

LAURIER

Canadian Excellence

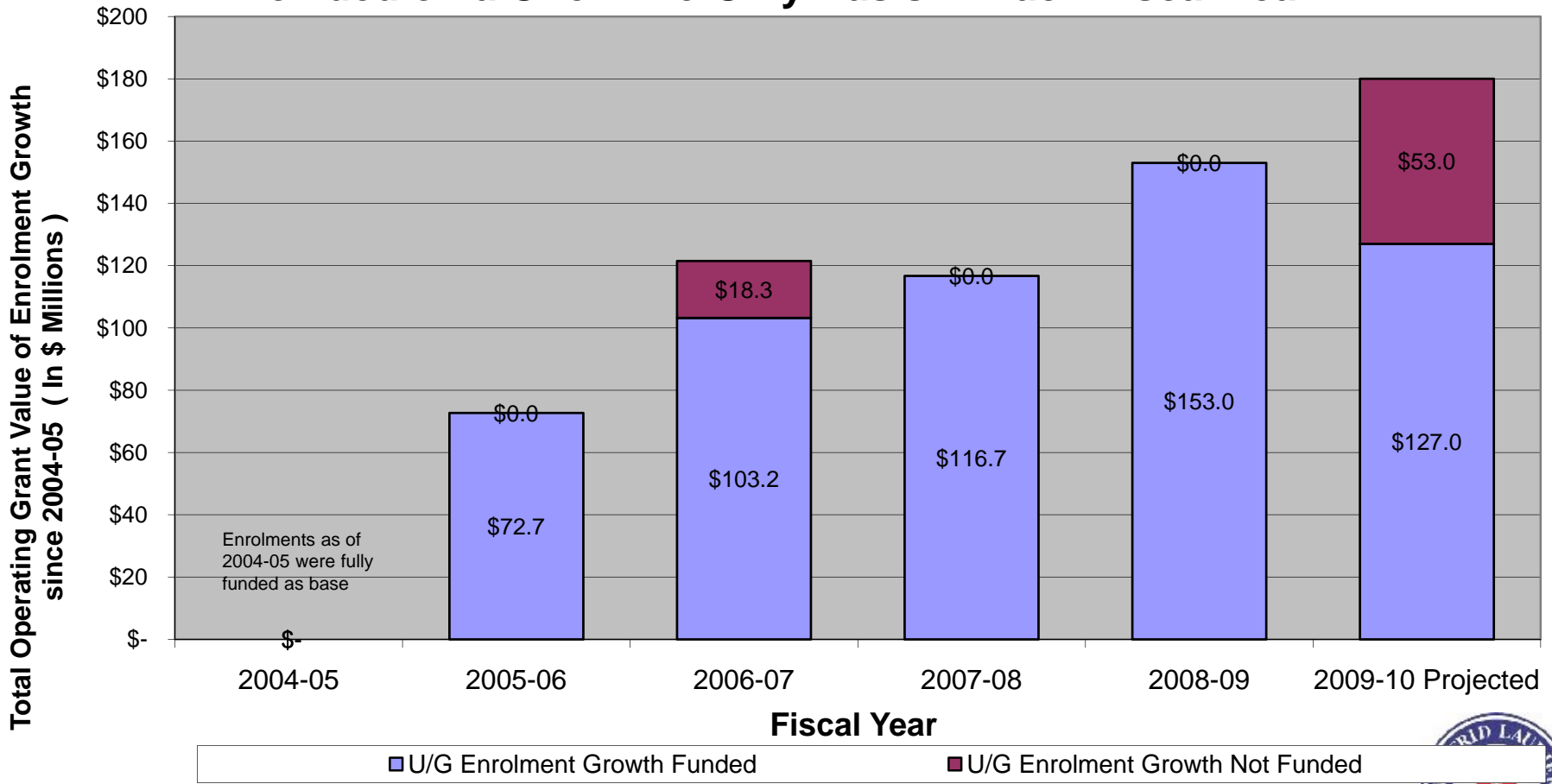


The Relationship Between University Growth and Budget Growth

December 16, 2009

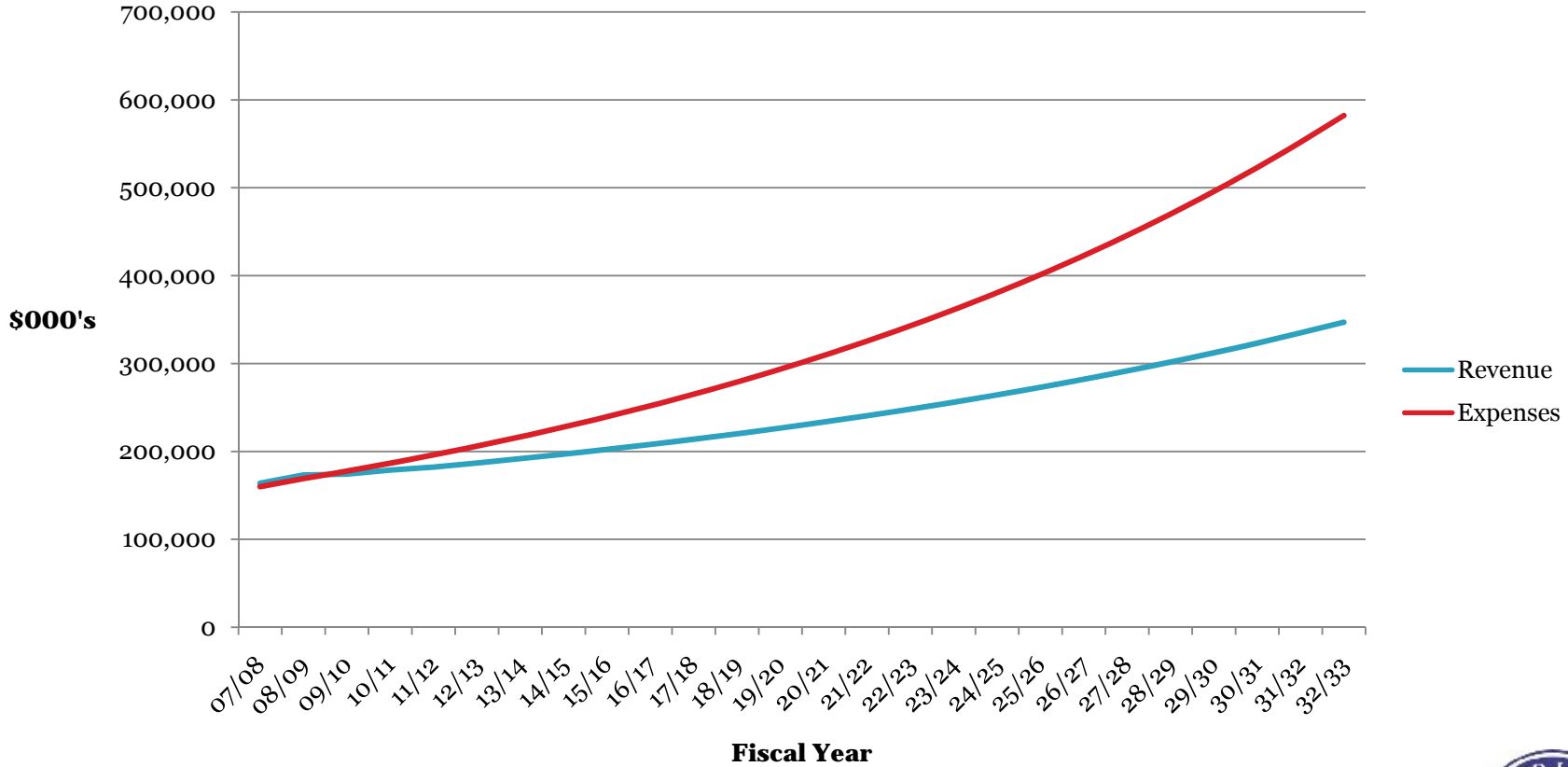


Ontario U/G Accessibility (Growth) Funding since 2004-05 Provided on a One-Time-Only Basis in Each Fiscal Year



Zero Growth in Student FTEs

Zero Growth Scenario



- 2007/2008 Base Year
- Assume no growth in student FTEs impact going forward
- 25 year projection of revenues and expenses shows rapid deficit growth
