



AGENDA REPORT TO EXECUTIVE COUNCIL

MEETING DATE: September 25, 2015

<i>Item:</i>	<i>Assumption Adjustments</i>
<i>Author:</i>	<i>Carrie Passi, Managing Director Finance and Administration</i>
<i>Purpose of Report:</i>	<i>FYI REPORT</i>

Recommendation: *For the Board to accept this agenda report as an FYI report, which outlines assumption updates that have been determined as at the end of Q1.*

Legislative History:

2015-2016 budget as approved by council and Board

Report:

Background:

A budget is made up of all information available at a point in time. As a result, assumptions are made, estimates are given and in some cases “best guesses” are made based on trending information and analysis available at the time of compiling the budget. As time continues onward, assumptions, guesses and estimates all become facts, which may or may not be what we would have thought. As a result, it is necessary to update all assumptions used in our budget in order to ensure that everyone is working with the most accurate information possible.

Report:

Because not all changes made at the USC are made in line with budget timelines, we are often left with all levels of changes being conducted at all times throughout the year. The purpose of this report is to highlight what those changes have been so far this year as an FYI to the Board. This again will help to clarify expectations within the budget and for the USC as a whole.

Operational Changes Made

- 1. USC amalgamated Western Connections and Mustang Central into one location on the atrium level of the UCC. We are expecting that this will result in approximately \$30,000 in savings as they now have one location rather than two to staff.*
- 2. Based on where our level of commercial activity ended for fiscal 2014-2015, we expect an additional \$70,000 in commercial activity dollars for the year. This will not be excessive commercial activity but rather will be the same level of activity as we had in our previous year.*
- 3. The Spoke had an operational change post budget, which led to the termination of one full time position. This resulted in approximately \$50,000 in savings.*
- 4. Finance has a maternity leave to consider for the upcoming year and as a result, the plan in place to cover the management maternity leave will cost the organization an additional \$5,000.*
- 5. The HR/VR department has had a couple of changes to consider. There is a non union maternity leave to consider as well as a termination of a manager. The plan to cover both the maternity leave and the termination results in approximately \$14,000 in savings for the USC.*
- 6. USC budgeted for 29,000 students in the multi year budget and based on prior year ending numbers, we can expect 29,116 FTE students to be paying fees. This results in approximately \$76,613 more student fee dollars into the USC budget.*
- 7. Staff admin costs associated with capital were budgeted to be out of capital budget. In light of the fact that original capital plan didn't accommodate covering the admin costs, the staffing costs are being covered operationally. Once the new capital plan is complete, those costs will be considered out of the capital budget.*

Overall, total assumption adjustments equals a surplus position of \$82,356 of new money found for the 2015/2016 fiscal year.

As noted in the capital agenda report, this surplus will be used to cover off the deficit in the capital budget for the year of \$65,795. As a result, the USC is left with \$16,561 in new money into the budget after the assumptions are adjusted as at Q1.

Project Team:

Carrie Passi, Managing Director Finance and Administration

Cathy Clarke, USC General Manager

Sophie Helpard, USC President

Jonathan English, USC Secretary Treasurer

Financial Implications:

Overall, total assumption adjustments equals an implied surplus position of \$82,356 of new money found for the 2015/2016 fiscal year.

As noted in the capital agenda report, this implied surplus will be used to cover off the assumed deficit in the capital budget for the year of \$65,795. As a result, the USC is left with \$16,561 in new money into the budget after the assumptions are adjusted as at Q1.

Any remaining “found money” will remain an assumption until we can test revenue and expense patterns to assess trends for the current fiscal year. Given that Q2 and Q3 are the main spending months for the USC, the assumptions will not be verified until the end of Q3. This means that if there is new money found that could be spent, it would not be known until the end of Q3 at the earliest.

Attachments:

none

Sign-Offs:

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<i>Legislative Review:</i>	<i>Scott Courtice, Managing Director, Government Services</i>	
<i>General Manager Review:</i>	<i>Cathy Clarke, General Manager</i>	