

Fiscal Year 2020 Budget Report

Prepared by:

Seneca J. Velling | VP Operations & Finance | Chair

John P. Hunte | Council-Director | Vice-Chair

Diana Chang | Councillor

Connor Plante | Director

Daveed Gittens | At-large Member

Katherine Arnold | At-large Member

Acknowledgements:

Suzanne Burdett | General Manager | Resource Member

Cheryl Pflug | Financial Officer

Letter of Recommendation

Dear Students' Council,

This is the second year the Committee has taken steps toward better justification and explanation of the use of student fees and attempted to improve clarity in the budgeting process. We believe it is essential to have transparent and open finances; in the past year, there have been major changes to the management and implementation of financial controls – from costing out staffing for Commercial Units to those units and the closure of the Bombshelter Pub, to optional fees in the era of Student Choice Initiative (SCI). This report remains a major step in an on-going process to improve public accountability and clarity WUSA's budgeting.

As a Committee, we are responsible for developing, vetting, and reporting on the general operating budget for all WUSA, which as of recently includes both those portions funded by student fees and those which are not. We respect students' right to know how their money is spent and what the future has in store. This budget was built by prioritizing the provision of high quality service, financial accountability, reaction to SCI, and planning for the future.

We feel confident that this report provides clarity on the use of student dollars and business performance, highlighting the operating costs for the Corporation. As a committee, we have unanimously approved the attached budget and recommend its passage by both Students' Council and the Board of Directors.

On behalf of the Budget & Appropriations Committee, yours sincerely,



John P. Hunte
Vice-Chairman



Seneca J. Velling
Chairman | Vice President, Operations & Finance

Committee Approval of the Report

On October 20th, 2019, the Committee voted to approve the report for review and acceptance of Council, and final approval of the Board. The Committee opened Question & Answer period on the report on the evening of October 21st, 2019. The following motion was adopted:

Be it resolved that the Budget & Appropriations Committee approves the prepared FY2020 Budget Report, including all appendices and attachments, for recommendations to the Students' Council which shall be circulated by end of day on Monday the 21st of October 2019;

Be it further resolved that the Committee permits the Office of the Vice President, Operations & Finance, to make formatting and minor editorial amendments to the report as may be required; and

Be it further resolved that the Committee opens the one (1) week Question & Answer period on the report effective the time of circulation of the report to the Council & Board mailing lists.

Moved by Velling, seconded by Gittens.

Roll-call vote:

- Member Plante – *In favour*
- Member Arnold – *In favour*
- Member Gittens – *In favour*
- Member Chang – *In favour*
- Vice-Chairman Hunte – *In favour*
- Chairman Velling – *In favour*

Motion Carries Unanimously.

Note: *The Office of the Vice President, Operations & Finance, may provide additional minor editorial and formatting amendments to this draft report prior to Council's 3rd of November 2019 budget vote.*

Update: Budget updated based on Question & Answer Period discussion which noticed a few minor discrepancies in language and a table copying error that resulted in over reporting of the Executive Compensation and under reporting of the Business Unit and Research & Development lines in the strategic categorization of the Operations & Finance portfolio.

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Definitions

Waterloo Undergraduate Student Association (WUSA)	The Waterloo Undergraduate Student Association is the registered business operating name for the Federation of Students, University of Waterloo, which serves as the legal representative of all undergraduates at the University of Waterloo.
WUSA Fee(s)	The suite of fees assessed to all undergraduates, prorated depending on stream and course load, which funds the benefit programs, services, Executives, advocacy, and governance of the Waterloo Undergraduate Student Association.
	<p>Divided into three types of fees:</p> <ul style="list-style-type: none"> • Administered Fund Fees – those that support specific programs or services and are restricted in use. • Operating Fees – those which fund the operating budget of the association and its subsidiary societies/affiliates. • Capital Fees – those fees that support capital maintenance, improvement, and expansion of facilities and capital resources (those valued in excess of \$1000.00 which last greater than 3-5 years, for the purposes of WUSA). Note: there are currently no capital fee assessed to undergraduates for the student association, although there are planned and approved fees.
Constituency Societies	Those recognized student governments and groups serving a dedicated constituency defined in the Bylaws or as otherwise determined by the Students' Council. Societies are governed under the Federation-Societies Agreement, policies, and procedures of Council.
Advocacy	The exercise of lobbying and stakeholder relations efforts within the University community, to the Region and Municipality of Waterloo, to the Provincial and Federal Governments, and to all other partners. It is also inclusive of student advocacy stances and policies passed by the Students' Council.
Bottom Line	The net earnings, profit, or surplus (loss) or the corporation or portfolio budget. The reference to "bottom" describes the relative location of the net income figure on the fiscal year budget. Also, referred to as "excess or deficiency in revenues over expenses".
Capital Costs	Expenses that are fixed and incurred one-time, and often used to purchase property, equipment and construction.

Fiscal Year	The fiscal year aligns with that of the University, from 1 May 2019 to 30 April 2020 ¹ . Currently it is fiscal 2020. Next period will be in fiscal 2021 on 1 May 2020.
Full-Time Equivalent (FTE)	A unit that indicates the workload of students in a way that makes class loads comparable. One full-time student is one full-time equivalent, and three part-time students are one full-time equivalent.
Operating/Operational Costs	Expenditure that are incurring continually and relate to the maintenance of an organization or service.
Student Development	Activities related to or engagement of student employees, professional training, or leadership opportunities.
Services & Operations	Student-run services — Services and programming focused on undergraduate students, that fill a gap in student experience or need, which are provided by WUSA and administered by Council.
	Commercial Operations/ Business Units — student-run business units, typically in hospitality and retail sectors, aimed at providing for accessible, student-centric markets, and affordable prices; they are administered by the Board of Directors pursuant to corporate policies passed by the Students' Council.
Inflation	Sustained increases in the general cost of goods and services. Inflation is measured as an annual percentage change.
	Inflation adjustments unless otherwise indicated are based on the <i>Consumer Price Index</i> (CPI) of Canada as measured by Statistics Canada in the prior calendar year.
Rate(s)/Derivative(s)	Rate of change of a function or financial variable (slope).
Restricted Budget(s)	Budgets restricted by the Board of Directors in the interests of good business practice or due to privacy considerations which are not made public. All individual commercial operations have restricted budget forecasts separate from the general public operating budget. Bottom lines for all restricted budgets are reported.
Value-for-Money	Value-for-money is the achievement of a desired procurement outcome at the most suitable, but not necessarily the lowest, price based on balanced consideration of financial and nonfinancial factors. It is used to benchmark expenditure in the provision, use, and conclusion of services.
Pro rata (or prorated)	<i>Pro rata</i> is the term used to describe a proportionate allocation. It is a method of assigning an amount to a fraction according to its share of the whole.

¹ University of Waterloo Fiscal Year, <https://uwaterloo.ca/finance/news/fiscal-year-end-april-30-2018>

Per capita	<i>Per capita</i> refers to an average per fees-paying member.
General Meeting	<p>A General Meeting is a meeting of members of the corporation defined by the Corporations Act, R.S.O. 1990 (the “Act”) that provides general direction to and together with the Students’ Council receives financial information from the Board of Directors. The WUSA Annual General Meeting is responsible for appointing the auditor, modifying the dues paid by members, and approving changes to the bylaws of the corporation.</p> <p>Between General Meetings, the Students’ Council acts as a General Meeting of the Corporation, with only those powers allowed by the bylaws and policy, in accordance with §130 of the Act.</p>
UW Staff Association (UWSA) Memorandum of Understanding (MoU)	<p>The contract between the Staff Association and the Board of Governors of the University of Waterloo which governs increments to compensation, via the Staff Compensation Recommendations 2018-2020 from the Provost’s Advisory Committee on Staff Compensation (PAC-SC).</p>

Disclaimers and Notes to the Reader

- Within each portfolio, a strategic categorization is broken down. While this is to the best efforts of the Committee aimed to be consistent between fiscal years, there may be discrepancies between what items classify under which strategic heading. In addition, as portfolios vary in what their strategic categories may be and because some have been modified from the prior fiscal year, there are minor differences between years and between portfolios in what is classified in what manner. For further information please contact the Chair & Vice Chair (vpof@wusa.ca).
- Business budgets are understood not to be caps on performance or unreasonably burdensome on expense levels, but rather liberal projections of expenses and conservative estimations of revenue. Deviation may and is often anticipated to occur in these budget forecasts.
- For the most part, recommendations will be tasked to the appropriate managers and executives for action upon adoption of the budget, however this does not imply that all recommendations will necessarily be implemented. While the report's bicameral adoption by Council and the Board necessitates action, it is often the case that planning, implementation, and evaluation of success take more than one fiscal year. Where priority exists in the recommendations, it is noted or may be inferred by the appropriate manager or executive.
- This report does not provide complete financial advisement to the Students' Council and Board of Directors. It should be viewed as a forward-looking review of the planned endeavours of the organization and their associated funding. Together with the Audited Financial Statements this budget report should provide a holistic view of the Corporation's performance.
- In accordance with the procedures of the Board of Directors and the prior suspension of procedure by Council respecting budgeting, honoraria, and procedurally required allocations the Office of the Vice President, Operations & Finance, maintains the authority to suspend or freeze budgets as the may be required in the interests of the financial position of the Corporation.

General Operating Budget Summary

The University of Waterloo assesses the student fees on behalf of the Federation of Students, University of Waterloo, operating as the Waterloo Undergraduate Student Association (WUSA) and transfers the funds to WUSA for disbursement. The WUSA Fee refers to a suite of fees, including operating and administered funds, which are governed by the undergraduate student body and paid by every undergraduate. Part-time students pay 30% of the WUSA operating fees per the bylaws, but, where applicable², are charged the full administered fee level.

Until Fall 2019, the “Federation of Students Fee”, as it was formerly known, collectively provided for all the operating fees, less those remitted to the recognized constituency societies. The “Federation of Students Administered Fee”, as it was formerly known, collectively provided for all administered funds, including the U-Pass program, the Health plan, the Dental plan, and the Student Refugee Program. However, as a result of the Ministry of Training, Colleges and Universities³ (*Tuition Fee Framework and Ancillary Fee Guidelines for Publicly Assisted Universities 2019-20 and 2020-21*) (hereafter “Ancillary Fee Directive”) released on March 29, 2019, the University and student governing body (Council) were required to more clearly communicate fees on the fee statement, including not unreasonably bundling fees. In addition, the Ancillary Fee Directive mandated that all ancillary fees be classified as compulsory or optional. The “Federation of Students Fee” which was compulsory has become partially optional and has been broken into a suite of fees based on function. For any fees that do not meet the compulsory “essential” ancillary fee requirements, each student must be given the option to opt-out of the fee prior to paying their fee bill.