- Assume inflation rates in revenue and expense streams based on government regulations and historical performance

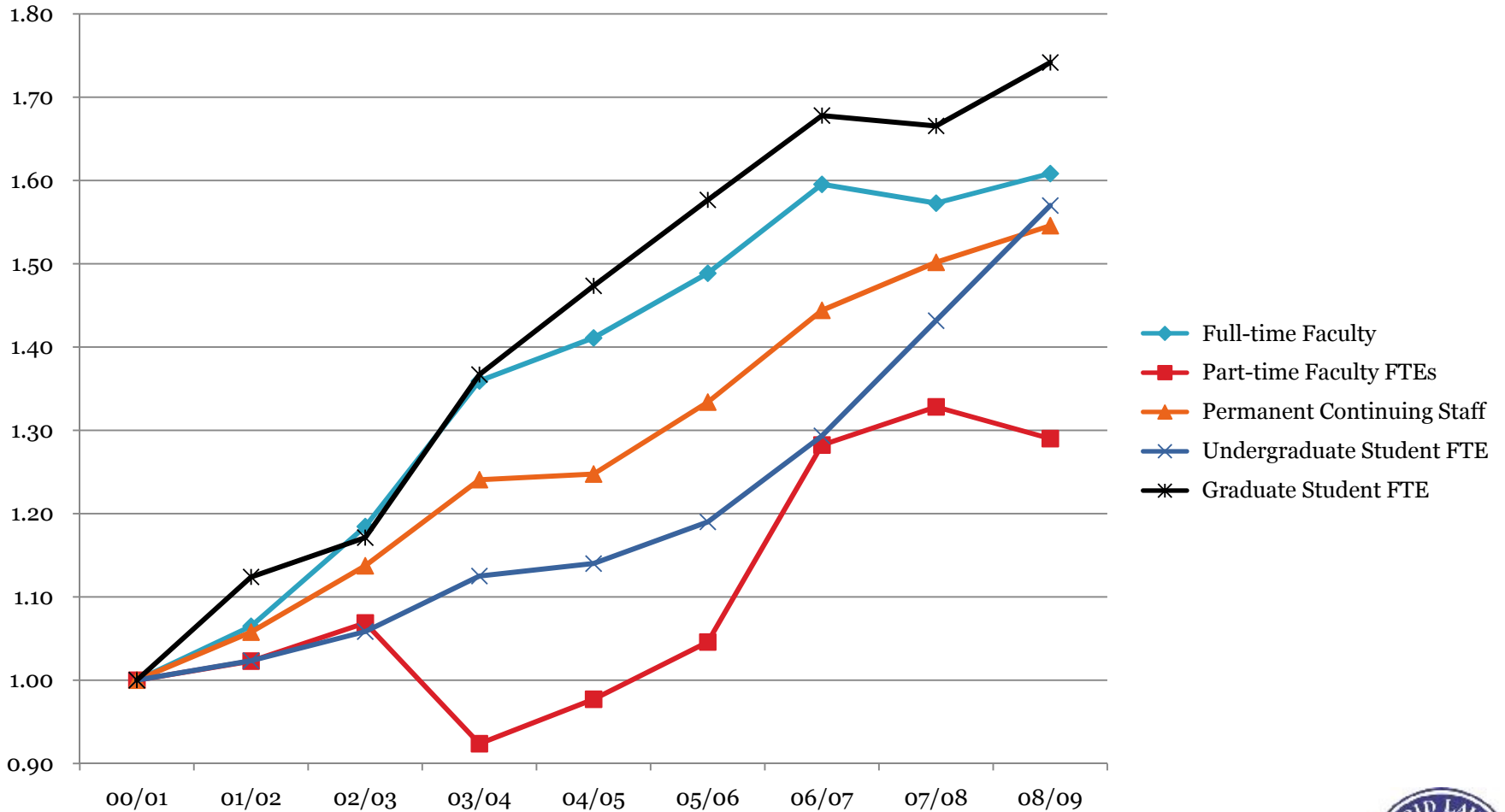


LAURIER Zero Growth Assumptions

Canadian Excellence

- Revenue Assumptions:
 - 5% Tuition Rate Inflation
 - 0% Government Grant Inflation
 - 2% Other Revenue Inflation
- Expense Assumptions:
 - 6% Academic Salaries, 5% Admin Salaries
 - Benefits are 23% of projected salaries
 - 2% inflation in departmental and institutional expenses

