



BOARD EXECUTIVE SUMMARY

**Board of Governors**

<b>Agenda Title</b>	LU Transformation Implementation Program – 2024-2025 Budget Approval
<b>Agenda Item No.</b>	5.5
<b>Date of Meeting</b>	April 26, 2024
<b>Open/Closed session</b>	Open
<b>Action Requested</b>	x For Approval      For Information
<b>Proponent</b>	Sylvie C. Lafontaine
<b>Presenter(s)</b>	Sylvie C. Lafontaine Deloitte – Angela Choi / Maureen Peng

**1. PURPOSE**

To recommend that the Board of Governors approve the 2024-2025 Budget of the Laurentian University Operational Transformation Implementation Program based on a detailed Resourcing and Costing Report and LU’s recommendation. The proposed budget for the implementation of the Transformation Program has been included in Laurentian’s 2024-2025 Budget proposal, and is consistent with the 5-year Ministry of Colleges and Universities (MCU) 2023-2024 Consolidated Financial Projections.

**2. SYNOPSIS**

As required by the *Plan of Compromise or Arrangement*, Laurentian and Deloitte prepared a detailed Transformation Plan to address amongst others the recommendations of the NOUS Group and Auditor General reports. The Plan was approved by the Board on November 1, 2023 and by the Ministry of Colleges and Universities (MCU) on January 23, 2024.

Following approval of the Transformation Plan by the Board of Governors, Deloitte working with Laurentian conducted a fit/gap analysis – that is an assessment of the University’s current Enterprise Resources Planning (ERP) solution to determine whether to modernize the existing system, or acquire other best of breed, or other integrated solutions. The review was conducted in three phases: i) assessing Ellucian’s (Colleague) current ecosystem, ii) undertaking high-level Market Scan and capability assessment, and iii) defining go-forward scenarios and roadmap recommendation.

The fit/gap analysis conducted by Deloitte concluded that Colleague is a strong fit for the University but will still require pre-work to define foundational business needs, careful planning and implementation, and strong change management support for stakeholders. The recommended go forward scenario includes a balance of staying with current core systems, while getting benefits of cloud solution partners to fill the gaps in critical processes, with the intention to gradually evolve fully to an all-cloud environment over time.

As a next step, Deloitte worked with Laurentian to complete a resourcing and costing analysis based on the approved phased implementation of the Transformation Plan. The total cost of the Transformation Program is estimated to be between \$32.5M and \$46.9M (low range) over the next 4 to 5 years. The mix of internal vs. external resources can significantly change the total cost of the Program. Deloitte has advised that if the Program would rely more on external

resources for the implementation of the Plan, the total cost of the Program could increase up to \$77.1M (high range).

At this time, Laurentian recommends maintaining the same budget assumptions as per the current 2023-2024 MCU 5-year financial projections – that is a total budget of \$8.0M for fiscal 2024-2025 (\$7.2M Operating + \$0.8M Capital). The same amount per year was assumed for the outer years of the Budget submission.

### 3. RESOLUTION TO CONSIDER:

THAT the Board of Governors approve Laurentian University’s Operational Transformation Implementation Program budget for 2024-2025, as recommended by the Finance and Property Committee, and as presented at its meeting of April 26, 2024.

### 4. RISK ANALYSIS

The planning and pre-implementation phase in the roadmap will set the foundation to enable a successful implementation, de-risk the transformation journey, and set a solid foundation of governance and operational effectiveness that supports Laurentian’s strategic priorities mainly – Enhancing our Student Experience, Energizing our Academic and Research mission, and Valuing our People.

Successful implementation of the Transformation Program will require a solid communication plan and change management plan. A significant number of risks identified are directly linked with LU’s continued difficulties recruiting talent to fill critical roles, internal capacity/expertise challenges, need to stabilize the workforce, and the internal practice to attempt system implementation to be done in-house.

A focus on institutional-wide priorities and a structured program delivery approach will be critical to its success. LU is committing to implement solid program management practices, monitoring closely these risks and address these with targeted mitigation strategies.

The following key risks, opportunities and decisions have been identified:

- Resourcing the program/project roles: Maintaining the level of current operations while also creating capacity to focus on project work may be difficult in near/long term. The Program will aim to develop and train internal resources to implement, maintain and continuously improve processes and tools.
- Formal Change Management stream was not scoped as part of this project at the initial stages of this Program. Various functions/departments at Laurentian have not yet been fully involved in the development of the Transformation Plan. At this stage of our journey, it will be critical to engage with a broader community directly and indirectly impacted by these proposed changes of processes and tools.

Please note below the specific institutional risk(s) this proposal is addressing.	
<input checked="" type="checkbox"/> Enrolment Management	<input checked="" type="checkbox"/> Relationship with Stakeholders
<input checked="" type="checkbox"/> Faculty and Staff	<input type="checkbox"/> Reputation
<input checked="" type="checkbox"/> Funding and Resource Management	<input type="checkbox"/> Research Enterprise
<input checked="" type="checkbox"/> IT Services, Software and Hardware	<input type="checkbox"/> Safety
<input checked="" type="checkbox"/> Leadership and Change Management	<input checked="" type="checkbox"/> Student Success
<input type="checkbox"/> Physical Infrastructure	

## 5. RECOMMENDATIONS

THAT the Board of Governors approve Laurentian University's Operational Transformation Implementation Program budget for 2024-2025, as recommended by the Finance and Property Committee, and as presented at its meeting of April 22, 2024, which is in line with the 2023-2024 MCU 5-year Financial Projections.

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### A **Background/Issue Description**

Laurentian is currently at a critical turning point of its transformation journey – moving to the implementation of its Plan. In spring/summer 2023, the Transformation Roadmap planning exercise outlined key areas of improvement across all back-office functions and, later this fall it was confirmed to keep the current ERP system – however, a renewal of its IT ecosystem – technology roadmap was identified to move towards a cloud-based environment over time.

Deloitte was then brought in to assess the implementation costs – work effort- of the detailed and comprehensive operational Transformation Plan, including the cost to enhance the University's current ERP system – Colleague – to meet the operational needs of LU and enables the University's strategic priorities.

The University received from Deloitte the Implementation Resourcing and Costing Report (April 3, 2024) quantifying the cost to implementing the Plan, including the following:

- A resourcing model to implement the workplan for the four workstreams (Finance, HR, IT and RSSA) including third party vendors. Resource costing to cover recruiting cost based on benchmarks, and leading practices.
- Costing of pre-implementation activities for the ERP implementation, refining the initial directional costing from the ERP strategy.
- Costing of implementing the selected ERP system and licensing fees (as per the results from the ERP strategy engagement); to be provided by the vendors directly.
- Costing of the acquisition and implementation of systems required for the transformation - that are not currently included in the ERP system.
- Costing of changes in Laurentian's organizational structures/design required for the transformation.
- Costing for the Program governance (Transformation Implementation Office) and Change Management support.

The Transformation Program is much broader than a system implementation, it is an overall transformation of the University's core processes in four key areas/workstreams that is Registrar Students Services Administration (RSSA), Human Resources, Finance and IT, as well as, redefining/confirming the roles, responsibilities and organizational structure of these services, and providing the supporting systems to be more efficient and effective in the delivery of services.

### B **Alignment with Strategic Objective or Plan of the University**

The Program to implement the approved Transformation Plan is aligned with Laurentian's *Plan of Compromise and Arrangement*, effective November 28, 2022, and also aligned with

the strategic priorities of Enhancing our Student Experience, Energizing our Academic and Research mission, and Valuing our People.

**C Other options considered (where applicable):**

The range of the costs provided by the detailed resourcing and costing report provides LU a number of implementation approaches – linked primarily to the type of resources used to execute the implementation.

The greatest variability in the total implementation costs – between the low range and high range – relates to the system implementation approach whether LU will be able to assume the implementation by relying on in-house resources with limited external support, or mitigate the risks associated with this approach by leveraging the expertise, resources and support from external system experts.

Pre-system implementation activities, such as, definition of operating model, process mapping/design, and job architecture are activities that will need to be completed before system configuration activities. Ongoing internal capability enhancements include policy reviews, documentation building for processes, and transitioning resources to new roles as needed. On a go forward basis, it is important to have the internal resources able to maintain and continuously improve their respective service delivery areas.

**D Risks including legislative compliance**

Laurentian's Transformation Program is an integral part of the University's CCAA restructuring as defined in the Court approved *Plan of Compromise and Arrangement*, which became effective on November 28, 2022. A multi-year program of this size presents significant planning and implementation risks in the areas of governance, performance, and costs.

Some of the risks that have been identified include:

- Insufficient buy-in and support for the Program from the leaders, staff, and faculty
- Governance too focused on process, and failure to remove roadblocks
- Leadership not adequate to deliver and drive the change
- The changes might not be sustained once the Program winds down
- Limited staff capacity and culture issues that would impact implementation

The Program progress reports and mitigating measures will be subject to ongoing oversight by the Senior Leadership Team, the President/Vice-President committee, and Board. The 2024-2025 planning and budgeting process followed a similar process to the one initiated in 2022 after the emergence from CCAA. A strong change management focus, and leadership that can prioritize outcomes and results will also be essential. The University is confident that the high level of oversight will help mitigate such risks.

In addition, the Project Management Consultant – Deloitte - will come equipped with its proprietary Transformation Project Management Program Governance that will provide clarity on roles and responsibilities, reporting processes and risks, issues, and decision escalation paths. Strengthening capabilities across the organization and getting ready for transformation will continue to be a challenge until we have been successful in recruiting critical positions and work through a solid change management/communication plan.

**E Financial Implications (where applicable):**

Based on the Resourcing and Costing exercise, the total costs to implement the Transformation Plan are estimated to be between \$32.5M and \$46.9M (low band) over 4 to 5 years. The mix of internal vs. external resources will significantly impact the total cost of the Program.

The 2023-2024 MCU 5-year Financial Projections include a total of \$32.5M, which also correspond to the NOUS Group Report (January 2022) estimates of up to \$32.5M.

The Transformation Implementation budget assumptions for the first year of implementation starting May 1, 2024 are estimated to range between \$8.8M (Phase 0/Phase 1) to \$13.6M for the first fiscal year.

LU recommends to maintain the same budget assumptions as per the 2023-2024 MCU 5-year Financial projections. The total Transformation budget is \$8M for fiscal 2024-2025.

As the Transformation Implementation Office (TIO) is set up - with a first hire of the Lead for the Transformation Program, a comprehensive review of these costing assumptions and detailed project planning for each of the four workstreams will be conducted and, updated financial forecast will be provided.

## **F Benefits**

The Transformation Plan will be a critical part of the University's rebuilding efforts and will help the University improve its operational efficiency and effectiveness to regain its position of pride amongst Northern Ontarians, the City of Sudbury, and the University's students, faculty, and staff.

## **G Consultations (where applicable)**

Each of the four Workstream management and staff worked through in great details each of the sub-stream roadmaps to identify the level of staff (senior/junior) required to perform these tasks and activities, as well as the amount of effort to complete each task.

## **H Communications Plan**

The University has engaged the services of a dedicated communications officer who is responsible to provide regular updates on the progress of the Program to various key stakeholders. The communications will include both an internal and external website that will provide ongoing detail concerning the various work streams initiatives, timelines and accomplishments.

## **I Next Steps**

Setting up the Transformation Implementation Office (TIO) - building the team that will work directly with the members from each of the four workstreams, along with the required supporting resources. The recruitment of the leader of the Transformation Program team is being initiated.

As required by the University's *Plan of Arrangement*, the TIO will continue to be supported by a third-party through the implementation of the Plan - Deloitte.

Together, we will be prioritizing tasks outlined in the Plan and overseeing the delivery of each milestone within established timelines. As we progress through implementation, we look forward to continuing to work with our employee group/labour partners, and all key stakeholders.