The suite of WUSA Fees is now broken down as follows:

- Operating Fees (Optional)
 - Events – \$5.58 – Events run through WUSA, including Welcome Week and other programming with social engagement as a focus.
 - Community-building Services – \$2.15 – WUSA runs twelve student-run services, seven of which are considered essential. The remaining five services fall into the non-essential category and are as follows: Bike Centre, International and Canadian Student Network, Co-op Connection, Off-Campus Community, the and Sustainable Campus Initiative.
 - Clubs Funding – \$2.51 – WUSA operates the UWaterloo clubs system, including over two-hundred fifty clubs providing a sense of community and belonging on campus. Clubs range in purpose from athletics and recreational activities to spiritual or career/professional development.
 - University Advocacy – \$3.40 – The WUSA Executives, Students’ Council, and various commissioners (including the Academic Affairs and Co-op Affairs Commissioner) actively engage as student representatives to the University, and advocate to the University in order to enhance the undergraduate student experience and ensure student voices are heard.

² Application of administered fee(s) depends on the on-campus vs. online nature of a students’ course-load, the number of on-campus courses, and whether the student elected to self-enroll in certain administered programs where such an action is permitted. For further information see www.wusa.ca/fees

³ Since the issuance of this report, the Ministry of Training, Colleges, and Universities (MTCU) has been renamed the Ministry of Colleges and Universities (MCU). Please interpret these references to be one and the same.

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- Government Advocacy – \$6.46 – The Federation of Student Executives, and various commissioners (Municipal, Provincial, and Federal Affairs Commissioner) actively engage as the voice of students to various government bodies and advocate to these bodies to enhance the undergraduate student experience.
- Constituency Societies Fees – operating fees for the societies, approved in accordance with the Bylaws and Policies of WUSA and those of the constituency Society, that fund that societies' operations.
- Operating Fees (Compulsory)
 - Corporations Act Compliance – \$20.16 – In order for the student association to offer any of the services the government has deemed as essential, the organization must be in line with the Ontario *Corporations Act*, R.S.O. 1990. This includes audit, insurance and legal costs, having a Board of Directors, running elections, and running general meetings. This fee includes the costs for these items and the overhead associated with their administration.
 - Academic Support – \$3.26 – The Academic Support fee ensures the Student Union can continue to provide support for students who have questions, concerns, or seek navigation support through the University's policy process; including support for academic grievances, discipline, petitions, and appeals. WUSA also serves to provide student representation on academic disciplinary bodies for co-op and regular academic matters. Municipal safety of students both on campus and in the municipality, is also a priority, as are negotiations with GRT as an essential transit pass program.
 - Health & Safety – \$17.72 – WUSA run twelve student-run services, seven of which can be deemed essential in accordance with the framework. Safety, equity, and peer-to-peer student-run services provide peer-to-peer counselling to undergraduate students in order to enhance their overall mental well-being among other benefits accessible to all students.
 - Student Life Centre Facilities – \$2.22 – Operating and managing the Student Life Centre is an essential building fee as defined by the protocol and essential to student space on campus.
- Administered Funds (Optional)
 - Student Refugee Program – \$1.03
 - Legal Protection Service – Regular Stream, \$9.56 in Fall, \$19.14 in Winter; Co-op Stream, \$17.94 per academic term
 - Orientation Fee – \$110.53
- Administered Funds (Compulsory)
 - Health Plan – Regular Stream, \$56.38 in Fall, \$112.76 in Winter; Co-op Stream, \$105.71 per academic term
 - Dental Plan – Regular Stream, \$61.85 in Fall, \$123.70 in Winter; Co-op Stream, \$115.98 per academic term
 - GRT UPass Program – \$101.07

For a full breakdown of fees, please see www.wusa.ca/fees. As noted in the report of the Committee at the June meeting of Students' Council, the Committee is confident that the University and WUSA has taken appropriate measures to ensure compliance with the Ancillary Fee Directive. It should be noted

that fees cannot be collected and then refunded, with some exceptions for administered insurance programs (such as the Health & Dental Plans, which require proof-of-coverage for refund).

General Changes to the WUSA Fees

The Bylaws and Policies of the Corporation require that fee changes be considered only in aggregate, despite any breakdown of fees into categories or into non-compulsory fees. Therefore, the various operating, society, and administered fund fees will be reported as outlined below.

For the purposes of reporting aggregate changes to the "Federation of Students' Fee", the suite of WUSA Operating Fees (less the Societies levies) will be referred to as the "Operating Levy". This collective total is governed in accordance with the Policies and Bylaws of the Corporation. As shown in the table below, the following fee adjustments to the Operating Levy were enacted:

- *CPI Increase* – An Increase of \$1.40 (~2.3%) to the Feds fee was also approved at the 2019 March General Meeting to account for inflation as calculated by the annual Consumer Price Index (CPI) of Canada.
- *Increase for Required Staff Salary Increments* – An increase of \$0.24 (~0.3%) to adjust for the difference between increases in the Consumer Price Index of Canada and those of the Full-Time Staff Salaries required under agreement between the University and the UW Staff Association was approved by the 2019 Winter General Meeting.
- *Government Advocacy Support Increase* – An increase of \$0.62 (~1.02%) to support increased funding for Part-Time salaries, travel for Federal advocacy, professional development, and funding for increased stakeholder engagement including VP Education town hall events with students was approved by the 2019 Winter General Meeting.
- *Organizational Restructure-based Staff Salary Increase* – An increase of \$0.56 (~0.92%) to accommodate changes due to new organizational restructure was approved by the Students' Council at the June 2019 regular meeting.

Changes in the Operating Levy	Effect on Fee Levels for 2019-2020
CPI Increase	\$1.40
Increases for Required Staff Salary Increments	\$0.24
Government Advocacy Support Increase	\$0.62
Organizational Restructure-based Staff Salary Changes Increase	\$0.56
<i>Total Increase</i>	<i>\$2.82</i>
Board of Governors Implemented Operating Levy	
FY 2018-19	\$60.64
FY 2019-20	\$63.46
<i>Increase</i>	<i>\$2.88</i>

In the next table, the suite of changes to each WUSA Administered Fund Fees and Societies Fees have been reported individually with background for their enactment:

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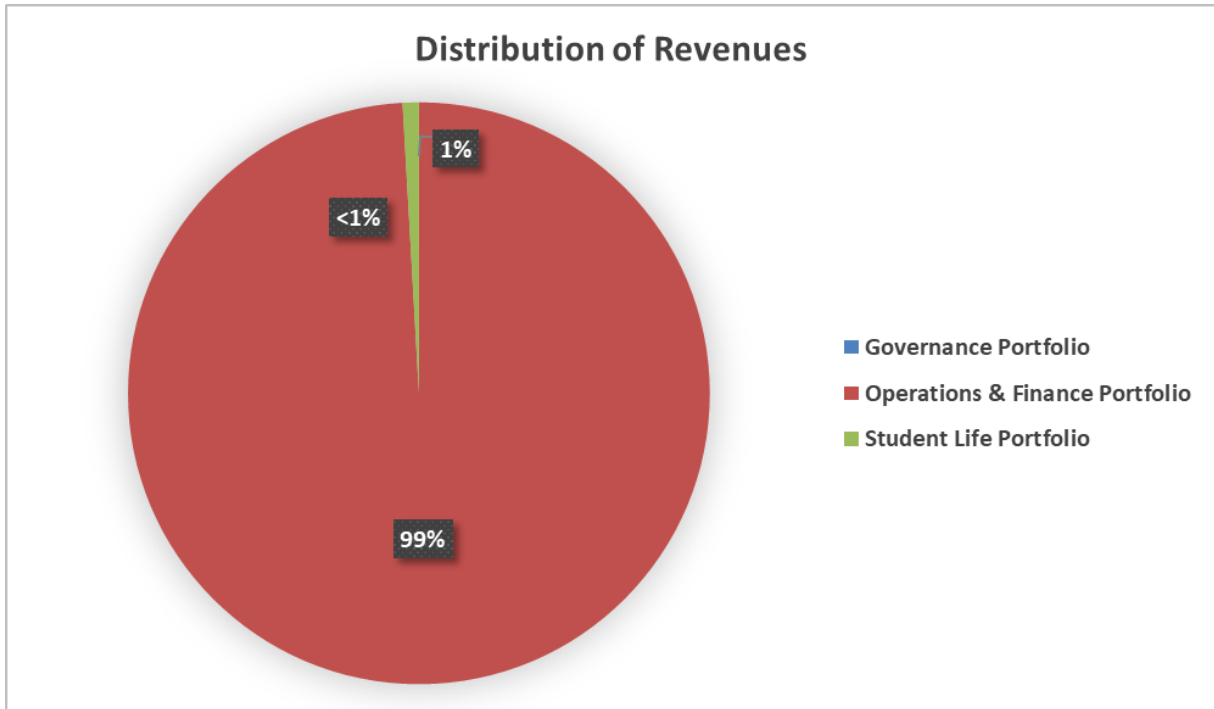
- *GRT U-Pass Program* – An increase of \$7.16 (effective Fall 2019) was required by the WUSA-GRT UPass Agreement. This increase is based off of contractually arranged 4.99% increase each year to the fee between 2015 and 2019, in addition to a 2.5% of premium administrative overhead (\$2.47).
- *Health Plan Fee*– An increase of \$1.38 assessed per term for regular stream students; and \$2.58 assessed per academic term for co-op stream students, inclusive of administrative overhead, was approved by the Board of Directors.
- *Dental Plan Fee*– An increase \$16.85 per term for regular stream students and an increase from \$32.35 for co-op stream students including increases based on premiums and administrative overhead, was approved by the Board of Directors.
- *Student Refugee Program (SRP)* – An increase from \$1.00 to \$1.03 assessed per term for administrative overhead was approved by the Board of Directors.
- *Legal Protection Service* – A new fee resulting from a referendum in the Winter 2019 Term. The Feds’ Board of Directors approved the following fee schedule: \$9.56 assessed in Fall Term, \$19.14 assessed in Winter Term, \$0.00 assessed in Spring Term for regular stream students, based off of premiums and administrative overhead; and \$17.94 assessed per academic term for co-op stream students, based off of premiums and administrative overhead.
- *Engineering Society Fee* – An increase of \$0.35 to adjust for changes to the Consumer Price Index of Canada was requested at the Engineering Society’s Joint General Meeting and accepted by WUSA.
- *Mathematics Society Fee, re: MathNEWS* – A decrease from \$0.25 was requested at MathNEWS/Society General Meeting and accepted by WUSA.
- *Science Society Fee*– A previous accepted and scheduled increase in the Science Society Fee of \$3.00 went into effect.