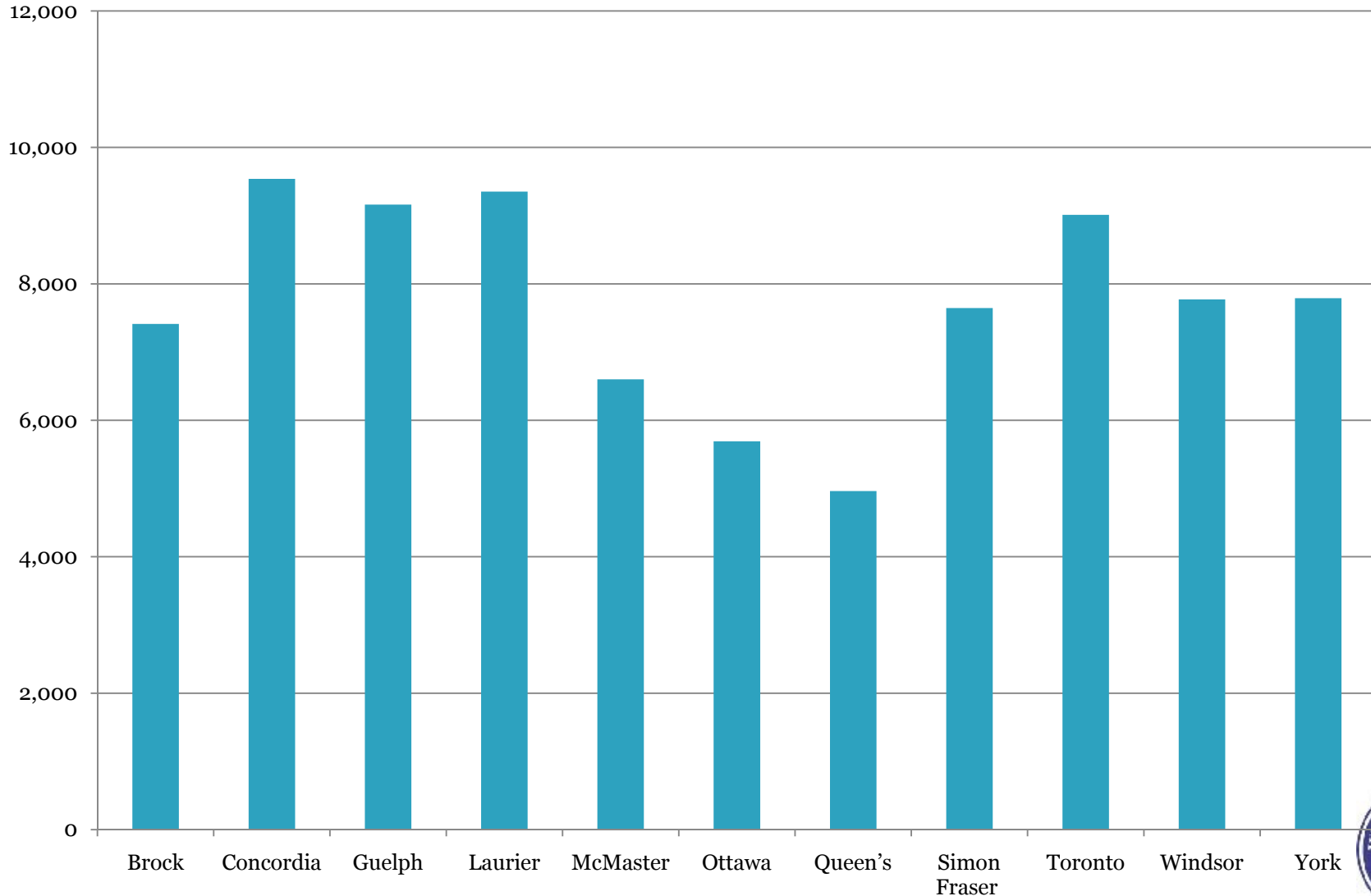




*2000/2001 as Base



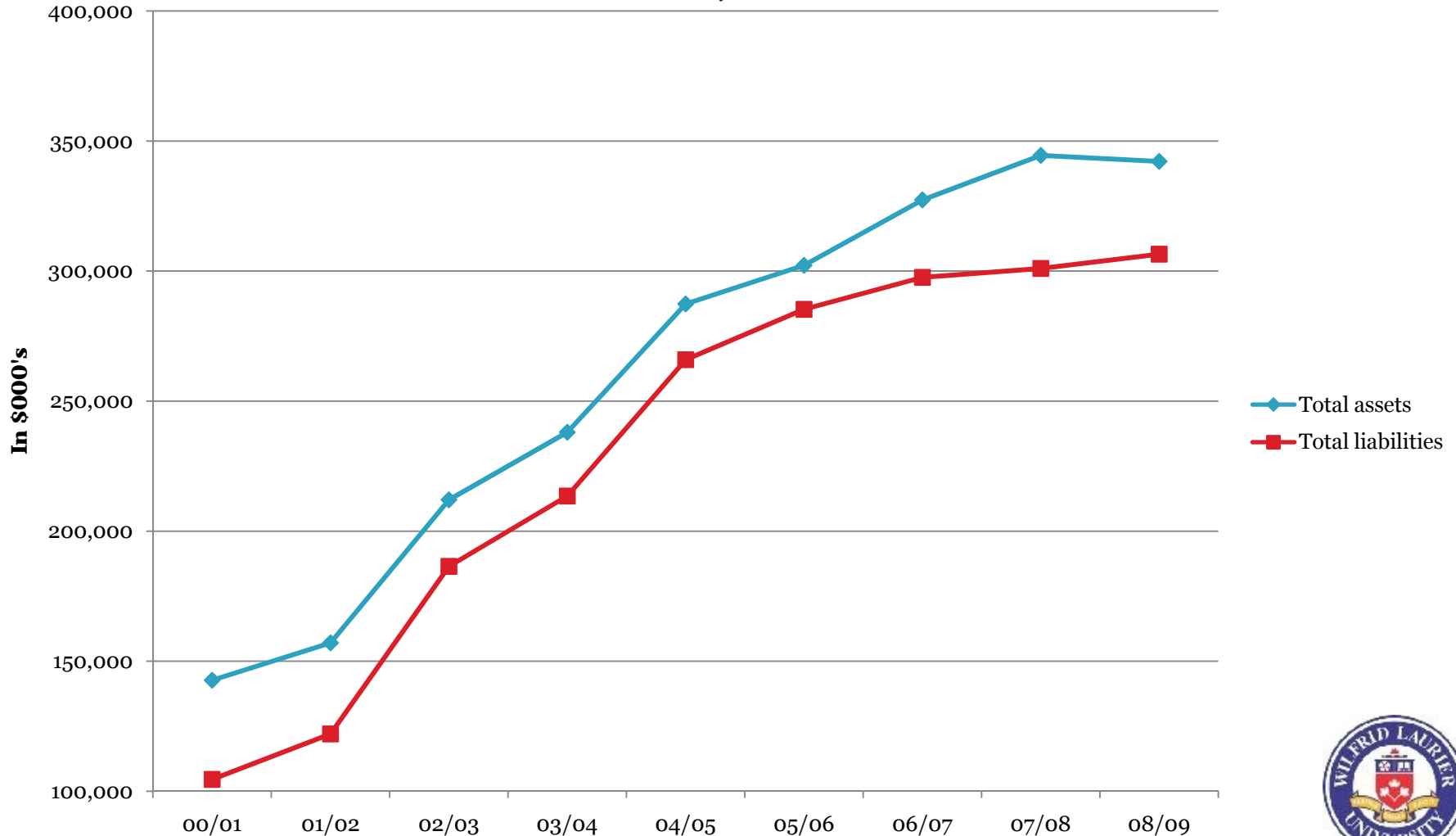
Comparison of Total Debt -per FTE (\$)*