## **J Appendices**

Item 5.5 A - Presentation - Transformation Implementation Program Resourcing and Costing - Program Budget



# **Transformation Implementation Program**

## **Resourcing and Costing Program Budget**

*April 2024*

# Laurentian University – *Our Transformation Journey*

## Transformation Plan – April to October 2023

Detailed **Road Maps** for the  
4 Workstreams

- > *Registrar Services and Student Affairs (RSSA)*
- > *Information Technology*
- > *Finance*
- > *Human Resources*

Informed by earlier recommendations from the NOUS Group and the Auditor General's report

## ERP Fit/Gap – Sept to Dec. 2023

Current Enterprise Resource Planning (ERP) system -

### Fit/Gap assessment

LU will continue with its current software (Ellucian/Colleague)

But will be adding integrated technology partners to best serve Laurentian's needs

## Implementation Resourcing

- January/February 2024

Assessment of the **approximate cost of the Level of Effort** to implement the Road Maps –

**highly dependent on the internal capability / in-house capacity to change** and implement new processes and systems

Transformation Consulting Group



# Laurentian University – *Our Transformation Journey*

*Enhancing our Student Experience, Energizing our Academic and Research mission, Valuing our People*



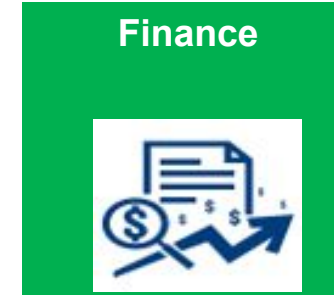
## 6 Sub- Workstreams

- Student Advising – Single Point of Entry
- Recruitment & Admissions
- Registrar Processes
- Awards and Fees
- Data-driven Metrics/Tracking Success
- RSSA– Std Ops Procedures



## 8 Sub- Workstreams

- Recruitment processes/tools
- Compensation/Job descriptions -Evaluation
- Talent Management
- Learning & Development
- HR Info System
- Workforce Management
- Grievance Management
- On-boarding/Off-boarding



## 7 Sub- Workstreams

- Finance Planning /Budgeting
- Payroll
- Finance Operations
- Treasury
- Accounting – Financial Statements/Reporting
- Policies and procedures
- Procure-to-Pay process/budget



## 6 Sub- Workstreams

- Technology Governance
- Technology roadmap
- Intake Management Process
- Sourcing/Vendor Management
- Project Management and Delivery framework
- ERP+ Workstream support



# LU Transformation Program Budget by Fiscal Year – Year One Implementation 2024-2025

Workstream	One-Time Costs - Low Band (in CAD millions)					
	Year 1	Year 2	Year 3	Year 4	Total Cost	% of sub-total by Workstream
	Up to April 30, 2025	May 1, 2025, to April 30, 2026	May 1, 2026, to April 30, 2027	May 1, 2027, to April 30, 2028		
Information Technology	4.3	6.6	0.5	0.2	11.6	35%
Finance	5.0	4.4	0.1	0.0	9.5	29%
Human Resources	2.8	2.0	2.3	1.8	8.8	27%
RSSA	1.4	1.2	0.4	0.1	3.1	9%
<b>Sub-Total by Fiscal Year</b>	<b>13.6</b>	<b>14.1</b>	<b>3.3</b>	<b>2.1</b>	<b>\$33.1M</b>	<b>100%</b>
<b>Add: Program Governance and Change Management</b>					<b>\$7.7M</b>	
<b>Sub-Total Transformation Costs</b>					<b>\$40.8M</b>	
<b>Add: Contingency (15%)</b>					<b>\$6.1M</b>	
<b>Total Transformation Costs</b>					<b>\$46.9M</b>	

Based on the analysis provided, the Transformation budget for the first year of implementation - starting May 1, 2024 – is assumed to be between **\$8.8M to \$13.6M**

### **LU recommends**

Maintaining the same Budget assumptions as per the 2023-24 MCU 5-year projections - a total budget of \$8.0M for fiscal 2024/2025 (\$7.2M Operating + \$0.8K Capital).

Once the *Lead Transformation Officer* responsible for the Transformation Program is hired, and a detailed review of the Transformation Roadmaps is completed, an updated financial forecast will be provided, as required.

# LU Transformation Program – Total Budget by Phase

## One-time costs (Low range)

Workstream	One-Time Costs – Low Band (in CAD millions)					Total
	Phase 0 – Mobilize	Phase 1 – Analyze	Phase 2 – Design	Phase 3 – Implement	Phase 4 – Stabilize	
Information Technology	0.3	3.1	1.2	6.7	0.4	11.6
Finance	0.0	1.0	4.6	2.7	1.2	9.5
Human Resources	0.0	1.7	1.5	4.4	1.2	8.8
RSSA	0.2	0.6	0.7	1.3	0.2	3.1
<b>Sub-Total by Phase</b>	0.5	6.5	8.0	15.2	2.9	<b>\$33.1M</b>
<b>Add: Program Governance and Change Management</b>	-	1.8	2.2	1.8	1.9	<b>\$7.7M</b>
<b>Sub-Total Transformation Costs</b>	0.5	8.3	10.2	17.0	4.8	<b>\$40.8M</b>
<b>Add: Contingency (15%)</b>	<b>\$8.8M</b>					<b>\$6.1M</b>
<b>Total Transformation Costs</b>						<b>\$46.9M</b>

Year 1 - Implementation  
2024/2025

**TOTAL TRANSFORMATION Program costs** are estimated to be between **\$32.5M and \$46.9M (low band)** over 4-5 years

The mix of internal vs. external resources will significantly change the total cost of the Program. As a guiding principle, the Program will aim to develop/train internal resources to implement, maintain, and continuously improve processes and tools.

### MCU – 5-Year Financial Projections (2023-24 Budget)

- Operating – Extraordinary Items \$29.3
- IT Capital renewal \$ 3.2

**\$32.5 M**

### NOUS Group Report (Jan. 2022)

Estimates **\$26.0 to \$32.5M**

# Laurentian University – *Risk Assessment*

- Top risks have been identified - these will impact the total cost of the Program and LU's ability to successfully implement the Transformation Plan. A number of the identified risks are associated with the difficulties recruiting talent to fill critical roles, internal capability/ability to change, workforce stability, and attempting to do system implementation in-house.
- A disciplined approach focus on priorities, and using a structured Program Management methodologies to implement the Transformation Plan will be critical. Monitoring and addressing the risks with mitigation strategies will be key to our success.
- Communications/Change Management – Broad Employee/Stakeholder engagement will also be very important, also as working collaboratively with the Transformation Consulting Group.

# Laurentian University – *Our Transformation Journey*

## Next steps

**Setting up the Transformation Implementation Office (TIO)** - building the team, that will work directly with the members from each of the four workstreams, along with supporting resources – **Recruitment of the Lead Transformation Officer is under way.**

As required by the University's *Plan of Arrangement*, the TIO will be supported by a third-party through the Plan Implementation – Deloitte.

Together, we will be prioritizing tasks outlined in the Plan, and overseeing the delivery of each milestone within established timelines. As we progress through implementation, we look forward to continuing to work with our employee group/labour partners, and all key stakeholders.

# Questions



**Laurentian** University  
Université **Laurentienne**

Thank you – Merci – Miigwech



BOARD EXECUTIVE SUMMARY

**Board of Governors**

<b>Agenda Title</b>	Laurentian University – 2024-25 Budget
<b>Agenda Item No.</b>	5.6
<b>Date of Meeting</b>	April 26, 2024
<b>Open/Closed session</b>	Open
<b>Action Requested</b>	<input checked="" type="checkbox"/> For Approval <input type="checkbox"/> For Information
<b>Proponent</b>	Sylvie Carole Lafontaine, Vice-President, Finance and Administration
<b>Presenter(s)</b>	Sylvie Carole Lafontaine, Vice-President, Finance and Administration Normand Lavallée, Associate Vice-President, Financial Services Louise Tremblay-Croxall, Director, Planning & Budgeting

**1. PURPOSE**

To review Laurentian’s 2024-25 Budget and recommend to the Board of Governor its approval, as presented at the meeting of April 26, 2024.

**2. SYNOPSIS**

Following emergence from the protection of the *Companies’ Creditors Arrangement Act* (CCAA) on November 28, 2022, Laurentian is presenting its second budget after engaging in discussions with various budget holders. This process began in the fall of 2023, with input and discussions with faculty and staff about priorities and financial pressures. These discussions were influenced in part by the CCAA *Plan of Compromise and Arrangements* as well as the Exit Loan Agreement, which contain specific requirements, financial restrictions and covenants.

The Consolidated 2024-25 Budget presented to the Committee includes operating, ancillary, capital, and research activities, and was prepared with the goal of stabilizing the University’s operations and to address immediate capacity challenges while supporting the strategic priorities and implementation of the operational Transformation Plan.

In addition to the Consolidated Budget, the University is also providing an Operating Budget, which is prepared on a different basis than for financial statement reporting for not-for-profit organizations (accrual basis). The major differences relate to the consolidation of related party operations and recognition of certain transactions.

**3. RESOLUTION TO CONSIDER:**

THAT the Board of Governors approve the 2024-25 Budget, as recommended by the Finance and Property Committee, and as presented at its meeting of April 26, 2024.

#### 4. RISK ANALYSIS

Please note below the specific institutional risk(s) this proposal is addressing.	
<input type="checkbox"/> Enrolment Management	<input type="checkbox"/> Relationship with Stakeholders
<input type="checkbox"/> Faculty and Staff	<input type="checkbox"/> Reputation
<input checked="" type="checkbox"/> Funding and Resource Management	<input type="checkbox"/> Research Enterprise
<input type="checkbox"/> IT Services, Software and Hardware	<input type="checkbox"/> Safety
<input type="checkbox"/> Leadership and Change	<input type="checkbox"/> Student Success
<input type="checkbox"/> Physical Infrastructure	

#### 5. RECOMMENDATIONS

That the Board of Governors approve of Laurentian's 2024-25 Budget, as presented at its meeting of April 26, 2024.

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##### A Background/Issue Description

On February 1, 2021, Laurentian filed for and received protection under the CCAA, and worked to prepare a Plan of Compromise and Arrangement, which became effective on November 28, 2022. During that time, the University operated under the supervision of a Court appointed Monitor and with restricted spending. Finances were managed though Monitor controlled expenditures and weekly cash flow reporting. Formal budgets for the fiscal years 2021-22 and 2022-23 were not prepared. Starting fiscal 2023-2024, a new budgeting and planning process was initiated resulting in the 5-year Financial Projections filed with the Ministry of Colleges and Universities.

The 2024-25 budget process followed a similar process as the 2023-24 process, whereas discussions with managers, focused primarily on critical priorities and expenditures, as the University does not yet have in place an activity-based budgeting model (e.g., Responsibility Centre Management Model) necessary to allocate revenues and expenses to faculties and administrative departments.

##### B Alignment with the University Strategic Plan and Operational Transformational Plan

The operating priorities for 2024-25 are still influenced in part by the CCAA restructuring, which created critical capacity issues in many areas of the University's operations. The priorities were also framed by the *Plan of Compromise and Arrangements* and the Exit Loan Financing, which set financial restrictions on resource management. In addition, the new Ministry of Colleges and Universities (MCU) Accountability Framework which adds reporting metrics on Financial Health and have been taken into consideration.

The University has a new approved Strategic Plan and an approved Operational Transformation Plan that include key objectives and priorities to invest in critical academic, research, and administrative support in order to ensure the University meets its bilingual and tricultural mandate and achieves its strategic goals.

##### C Other options considered (where applicable):

None



**D Risks including legislative compliance**

Legislative Compliance	
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**E Financial Implications (where applicable):**

For 2024-25, Laurentian expects to generate Excess Revenues over Expenses of \$0.5 million, with revenues of \$201.7 million and expenses of \$201.2 million. This compares to an Excess Revenues over Expenses of \$(2.9) million per the 5-year Financial Plan submitted to the Ministry of Colleges and Universities (MCU) last fall as part of the Exit Loan Financing. Excluding extraordinary items such as restructuring costs, the University projects Excess Revenues over Expenses of \$8.2 million for the fiscal year 2024-25.