Changes in Administered Funds Fees	Effect on Fee Levels for 2019-2020
GRT U-Pass Program	\$7.16
Health Plan Fee	\$1.38
Dental Plan Fee	\$16.85
Student Refugee Program (SRP)	\$0.03
Legal Protection Service	\$9.56
<i>Total Increase to Administered Funds</i>	<i>\$34.98</i>
Changes in Operations Fees: Societies	Effect on Fee Levels for 2019-2020
Engineering Society Fee	\$0.35
Mathematics Society Fee, re: MathNEWS	\$(0.25)
Science Society Fee	\$3.00

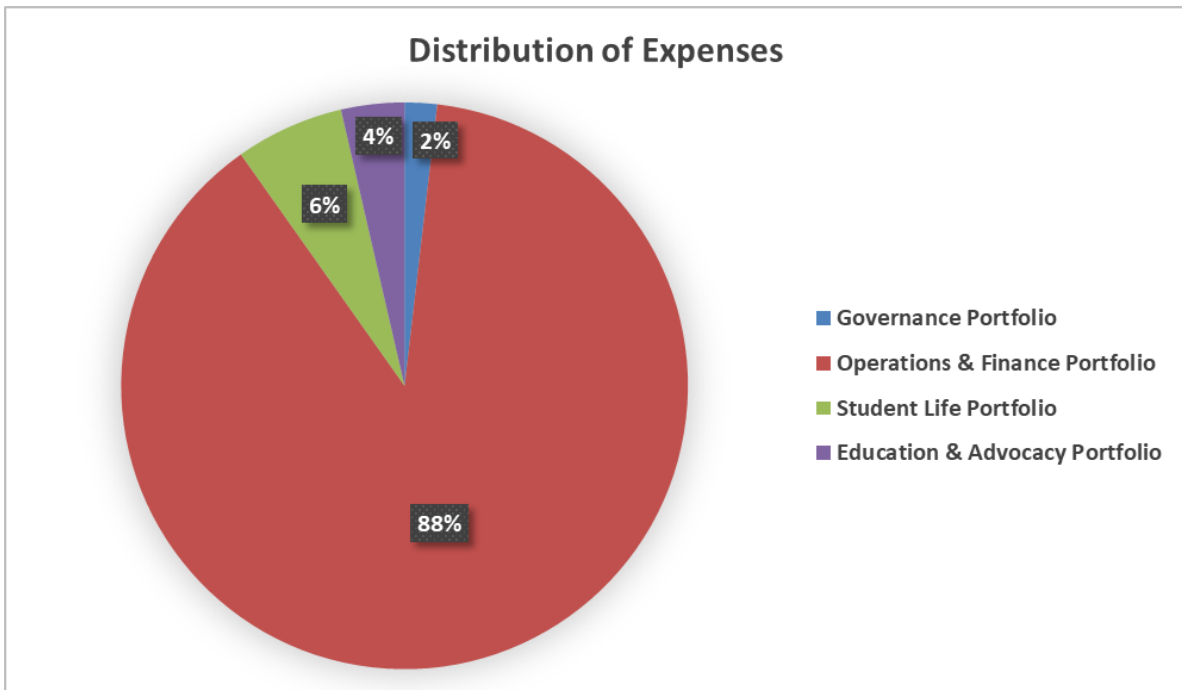
Note: All changes to fees entered effect for the Fall Term, at the beginning of the new academic year. All changes in tables are reported in terms of regular stream students for consistency.

Distribution of Revenues & Expenses

As shown in the Table of Gross Profit and Expenditure below, in the 2020 Fiscal Year, the Budget & Appropriations Committee expects to see \$3,781,777.74 in revenues generated originating predominantly from member dues, administrative overheads on administered funds, and in small part from interest accrued by the operating fund. For administrative overheads from administered funds, these revenues are conservatively based off of premiums from the prior year.



The planned expenditure levels on first impression appear to be dominated by the Operations & Finance portfolio, however many of the expenses reported in this portfolio are administrative, central service lines, or facilities related in nature, including staff salaries, IT, Marketing & Communications costs, and the operation of the Student Life Centre, among other things. Less these central costs, the Student Life portfolio accounts for 53% of expenses, the Education & Advocacy portfolio accounts for 31% of expenses, and the Governance portfolio at 16% of expenses.

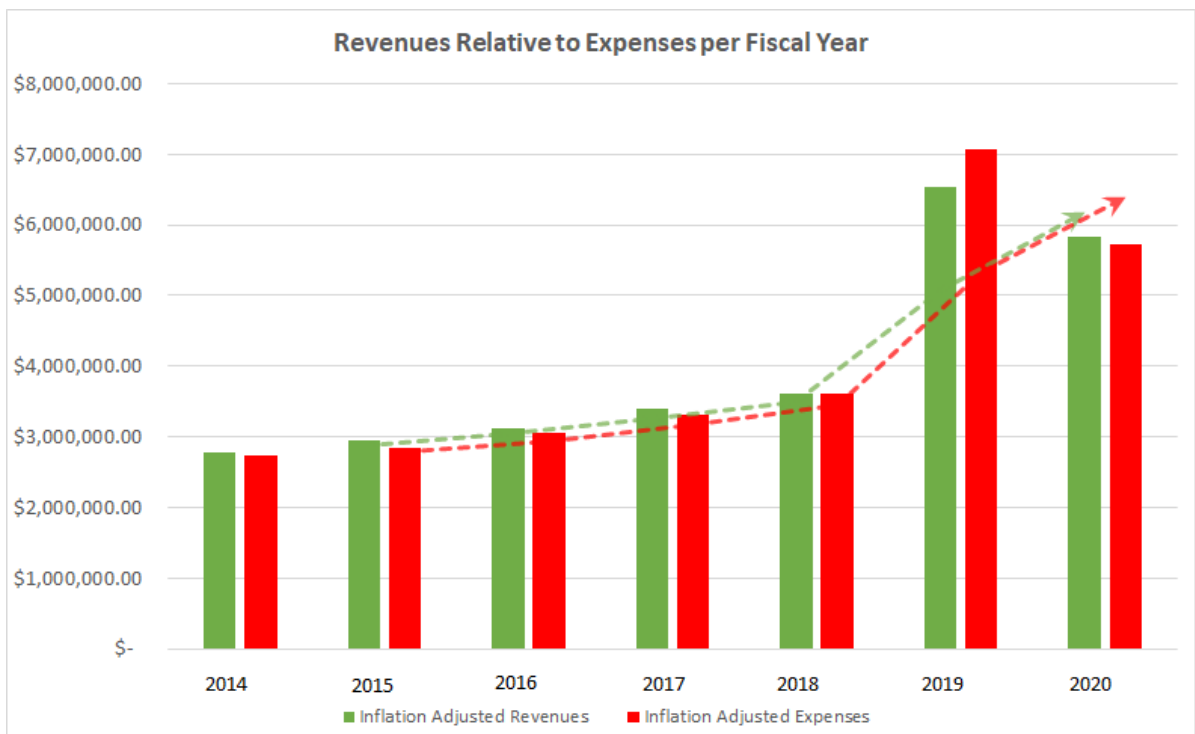


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Gross Profit (Loss) by Portfolio	Budget 18/19	Actual 18/19	Budget 19/20
Governance Portfolio	\$-	\$-	\$2,740.00
Operations & Finance Portfolio	\$5,825,282.67	\$5,530,912.96	\$5,756,864.30
Student Life Portfolio	\$52,650.00	\$81,985.91	\$77,406.58
Education & Advocacy Portfolio	\$-	\$-	\$-
Subtotal	\$5,877,932.67	\$5,612,898.87	\$5,837,010.88
Expenses by Portfolio			
	Budget 18/19	Actual 18/19	Budget 19/20
Governance Portfolio	\$88,738.68	\$86,178.40	\$105,625.59
Operations & Finance Portfolio	\$5,686,013.57	\$5,328,342.95	\$5,057,657.71
Student Life Portfolio	\$381,336.38	\$361,854.86	\$354,721.37
Education & Advocacy Portfolio	\$198,863.68	\$198,882.26	\$206,218.88
Subtotal	\$6,354,952.31	\$5,975,258.47	\$5,724,223.56
Total Excess (Deficiency) in Revenues over Expenses	\$(477,019.64)	\$(362,359.60)	\$112,787.32

Year-over-year Trends

The below chart – as plotted in the figure below entitled “Revenues Relative to Expenses per Fiscal Year” – shows the year-over-year trends in the Corporation’s financial performance (actual) versus the expected performance within that fiscal year (budget). The FY2019 figures and thereafter reflect changes in the budgeting model for inclusion of commercial, operations, and facilities bottom lines, which greatly impact the appearance of overall bottom-line for the Corporation relative to values prior to FY2019. In addition, all inflation adjustments from the nominal values have been taking from the base year 2013 for the budget summary.