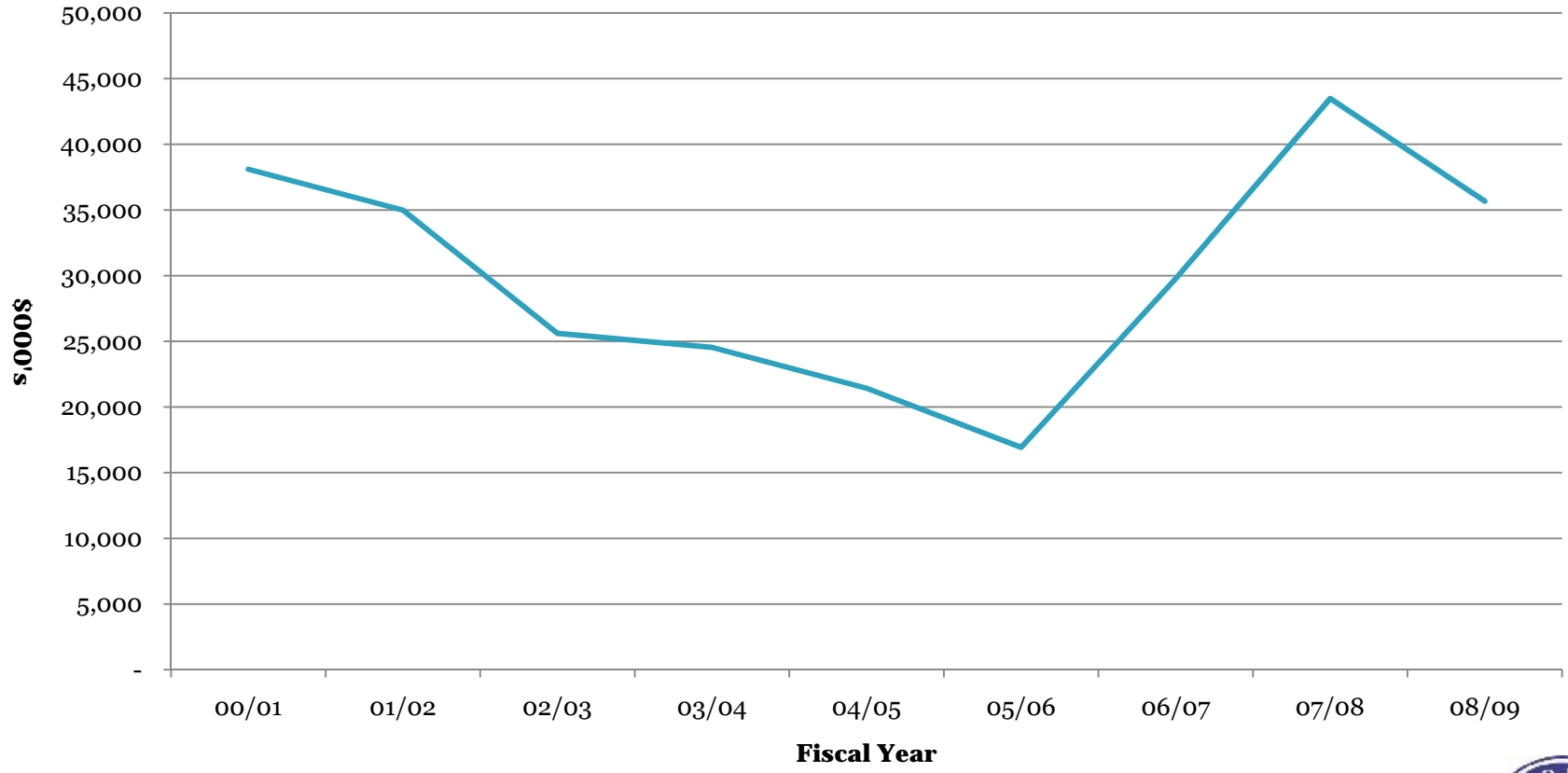
*Per DBRS Report, Sept. 2009



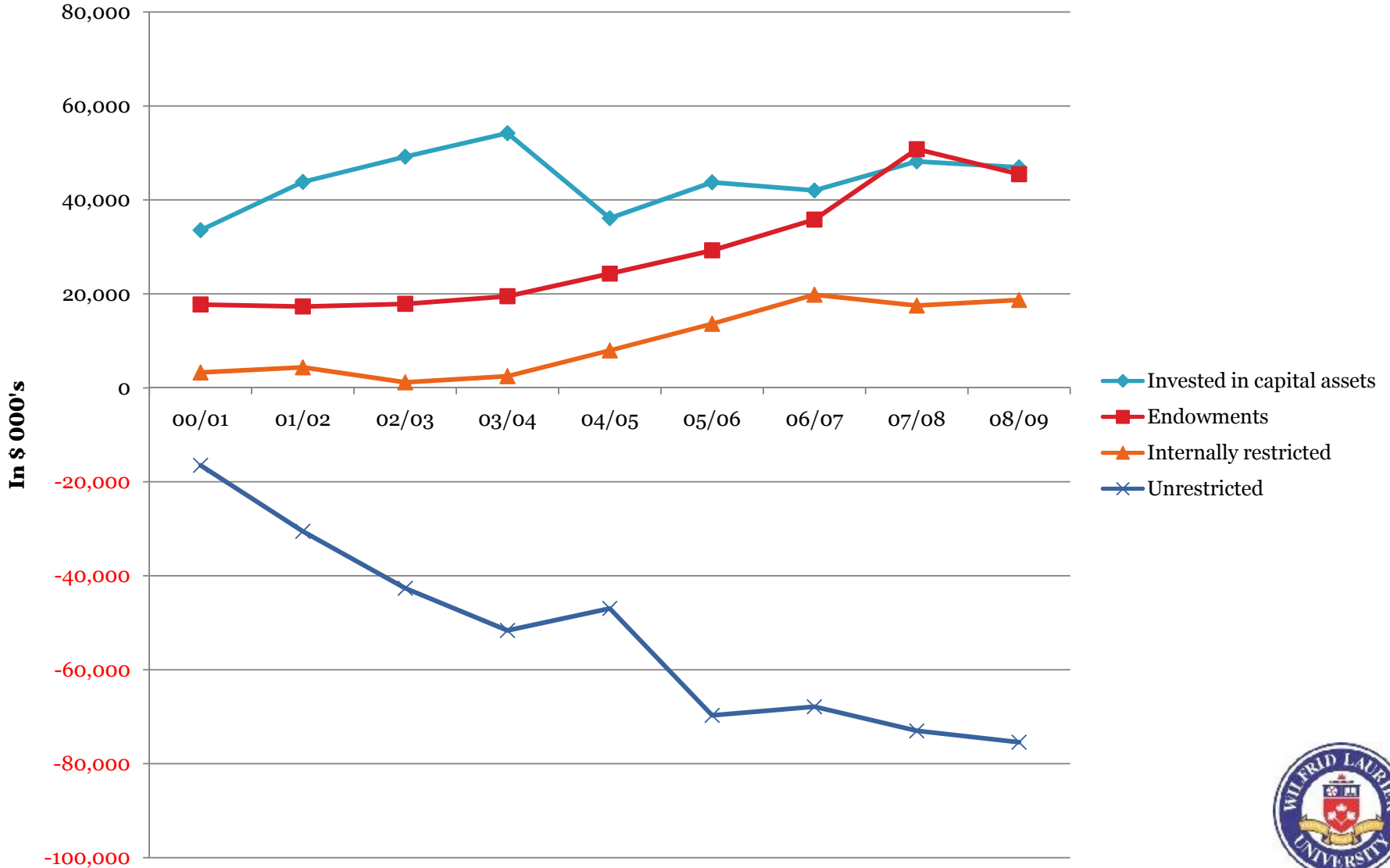
