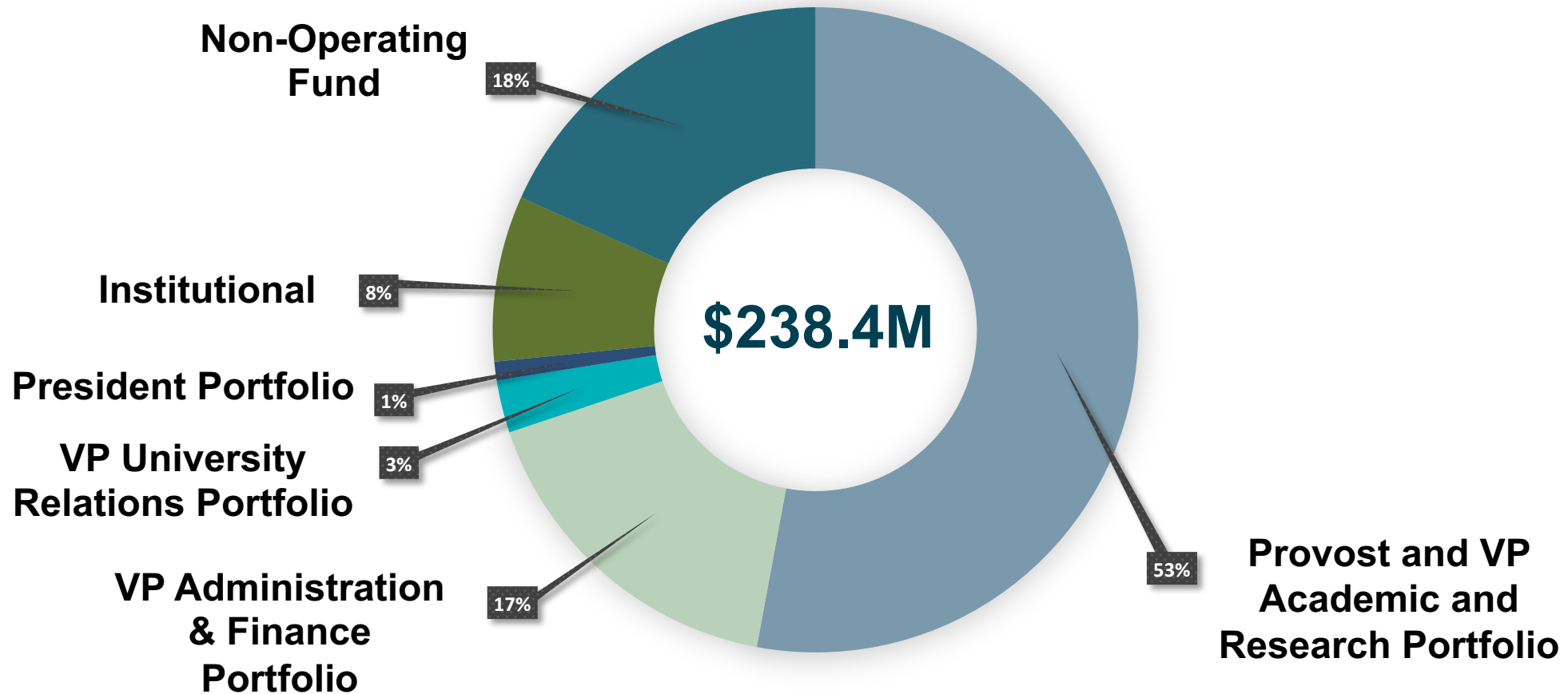
Notes:

**Comparing 2021/22 Proposed Budget to 2020/21 Approved Budget*

***Comparing 2021/22 Proposed Budget to 2020/21 Q3 Forecast*

**** Comparing 2021/22 Proposed Budget to 2019/20 Year End Actuals*

FY2021/22 Expenditure by Portfolio



Notes:

- % within the pie represents that category's percentage of all compensation and direct expenditures