Nominal and Adjusted Revenues and Expenses FY 2013 to FY 2018				
Fiscal Year	Nominal Revenues	Nominal Expenses	Inflation Adjusted Revenues	Inflation Adjusted Expenses
2013-2014	\$2,509,312.37	\$(2,458,601.78)	\$2,788,577.84	\$(2,732,223.59)
2014-2015	\$2,663,985.70	\$(2,562,235.05)	\$2,960,465.02	\$(2,847,390.37)
2015-2016	\$2,812,003.89	\$(2,745,354.79)	\$3,124,956.39	\$(3,050,889.81)
2016-2017	\$3,053,282.75	\$(2,975,492.05)	\$3,393,087.57	\$(3,306,639.42)
2017-2018	\$3,245,853.09	\$(3,245,232.69)	\$3,607,089.38	\$(3,606,399.93)
2018-2019*	\$5,877,932.67	\$(6,354,952.31)	\$6,532,097.39	\$(7,062,205.33)
2019-2020	\$5,837,010.88	\$(5,724,223.56)	-	-

Analysis

The General Fund saw a loss of approximately \$132,600 at the close of FY2019. This is \$267,400 less than the FY2018 loss, so significant improvements are underway, however there is considerable effort that must occur. Expenses and revenues are reported in the table above, which can also be seen in the reported graph. As noted above, the spike in revenues and expenses in FY2019 is due to a reporting change with bottom-lines being made public in FY2020 and the FY2019 case being back-dated one year for comparative utility. Due to limitations in confidentiality pre-FY2018, linear averaging is of minimal value; to best determine the projections of financial position, a rolling average over two periods is employed. The rolling average is based on a mean of the previous n data sets taken over a period n. The benefit of this approach is a "smoothing" of the data and a predictive tool that minimizes the impacts of sharp changes to better reflect underlying trends in the average or weighted average. As weighting that exceeds simple constant modifiers for the difference in confidential and public operating budget values is challenging, the rolling average suffers somewhat from reliance on old data (i.e. that prior to FY2018). With that said, the tool is useful for seeing smoother trends in the data, which is obvious from the plot provided.

Revenue is set to exceed expenses marginally, but the predicted rates of growth in expenses and revenues are nearly the same (the trend lines are parallel). Without adjustment of revenues, minor changes in expense levels or budget compliance failure could see expenses in excess of revenues. Attention is required to these trends and efforts should be taken to return to healthy working capital levels before resuming spending. If spending is needed to increase for service-levels, the corporation should be ready to adjust fees to accommodate such growth or find new sorts of non-fees revenues. Greater emphasis should be made on increasing the working capital to ensure WUSA is well placed to maintain service levels while meeting obligations.

Accounting for UWSA-UW Staff Remuneration Increments

Largely due to the Board of Directors proposal to the Winter 2019 General Meeting to increment the "Federation of Students' Fee" in alignment with the UWSA MoU's contractually obligated increases to staff compensation, the tightening of the continued restriction of service levels to support service lines was in part avoided in the FY2020 Operating Budget. This has allowed most service levels to remain constant or improve rather than see decline that would otherwise have been due to contractually obligated remuneration increases without the accompaniment of fee increases.

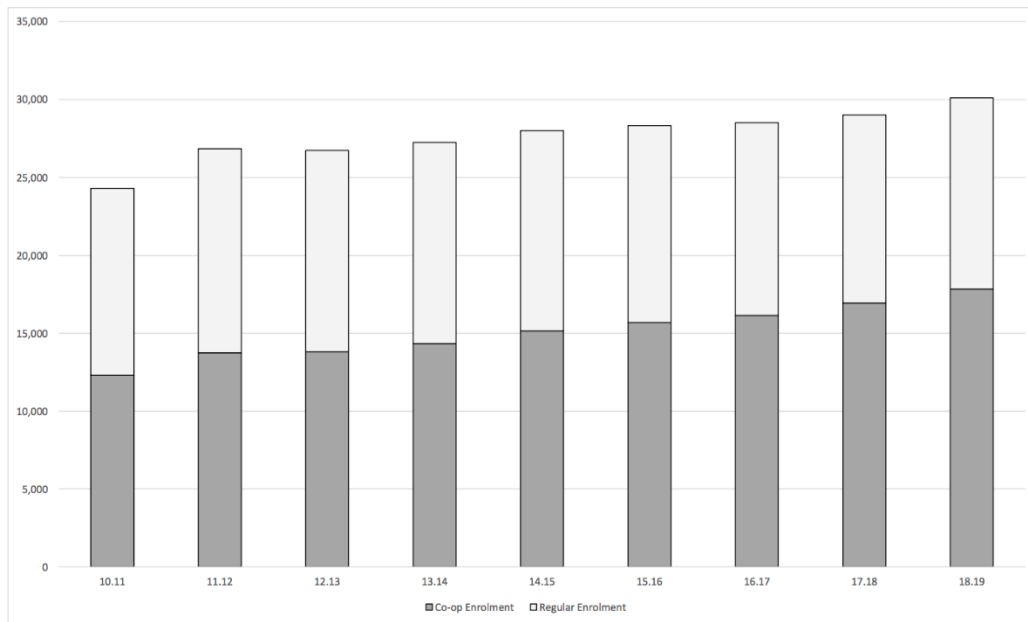
The organizational restructure approved by the Board of Directors is expected to have been under compensated for with appropriate fee increases. As such, efficiencies will need to be found to

accommodate this difference owing to regrading of various roles based on parity to the rest of the campus; or the Board should expect to further adjust fees for staff remuneration, effective at Fall 2020 assessment. Further information as to staff salary costings is estimated based on Job Value and Universal Salary Grades in the Corporate Overview section of this report.

Potential for Off-setting Fee Increases via Enrollment Trends

As depicted in the figure below⁴, the University is seeing regular but slowing increases in Full-Time Enrollment. Further, per the 2018-2019 General Operating Budget from the Senate Finance Committee, it should be noted that there is a stabilization of Part-Time enrollment⁵. While the rate of enrollment slows, total actual enrollment continues to outperform targets, as such we project marginal increases in revenues to generate some additional revenues, but this will not significantly offset the growing expenses shown in the budget. Although this year revenues are anticipated to be in excess of expenses, the organization should remain vigilant of expected fluctuation in optional fees toward equilibration in the long-term and plan for sufficient reserves for healthy cash flows and maintenance of essential service levels.

University of Waterloo
Summary of Undergraduate FTEs^o
 Undergraduate Enrolment



Disclaimer: As reported in the prior fiscal year enrollment data (as of February 2018), the accuracy of the undergraduate forecast over the past decade has been monitored by Institutional Analysis & Planning (IAP) and shows an underestimation of enrolment by approximately 3.4%. If underestimation remains predictable, greater revenues can be expected on the order of \$35,000-50,000. As depicted in the graph above, adjusted 2018/19 enrolments are: 30976 Full-Time students, totaled from 12,252 (regular stream) and 18,724 (co-op stream), and 920 Part-Time students.

⁴ The graphs depict the UG Forecasted Full-Time Equivalents (FTEs) after an adjustment is applied. Source: Undergraduate Forecast, prepared by Institutional Analysis & Planning (IAP) for the 2019-2020 Operating Budget.

⁵ University of Waterloo Senate Finance Committee; 2018-2019 Operating Budget Supplementary Data, IAP monitor of UG FTE forecasting and real vs. projected enrollment, Page 91, University of Waterloo Board of Governors (Tuesday 3 April 2018).

Future Considerations

With regards to the general operating budget, it is the recommendation of Budget & Appropriations Committee that:

- The association reduces expenditures/redundancy in the budget to maintain current expense levels without considerably incrementing the dues paid by members; or increase the dues paid by members sufficiently to account for disparity in prior failures to adjust for trends in inflation-adjusted derivatives of expenses and revenues.
- Council explore pursuing a capital improvement program which will direct the Board to develop an internally restricted capital maintenance, improvement, expansion fund supported by a dedicated capital fee for student spaces. While the Committee is pleased to report on the efficiencies of the student association, relative to the substantially lower fees for WUSA and its constituency societies compared to other University and College associations, the association currently lags well behind most all associations and educational institutions with support for capital programs.
 - Note: Many other associations have capital fees in excess of \$100, however WUSA has no capital maintenance, improvement, or expansion fee.
 - Such a measure will relieve considerable burden on the operating budget for what ought to be treated as investments in capital assets, rather than operating expenditures. This will also reduce amortization lines considerably, leading to clearer and more accountable budgeting. Currently a significant portion of cash flow concerns, identified in the accompanying appendix on financial position of the Corporation, are due to amortization in various departmental budgets and business budget forecasts.
 - The development of a Capital Improvement Fund in will reduce larger impacts on working capital that have been experienced in prior years due to necessary, although expensive, projects such as replacement and upgrades to Point-of-Sale and Accounting software, office renovations and capital maintenance, and build out of the service kitchen.
 - A model should include a five- to ten-year capital budget and associated improvement plan.
- Multi-year budget models should be investigated in this fiscal year which plan for three to five years of budget. Budgets should be constructed in the form of a future looking plan, with approval of annual changes (percent increments) built into the model, and approvals of adjustments to fees for Consumer Price Index and obligated remuneration changes to be planned for.
 - This approach will allow for planning to implement long-term objectives, better define special projects expenditures within departments through improved scoping, and allow for senior management to adapt to changes in policy, political environment, and executive campaign goals or Council prerogatives through discretionary expenditures in a manner that better supports year-over-year changes.
 - Note: In such a model, Council would receive regular reports and hold confirmation votes for any shifts approved by the Board in excess of certain anticipated funding amounts.

- Special Projects lines be minimized or eliminated and subsumed under the Internal Funding Committee's (IFC) Special Projects Fund, thereby increasing accountability to students and increasing oversight for use of the lines.
 - It is specifically recommended that Portfolios and Departments thereof bring their special project or long-term initiative proposals to the IFC or another committee as determined by Council.
 - Funds that are referred to as "Special Projects" accounts that are primarily discretionary in nature ought to be relabeled as discretionary allowances befitting their purpose, with their scope of allowed expenditures narrowed, although sufficient to provide for response to unforeseen expenses. Management and Executive require some capacity to respond quickly as situations emerge.
 - In turn, more effort should be made to direct parties seeking special projects funding to the Internal Funding Committee including through increased marketing.
- That the total Operating Levy be incremented for those staff salary increases that WUSA is obligated to pay in accordance with the UWSA Memorandum of Understanding as implemented by the Board of Governors.
 - Council should pursue a Staff Remuneration Policy which determines when the Board may issue such increase based on the UWSA MoU.
 - In addition, Council should task the Executive with a review practices regarding PT and Volunteer compensation to determine how and when increments to fee buckets for such changes should be made. This may require greater oversight of the Board approved Personnel & Volunteer Benefits Packages.
 - Note: The total fee should be incremented as needed to compensate for any under-estimations in the costs of the organizational restructuring determined by the Board of Directors in May 2019.
- The Students' Council develop a policy on out-of-budget expenditure and budget amendment via the Budget & Appropriations Committee. In addition, discretionary budget amendment authority be conferred at various levels to management, executives, the Committee, and ultimately the Board in a stratified model based on absolute dollar amount of amendment or percent of total budget for that department, business unit, or function.
- A fee opt-out rate fluctuation reserve be created by the end of the Fiscal Year at 5-10% of premium to be held as part of a separate account, with respect to the General Operating Fund, to offset future adverse fluctuations in fees assessment income based on termly changes in campus population, enrollment rates, and opt-out rates.
 - The fluctuation reserve would be aimed to be a buffer against fluctuation in experienced payment rates for the various optional fees and to offer means for transferring surplus from advantageous terms to periods of losses.
 - The 5-10% overhead on fees should aim to be assessed to at least all optional fees, if not all fees. Portions of the excesses of revenues over expenses from the General Operating Budget should be closed-out into this fund on an interim basis to ensure sufficient working capital exists to finance more significant fluctuations between terms.
 - Note: this is intended to be a short-term alleviation measure for fluctuations experienced over the course of each fiscal year, it is not intended to provide continuous

or long-term financing of activities and services that students do not support as evidenced by chronic opt-outs or statistically significant documented concerns.