Assets increased 1.4 times, Liabilities increase 1.9 times



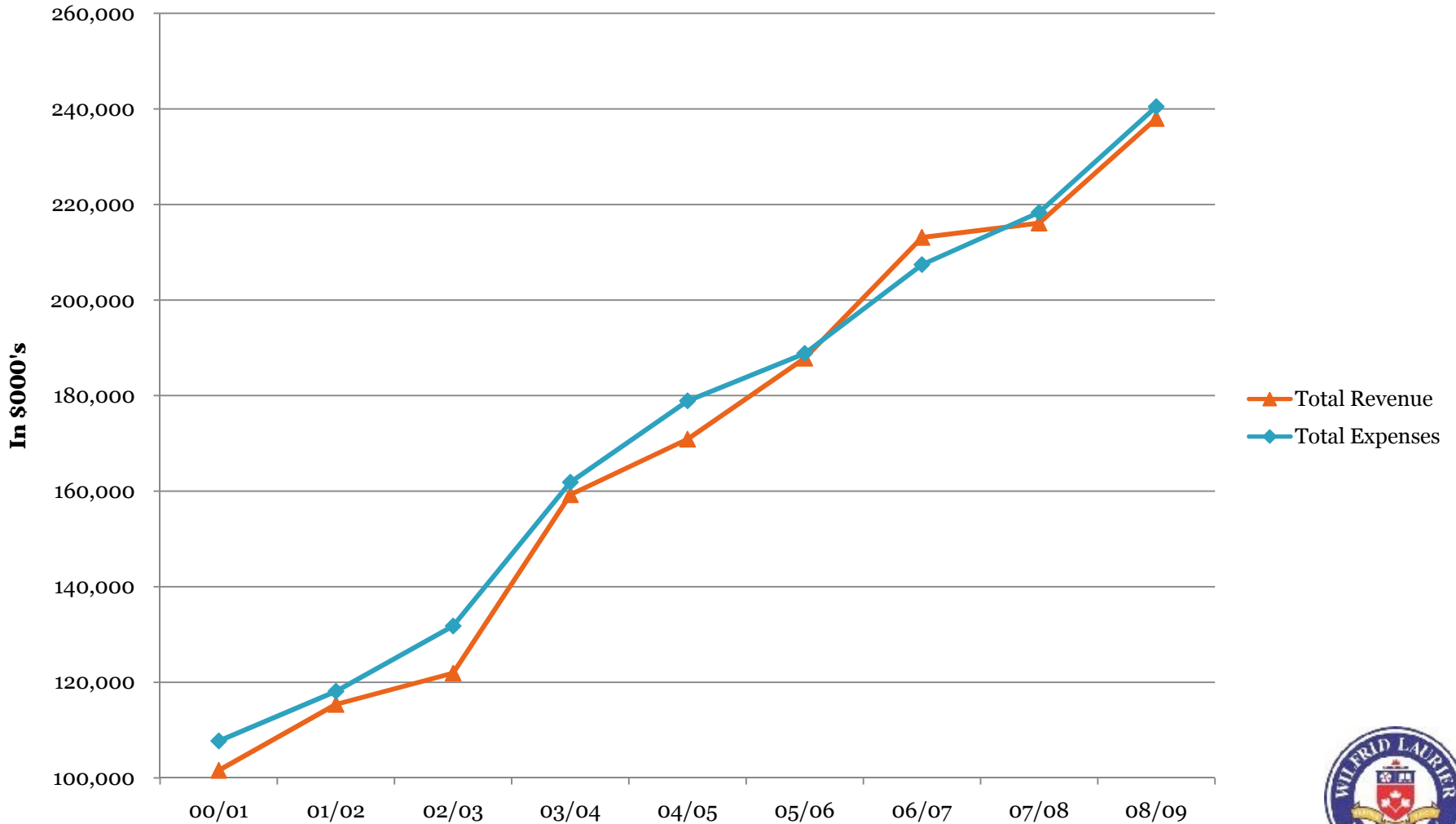
Our Net Assets Position Has Not Improved