**F Benefits**

Budgeting’s primary purpose is to support management in successfully implementing its strategies as well as in planning and controlling its operational measures. Once adopted, a budget authorizes the consumption of resources up to specified amounts in order to execute those action plans.

**G Consultations (where applicable)**

The planning and budgeting process started in the fall of 2023. Consultations with key stakeholders are an important part of the planning and budgeting process. Three planning meetings were held with budget managers from faculties and administration (+40 managers), including representatives from Laurentian University Faculty Association (LUFA), Laurentian University Staff Union (LUSU) and Laurentian University Administrative and Professional Staff Association (LUAPSA), to discuss ongoing challenges and priorities. These meetings also served to inform managers about the fiscal framework governing Laurentian’s planning and budgeting process, more specifically the conditions and obligations of the *Plan of Compromise and Arrangement* and *Exit Loan Financing* financial covenants.

**H Communications Plan**

Once the 2024-25 Budget is approved by the Board of Governors, it will be presented to the Ministry of Colleges and Universities (MCU), and formal presentation of the approved budgets to Budget holders – Faculties and administration staff.

**I Next Steps**

Following Board approval, the approved budgeted resources will be allocated to Faculties and Departments within the University’s financial systems effective May 1, 2024.

**J Appendices**

- Item 5.6 A - Appendix 1 – Presentation to Board Finance and Property Committee - 2024-25 Budget
- Item 5.6 B - Appendix 2 – 2024-25 Budget Report



# Board Finance and Property Committee

## 2024-25 Budget

April 26, 2024



## Aki Gaabijidebendaagwak

*We'd like to begin our meeting today by acknowledging the Robinson-Huron Treaty of 1850.*

*We also further recognize that Laurentian University is located on the traditional lands of the Atikameksheng Anishnawbek and that the Greater City of Sudbury also includes the traditional lands of the Wahnapiitae First Nation.*

*We extend our deepest respect to all Indigenous peoples. As a sign of our continued relationship we will support Laurentian University's Truth and Reconciliation Task Force Recommendations. Miigwech.*

# 2024-25 Planning Process



## Planning Theme

*To address critical staffing and operational needs – continuing the rebuilding of a solid foundation focused on Strategic Plan priorities, compliance and financial sustainability*

## Process

- Planning meetings held with budget managers and labour partners – Fall 2023/Winter 2024
- Continued process started last year budget cycle - templates and instructions developed to assist budget managers – broader engagement/budget accountability
- Executive full-day budget review held on March 14th and 22nd
- 2024-25 Budget presenting to Finance & Property Cttee on April 22, and for approval to Board of Governors on April 26, 2024

# Planning Factors



- Alignment of Budget Priorities to the Strategic Plan
- Transformation Program – balancing day-to-day
- *Plan of Compromise and Arrangement* (e.g., sale of assets)
- Exit Loan Financing requirements (e.g., financial covenants)
- MCU Financial Accountability Framework – ratio monitoring
- Senior Executive Recruitment – Update
- Ontario Tuition Fee Framework 2024-27

# 2024-2025 Key Assumptions



## Revenues

- Enrolment change – Total increase of 124 students over current year forecast
  - Domestic +274
  - International -150
- Tuition Fees:
  - Domestic Fees - No increase / Out-of-Province +3%
  - International Fees +3%
- Government Funding: stable due to CCAA funding protection +\$2.3M (enrolment corridor & SMA performance)
- Other Income: Favorable investment income \$5.6M, increase of \$1.4M over 2023-24 budget

## Expenses

- Salaries and Benefits – Salary increases, filling vacant positions, progress through the ranks, and new positions
- FTE increases of 64.10 (Academic 33.9, Academic Support 16.8, Administration 12.9, Ancillary 0.5)
- Non-salary cost increases of between 2-5%
- Others: restructuring & transformation costs, deferred maintenance, deferred contributions (cash basis), interest expense (Exit Loan Agreement), Infrastructure Ontario leasing agreement

*More details available per attached Appendix C - Budget Assumptions*

# Enrolment Projections

– based on Official Fall 2023 Enrolment



Student FTEs	Budget 23-24	Actuals 23-24	Budget 24-25	Projected 25-26	Projected 26-27	Projected 27-28
			<b>Planned Enrolment in the 2023-24 Budget (MCU)</b>			
Domestic Undergrad	4,273		4,266	4,246	4,384	4,384
Domestic Graduate	561		558	587	659	659
<b>TOTAL Domestic</b>	<b>4,834</b>	<b>-</b>	<b>4,824</b>	<b>4,833</b>	<b>5,043</b>	<b>5,043</b>
International Undergrad	229		211	219	234	234
International Graduate	555		528	487	472	472
<b>TOTAL International</b>	<b>784</b>	<b>-</b>	<b>739</b>	<b>706</b>	<b>706</b>	<b>706</b>
<b>TOTAL Student FTEs</b>	<b>5,618</b>	<b>-</b>	<b>5,563</b>	<b>5,539</b>	<b>5,749</b>	<b>5,749</b>

Student FTEs			<b>Revised Enrolment based on 23-24 Actuals</b>			
Domestic Undergrad	4,273	4,423	4,644	4,644	4,644	4,644
Domestic Graduate	561	524	576	576	576	576
<b>TOTAL Domestic</b>	<b>4,834</b>	<b>4,947</b>	<b>5,221</b>	<b>5,221</b>	<b>5,221</b>	<b>5,221</b>
International Undergrad	229	266	266	266	266	266
International Graduate	555	1,084	934	934	934	934
<b>TOTAL International</b>	<b>784</b>	<b>1,350</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
<b>TOTAL Student FTEs</b>	<b>5,618</b>	<b>6,297</b>	<b>6,421</b>	<b>6,421</b>	<b>6,421</b>	<b>6,421</b>

<b>Increase / (Decrease) in Student FTE Projections</b>			<b>Incr / (Decr) over 23-24 Budget sent to MCU</b>			
Domestic Undergrad			378	398	260	260
Domestic Graduate			18	(11)	(83)	(83)
<b>TOTAL Domestic</b>			<b>397</b>	<b>388</b>	<b>178</b>	<b>178</b>
International Undergrad			55	47	32	32
International Graduate			406	447	462	462
<b>TOTAL International</b>			<b>461</b>	<b>494</b>	<b>494</b>	<b>494</b>
<b>TOTAL Change</b>			<b>858</b>	<b>882</b>	<b>672</b>	<b>672</b>



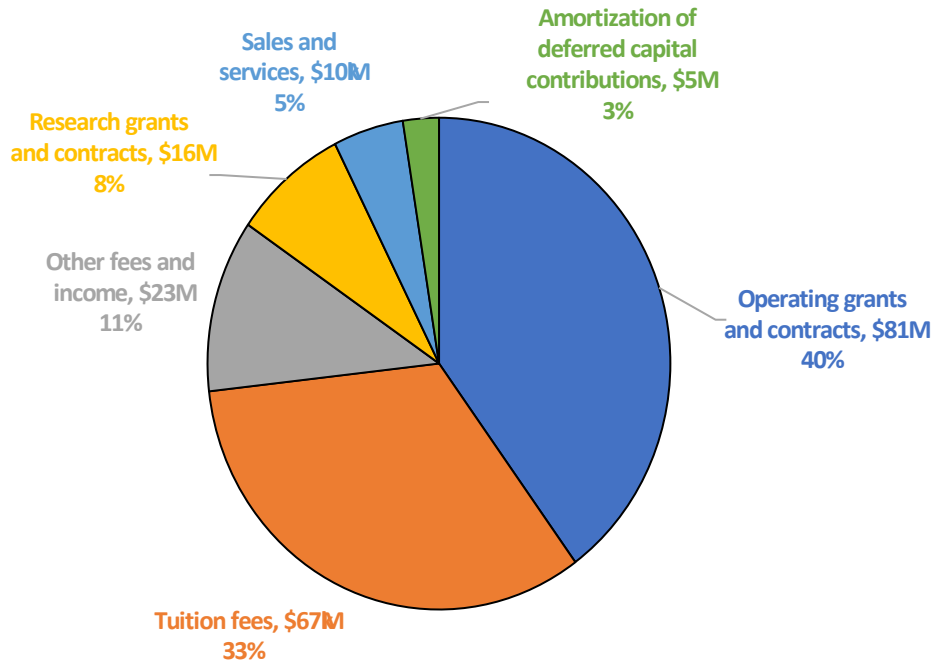
# 2024-2025 Consolidated Budget



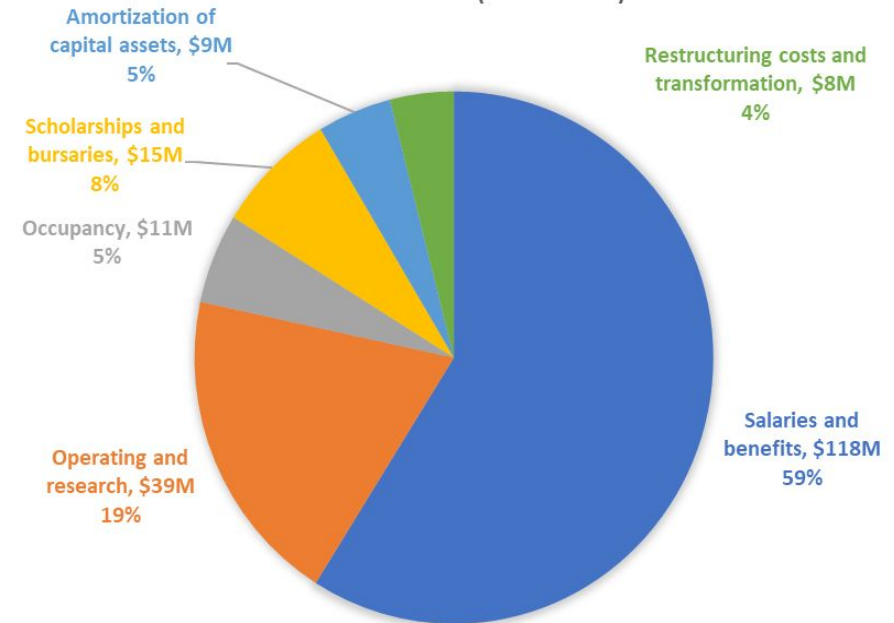
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2024-25 CONSOLIDATED REVENUES (IN MILLIONS)



2024-25 EXPENSES (IN MILLIONS)



# Consolidated Budget Summary (in thousands)



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	2023-24 Forecast	2024-25 Budget	2025-26 Projection	2026-27 Projection	2027-28 Projection
<b>Revenue:</b>					
Operating grants and contracts	\$ 81,025	\$ 80,643	\$ 80,410	\$ 80,451	\$ 80,451
Tuition fees	69,103	67,002	67,802	68,575	69,371
Other fees and income	22,219	22,921	20,406	19,718	19,131
Research grants and contracts	13,849	16,187	16,498	16,764	16,764
Sales and services	10,413	9,907	10,367	11,046	10,367
Amortization of deferred capital contributions	5,316	5,050	2,289	2,175	2,393
Gain on sale of assets	--	--	34,700	--	--
	201,925	201,710	232,472	198,729	198,477
<b>Expenses:</b>					
Salaries and benefits	102,680	118,742	122,380	125,911	130,347
Operating and research	30,646	39,150	38,184	31,875	31,610
Occupancy	10,939	11,011	11,237	11,471	12,211
Scholarships and bursaries	14,677	15,262	14,716	13,338	13,386
Amortization of capital assets	9,795	9,305	7,079	6,939	6,816
	168,737	193,470	193,596	189,534	194,370
Excess of revenue over expenses before other items	<b>33,188</b>	<b>8,240</b>	<b>38,876</b>	<b>9,195</b>	<b>4,107</b>
Restructuring costs, CCAA, TRANSFORMATION Recovery from CCAA	(4,400)	(7,700)	(7,700)	(6,200)	0
Surplus (Deficiency) of revenue over expenses	\$ 28,788	\$ 540	\$ 31,176	\$ 2,995	\$ 4,107