- Actual financials differ from Council-approved budgeted amounts. The reasoning for this is two-fold, of which only one cause presents some concern:
 - A cause is from the use credit cards points accrued through the payment of all major purchases greater than \$5000 by all departments, a direction required by Board Procedure 17. While the use of points is exercised in an accountable manner, it could afford increased transparency as it can lead to confusion in review of the audits relative to the budget. Note that this cause is of only minimal concern to the Committee. It is recommended that the Office of the Vice President, Operations & Finance, reflect on how to better report expenses supported by points dollars in the budget, as such values are reflected in the audited financial statements.
 - The secondary reason for differences between actuals and originally-approved budget is in budget shifts approved by the Executive Committee or Board of Directors (“altered budget”). Given the Ancillary Fee Directive and accountability for budget compliance and constraint imposed by the membership through Councils’ budget preparation process, the Office of the Vice President, Operations & Finance, under the advisement of the appointed Auditors of the Corporation, should determine what altered budget allocations are permitted, whether authority for such alteration may be issued by management or the relevant Executive, and when such matters must be taken before the Committee or the Board.
 - Exempting the cases of business units, Budgets are intended to be both an allocation of resources toward endeavors that are considered valuable and a cap on expenditure based on priorities within departments determined by students’ elected representatives. By issuing not insignificant shifts to budgets, the expected amount of expenditure can demonstratively vary from what is approved as a budget amendment.
 - While the Committee acknowledges, there is need at times for alternation of the budget, this should be done in a more accountable manner and reported to Council; otherwise, it should be considered to vitiate acceptance of the prepared budget.
 - Charge out of Executive Salary and other staffing costs to appropriate funds should be noted in the next fiscal year’s budget or in the audited statements, where appropriate, to ensure any other significant differences are clear to a student examining the budget.

To reconcile this, a comprehensive Budget & Appropriations Policy should be developed that clearly delineates responsibilities in preparation, bicameral approval, and shifts. In addition, a Financial Requests Outside of the Budget Process Policy should be developed that outlines authorizations, the method by which such authorizations should be sought, and devolves appropriate authority on this matter.

- The Committee further recommends analysis of fee assessment and payment rates on an ongoing basis, to determine optimal fee levels to maximize the capacity to deliver the highest quality service levels, at the minimum cost to students.

Governance Portfolio

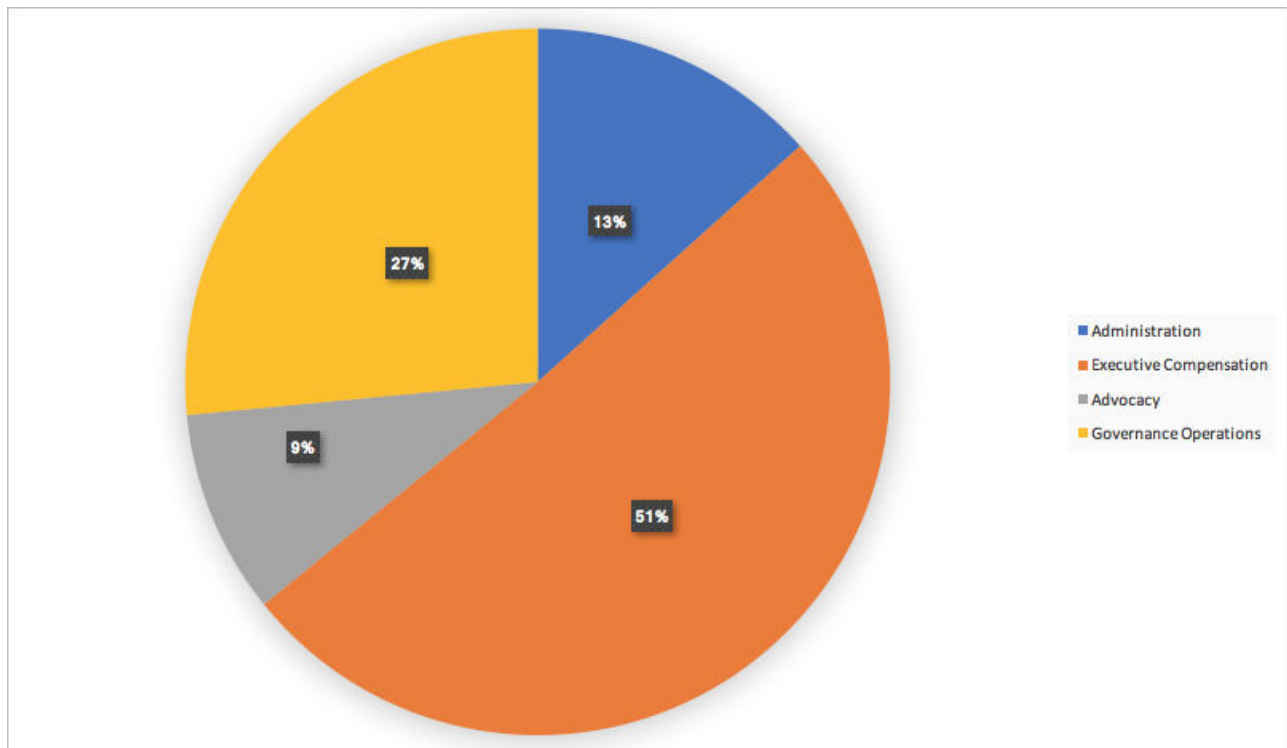
Overview

Role of the President — The President, who is the Chief Executive Officer of the Corporation, Presiding Officer of the Students’ Council, and Vice Chair of the Board of Directors. The President represents undergraduates to the University administration, Senate, and Board of Governors. The Office is responsible for all aspects of student government, oversight of the Independent Elections & Referenda Commission, and strategic leadership of the Executive. The President is responsible for leading the planning of the corporation’s Long Range Plan as well as its execution, ensuring that each portfolio aligns with the strategic vision of the organization. The President also provides leadership and supervision to WUSA and is accountable to the Board of Directors and ultimately the Students’ Council.

Considerations in Budget Development — Based on actual expenses this year, ongoing reforms to improve the governance process, electoral restructuring, and the development of the 2020-2025 Long Range Plan, the budget of the President saw growth this fiscal year. Beyond the elimination of the President’s cell phone allowance, no major changes require reporting. For further details, see key highlights.

Strategic Categorization

Below chart shows the strategic categorization for the Governance Portfolio. Raw data values may be found in the underlying table.



Strategic Category	Absolute Cost	Percentage of Budget
Administration	\$14,390.00	13%
Executive Compensation	\$54,665.59	51%
Advocacy	\$10,050.00	9%

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Governance Operations	\$28,520.00	27%
Total Expenses	\$105,625.59	100%

Key Highlights

For budgeting purposes, the Governance portfolio is comprised of four main sub-categories; the Office of the President, Elections & Referenda, the Research and Policy Officer, and the Student Government Department. A summary breakdown is presented below.

1. Office of the President — The Office of the President accounts for the majority of the portfolio’s budget. Expenses of member dues under this section are those incurred directly by the President themselves or on items they are directly responsible for overseeing.
2. Elections — The elections budget covers the costs of running elections and referenda for various positions such as the Executive, Student Councilors, Student Senators, constituency Societies, and any potential referenda which may arise. This budget is administered by the Independent Commission for Elections & Referenda, in accordance with the Elections & Referenda Procedures. Increases in this budget allocation reflect the real costs of the numerous by-elections and referenda held in the last year.
3. Research and Policy Officer — The Research and Policy Officer (RPO) focuses on providing and coordinating support to the Executive Committee and the Student Government Department for the purposes of governance documents and activities, organizational history and documentation, strategic and operational planning and data analysis of organization-wide projects and initiatives. The RPO also supports the elections as an unaffiliated advisor in a resource capacity. Proactive investment in research support has included budgeting for a Research & Policy Analyst, in a Part-Time student-held role; this role will also support the Education & Advocacy Portfolio.
4. Student Government — Student Government covers the costs of Student Council, the Board of Directors, General Meetings, and other governance events or functions (e.g. support for Councillor office hours). This year increases were made to the transition line items to reflect real use for the Council transition and expected use for efficiencies in the Board’s transition expenditures. This is in line with organizational goals focusing on minimizing turnover risks and improving the transition of government. Additionally, “Ent/ Promo/ Meetings” lines have been increased in this section of the budget to support committee meetings and planned conferences.