Components of Net Assets

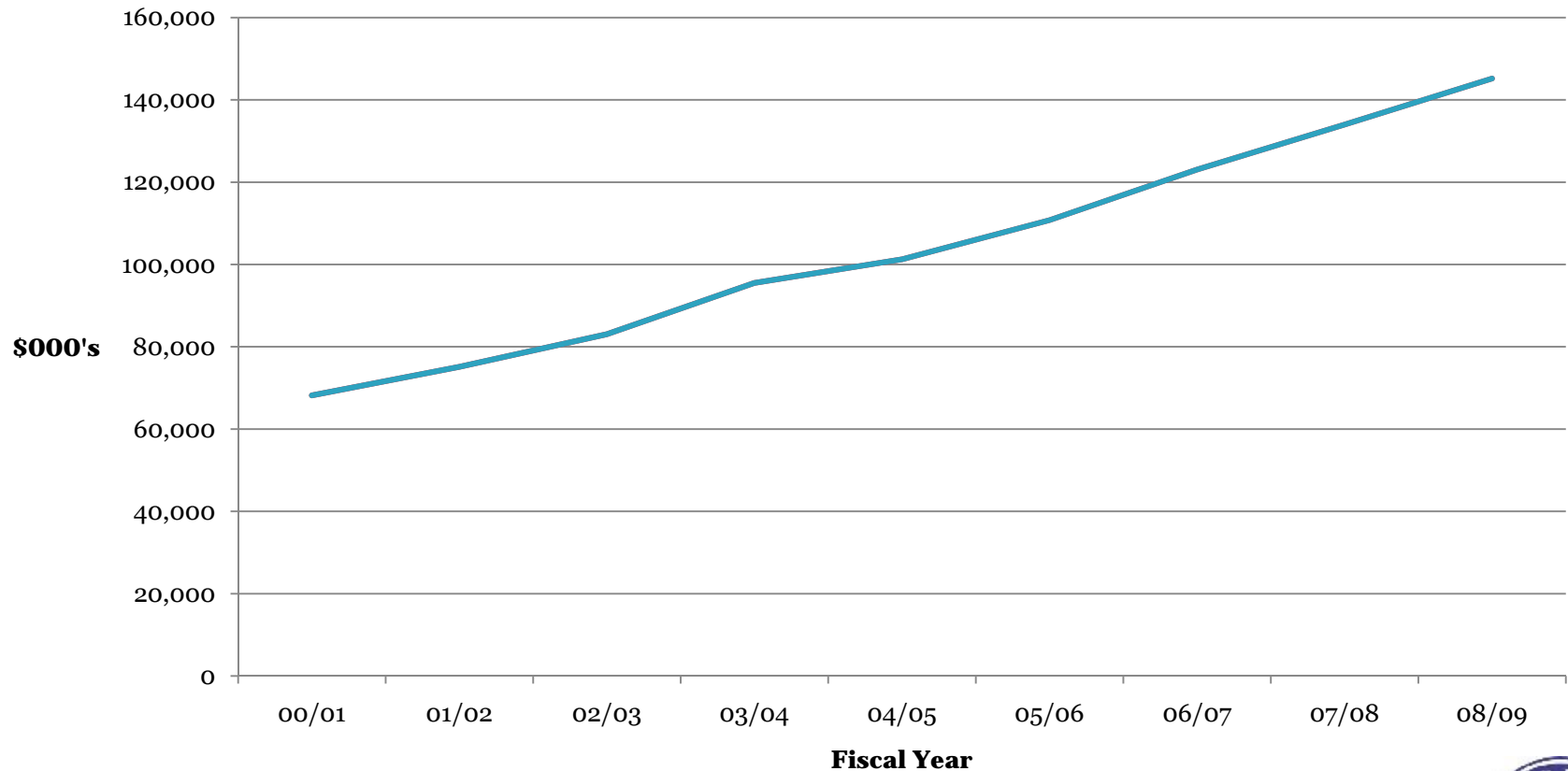


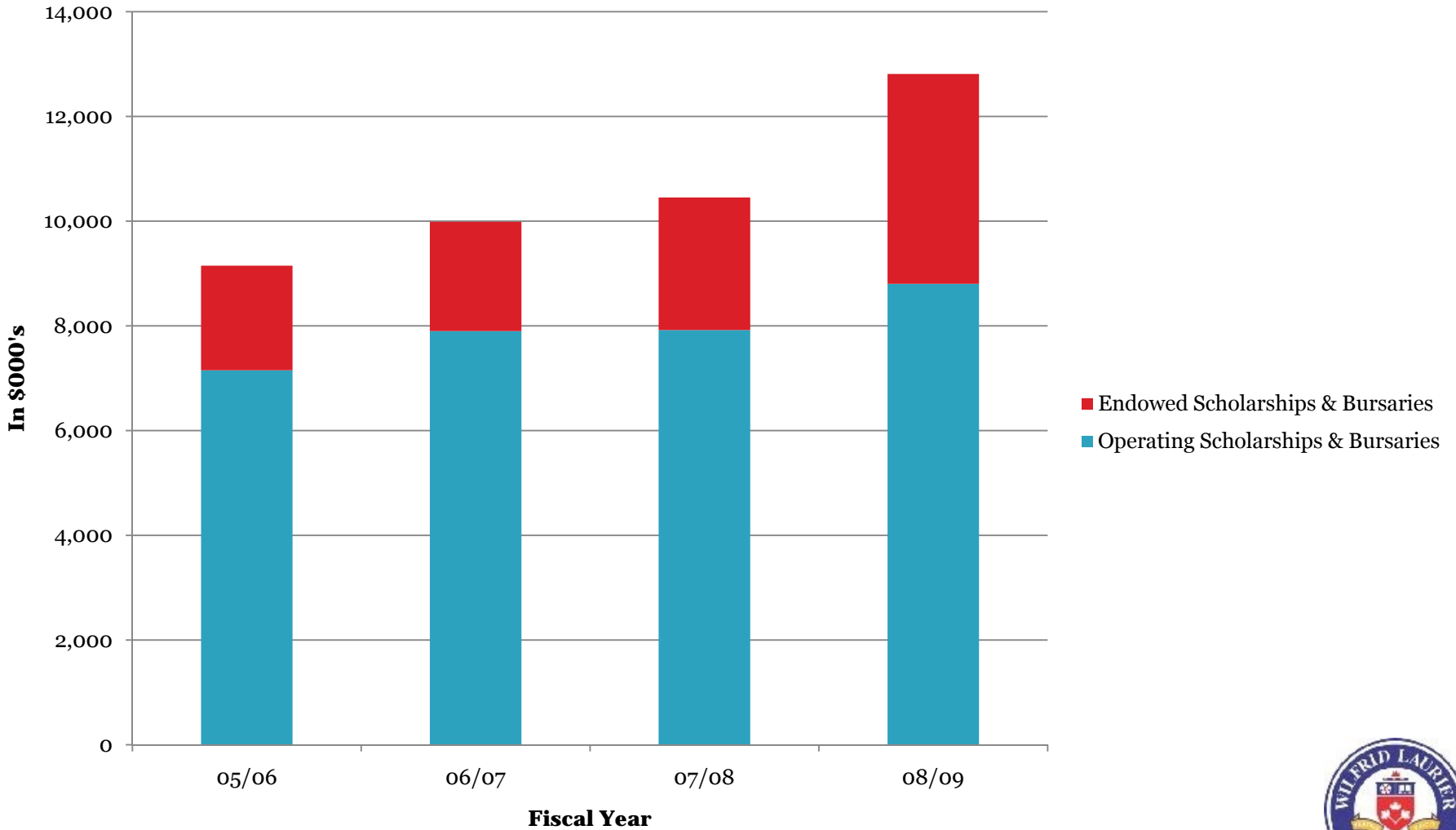
Close relationship