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# Consolidated Loan Covenants - Ratios



	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection	2027-28 Projection
<b>Financial Ratios per Loan Covenants:</b>					
i) NET INCOME/LOSS RATIO (MIN. 1.5% starting 2027-28)	14.26%	0.27%	13.41%	1.51%	2.07%
ii) PRIMARY RESERVE RATIO (MIN. 30 DAYS starting 2025-26)	88	61	107	102	95
iii) IN YEAR EXCESS OF REVENUE >0 starting 2027-28)	28,788	540	31,176	2,995	4,107
iv) EXPENDABLE NET ASSETS >0 starting 2025-26)	40,543	32,287	56,940	52,872	50,596
v) DEBT COVERAGE RATIO > 1:1 starting 2023-24	9.33	1.34	10.08	2.17	2.39
vi) NET OPERATING REVENUE (MIN. 5%, starting 2027-28)	16.47%	2.38%	0.54%	3.90%	4.30%
Interest Burden Ratio	1.32%	1.09%	1.03%	0.99%	0.99%
VIABILITY RATIO (MIN. 30%)	118.60%	98.17%	186.53%	183.67%	186.95%
				Covenant met	
				Outside of covenant	

# Consolidated Budget

## - MCU Financial Sustainability Ratios



	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection	2027-28 Projection
<b>Financial Ratios for accountability framework</b>					
<b>Liquidity</b>					
Primary Reserve Ratio (Days) (Medium 90, High 30)	88	61	107	102	95
Working Capital Ratio (Medium 1.25, High 1)	3.29	2.14	3.15	3.11	3.09
<b>Sustainability</b>					
Viability Ratio (medium 60%, high 30%)	118.60%	98.17%	186.53%	183.67%	186.95%
Debt Ratio (Medium 35%, High 55%)	28.90%	28.67%	20.05%	19.53%	19.02%
Debt to Revenue Ratio (Medium 35%, High 50%)	16.31%	15.56%	12.79%	14.08%	13.24%
Interest Burden Ratio (Medium 2% High 4%)	1.29%	1.05%	0.99%	0.96%	0.99%
<b>Performance</b>					
Net Income\Loss Ratio ( Medium 1.5%, High 0%)	14.26%	0.27%	13.41%	1.51%	2.07%
Net Operating Revenues (Medium 7%, High 2%)	16.47%	2.38%	0.54%	3.90%	4.30%

Lower than range

In Range

Higher than range



# \* Operating Budget

(Non-Consolidated)

# Operating Budget Summary

(in thousands 000's)



(\$000)	2023-2024 Budget	2024-2025 Budget	2025-2026 Projections	2026-2027 Projections	2027-2028 Projections
Government Grants (incl. MCU support)	81,705	80,643	80,410	80,451	80,451
Tuition Fees	55,603	67,822	68,647	69,420	70,216
Other Income (incl. MCU CCAA support)	11,530	14,169	12,250	12,161	11,575
<b>Total Revenue *</b>	<b>148,839</b>	<b>162,634</b>	<b>161,307</b>	<b>162,032</b>	<b>162,242</b>
Salaries and Benefits	93,902	103,024	107,134	112,305	116,709
Scholarships & Bursaries	7,501	7,500	7,610	7,671	7,719
Operating Expenses	21,784	30,919	30,242	25,249	25,387
Others	11,337	12,192	12,362	12,538	12,688
<b>Total Expenses **</b>	<b>134,525</b>	<b>153,635</b>	<b>157,348</b>	<b>157,762</b>	<b>162,502</b>
<b>Operating Surplus - Direct Operating Fund</b>	<b>14,314</b>	<b>8,999</b>	<b>3,959</b>	<b>4,270</b>	<b>(261)</b>

\* Excludes research revenue and amortization of deferred capital contributions

\*\* Excludes research expenses, restructuring costs, debt service, and amortization

# Budgeted Revenues



Operating Revenue	2023-2024 Budget (\$000)	2024-2025 Budget (\$000)	Variance (\$000)	Explanations
Government Grants	80,705	80,643	-62	Unchanged from previous year's budget
Tuition Fees	55,603	67,822	12,219	Increase in international student enrolment
Interest Income	7,330	8,569	1,239	Increase in interest revenues
Misc. & Others	4,200	5,600	1,400	Various fees increase including increase in volume for online courses
<b>Total Revenue</b>	<b>148,839</b>	<b>162,634</b>	<b>13,795</b>	



# Budgeted Expenses



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Operating Expenses	2023-2024 Budget (\$000)	2024-2025 Budget (\$000)	Variance (\$000)	Explanations
Salaries and Benefits	93,902	103,024	9,122	Filling of vacant positions, salary increases, progress through the ranks, new positions
Scholarships & Bursaries	7,501	7,500	-1	Consistent with prior year
Operating Expenses	21,784	30,919	9,135	Impact of revenue sharing, implementation of carry forward policy, payment of leases for sale of properties to MCU
Occupancy Costs	7,770	8,624	854	Inflationary increases
Debt Repayment	3,567	3,567	0	Stable annual payment to MCU
<b>Total Expenses</b>	<b>134,525</b>	<b>153,635</b>	<b>19,109</b>	
<b>Operating Surplus</b>	<b>14,314</b>	<b>8,999</b>	<b>-5,315</b>	



# Recommendation

## To Approve the 2024-25 Budget



# Appendix – Budget Report



Questions?



**Laurentian**University  
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# **Laurentian University**

2024-25 Budget

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## INTRODUCTION

The 2024-25 planning and budgeting process followed a similar process to the one initiated in 2022 after the emergence from the protection of *Companies' Creditors Arrangement Act* (CCAA). We also leveraged the Strategic Planning process that received input from the Board of Governors and discussions with faculty and staff about priorities and operational pressures. All these engagement activities helped align the operational budget priorities.

As part of its *Plan of Compromise and Arrangement*, the University completed the development of a multi-year *Operational Transformation Plan* that received the approval from the Board of Governors on November 1, 2023. The implementation of the *Transformation Plan* will deliver a comprehensive restructure of Laurentian's administrative processes, systems, and structure to improve the student experience and better support the academic and research mission. The University also launched its new Strategic Plan – *for Connection, Innovation and Impact*. As a result of these two initiatives, the University plans to focus new spending on these key strategic priorities.

## PLANNING PROCESS

The 2024-25 planning process started in the fall of 2023, with a Planning Framework and priorities presented to the Board Finance and Property Committee. Consultations with stakeholders are an important part of the budget planning process, and three planning meetings were held with budget managers from faculties and administration (+40 managers), including labour representatives from LUFA, LUSA and LUAPSA, to discuss ongoing challenges and priorities. These meetings also served to inform managers about the fiscal framework governing Laurentian's planning and budgeting process, more specifically the conditions of the *Plan of Compromise and Arrangement* and Exit Loan Financing. The loan agreement contains certain conditions and restrictions that sets boundaries on the University's resources management. As part of the Exit Loan Financing, the University provided the Ministry of Colleges and University (MCU) a five-year Financial Plan covering the period 2022-23 to 2026-27 that served as the guide to prepare the 2024-25 Budget.

The Consolidated Budget includes financials for operating, ancillary, capital, and research activities, and was prepared with the goal to continue the stabilization of the University's operations, address immediate capacity challenges, and initiate the strategic rebuilding of a financially sustainable institution. The budget discussions with managers focused primarily on the critical spending priorities, as the University does not yet have an activity-based budgeting model (e.g., Responsibility Center Management Model), necessary to properly align student enrolment and research revenues and the related expenses to faculties and administrative departments. Implementing such a model has been identified as a priority in Laurentian's Transformation Program.



In addition to the Consolidated Budget, the University is providing an Operating Budget (Appendix B) which is prepared on a different basis than the one used for financial statement reporting for not-for-profit organizations (accrual basis). The major differences between the consolidated and the operating budget relate to the inclusion of related entities in the consolidated budget, such as MIRARCO and SnoLab, and the timing of recognition of certain transactions. For operating budget purposes, revenues are recognized when received and expenses when paid-out once eligibility requirements have been met; debt service payments and capital outlays are recognized as expenses, while depreciation and amortization expenses are not recognized as expenses in the operating budget document.

The operating budget includes the Operating Fund, which represents the resources available for teaching, student services, and academic and administrative support. It is funded by operating grants, tuition fees and other general revenues. The operating budget is divided into budgetary units, and each unit is responsible for the financial management of their department.

The Ancillary Fund represents units that are supportive of Laurentian's academic and research mission but are not directly related to its primary functions. Each ancillary service is required, at minimum, to be financially self-sustaining. This includes units such as Residence Life, Dining Services, and Parking Services. The Ancillary Budget was approved by the Board on February 16 and is included in this 2024-25 Consolidated Budget.

The Capital Fund covers new construction builds, renovations to existing space, deferred maintenance projects and large capital assets that may be funded by government grants, internal resources, and other funding received or designated for such purposes.

The Research Fund includes the receipt of externally restricted research funds, as well as internally designated research funds to support research and scholarly activities. Future funds for which activities are not reflected in the Operating Budget include endowed and special purpose donations.

## **GOALS AND PRIORITIES**

The operating priorities for 2024-25 were influenced in part by the CCAA restructuring, which created critical capacity issues in many areas of the University's operations. The priorities were also framed by the *Plan of Compromise and Arrangements* and the Exit Loan Financing, which sets financial restrictions on resource management. The 2024-25 operating priorities will also support the first year of implementation of the University's Strategic Plan.

The 2024-25 objectives and priorities include investing in critical academic, research, and administrative support to ensure that the University fulfills the obligations of its bilingual and tricultural mandate in Northern Ontario, more specifically:

1. Energizing our academic and research mission by supporting faculty renewal where Laurentian has strength and where there is program and market demand. Consideration

given to re-establishing research depth and breadth which aid in attracting graduate students and postdocs.

2. Becoming the Northern university of choice and continuing to improving student enrolment, retention, and career preparedness through work integrated and experiential learning (e.g., coop programs, internships, student exchange, case competitions)
3. Enhancing our student experience and satisfaction through building strong foundation for student success and well-being.
4. Rebuilding relationships with research funding agencies including the Natural Sciences and Engineering Research Council, Social Sciences and Humanities Research Council, Canadian Institutes of Health Research, Canada Foundation for Innovation, Canada Research Chairs program, Ontario Research Fund, and others, to meet research obligations and attract new funding.
5. Renewing Laurentian's Campus Environment through a refresh of the University Campus Masterplan, including the maintenance, renewal and preservation, and sustainable development of Laurentian's academic, research, athletics, common space, natural assets and IT infrastructure and systems upgrade. The University has developed a 5-year Deferred Maintenance Plan to address critical campus upgrade. Laurentian continues to oversee these delivery of capital projects, of which the Board approves annually a list of projects that amounts to \$8.5 million.
6. Commencing the implementation of the *Transformation Plan* that is an overall transformation of the University's core processes in four key workstreams – Registrar, Students Services and Admissions (RSSA), Human Resources, Finance and IT, as well as, redefining the roles, responsibilities and organizational structure of these services, and providing the supporting systems to be more efficient and effective in the delivery of services.

## **BUDGET ASSUMPTIONS**

Laurentian exited CCAA with significantly diminished capacity and needs to re-invest in its academic and research programs along with administrative support. The MCU 5-year Financial Plan prepared as part of the Exit Loan Financing provides a roadmap of the University's financial path in the coming year and sets a baseline for budget assumptions.