Summary of the Portfolio

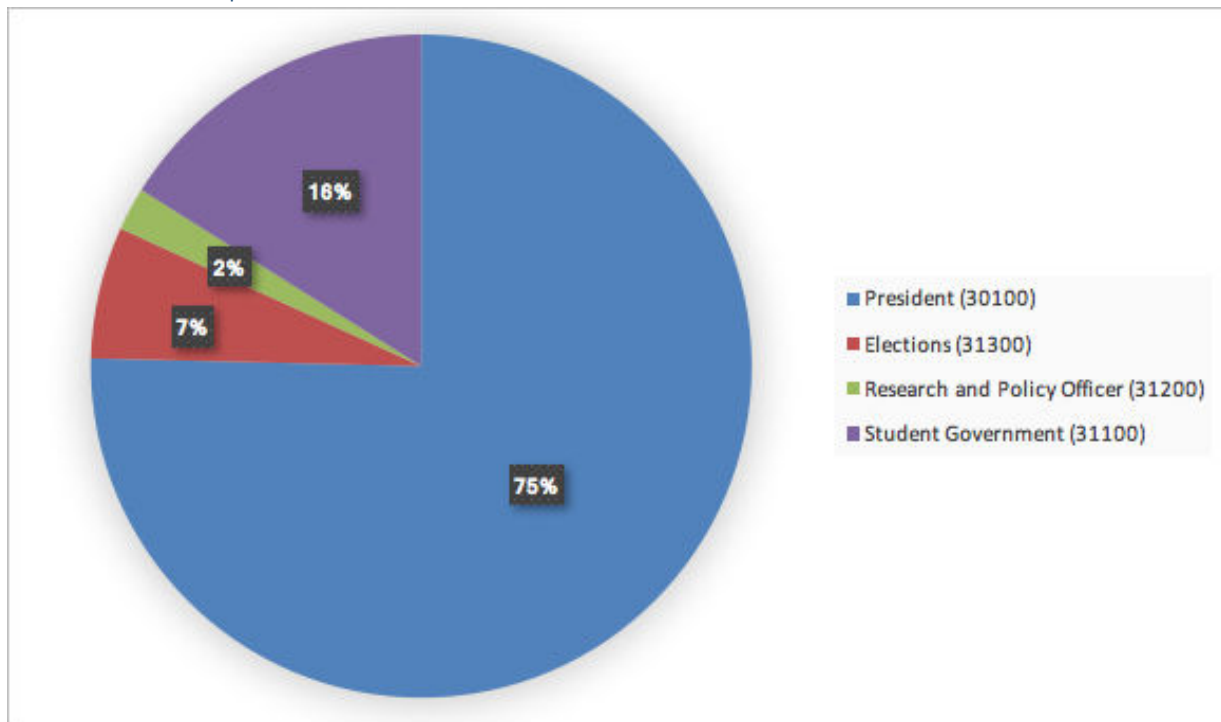
Summary of Revenues/Gross Profit	Budget 18/19	Actual 18/19	Budget 19/20
President (30100)	\$-	\$-	\$-
Elections (31300)	\$-	\$-	\$-
Research and Policy Officer (31200)	\$-	\$-	\$-
Student Government (31100)	\$-	\$-	\$2,740.00
Subtotal	\$-	\$-	\$2,740.00
Summary of Expenses	Budget 18/19	Actual 18/19	Budget 19/20
President (30100)	\$70,468.68	\$67,122.08	\$79,615.59

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Elections (31300)	\$6,300.00	\$8,847.18	\$6,800.00
Research and Policy Officer (31200)	\$870.00	\$759.67	\$2,220.00
Student Government (31100)	\$11,100.00	\$9,449.47	\$16,990.00
Subtotal	\$88,738.68	\$86,178.40	\$105,625.59
Excess (deficiency) in Revenue over Expenses	\$(88,738.68)	\$(86,178.40)	\$(102,885.59)

The singular revenue source is an awarded fund from the Student Life Endowment Fund (SLEF) for Governance, Elections, and Advocacy capital assets. It is a transfer out from the Student Government Department to the Marketing & Communications Department for use.

Distribution of Expenditures



The President's budget, including administrative support Societies, for the Board of Directors and service on committees of the University and WUSA, constitutes nearly 75% of the expenditures within the Governance portfolio, the rest being predominantly Student Government related. The latter is an irregular, but periodically (5 year) scheduled expense expected for the Long-Range Plan. In prior years, and likely in future years, the Student Government Departmental budget will be significantly decreased relative to Elections and the Presidency.

Changes in Budgeted Lines FY2019 to FY2020

Governance Portfolio	Expense Changes	Reason
Office of the President		
Wages	\$1109.24	Adjustment for CPI increase.

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Benefits	\$106.48	Adjustment for CPI increase.
PT Salaries	\$(3,000.00)	For transparency in budgeting, the costs of PT staff have been costed out to appropriate department budgets within the portfolio.
Cell Phone	\$(876.00)	At the direction of the President and with no demonstration of reasonable need, the Committee discontinued the reimbursement of the President's Cell Phone Allowance.
Photocopying	\$(50.00)	Decreased reflective of increased digitization.
Ent/Promo/Meetings	\$(200.00)	Decreased based on actual use.
Travel/Conf/Prof.Dev't	\$(100.00)	Decreased based on expected use.
Long Range Planning	\$16,200.00	Increased based on periodic five-year cost cycle for the plan.
Special Projects	\$(2,500.00)	Transferred \$2000 to Director of Campus Life for processing Events forms and Society event planning. Additional reduced based on desire to reform the Presidency as an effective leadership and governance role.
Transition Honoraria	\$(542.80)	Restructured transition honoraria so only incoming executive receive honoraria. It is the expectation of an outgoing executive to transition their successor.
Leadership/BoD Banquet	\$(1,000.00)	Eliminated based on real use and greater investment in regular governance funding.
Student Government Department		
PT Salaries	\$3,000.00	Costed out from the President's budget and RPO budget to the appropriate departmental budget for the following roles: Governance Events Coordinator and Recording Secretary & Clerk
Honoraria	\$2,250.00	Termly honoraria for the Chair of the Board, Speaker, Secretary of the Corporation in amounts of \$500, \$500, and \$250 termly.
Ent/Promo/Meetings	\$1,200.00	Increased to provide food for Council and Board meetings.
Travel/Conf/Professional Development	\$1,500.00	Required budget line to support Councillors/Directors commuting for Council & Board attendance.

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Special Projects	\$3,440.00	General Special Projects eliminated \$(300.00), budgeting for Town Hall events created \$1,000.00, Governance & Advocacy Signage (balanced with revenue line) totaling \$2,740.00.
Board Transition	\$(500.00)	Reduced based on expected costs and actual expenditures.
General Meetings (transfer-out)	-	General Meeting costs eliminated, transfers out to Special Events & Programming budget added.
Research & Policy Officer (RPO)		
Research & Policy Analyst	\$1,000.00	Created as commitment from the Office of the President to support greater investment in informed research-driven policy for the Governance and Education & Advocacy portfolios.
Travel/Conf/Professional Development	\$250.00	Increased based on equity in professional development and conference opportunities for improvement within the organization.
Special Projects	\$100.00	Increased based on actual use in prior years.
Elections & Referenda		
PT Salaries	\$500.00	PT Salaries were costed out from the Office of the President and the RPO's budgets to the appropriate budgets to increase transparency. The increase provides for support for the following roles: Governance Events Coordinator for \$1,000, Chief Returning Officer for \$2000, Elections & Referenda Officers for \$1,500. Increase based on justified over expenditure for elections and referenda of \$1,894.92 within the prior fiscal year.

[Year-over-Year Growth](#)

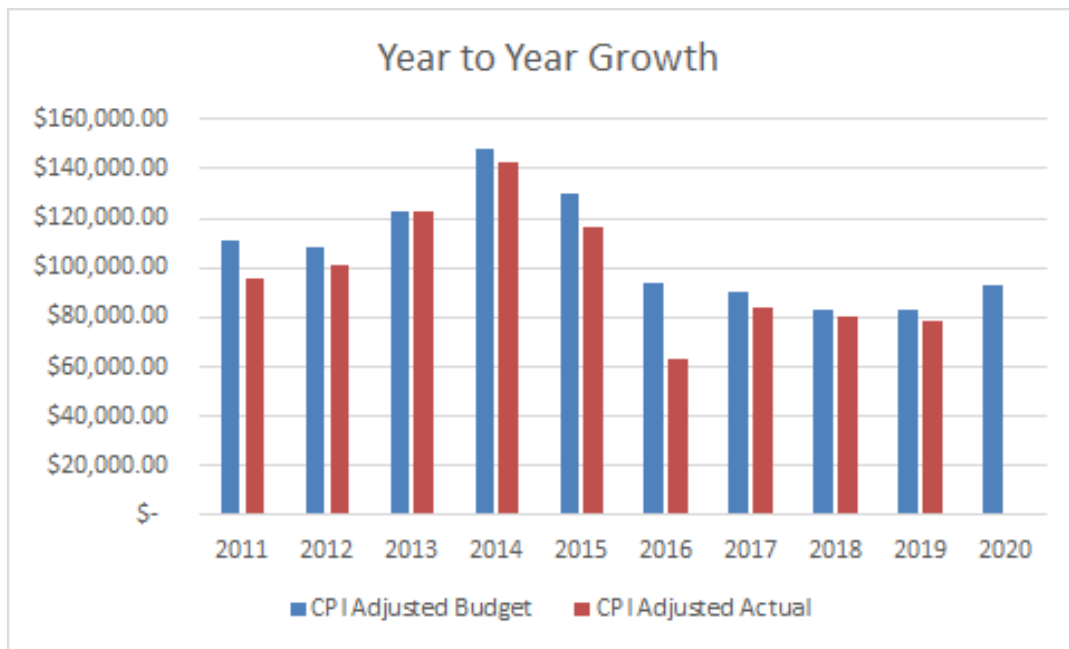
Year-over-year growth trends in the Governance Portfolio, as indexed for inflation, are shown in the figure below. The accompanying table provides raw data values for this figure.

Fiscal Year	Budget	Actual	CPI Adjusted Budget	CPI Adjusted Actual
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2011	\$ 94,773.42	\$ 81,818.23	\$ 111,096.87	\$ 95,910.32
2012	\$ 92,047.60	\$ 86,484.58	\$ 107,901.56	\$ 101,380.39
2013	\$ 104,387.11	\$ 104,387.00	\$ 122,366.38	\$ 122,366.26
2014	\$ 126,618.81	\$ 122,009.93	\$ 148,427.20	\$ 143,024.50
2015	\$ 111,020.97	\$ 99,667.29	\$ 130,142.84	\$ 116,833.64
2016	\$ 79,712.76	\$ 54,095.00	\$ 93,442.21	\$ 63,412.14
2017	\$ 76,909.35	\$ 71,750.77	\$ 90,155.95	\$ 84,108.87
2018	\$ 70,981.18	\$ 68,167.39	\$ 83,206.73	\$ 79,908.31
2019	\$ 70,568.68	\$ 67,122.08	\$ 82,723.19	\$ 78,682.95
2020	\$ 79,615.59	\$ -	\$ 93,328.30	\$ -



Future Considerations

The Committee recommends the following actions be taken as it respects the Governance Portfolio:

- That the costs of the Long-Range Plan budgeted for each year and carried forward in that account if unspent over the five years of implementation rather than in periodic lump-sum. The long-range plan costs should be understood to include the implementation, oversight, and review costs for the plan once approved.
- Continuation of the direction for investment in and support of governance, transition, and training for Councillors and Directors. This investment pays off in the form of educated student representatives and fiduciaries that more responsibly exercise their duties.
- Efforts should be made preserve funding levels for General Meetings, Council, Elections and Referenda as these costs are required by the Bylaws and actual demand varies depending on the year. The last fiscal year saw a spike in costs due to unanticipated by-elections, meeting costs, and some planned referenda.