during growth period



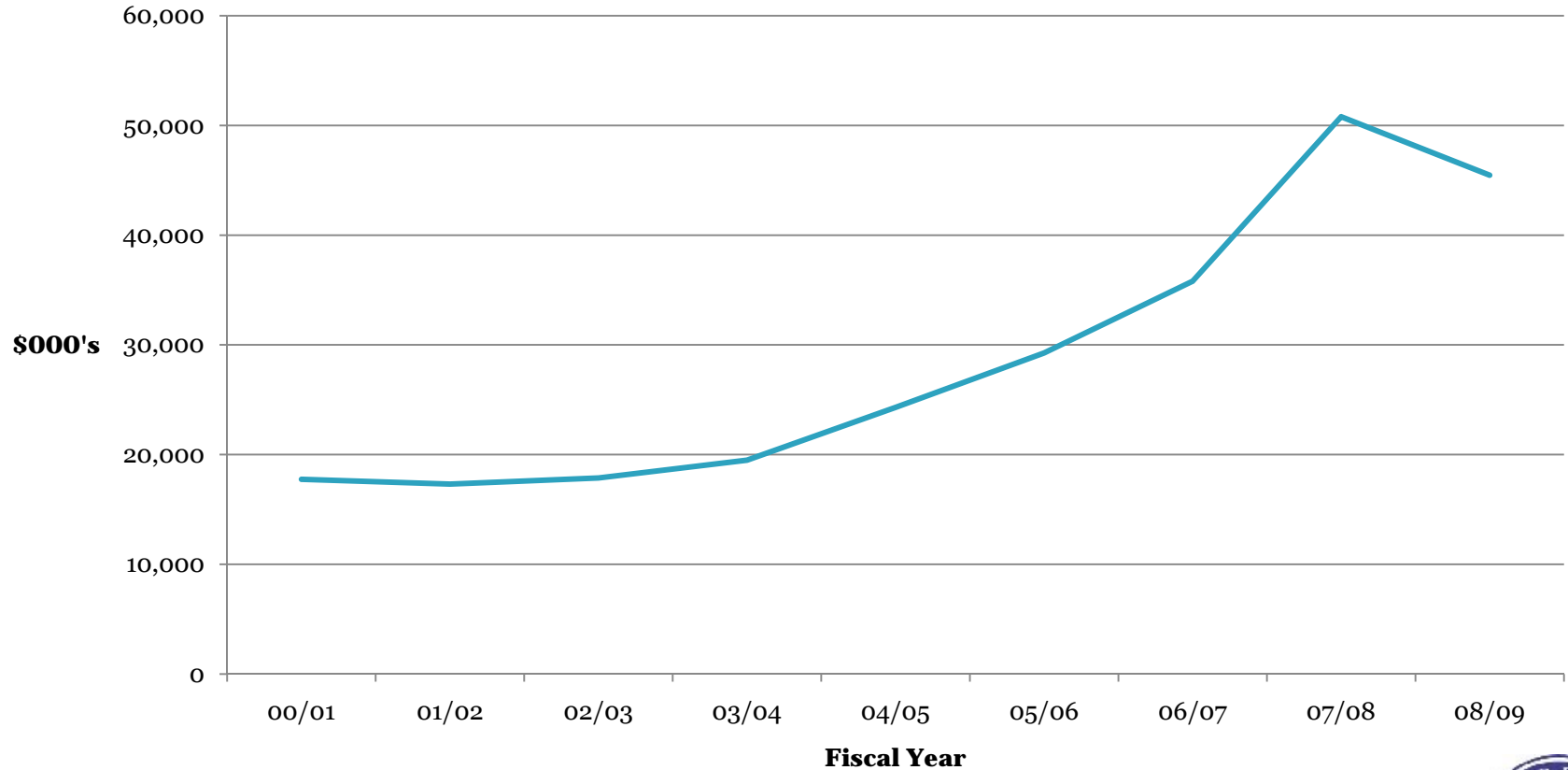
Salary & Benefit Expenses

More than doubled over a nine year period!