Budget discussions for 2024-25 centered around the actual 2023-24 growth in enrolment and the expected increased enrolment that can support additional expenditures in key areas of the University. Revenues are expected to be favorably impacted by better-than-expected enrolment

post-CCAA, including increased demand from international students for graduate course-based programs. Concerning tuition fees, the MCU Tuition Fee Framework (TFF) for 2024-25 extends the existing tuition fee freeze for domestic students and provides flexibility to increase tuition fees for domestic out-of-province students up to 5%. The TFF also provides universities with the option to increase tuition fees for certain programs with lower-than-sector-average tuition rates, applicable to first-year incoming students and subject to approval by MCU.

Laurentian plans to increase out-of-province tuition fees by 3% for 2024-25, and have program specific increases for such programs as engineering, computer science, and MBA, starting in 2024-25. International tuition fees are planned to increase by 3%. Laurentian's approach to tuition fees will be part of the development of the Academic Plan and the Research Plan discussions to be held in 2024-25 to position Laurentian well in the future in those strategic priority areas.

Other budget assumptions include:

- New positions of 64.10 FTEs (33.90 for Academic and 30.20 FTE for Academic Support, Other Academics, Administration, and Ancillary)
- Non-salary cost increases of between 2-5%
- Others: restructuring & transformation costs of \$7.7 million, deferred maintenance expenditures of \$8.5 million (deferred maintenance, facility renewal & ancillary renewal (Appendix B), pre-CCAA deferred contributions funding of \$6.0 million (distribution pool), interest income of \$5.6 million and interest expenses of \$2.0 million (Exit Loan Financing)

## **STUDENT ENROLMENT PROJECTIONS**

Budgeted total student enrolment in 2024-25 represents 6,421 Full Time Equivalent (FTEs), a small increase over the 2023-24 actuals of 6,297 however, this represents an increase of 803 FTEs over what was estimated in the MCU Financial Plan. The enrolment estimates are based on the most current data available as of March 1, 2024. Refer to Appendix D for details.

### New International Students - Projections

The number of international students is estimated to decline by 150 FTE students. Over 88% of Laurentian's international students are graduate students.

While there is still a significant level of uncertainty on the international student visa process and its impact on the number of applicants, Laurentian believes that given the higher proportion of graduate students, the cost should be minimal for 2024-25. However, starting the following year in 2025-26, we will be monitoring the situation very closely and have used conservative enrolment assumptions by keeping the number of FTE students the same as the 2024-25 budget.

## CONSOLIDATED RESULTS

### Statement of Operations

For 2024-25, Laurentian expects to generate Excess Revenues over Expenses of \$540 thousands with revenues of \$201.7 million and expenses of \$187.8 million. This compares to the budgeted 2024-25 Deficit of Expenses over Revenues of (\$2.9) million in the MCU 5-year Financial Projections submitted last Fall, as part of the Exit Loan financing agreement.

Excluding the extraordinary items such as restructuring costs, prior CCAA deferred contributions, and renewal costs, the University projects for 2024-25 to realize Excess Revenues over Expenses of \$8.2 million compared to the 2023-24 forecast of \$33.2 million.

#### Consolidated Statement of Operations - Summary

	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
	<i>Forecast</i>	<i>Budget</i>	<i>Projection</i>	<i>Projection</i>	<i>Projection</i>
Revenues	\$ 201,925	\$ 201,710	\$ 197,772	\$ 198,729	\$ 198,477
Expenses	\$ 159,993	\$ 187,788	\$ 188,930	\$ 189,534	\$ 194,370
Restructuring & CCAA Costs	\$ 13,144	\$ 13,382	\$ (22,334)	\$ 6,200	\$ -
Excess Revenue over Expenses	\$ 28,788	\$ 540	\$ 31,176	\$ 2,995	\$ 4,107

*Note: 2025-26 restructuring & CCAA costs include gain of sale of designated assets*

## CONSOLIDATED REVENUE

### Operating Grants and Contracts

For Laurentian, combined Government core and performance grants are expected to stay relatively stable during the planning period. Although the University would expect to see a reduction in core grants due to the lower enrolment projections, MCU's commitment to provide enrolment corridor and performance protection to Laurentian in the coming years, to a maximum of \$22.0 million, will offset that shortfall. Operating grants and contracts are budgeted at \$80.6 million and include \$2.3 million from the MCU grant protection commitment. Year-over-year, the Grants and Contracts are relatively the same but lower by \$0.4 million.

## **Tuition Fees**

MCU released its 2024-25 tuition framework for domestic students last March. Domestic tuition fees for Ontario students will continue to be frozen, but out-of-province fees can be increased by a maximum of 5%. The Ministry also provided universities the option to increase domestic tuition fees for programs with lower than sector average fees for a maximum of three programs, and subject to Ministry approval. The increases would be for first-year incoming students and would be capped at 7.5% per year. Laurentian was approved to increase fees for Computer Science, Engineering, and the Master of Architecture beginning in 2024-25. For 2024-25, the University is also proposing a 3% increase in tuition fees for domestic out-of-province students, which would bring the differential with Ontario students to 10%. The University is looking at increasing international tuition fees by 3% for most programs. International tuition fees are not part of the Provincial Tuition Fee Framework and are subject to market factors. In determining international fees, the University benchmarks its fees from the Ontario university sector, including institutions of a similar size.

Budgeted tuition revenues for 2024-25 amount to \$67.0 million compared to a forecast of \$69.1 million in 2023-24. The higher tuition revenue includes fee increases (mostly international) and higher expected enrolment.

## **Research Grants and Contracts**

Revenue for research grants and contracts are recognized as revenue in the year in which the related expenses are incurred. It is assumed both the research revenue and related expenses (research salaries and benefits, and research non-operating expenses) are constant throughout the forecast period. Budgeted research grants and contracts for 2024-25 total \$16.2 million compared to \$13.8 million in the previous year, and include \$4.1 million associated with pre-CCAA deferred research grants and contracts.

On April 30, 2023, deferred research grants and contracts amounted to \$ 37.3 million. This liability represents unspent research grants, of which \$30.5 million relates to funds received prior to the February 2021 CCAA filing, which became potentially subject to compromise. Back in December 2020, the University set-up separate bank accounts to hold future restricted contributions but before that date, contributions were deposited in the operating bank account and have been used for other purposes. The University continues to assess the funding of the programs and activities to which these deferred contributions relate, and in 2024-25 plans to fund \$3.2 million from research and \$1.8 million from other pre-December 2020 deferred contributions. Expenses are recorded in the year incurred and associated deferred contributions revenues recognized to match the expenses.

## **Amortization of Deferred Capital Contributions**

Deferred capital contributions represent the unspent and unamortized amount of donations and grants received for the purchase of capital assets, which are amortized over the life of the assets. On April 30, 2023, total unspent and unamortized capital contributions were \$123.5

million and with \$5.1 million amortized to revenue in 2023-24. In 2024-25, the University has budgeted \$5.0 million in amortization for deferred capital contributions and \$9.3 million for amortization of capital assets.

### **Ancillary Operations**

Sales and Services represent the University's ancillary operations, which cover Housing, Food and Campus Services, Parking, and Print Hub. Ancillary units are expected to generate sufficient revenue to cover their operating and capital costs (deferred maintenance). In addition, they should maintain operating reserves to cover contingencies. Laurentian's 2024-25 Ancillary Budget was approved by the Board on February 16, and shows total revenue of \$9.9 million, operating expenses of \$6.5 million, and \$2.0 million for deferred maintenance projects for a budgeted Excess of Revenue over Expenses of \$1.5 million. This compares with a projected surplus of \$1.6 million in 2023-24.

### **Other Fees and Income**

Other Fees and Income represent administration fees, realized restricted contributions for scholarships and bursaries, compulsory fees, sponsored students, investment income, and other items. The 2024-25 Budget for these items represents \$20.9 million, an increase of \$0.7 million over 2023-24 forecasted fees and income of \$22.2 million.

## **CONSOLIDATED EXPENSES**

### **Salaries and Benefits**

Budgeted salaries and benefits in 2024-25 amount to \$119.0 million, compared to \$103.0 in the 2023-24 forecast. The increase of \$16.0 million comes from salary increases, filling vacant positions, progress through the ranks, and new positions. Appendix D provides details on the new academic and non-academic positions.

### **Operating and Research Expenses**

At \$39.2 million, budgeted operating expenses are \$8.5 million higher than in the 2023-24 forecast. Operating expenses represent costs associated with supporting academic and research activities and include faculty operations and administrative support, library services, information technology, insurance, legal, audit, and consulting, amongst others. 2024-25 operating and research expenses see the following largest increases:

- Investments in Information Technology (\$2.6 million) to address IT security, computer renewal, and software support cost increases;
- Agent Fees (\$0.8 million) to fund international recruitment activities;
- Domestic Recruitment & Marketing (\$1.0 million);
- Other increases related to library, campus safety, insurance, legal, etc.

Research and Non-Operating Expenses include pre-December 2020 deferred contributions related to funding unspent research grants potentially subject to compromise.

### **Ancillary Operations**

Operating expenses of \$4.7 million budgeted for 2024-25 compared to \$4.0 million for the 2023-24 forecasted expenses and related to general annual cost increases.

### **Occupancy**

Occupancy costs primarily include expenses related to utilities (heat, hydro, water), municipal taxes, cleaning, space rental, building maintenance (excluding deferred maintenance projects). Occupancy expenses are projected to be \$11.0 million in 2024-25, compared to \$10.9 million in the 2023-24 forecast. The small increase relates to the ongoing inflationary costs of maintaining the campus facilities.

### **Scholarships and Bursaries**

Scholarships and Bursaries from Operating represent grant and tuition funded student support and including tuition set aside for bursaries and graduate scholarships amongst others. Scholarships and Bursaries from Research, Endowment and Donations are budgeted at \$15.3 million in 2024-25, up from \$14.7 million in the 2023-24 forecast and include pre-CCAA deferred contributions and increased endowment revenue distribution.

### **Amortization of Capital Assets**

Capital assets are amortized on the straight-line basis over their estimated useful lives as follows: Buildings 40 years, Equipment and furnishings 7 years, and Site improvements 15 years. Construction in progress is not amortized until the project is complete and the facilities are put in use. Budgeted amortization of capital assets represents \$9.3 million for 2024-25 compared to \$9.8 million forecasted for 2023-24

### **Transformation & Restructuring Costs**

During the CCAA proceeding, Laurentian agreed to undertake an operational and governance review. The goal of that review was to identify opportunities for increased efficiency and effectiveness of the Board and Senate as well as to assess Laurentian's internal operations, including, among other things, the finance, human resources, risk, compliance, and information technology departments. The consultant's report was issued in January 2022, and included an assessment of the strategies, service delivery models, structures, processes, systems, and capabilities of key administrative functions and a high-level summary of the work required to bring these operational functions up to a base level of efficiency and effectiveness.

The consultant estimated that the cost of such a transformation would range between \$26.0 million to \$32.5 million over three years, with additional estimated annual continuous improvement costs of \$2.0 - \$3.0 million each year thereafter. The 2024-25 Budget includes \$7.2 million in operating expenses for Transformation, and \$0.8 million in capital spending.



### **CCAA related costs**

The 2024-25 Budget includes CCAA restructuring costs of \$0.5 million and represent the fees and expenses of counsel to Laurentian, the Monitor and its counsel, independent counsel to the Board of Governors, with respect to the continued administration and implementation of the Plan, including the following: administration of the resolution of Unresolved Claims, negotiation with respect to the Designated Real Estate Assets, distributions to creditors, liaising with and responding to creditor inquiries, and other activities that may be required.

### **CAPITAL BUDGET**

Laurentian plans to invest \$13.3 million for capital projects in 2024-25, made-up primarily of: Facility Renewal and Deferred Maintenance projects worth \$8.4 million (including ancillary operations), and IT infrastructure upgrade and capital transformation of \$2.6 million. Refer to Appendix B.

### **CHANGE IN ASSETS AND LIABILITIES**

The University's 2024-25 budget shows expendable net assets of \$30.8 million, lower than the 2023-24 projections of \$39.1 million, and with the main difference being the funding of capital assets through funds of the University. Laurentian plans to finish the year with cash and short-term investments of \$162.6 million compared to \$137.3 million in 2022-23.