Student Life Portfolio

Overview

Role of the Vice President, Student Life — The Vice President, Student Life (VPSL) is responsible for promoting an environment where students can pursue personal growth within WUSA and the Waterloo community. The VPSL is expressly responsible for supporting student participation in athletic, cultural, and social activities as well as assisting student-initiated projects; oversight of the day-to-day operations of all Federation of Students' Clubs and Services. The Vice President works within the regulations and procedures established by the Students' Council for the administration of the portfolio.

Considerations in Budget Development

1. *Students' Choice Initiative* – The SCI has significantly affected the Student Life portfolio due to the high number of services within its scope which were deemed “optional”. Thus, budgeted amounts are to be reflective of opt-out rates so that funds are spent appropriately, as required by the Ancillary Fee Directive.
2. *Reformed reporting by Departments and Services* – this has allowed the Committee to more effectively allocate funds to where they are most needed by each department and service.
3. *Maintenance of service-levels wherever possible* – departments and services were asked to identify which areas are essential for their service-levels to be maintained, and which they would prefer to receive cuts, if necessary. Reductions in expenditure were determined and executed in a manner to minimize impact on service-levels wherever possible.
4. *Clubs Surplus to support working capital* – with the SCI as a significant contributing factor, the committee has adopted the position of budgeting conservatively in order to maintain a healthy financial position. In addition, a portion of the Clubs Surplus, which was historically (prior to FY2017) regularly disbursed in the budget, was liquidated into the general operating budget for the portfolio and for administrative costs associated with the build out of the clubs management system.

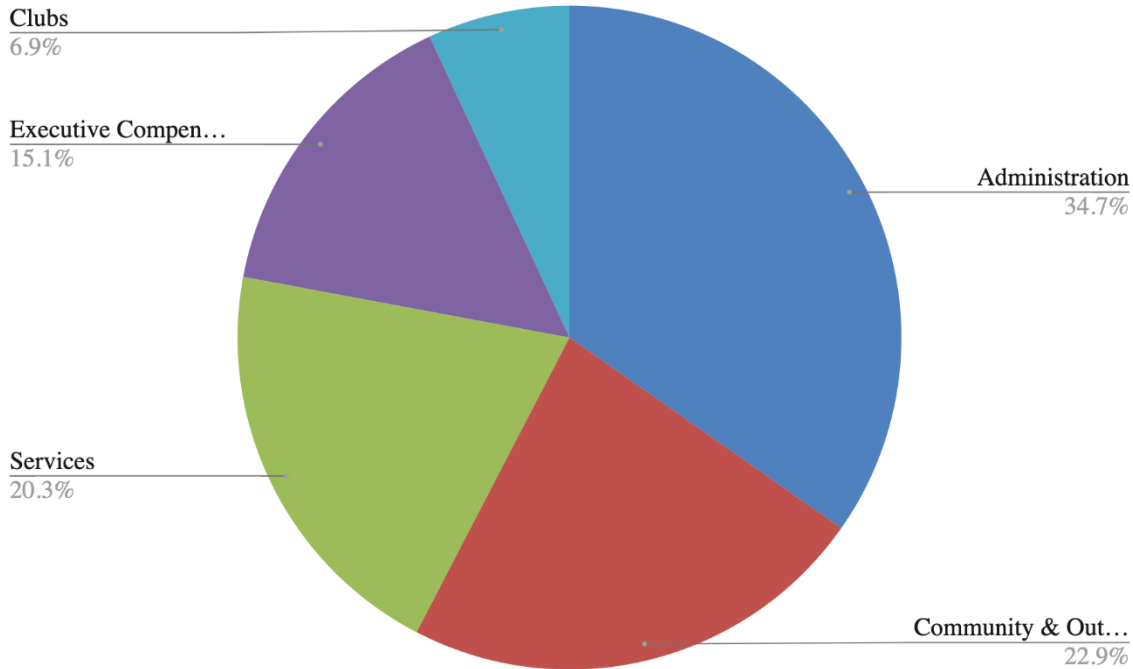
Key Highlights

1. *Volunteer Center* – This was closed in Fall 2019 due to lack of use. This has resulted in a significant reduction in its yearly budget as it only functioned for a portion of the 2019-2020 financial year. Its duties were redistributed within the portfolio of the Vice President, Student Life.
2. *Warrior Tribe* – In Fall 2018, the Students' Council discontinued the Warrior Tribe due to continued low engagement rates, poor volunteer and executive participation or recruitment, and understanding that Athletics & Recreation already serves a similar niche. This came at the recommendation of the Vice President, Student Life.
3. *RAISE* – This is a new service which only functioned for a portion of the 2018-2019 financial year. This has caused a perceived increase in allocated funds, while in fact some levels remained constant in proportion to the length of time the service was active.
4. *Equity Commissioner & Society Relations Commissioner* – With the removal of the Society Relations Commissioner and its duties being assumed under the portfolio of the President, and Council's direction to create an Equity Commission within the Student Life Portfolio, the Equity Commissioner's budget assumed a variation of the Society Relations Commissioner's budget and

hence there is no “zeroing” out of the Society Relations Commissioner’s line items, and no “initiation” for those of the Equity Commissioner.

Strategic Categorization

The strategic categorization of the Student Life Portfolio expenses is shown in the chart below. Raw data represented in this chart can be found immediately thereunder. Best efforts have been made to classify costs in accordance with the prior fiscal year’s classifications, so reasonable comparison can be drawn.



Strategic Category	Absolute Cost	Percentage of Budget
Administration	124,048.00	35%
Clubs	24,745.38	7%
Community & Outreach	81,750.00	23%
Executive Compensation	54,072.79	15%
Services	72,548.00	20%
Total Expenses	357,164.17	100%

Strategic Categorization of Expenses is based on primary functions of the portfolio. The Student Life Portfolio consists of services and is community engagement focused and thus provision of services, associated administrative costs, and community & outreach costs contribute most greatly to expenses. The portfolio is also uniquely positioned to generate sales, in-kind, and other forms of revenues to reduce its operation overhead.

- Administration — Accounting for 35% of the VPSL budget. This section is made up largely of honoraria for the significant number of volunteers who make it possible to run the twelve Services under the portfolio as well as the overhead cost of these services.

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- Community & Outreach — The promotion of services, community outreach, and events accounts for 23% of the portfolio budget. This section comprises the cost of informing students about the services provided by Feds and includes promoting awareness about the support communities on Campus.
- Clubs - The support of all undergraduate clubs and societies within the University accounts for 7% of the portfolio budget. This includes society relations and subsidizing some club expenses.
- Executive Compensation — Salary, benefits, and transition honoraria for the VPSL accounts for 15% of the VPSL budget. This compensation package enables full time elected students to serve as executives, leading the organization’s efforts in the provision of services, administration of clubs and societies, and campus life improvements.
- Services — The provision of student-run services accounts for 20% of the portfolio budget. This section is comprised largely of the costs of a service provided to students. For example, this would include the cost to train volunteers to run a service.

Summary of Portfolio

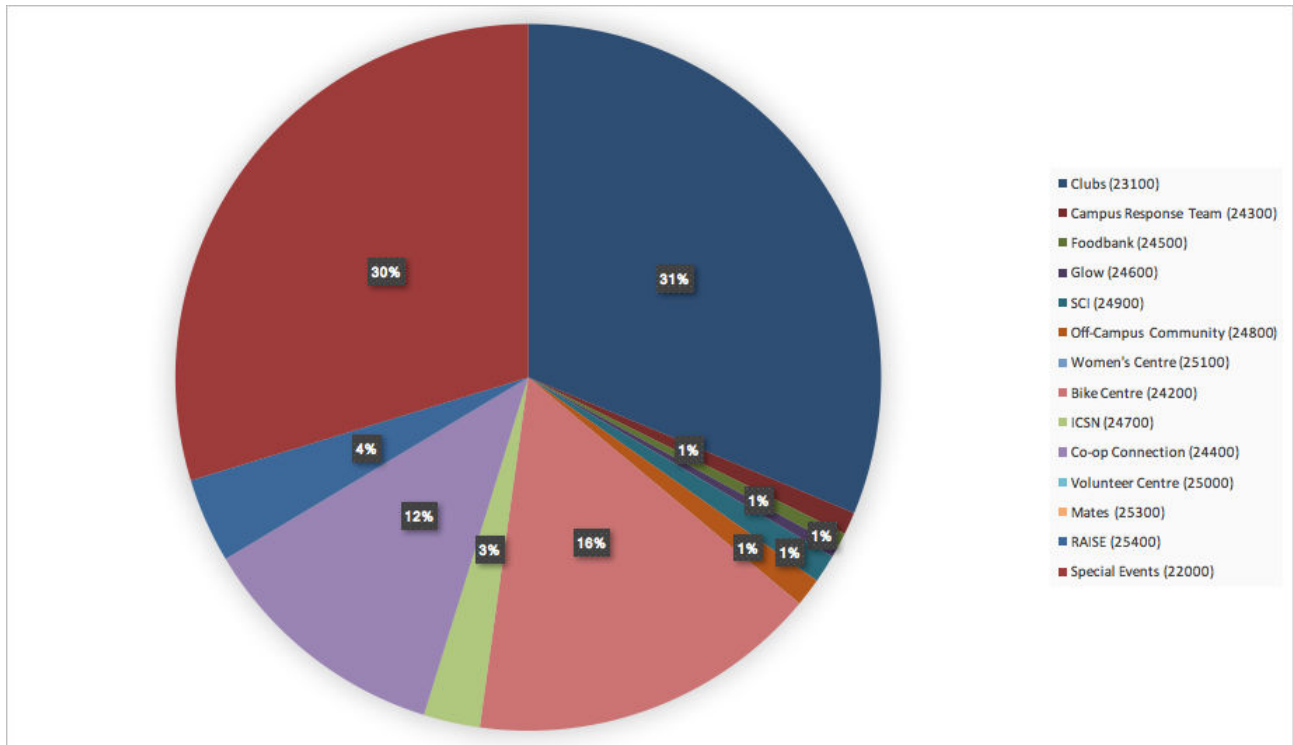
Department Summary	Budget 18/19	Actual 18/19	Budget 19/20
Gross Income			
VPSL (20100)	\$0.00	\$0.00	\$0.00
Orientation (32101)	\$0.00	\$0.00	\$0.00
Society Relations Commissioner (20200)	\$0.00	\$0.00	\$0.00
Equity Commissioner (20200)	\$0.00	\$0.00	\$0.00
Director of Campus Life (21100)	\$0.00	\$0.00	\$0.00
Services Manager (24100)	\$0.00	\$0.00	\$0.00
Clubs (23100)	\$1,400.00	\$820.00	\$24,206.58
Campus Response Team (24300)	\$1,250.00	\$4,233.75	\$800.00
Foodbank (24500)	\$500.00	\$1,067.80	\$500.00
Glow (24600)	\$400.00	\$1,200.00	\$400.00
SCI (24900)	\$3,000.00	\$5,116.09	\$1,000.00
Off-Campus Community (24800)	\$600.00	\$13.88	\$1,000.00
Women's Centre (25100)	\$0.00	\$0.00	\$0.00
Bike Centre (24200)	\$11,000.00	\$15,953.13	\$12,500.00
ICSN (24700)	\$2,000.00	\$22,819.92	\$2,000.00
Co-op Connection (24400)	\$7,500.00	\$10,513.41	\$9,000.00
Volunteer Centre (25000)	\$0.00	\$0.00	\$0.00
Mates (25300)	\$0.00	\$0.00	\$0.00
RAISE (25400)	\$0.00	\$0.00	\$3,000.00
Special Events (22000)	\$25,000.00	\$20,247.93	\$23,000.00
Subtotal	\$52,650.00	\$81,985.91	\$77,406.58
Expenses			
VPSL (20100)	\$86,293.68	\$75,980.34	\$79,640.59
Orientation (32101)	\$1,490.00	\$1,847.17	\$1,490.00
Society Relations Commissioner (20200)	\$2,300.00	\$0.00	\$0.00