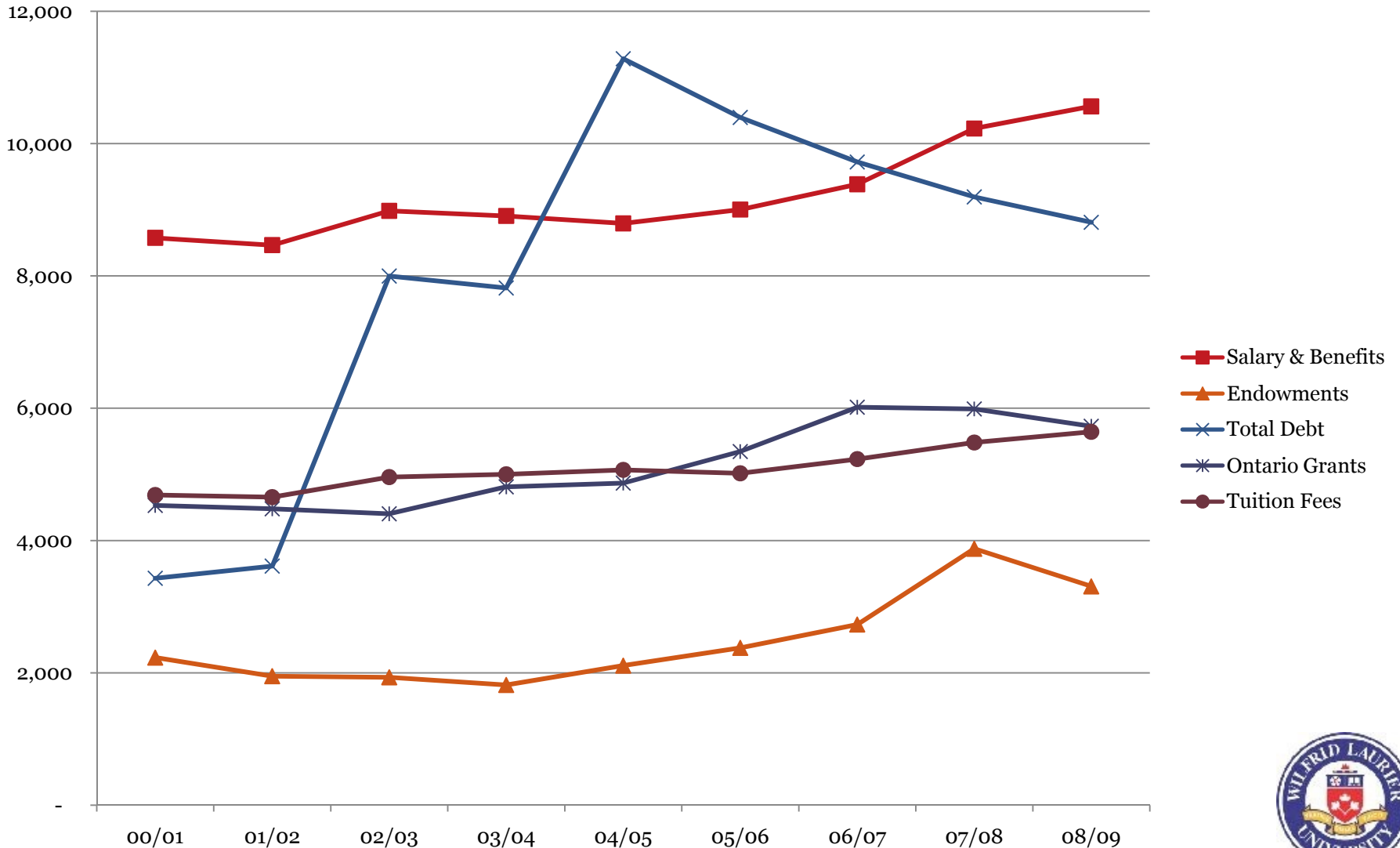




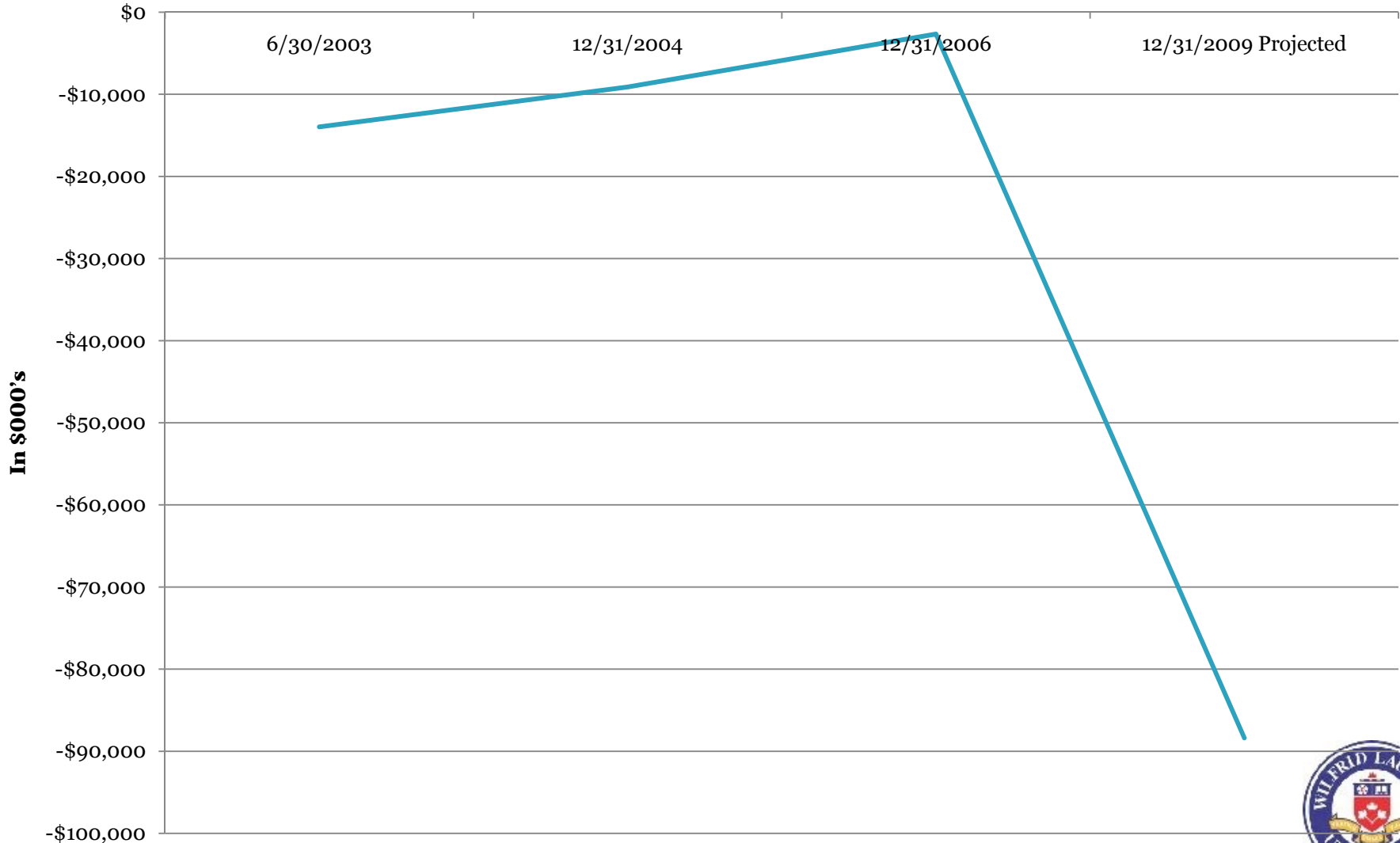
Decline due to poor market conditions



Dollar Amount per Student FTE



Pension Valuation Going Concern



Capital Needs

- RAC Building – Brantford = \$20.8 million
- Lucy Marco Place = \$4.5 million
- Deferred Maintenance = \$54 million
- Global Innovation Centre = \$130 million
- New Residence Capacity = ???



1. Pension Solvency/Going Concern Deficits;
2. Structural Deficits become a concern if year end Provincial Spending suspended;
3. Capital facilities renewal;
4. Can we sustain this cost structure in the short term or long term?



Where Do We Go
From Here?????

GROW????

DON'T GROW????



Questions?