### **Assets available for Sale**

The University has identified that as part of the Plan of Compromise and Arrangement, it would sell certain real estate assets to the Province for \$53.5 million. This arrangement is contained in a Term Sheet approved by the Government. As a result, these assets will be considered "Assets held for sale" when the actual sale occurs within one year of a fiscal year end. The University does expect to complete the sale of some of these assets in 2024-25. The total gain of \$34.7 million is currently projected to be realized in 2025-26.

### **Deferred Contributions**

In 2022-23 Deferred Contributions amounted to approximately \$17.8 million. Deferred contributions represent external contributions restricted for research and other expenditures to be incurred in subsequent fiscal years and consist of research grants, other grants and contracts, and scholarship and bursaries. In December 2020, the University established separate bank accounts to hold future contributions received for restricted purposes. Previously, contributions received for restricted purposes were deposited in the operating bank account and amounted to \$30.5 million at April 2022. The pre-December 2020 deferred contributions related to unspent research grants without corresponding funding and potentially subject to compromise. As a result of the CCAA process, the University continues to assess the funding of the programs and activities to which these deferred contributions relate to and expects to fund during



2024-25 \$5.0 million of the pre-December 2020 deferred contributions (\$3.2 million for research and \$1.8 million for others such as the Goodman School of Mine donation).

### **Ministry of Colleges and Universities (MCU) Loan Financing**

On October 21, 2022, the University finalized its Loan Agreement with the Provincial Government to obtain \$35.0 million to refinance its Debtor in Possession (DIP) Facility on implementation of the CCAA Plan. The term of the agreement requires the repayment of interest and principal over a 15-year period. In 2024-25, total debt payment will amount to \$3.6 million, including principal of \$2.0 million and interest of \$1.6 million. The Loan Agreement is subject to various terms and conditions including financial covenants, which will influence the University management of financial resources for the term of the Agreement. The outstanding principal at the end of April 2025 will be \$31.4 million.

## Appendix A – Consolidated Statements

<b>LAURENTIAN UNIVERSITY OF SUDBURY</b>					
Consolidated Projected Statement of Financial Position (thousands of dollars)					
	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>
<b>Assets</b>					
Current assets:					
Cash and short-term investments	\$ 162,618	\$ 157,280	\$ 155,036	\$ 152,716	\$ 151,513
Accounts receivable	14,654	14,654	14,654	14,654	14,654
Asset held for sale	-	43,400			
Prepaid Expenses	4,453	4,453	4,453	4,453	4,453
	181,725	219,787	174,143	171,823	170,620
Accounts receivable	188	188	188	188	188
Investments	49,299	49,299	49,299	49,299	49,299
Capital assets	245,055	205,401	209,635	214,523	218,513
<b>Total assets</b>	<b>\$ 476,267</b>	<b>\$ 474,675</b>	<b>\$ 433,265</b>	<b>\$ 435,833</b>	<b>\$ 438,620</b>
<b>Liabilities, Deferred Contributions and Net Assets</b>					
Current liabilities:					
Short-term loan					
Accounts payable and accrued liabilities	28,842	28,842	28,842	28,842	28,842
Accrued vacation pay	2,470	2,470	2,470	2,470	2,470
Deferred revenue	6,175	6,175	6,175	6,175	6,175
Deferred contributions	17,819	17,819	17,819	17,819	17,819
Payable to Distribution Pool		47,546			
Liabilities subject to the Plan					
<b>Total current liabilities</b>	<b>55,306</b>	<b>102,852</b>	<b>55,306</b>	<b>55,306</b>	<b>55,306</b>
Long-term obligations:					
Payable to Distribution Pool	47,546				
Long term loan	\$ 32,942	\$ 31,386	\$ 29,735	\$ 27,983	\$ 26,275
Employee future benefits liabilities	1,848	1,848	1,848	1,848	1,848
Deferred capital contributions	118,265	117,689	94,300	95,625	96,013
<b>Total long-term liabilities</b>	<b>200,601</b>	<b>150,923</b>	<b>125,883</b>	<b>125,456</b>	<b>124,136</b>
<b>Total liabilities</b>	<b>255,907</b>	<b>253,775</b>	<b>181,189</b>	<b>180,762</b>	<b>179,442</b>
Net assets (deficiency):					
Unrestricted	39,068	30,812	55,465	51,397	49,121
Employee future benefits	(1,848)	(1,848)	(1,848)	(1,848)	(1,848)
Internally restricted	1,475	1,475	1,475	1,475	1,475
Investment in capital assets	134,155	142,951	149,474	156,537	162,920
Endowment	47,510	47,510	47,510	47,510	47,510
<b>Total net assets</b>	<b>220,360</b>	<b>220,900</b>	<b>252,076</b>	<b>255,071</b>	<b>259,178</b>
<b>Total liabilities, deferred contributions and net assets</b>	<b>\$ 476,267</b>	<b>\$ 474,675</b>	<b>\$ 433,265</b>	<b>\$ 435,833</b>	<b>\$ 438,620</b>

## Appendix A – Consolidated Statements

<b>LAURENTIAN UNIVERSITY OF SUDBURY</b>					
Consolidated Projected Statement of Operations (thousands of dollars)					
	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
	<b>Forecast</b>	<b>Budget</b>	<b>Projection</b>	<b>Projection</b>	<b>Projection</b>
<b>Revenue:</b>					
Operating grants and contracts	\$ 81,025	\$ 80,643	\$ 80,410	\$ 80,451	\$ 80,451
Tuition fees	69,103	67,002	67,802	68,575	69,371
Other fees and income	22,219	22,921	20,406	19,718	19,131
Research grants and contracts	13,849	16,187	16,498	16,764	16,764
Sales and services	10,413	9,907	10,367	11,046	10,367
Amortization of deferred capital contributions	5,316	5,050	2,289	2,175	2,393
Gain on sale of assets	--		34,700		
	<u>201,925</u>	<u>201,710</u>	<u>232,472</u>	<u>198,729</u>	<u>198,477</u>
<b>Expenses:</b>					
Salaries and benefits	102,680	118,742	122,380	125,911	130,347
Operating and research	30,646	39,150	38,184	31,875	31,610
Occupancy	10,939	11,011	11,237	11,471	12,211
Scholarships and bursaries	14,677	15,262	14,716	13,338	13,386
Amortization of capital assets	9,795	9,305	7,079	6,939	6,816
	<u>168,737</u>	<u>193,470</u>	<u>193,596</u>	<u>189,534</u>	<u>194,370</u>
Excess of revenue over expenses before other items	<b>33,188</b>	<b>8,240</b>	<b>38,876</b>	<b>9,195</b>	<b>4,107</b>
Restructuring costs, CCAA, TRANSFORMATION Recovery from CCAA	(4,400)	(7,700)	(7,700)	(6,200)	0
<b>Surplus (Deficiency) of revenue over expenses</b>	<b>\$ 28,788</b>	<b>\$ 540</b>	<b>\$ 31,176</b>	<b>\$ 2,995</b>	<b>\$ 4,107</b>

## Appendix A – Consolidated Statements

<b>LAURENTIAN UNIVERSITY OF SUDBURY</b> Consolidated Statement of Cash Flows Year ended April 30, 2022, with comparative information for 2021 (thousands of dollars)					
	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection	2027-28 Projection
Cash flows from operating activities:					
Surplus (Deficiency) of revenue over expenses	28,788	540	31,176	2,995	4,107
Non-cash items:					
Amortization of capital assets	9,795	9,305	7,079	6,939	6,816
Amortization of deferred capital con	(5,316)	(5,050)	(2,289)	(2,175)	(2,393)
Gain on assets held for sale			(34,700)		
Excess of employer contributions over employee future benefits net benefit costs					
	33,267	4,795	1,266	7,759	8,530
Change in non-cash working capital					
Change in liabilities subject to the Plan	--	--	--	--	--
	33,267	4,795	1,266	7,759	8,530
Cash flows from financing activities:					
Endowment contributions					
Unrealized gain/(loss) on endowment					
Increase (decrease) in deferred contributions	--	--	--	--	--
Deferred capital contributions received	3,260	4,474	3,500	3,500	2,781
Increase (decrease) in long-term debt	(1,466)	(1,556)	(1,651)	(1,752)	(1,708)
Increase in long term debt					
Increase (decrease) short-term loan			(47,546)		
	1,794	2,918	(45,697)	1,748	1,073
Cash flows from investing activities:					
Purchases of capital assets	(9,770)	(13,051)	(11,313)	(11,827)	(10,806)
Proceeds on sale of assets			53,500		
Change in long term receivable					
Transfer of Endowments to NOSM					
Net increase (decrease) in investments	(9,770)	(13,051)	42,187	(11,827)	(10,806)
Net increase (decrease) in cash and short-term investments	25,291	(5,338)	(2,244)	(2,320)	(1,203)
Cash and cash equivalents, beginning of period	137,327	162,618	157,280	155,036	152,716
Cash and short-term investments, end of year	\$ 162,618	\$ 157,280	\$ 155,036	\$ 152,716	\$ 151,513

## Appendix A – Consolidated Statements

	2023-24 Forecast	2024-25 Projection	2025-26 Projection	2026-27 Projection	2027-28 Projection
<b>Financial Ratios per Loan Covenants:</b>					
i) NET INCOME/LOSS RATIO (MIN. 1.5% starting 2027-28)	14.26%	0.27%	13.41%	1.51%	2.07%
ii) PRIMARY RESERVE RATIO (MIN. 30 DAYS starting 2025-26)	88	61	107	102	95
iii) IN YEAR EXCESS OF REVENUE >0 starting 2027-28)	28,788	540	31,176	2,995	4,107
iv) EXPENDABLE NET ASSETS >0 starting 2025-26)	40,543	32,287	56,940	52,872	50,596
v) DEBT COVERAGE RATIO > 1:1 starting 2023-24	9.33	1.34	10.08	2.17	2.39
vi) NET OPERATING REVENUE (MIN. 5%, starting 2027-28)	16.47%	2.38%	0.54%	3.90%	4.30%
Interest Burden Ratio	1.32%	1.09%	1.03%	0.99%	0.99%
VIABILITY RATIO (MIN. 30%)	118.60%	98.17%	186.53%	183.67%	186.95%
					Covenant met
					Outside of covenant