FY2021/22 Consolidated Expenditure

Provost and VP Academic & Research Portfolio

Take-away: Overall increase of 5.6% relative to 2020/21

	2021/22 Proposed Budget	2020/21 Approved Budget	% Change *	2020/21 Q3 Forecast	% Change**	2019/20 Year End Actuals	% Change***
Faculty of Science	\$17,983	\$17,190	4.61%	\$17,348	3.66%	\$17,848	0.76%
School of Business and Economics	11,545	12,704	-9.12%	12,529	-7.85%	12,865	-10.26%
Faculty of Education and Social Work	10,825	11,070	-2.21%	10,858	-0.30%	11,492	-5.80%
School of Nursing	6,303	6,595	-4.43%	6,540	-3.62%	6,915	-8.85%
Faculty of Adventure, Culinary Arts and Tourism	5,282	5,067	4.24%	4,924	7.27%	5,459	-3.24%
Faculty of Arts	12,092	11,866	1.90%	11,801	2.47%	12,355	-2.13%
Faculty of Law	4,872	4,391	10.95%	4,377	11.31%	4,433	9.90%
School of Trades and Technology	6,688	7,418	-9.84%	7,297	-8.35%	7,495	-10.77%
University Library	4,419	4,464	-1.01%	4,467	-1.07%	4,249	4.00%
Enrolment Services and University Registrar	7,247	7,008	3.41%	6,960	4.12%	7,425	-2.40%
Faculty of Student Development	5,409	5,521	-2.03%	5,511	-1.85%	5,801	-6.76%
Office of Quality Assurance	1,133	1,218	-6.98%	1,097	3.28%	1,411	-19.70%
Research and Graduate Studies	1,381	1,349	2.37%	1,438	-3.96%	1,718	-19.62%
Open Learning	17,812	17,858	-0.26%	17,652	0.91%	16,424	8.45%
Williams Lake	3,420	3,708	-7.77%	3,557	-3.85%	4,079	-16.16%
Regional Campuses	498	370	34.59%	342	45.61%	990	-49.70%
Indigenous Education	700	543	28.91%	596	17.45%	844	-17.06%
Provost and VP Academic and Research	8,549	1,107	672.27%	1,113	668.10%	\$884	867.08%
Provost and VP Academic & Research Portfolio	\$126,158	\$119,447	5.62%	\$118,407	6.54%	\$122,687	2.83%

Notes:

*Comparing 2021/22 Proposed Budget to 2020/21 Approved Budget

**Comparing 2021/22 Proposed Budget to 2020/21 Q3 Forecast

*** Comparing 2021/22 Proposed Budget to 2019/20 Year End Actuals

FY2021/22 Consolidated Expenditure

VP Administration and Finance Portfolio

Take-away: 0.46% increase relative to FY2020/21

	2021/22 Proposed Budget	2020/21 Approved Budget	% Change*	2020/21 Q3 Forecast	% Change**	2019/20 Year End Actuals	% Change ***
Campus Infrastructure & Sustainability	\$7,278	\$7,173	1.46%	\$12,762	-42.97%	\$9,150	-20.46%
Athletics and Recreation	2,631	1,959	34.30%	1,797	46.41%	3,229	-18.52%
IT Services	9,472	12,025	-21.23%	10,023	-5.50%	8,272	14.51%
People and Culture	3,293	2,710	21.51%	3,165	4.04%	3,083	6.81%
Integrated Planning & Effectiveness	1,630	1,477	10.36%	1,464	11.34%	1,625	0.31%
Risk Management Services & OSEM	1,519	1,578	-3.74%	1,538	-1.24%	1,287	18.03%
Finance and Procurement Services	4,605	4,363	5.55%	4,267	7.92%	4,614	-0.20%
Internal Audit	261	204	27.94%	211	23.70%	230	13.48%
TRU World	9,059	8,157	11.06%	7,394	22.52%	12,768	-29.05%
VP Administration and Finance	643	560	14.82%	544	18.20%	728	-11.68%
VP Admin and Finance Portfolio	\$40,391	\$40,206	0.46%	\$43,165	-6.43%	\$44,986	-10.21%

Notes:

*Comparing 2021/22 Proposed Budget to 2020/21 Approved Budget

**Comparing 2021/22 Proposed Budget to 2020/21 Q3 Forecast

*** Comparing 2021/22 Proposed Budget to 2019/20 Year End Actuals



FY2021/22 Consolidated Expenditure

VP University Relations Portfolio

Take-away: 3.69% decrease relative to FY2020/21

	2021/22 Proposed Budget	2020/21 Approved Budget	% Change*	2020/21 Q3 Forecast	% Change**	2019/20 Year End Actuals	% Change***
Marketing and Communications	\$3,394	\$3,672	-7.57%	\$3,457	-1.82%	\$3,829	-11.36%
Advancement	2,897	2,860	1.29%	2,799	3.50%	3,115	-7.00%
VP University Relations Portfolio	\$6,291	\$6,532	-3.69%	\$6,256	0.56%	\$6,944	-9.40%

Notes:

*Comparing 2021/22 Proposed Budget to 2020/21 Approved Budget

**Comparing 2021/22 Proposed Budget to 2020/21 Q3 Forecast

*** Comparing 2021/22 Proposed Budget to 2019/20 Year End Actuals

	2021/22 Proposed Budget	2020/21 Approved Budget	% Change*	2020/21 Q3 Forecast	% Change**	2019/20 Year End Actuals	% Change ***
TRU Secretariat	\$1,410	\$1,399	0.79%	\$1,386	1.73%	\$1,124	25.44%
Special Advisor on Indigenous Matters ¹	171	171	0.00%	172	-0.58%	83	106.02%
Office of the President	651	550	18.36%	524	24.24%	749	-13.08%
President Portfolio	\$2,232	\$2,120	5.28%	\$2,082	7.20%	\$1,956	14.11%

Notes:

1. Special Advisor on Indigenous Matters was separated from Indigenous Education during the 2019/20 fiscal year

*Comparing 2021/22 Proposed Budget to 2020/21 Approved Budget





**Comparing 2021/22 Proposed Budget to 2020/21 Q3 Forecast

*** Comparing 2021/22 Proposed Budget to 2019/20 Year End Actuals

3-Year Budget Forecast

Take-away: 3 years of sustainable budgets achievable

	19/20 Year End Actual	20/21 Approved Budget	20/21 Q3 Forecast	21/22 Proposed Budget	22/23 Projection	23/24 Projection
Revenue	\$244,605	\$220,341	\$225,927	\$238,582	\$244,067	\$238,582
Compensation & Benefits	(144,549)	(149,677)	(147,803)	(153,833)	(159,420)	(165,182)
Direct Expenditures	(79,812)	(68,994)	(74,789)	(75,802)	(82,832)	(84,878)
Return to Campus Contingency				(5,000)	-	-
Enrolment Contingency				(3,800)	-	-
Accounting Surplus (before endowments)	\$20,244	\$1,670	\$3,335	\$147	\$1,815	\$643

Last Year's (FY2020/21) Conclusions & Future Imperatives	Outcome
 <ul style="list-style-type: none"> All vacancies will remain unfilled unless they are critical to supporting the immediate needs of TRU in the short term. All requests to fill vacancies will need to be justified and approved by the Provost or the VP-AF, depending upon the portfolio. The longer hires are delayed, the more cash will be preserved. 	<ul style="list-style-type: none"> This was done except in limited circumstances where there was a critical need to replace a vacancy.
 <ul style="list-style-type: none"> Salary savings from vacancies will be frozen and will not be reallocated. 	<ul style="list-style-type: none"> Salary savings from vacancies were not reallocated
 <ul style="list-style-type: none"> All unnecessary discretionary spending (including operating and capital expenditures) will be halted to reduce operating expenses and preserve cash 	<ul style="list-style-type: none"> All unnecessary discretionary spending (including operating and capital expenditures) will be halted to reduce operating expenses and preserve cash
<ul style="list-style-type: none"> The majority of FY2020/21 Strategic Investment Funding (SIF) will be frozen and unspent SIF funding from previous years will also be assessed and potentially frozen. 	<ul style="list-style-type: none"> \$905K worth of SIF projects deemed essential moved forward (most had multi-year funding commitments)
 <ul style="list-style-type: none"> Requests for one-time spending to support alternative forms of delivery, work-from-home protocols, students services from a distance, etc. will be considered for approval by either the Provost or the VP-AF. 	<ul style="list-style-type: none"> \$2M was made available for this purpose

Take-Aways for FY2021/22

- Uncertainty has made forecasting extremely difficult (we expect this trend to continue at least through this FY2021/22)
- Expecting a balanced budget (FY2020/21) in a year of extraordinary uncertainty
- Extreme financial prudence measures have been lifted for FY2021/22
- Assuming TRU meets its enrolment forecast at September stable environment, an additional \$3.8M will be come available in year instead of falling to the bottom line at year end
- Based on IPE projections, and no other radical changes in our environment, expecting 3 years of sustainable budgets
 - This assumes no significant increases to budgets unless on-campus enrolment targets change and more revenue is expected
 - TRU will have challenges beyond year 3 in balancing its budget
 - Current 3-year forecast leaves very little for strategic initiatives or capital accumulation
- Tuition continues to be the largest percentage of TRU's revenue (but eroding)
- Extreme financial prudence measures have been successful in reducing expenditures but are not sustainable over the long term
- Overall, TRU has weathered this storm well but there is much more work to be done