**Laurentian University**  
**2023-2024 to 2027-2028 BUDGET**  
*In thousands (000's)*

	Budget 2023-2024	Budget 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028
<b>OPERATING FUND</b>					
<b>REVENUES</b>					
GRANTS	79,865	78,343	77,510	76,951	75,251
CORE & PERFORMANCE PROTECTION	1,840	2,300	2,900	3,500	5,200
TUITION	54,207	66,302	67,052	67,825	68,621
MICRO CREDENTIAL	600	700	750	750	750
CENTER FOR ACADEMIC DEVELOPMENT	797	820	845	845	845
MISCELLANEOUS & OTHER	11,530	14,169	12,250	12,161	11,575
	<b>148,839</b>	<b>162,634</b>	<b>161,307</b>	<b>162,032</b>	<b>162,241</b>
<b>EXPENSES</b>					
ACADEMIC	67,156	76,150	77,221	76,878	79,223
STUDENT SERVICES	11,385	14,131	13,174	11,833	12,081
ACADEMIC SUPPORT	17,936	18,233	17,306	17,671	18,024
NON-ACADEMIC	20,233	25,965	25,936	26,500	27,039
PHYSICAL PLANT	13,247	14,948	14,798	14,298	14,529
DEBT SERVICING (INTEREST & PRINCIPAL)	3,567	3,567	3,567	3,567	3,567
LEASE COSTS MCU	1,000	640	2,908	2,908	2,908
CORPORATE RESERVE		0	2,436	4,108	5,130
	<b>134,525</b>	<b>153,635</b>	<b>157,348</b>	<b>157,762</b>	<b>162,502</b>
<b>SURPLUS (DEFICIT) DIRECT OPERATING FUND</b>	<b>14,315</b>	<b>8,998</b>	<b>3,959</b>	<b>4,270</b>	<b>(261)</b>
<b>OTHER EXPENSES</b>					
Transformation Costs	7,200	7,200	7,200	7,200	0
CCAA related costs	1,000	500	1,000	0	0
	<b>8,200</b>	<b>7,700</b>	<b>8,200</b>	<b>7,200</b>	<b>0</b>
<b>SURPLUS (DEFICIT) OPERATING FUND</b>	<b>6,115</b>	<b>1,298</b>	<b>(4,241)</b>	<b>(2,930)</b>	<b>(261)</b>
<b>CAPITAL EXPENSES SUPPORTED BY OPERATING FUND</b>					
DEFERRED MAINTENANCE	3,446	3,046	3,046	3,046	3,046
FACILITY RENEWAL GRANT	(2,410)	(3,500)	(3,500)	(3,500)	(2,781)
FACILITY RENEWAL EXPENSES	2,410	3,500	3,500	3,500	2,781
LAB EQUIPMENT FOR STEM GRANT		(974)			
LAB EQUIPMENT FOR STEM		1,948			
CLASSROOM EVERGREENING		1,257	1,067	1,131	1,000
CAMPUS SAFETY		200	0	0	
PLANNED DISTRIBUTION POOL	0	(6,000)	0	(1,000)	0
CAPITAL - TRANSFORMATION AND IT RENEWAL	1,350	1,350	1,350	1,350	550
	<b>4,796</b>	<b>827</b>	<b>5,463</b>	<b>4,528</b>	<b>4,596</b>
<b>NET OPERATING FUND AFTER CAPITAL EXPENDITURES</b>	<b>1,318</b>	<b>472</b>	<b>(9,704)</b>	<b>(7,458)</b>	<b>(4,857)</b>
<b>ANCILLARY FUND</b>					
<b>REVENUES</b>	9,097	9,908	10,367	11,046	11,566
<b>EXPENSES</b>	5,737	6,452	6,512	6,677	6,852
<b>SURPLUS (DEFICIT) ANCILLARY FUND</b>	3,360	3,456	3,854	4,369	4,714
<b>NET CAPITAL RENEWAL ANCILLARY FUND</b>	(1,715)	(1,950)	(2,350)	(2,800)	(3,100)
<b>SURPLUS (DEFICIT) ANCILLARY FUND</b>	1,645	1,506	1,504	1,569	1,614
<b>NET CASH SURPLUS (DEFICIT)</b>	<b>2,964</b>	<b>1,977</b>	<b>(8,200)</b>	<b>(5,889)</b>	<b>(3,243)</b>

**Laurentian University**  
**2023-2024 to 2026-2027 REVENUES**

*In thousands (000's)*

	<b>Budget 2023-2024</b>	<b>Budget 2024-2025</b>	<b>Projected 2025-2026</b>	<b>Projected 2026-2027</b>	<b>Projected 2027-2028</b>
<b>GRANTS</b>					
CORE OPERATING GRANT	22,191	19,667	19,667	19,667	19,667
CORE DECLINE	(1,800)	(2,200)	(2,800)	(3,600)	(5,100)
CORE PROTECTION	1,800	2,200	2,800	3,600	5,100
PERFORMANCE	32,557	35,297	35,297	35,297	35,297
SMA3 PERFORMANCE RISK	(40)	(100)	(100)	(100)	(100)
PERFORMANCE PROTECTION	40	100	100	100	100
BILINGUAL	8,314	8,314	8,314	8,314	8,314
NORTHERN	6,170	6,170	6,170	6,170	6,170
ABORIGINAL	806	806	806	806	806
MUNICIPAL TAXES	494	386	386	386	386
SPECIAL PURPOSE - OTHER	1,122	2,166	2,166	2,166	2,166
SPECIAL PURPOSE -DISABILITY	355	339	339	339	339
SPECIAL PURPOSE - FRENCH LANGUAGE	3,028	3,028	3,028	3,028	3,028
INTERNATIONAL STUDENT RECOVERY	(299)	(900)	(900)	(900)	(900)
NURSING GRANT	2,669	1,391	1,391	1,391	1,391
NURSING PRACTITIONER	668	768	768	768	768
FEDERAL INDIRECT RESEARCH SUPPORT	2,085	1,666	1,433	1,474	1,474
HEALTH CANADA GRANT	1,544	1,544	1,544	1,544	1,544
MINISTRY OF HEALTH	0	0	0	0	0
FACILITIES RENEWAL PROGRAM- FEDS	2,410	3,500	3,500	3,500	2,781
<b>TOTAL GRANTS</b>	<b>84,116</b>	<b>84,143</b>	<b>83,910</b>	<b>83,951</b>	<b>83,232</b>
<b>TUITION</b>					
DOMESTIC TUITION FEE	37,671	41,783	41,798	41,813	41,829
INTERNATIONAL TUITION FEE	17,286	25,518	26,254	27,011	27,792
MICRO CREDENTIAL	600	700	750	750	750
CENTER FOR ACADEMIC DEVELOPMENT	797	820	845	845	845
ALLOWANCE FOR BAD DEBT	(750)	(1,000)	(1,000)	(1,000)	(1,000)
DISTRIBUTION TO FEDERATED INSTITUTIONS	0	0	0	0	0
<b>TOTAL TUITION</b>	<b>55,603</b>	<b>67,822</b>	<b>68,647</b>	<b>69,420</b>	<b>70,216</b>
MISCELLANEOUS INCOME	7,330	8,569	8,650	8,761	8,875
INVESTMENT INCOME	4,200	5,600	3,600	3,400	2,700
<b>TOTAL OPERATING REVENUES</b>	<b>151,249</b>	<b>166,134</b>	<b>164,807</b>	<b>165,532</b>	<b>165,022</b>
ANCILLARY INCOME	9,097	9,908	10,367	11,046	11,566
<b>TOTAL REVENUE</b>	<b>160,346</b>	<b>176,041</b>	<b>175,174</b>	<b>176,578</b>	<b>176,589</b>



**Laurentian University**  
**2023-2024 to 2027-2028 EXPENDITURES**  
*In thousands (000's)*

	Budget	Budget	Projected	Projected	Projected
	2023-2024	2024-2025	2025-2026	2026-2027	2027-2028
<b>ACADEMIC</b>					
SCIENCE, ENGINEERING & ARCHITECTURE	19,664	22,341	23,122	23,889	24,735
HEALTH	20,890	23,043	22,919	23,833	24,559
ARTS	10,637	11,655	11,785	12,134	12,492
MANAGEMENT	6,444	7,012	7,193	7,453	7,711
EDUCATION	0	0	0	0	0
GRADUATE TEACHING ASSISTANTS	4,645	4,623	4,839	4,953	5,040
LAURENTIAN ONLINE	2,260	3,010	2,960	3,020	3,062
PROFESSIONAL ALLOWANCE & START-UP	831	1,256	1,253	1,256	1,256
GOODMAN SCHOOL OF MINES	314	322	331	340	347
TUITION REVENUE SHARING PILOT - Faculty & Academic Priorities		2,887	2,819		
	<b>65,686</b>	<b>76,150</b>	<b>77,221</b>	<b>76,878</b>	<b>79,223</b>
<b>STUDENT SERVICES</b>					
STUDENT SERVICES	6,204	7,422	6,488	6,656	6,901
TUITION REVENUE SHARING PILOT - Admin & Student Support	0	1,527	1,512	0	0
SCHOLARSHIPS	5,181	5,182	5,174	5,177	5,180
	<b>11,385</b>	<b>14,131</b>	<b>13,174</b>	<b>11,833</b>	<b>12,081</b>
<b>ACADEMIC SUPPORT</b>					
RESEARCH	2,504	2,128	2,162	2,198	2,237
LIBRARY	3,550	4,230	4,363	4,467	4,573
ACADEMIC SUPPORT & OTHER ACADEMIC	11,341	11,359	10,216	10,428	10,622
FACULTY OF GRADUATE STUDIES	541	516	564	578	593
	<b>17,936</b>	<b>18,233</b>	<b>17,306</b>	<b>17,671</b>	<b>18,024</b>
<b>NON ACADEMIC</b>					
ADMINISTRATION	10,272	12,416	12,126	12,380	12,620
INFORMATION & COMM TECHNOLOGY	6,533	9,318	9,550	9,788	10,027
EXTERNAL RELATIONS	3,283	4,086	4,115	4,187	4,247
INDIRECT RESEARCH GRANT DISTRIBUTION	145	145	145	145	145
	<b>20,233</b>	<b>25,965</b>	<b>25,936</b>	<b>26,500</b>	<b>27,039</b>
<b>PHYSICAL PLANT</b>	<b>13,247</b>	<b>14,948</b>	<b>14,798</b>	<b>14,298</b>	<b>14,529</b>
<b>DEBT SERVICING (INTEREST &amp; PRINCIPAL)</b>	<b>3,567</b>	<b>3,567</b>	<b>3,567</b>	<b>3,567</b>	<b>3,567</b>
<b>LEASE COSTS MCU</b>	<b>1,000</b>	<b>640</b>	<b>2,908</b>	<b>2,908</b>	<b>2,908</b>
<b>CORPORATE RESERVE</b>	<b>1,471</b>	<b>0</b>	<b>2,436</b>	<b>4,108</b>	<b>5,130</b>
	<b>134,525</b>	<b>153,635</b>	<b>157,348</b>	<b>157,762</b>	<b>162,502</b>
<b>OTHER EXPENSES</b>					
TRANSFORMATION COSTS	7,200	7,200	7,200	7,200	0
CCAA RELATED COSTS	1,000	500	1,000	0	0
	<b>8,200</b>	<b>7,700</b>	<b>8,200</b>	<b>7,200</b>	<b>0</b>
<b>CAPITAL EXPENSES SUPPORTED BY OPERATING FUND</b>					
FACILITY RENEWAL EXPENSES	2,410	3,500	3,500	3,500	2,781
DEFERRED MAINTENANCE	3,446	3,046	3,046	3,046	3,046
IT RENEWAL CAPITAL	1,350	1,350	1,350	1,350	550
LAB EQUIPMENT FOR STEM GRANT		(974)	0	0	0
LAB EQUIPMENT FOR STEM		1,948	0	0	0
CLASSROOM EVERGREENING		1,257	1,067	1,131	1,000
CAMPUS SAFETY		200	0	0	0
PLANNED DISTRIBUTION POOL		(6,000)	0	(1,000)	0
	<b>7,206</b>	<b>4,327</b>	<b>8,963</b>	<b>8,028</b>	<b>7,377</b>
<b>Ancillary Expense</b>	<b>5,737</b>	<b>6,452</b>	<b>6,512</b>	<b>6,677</b>	<b>6,852</b>
<b>Net Capital Renewal Ancillary</b>	<b>1,715</b>	<b>1,950</b>	<b>2,350</b>	<b>2,800</b>	<b>3,100</b>
<b>TOTAL EXPENDITURES</b>	<b>157,382</b>	<b>174,064</b>	<b>183,374</b>	<b>182,467</b>	<b>179,831</b>

**Laurentian University**  
**2023-2024 to 2027-2028 ANALYSIS ON OPERATING EXPENSES**  
*In thousands (000's)*

	Budget 2023-2024	Budget 2024-2025	Projected 2025-2026	Projected 2026-2027	Projected 2027-2028
SALARIES & BENEFITS	93,902	103,024	107,134	112,305	116,709
SCHOLARSHIPS & BURSARIES (Grad and Undergrad)	7,501	7,500	7,610	7,671	7,719
OPERATING EXPENSES	21,784	30,919	30,242	25,249	25,387
OCCUPANCY	7,770	8,624	8,795	8,970	9,120
DEBT REPAYMENT	3,567	3,567	3,567	3,567	3,567
<b>TOTAL</b>	<b>134,525</b>	<b>153,635</b>	<b>157,348</b>	<b>157,762</b>	<b>162,502</b>

**Laurentian University**  
**FTE PROJECTIONS**

	<b>Budget 2023-2024</b>	<b>Budget 2024-2025</b>	<b>Projected 2025-2026</b>	<b>Projected 2026-27</b>	<b>Projected 2027-28</b>
Faculty	250.50	268.10	267.10	268.10	268.10
Non-Faculty	353.90	397.90	398.60	398.60	398.60
Academic & Non-Academic Senior Leaders	21.50	24.00	24.00	24.00	24.00
<b>TOTAL</b>	<b>625.90</b>	<b>690.00</b>	<b>689.70</b>	<b>690.70</b>	<b>690.70</b>

**Laurentian University**  
**2023-2024 to 2026-2027 ANCILLARIES**  
*In thousands (000's)*

		Budget	Budget	Projected	Projected	Projected
		2023-2024	2024-2025	2025-2026	2026-27	2027-28
<b>REVENUES</b>						
	HOUSING/FOOD/CAMPUS SERVICES	7,616	8,358	8,765	9,393	9,885
	PARKING	1,200	1,325	1,352	1,379	1,406
	PRINT HUB & COPIER	281	225	250	275	275
		<b>9,097</b>	<b>9,908</b>	<b>10,367</b>	<b>11,046</b>	<b>11,566</b>
<b>SALARIES &amp; BENEFITS</b>						
	HOUSING/FOOD/CAMPUS SERVICES	1,416	1,462	1,480	1,497	1,521
	PARKING	132	139	142	146	149
	PRINT HUB & COPIER	225	176	181	185	190
		<b>1,773</b>	<b>1,778</b>	<b>1,803</b>	<b>1,828</b>	<b>1,860</b>
<b>OPERATING</b>						
	HOUSING/FOOD/CAMPUS SERVICES	3,414	3,943	3,982	4,099	4,220
	PARKING	495	646	640	659	679
	PRINT HUB & COPIER	55	86	88	91	94
		<b>3,964</b>	<b>4,674</b>	<b>4,710</b>	<b>4,849</b>	<b>4,992</b>
<b>CAPITAL RENEWAL AND DEFERRED MAINTENANCE</b>		1,715	1,950	2,350	2,800	3,100
<b>RESERVE FOR ANCILLARY</b>		0	0	0	0	0
<b>ANCILLARY SURPLUS (DEFICIT)</b>		<b>1,645</b>	<b>1,506</b>	<b>1,504</b>	<b>1,569</b>	<b>1,614</b>

## Appendix C – Budget Assumptions

	Budget 23-24	Actuals forecast to YE	Budget 24-25	Projected 25-26	Projected 26-27	Projected 27-28
<b>Tuition rates</b>						
Domestic Tuition	0.0%		0.0%	0.0%	0.0%	0.0%
International Tuition	5.0%		3.0%	3.0%	3.0%	3.0%
Non-Ontario Resident Domestic	1.0%		3.0%	1.0%	1.0%	1.0%
<b>Total number of students</b>						
<b>Domestic</b>						
Domestic Undergrad	4,273	4,423	4,644	4,644	4,644	4,644
Domestic Graduate	561	524	576	576	576	576
<b>Total Domestic Students</b>	<b>4,834</b>	<b>4,947</b>	<b>5,221</b>	<b>5,221</b>	<b>5,221</b>	<b>5,221</b>
<b>International</b>						
International Undergrad	229	266	266	266	266	266
International Graduate	555	1,084	934	934	934	934
<b>Total International Students</b>	<b>784</b>	<b>1,350</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>	<b>1,200</b>
<b>Total Students</b>	<b>5,618</b>	<b>6,297</b>	<b>6,421</b>	<b>6,421</b>	<b>6,421</b>	<b>6,421</b>
International Student Recovery	725		750	750	750	750
<b>Ancillary Revenues</b>						
Parking Fees	0.0%		0.0%	2.0%	2.0%	2.0%
Residence Fees	0.0%		2.0%	2.0%	2.0%	2.0%
Printing	0.0%		12.5%	11.0%	10.0%	0.0%
<b>Other Fees</b>						
Student Fees Protocol	2.0%		2.0%	2.0%	2.0%	2.0%
Library Acquisitions increase	0.0%		2.0%	2.0%	2.0%	2.0%
Digital fees	2.0%		2.0%	2.0%	2.0%	2.0%
Cleaning	4.0%		3.0%	3.0%	3.0%	2.0%
Heating- Fuel	3.0%		3.0%	3.0%	3.0%	2.0%
Electricity	3.0%		3.0%	3.0%	3.0%	3.0%
Water	5.0%		5.0%	5.0%	5.0%	5.0%
Information Technology	3.0%		3.0%	3.0%	3.0%	3.0%
Municipal Taxes	525,600		524,600	525,600	525,600	525,600
Municipal Taxes - SOA	13,000		13,400	13,800	14,200	11,000
Space Rental	736,320		761,565	761,565	-	-
Insurance	685,000		800,000	800,000	800,000	800,000

*Appendix D – Operating Budget Details – FTEs*

<b>Academic &amp; Academic Administrators</b>	<b>Faculty &amp; Non-Faculty FTE Complements</b>			
	<b>Faculty</b>		<b>Non-Faculty</b>	
	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>	<b>2023-24 Budget</b>	<b>2024-25 Budget</b>
School/Department				
Faculty of Arts	42.00	45.00	7.00	8.50
Faculty of Science, Engineering & Architecture	86.50	97.10	30.00	38.00
Faculty of Education & Health	89.00	94.00	25.70	28.50
Faculty of Management	34.00	34.00	5.00	7.00
Library	6.00	7.00	-	-
Grad Studies, Registrar, Academic and Indigenous Programs	3.00	3.00	-	-
<b>Total Academic &amp; Academic Administrators</b>	<b>260.50</b>	<b>280.10</b>	<b>67.70</b>	<b>82.00</b>

## Appendix D – Operating Budget Details – FTEs

	Faculty		Non-Faculty	
	2023-24 Budget	2024-25 Budget	2023-24 Budget	2024-25 Budget
<b>Academic Support</b>				
University Librarian			1.00	1.00
Library and Archives - Operations			7.70	10.00
			<b>8.70</b>	<b>11.00</b>
Centre for Teaching & Continuing Learning			2.50	3.00
Laurentian Online			10.00	12.00
Micro-Credentials			4.00	4.00
Quality Assurance			2.00	2.00
			<b>18.50</b>	<b>21.00</b>
<b>Student Services</b>				
Student Success			8.60	12.80
Health Services			2.70	3.50
Accessibility			3.00	4.00
Counselling & Support Programs			3.00	3.00
Career Services			2.00	2.00
Mental Health Services & Support			3.00	3.00
Student Awards			7.00	7.00
Recreation Operations			2.00	2.00
Athletic Administration			4.00	6.00
Associate VP Indigenous AVPIP			6.00	6.00
Indigenous Student Affairs			4.50	5.00
			<b>45.80</b>	<b>54.30</b>
<b>Graduate Studies</b>				
Graduate Studies			3.00	3.00
			<b>3.00</b>	<b>3.00</b>
<b>Research Services</b>				
VP Research			2.00	2.00
Research Services			5.75	5.75
Jim Fielding Innovation & Commercialisation Space			1.00	1.00
Living with Lakes			1.00	1.00
Animal Care Facility			0.25	0.25
			<b>10.00</b>	<b>10.00</b>
<b>Other Academic</b>				
Consortium national de formation en santé			3.00	3.00
Initiatives francophones			3.00	3.00
Domestic Recruitment			11.00	14.00
Laurentian International			7.00	7.00
Office of Admissions			7.00	7.00
International Admission			1.00	1.00
Office of the Registrar			4.00	4.00
My Laurentian Hub			3.50	4.00
Student Records			4.00	4.00
IT- Teaching and learning			4.00	4.00
Vice-President Academic			3.00	3.00
Vice-recteur francophone			2.00	2.00
			<b>52.50</b>	<b>56.00</b>
<b>Total Academic Support</b>			<b>138.50</b>	<b>155.30</b>

## Appendix D – Operating Budget Details – FTEs

### Non-Academic (Admin)

Office of the President				3.00	3.00
Vice-President, Finance & Admin				2.00	2.00
Communications & Digital Strategy				3.00	4.00
Translation Office				2.00	2.00
Marketing				6.00	6.00
University Secretary				2.50	2.90
University General Counsel				2.50	4.00
University Advancement				9.00	10.00
Institutional Planning				4.00	5.00
Equity, Diversity and Human Rights Office				5.00	6.00
Human Resources & Organizational Development				10.75	13.75
Professional Relations				2.25	2.25
Information Technology				28.00	29.00
Financial Services				17.00	17.00
Payroll Services				5.00	5.00
Procurement and Contracts				3.00	4.00
Risk Management				1.00	2.00
Security and Occupational Health & Safety				18.00	18.00
Facilities Services				22.00	23.00
Postal Services				2.00	2.00
				<b>148.00</b>	<b>160.90</b>

### Ancillary

Housing (Residences)				5.50	6.00
Events & Conference				2.00	2.00
Parking				1.70	1.70
University Press				2.00	2.00
				<b>11.20</b>	<b>11.70</b>
<b>Total Academic Support, Non-Academic and Ancillary</b>				<b>297.70</b>	<b>327.90</b>

<b>TOTAL Faculty &amp; Non-Faculty FTEs</b>	<b>260.50</b>	<b>280.10</b>		<b>365.40</b>	<b>409.90</b>
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## Appendix E – Deferred Maintenance Projects

### Deferred Maintenance Projects 2024-25

Funding Sources	
University Operating	\$3,046,042
Ancillary Services - Residences	\$1,950,000
Facility renewal program - MCU	\$3,500,000
Total DM Contributions	\$8,496,042

Projects	Budget	Actual to date	Status
Deferred Maintenance Projects - Operating			
Maintenance roof replacement design	\$29,800	\$-	
Ceiling abatement and lighting upgrade (Parker Building)	\$452,500	\$-	
Living with Lakes heat pump replacement	\$496,400	\$-	
Science 1 Fumehood Audit	\$95,200	\$-	On Track
Incoming water at SC1, piping and pump replacements	\$150,500		
RD Parker Ventilation Upgrades	\$72,000		
Facility Condition Assessment	\$80,000		
Elevator Modernization Design - PD/DA	\$53,600	\$-	
Exterior Stair Replacement (Ben Avery and Student Rec Centre)	\$343,200	\$-	On track
Exterior Stair Replacement (Fraser)	\$185,600	\$-	On Track
Campus Washrooms Renewal	\$520,000	\$-	On Track
Asbestos Management Plan Update	\$46,265	\$-	
Ben Avery Electrical Switchgear Replacement	\$248,286	\$-	On Track
Campus Road Replacement Design	\$60,000	\$-	On Track
Total	\$2,833,351	\$-	

Deferred Maintenance Projects - Residences			
Food Services renovation design	\$71,400	\$-	
MSR elevators (Phase 1 - East car)	\$450,000	\$-	
MSR exterior envelope sealing	\$273,600	\$-	
Parking Gate Access Upgrade	\$68,400	\$-	
Parking Lot Repaving Design (lot 7, part - 9)	\$236,600	\$-	
UCR basement heating piping, valves, pumps, automation and electrical	\$310,000	\$-	
UCR Window Replacement	\$320,000	\$-	On Track
Single Student Residence heating piping, valves, pumps, automation and electrical	\$480,000	\$-	
Total	\$2,210,000	\$-	

Deferred Maintenance Projects - FRP			
Science 2A mechanical penthouse and roof replacement	\$1,822,400	\$2,354,000	On Track
Parker 11th floor roof replacement	\$1,220,000	\$-	On Track
Total	\$3,042,400	\$2,354,000	

Total Deferred Maintenance	\$8,085,751	\$2,354,000	
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