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Equity Commissioner (20200)	\$0.00	\$0.00	\$7,600.00
Director of Campus Life (21100)	\$6,300.00	\$5,034.38	\$8,600.00
Services Manager (24100)	\$45,075.00	\$40,583.54	\$47,271.40
Clubs (23100)	\$35,191.70	\$29,312.37	\$30,235.38
Campus Response Team (24300)	\$16,040.00	\$18,758.85	\$14,417.00
Foodbank (24500)	\$4,490.00	\$4,481.88	\$3,320.00
Glow (24600)	\$12,745.00	\$10,191.46	\$9,940.00
SCI (24900)	\$8,630.00	\$8,159.71	\$5,800.00
Off-Campus Community (24800)	\$9,170.00	\$8,396.10	\$9,155.00
Women's Centre (25100)	\$6,510.00	\$5,238.96	\$6,315.00
Bike Centre (24200)	\$8,200.00	\$12,937.11	\$11,670.00
ICSN (24700)	\$5,658.00	\$25,878.05	\$4,154.00
Co-op Connection (24400)	\$9,935.00	\$8,714.63	\$10,610.00
Volunteer Centre (25000)	\$3,628.00	\$2,706.30	\$1,428.00
Mates (25300)	\$4,880.00	\$5,548.44	\$6,520.00
RAISE (25400)	\$7,200.00	\$3,787.36	\$10,555.00
Special Events (22000)	\$107,600.00	\$94,298.21	\$86,000.00
Subtotal	\$381,336.38	\$361,854.86	\$354,721.37
Net Surplus (Expenses)			
VPSL (20100)	-\$ (86,293.68)	-\$ (75,980.34)	-\$ (79,640.59)
Orientation (32101)	-\$ (1,490.00)	-\$ (1,847.17)	-\$ (1,490.00)
Society Relations Commissioner (20200)	-\$ (2,300.00)	\$0.00	\$0.00
Equity Commissioner (20200)	\$0.00	\$0.00	-\$ (7,600.00)
Director of Campus Life (21100)	-\$ (6,300.00)	-\$ (5,034.38)	-\$ (8,600.00)
Services Manager (24100)	-\$ (45,075.00)	-\$ (40,583.54)	-\$ (47,271.40)
Clubs (23100)	-\$ (33,791.70)	-\$ (28,492.37)	-\$ (6,028.80)
Campus Response Team (24300)	-\$ (14,790.00)	-\$ (14,525.10)	-\$ (13,617.00)
Foodbank (24500)	-\$ (3,990.00)	-\$ (3,414.08)	-\$ (2,820.00)
Glow (24600)	-\$ (12,345.00)	-\$ (8,991.46)	-\$ (9,540.00)
SCI (24900)	-\$ (5,630.00)	-\$ (3,043.62)	-\$ (4,800.00)
Off-Campus Community (24800)	-\$ (8,570.00)	-\$ (8,382.22)	-\$ (8,155.00)
Women's Centre (25100)	-\$ (6,510.00)	-\$ (5,238.96)	-\$ (6,315.00)
Bike Centre (24200)	\$2,800.00	\$3,016.02	\$830.00
ICSN (24700)	-\$ (3,658.00)	-\$ (3,058.13)	-\$ (2,154.00)
Co-op Connection (24400)	-\$ (2,435.00)	\$1,798.78	-\$ (1,610.00)
Volunteer Centre (25000)	-\$ (3,628.00)	-\$ (2,706.30)	-\$ (1,428.00)
Mates (25300)	-\$ (4,880.00)	-\$ (5,548.44)	-\$ (6,520.00)
RAISE (25400)	-\$ (7,200.00)	-\$ (3,787.36)	-\$ (7,555.00)
Special Events (22000)	-\$ (82,600.00)	-\$ (74,050.28)	-\$ (63,000.00)
Excess (deficiency) of Revenues over Expenses	-\$ (328,686.38)	-\$ (279,868.95)	-\$ (277,314.79)

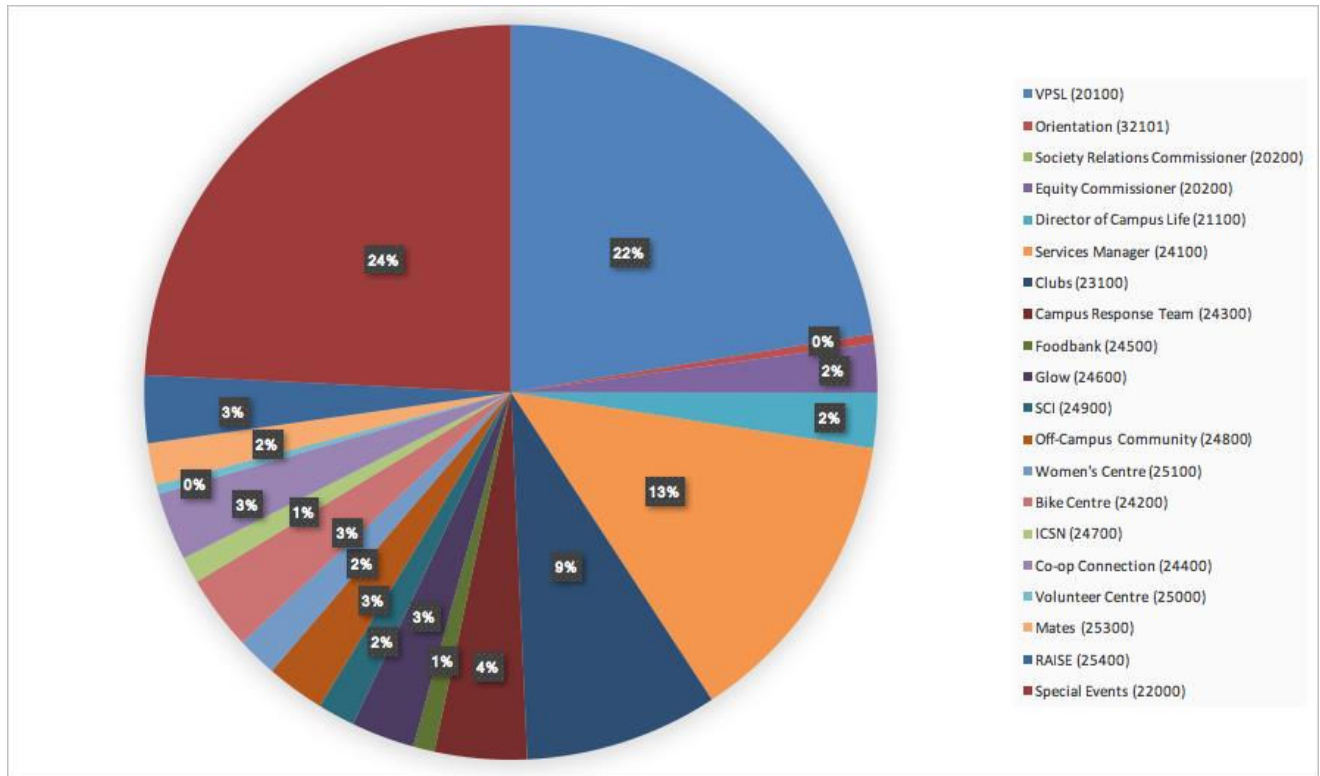
Overall, the Student Life portfolio saw a 0.913% reduction in bottom-line relative to actuals (note this is a 15.63% relative to budget). Of this, the portions of the optional fee represent the vast majority of reductions; with additional cost control measures instituted for compulsory units until working capital was sufficient across the organization. A similar exercise was taken with all budget areas. Efforts were made to minimize impact on key service offerings and essential service-levels that students have come to expect.

Distribution of Gross Profit



Revenues are mostly generated through ticketing, sales, predicted event-based opt-ins, and liquidating a portion of the retained clubs surplus that had gone unclaimed for many years. The primary income areas are from the liquidation of this clubs surplus, the income from the special events ticketing, and sales at the Bike Centre. In addition, sponsorship and support from various University departments or in-kind donations makes a considerable portion of non-primary sources of funding.

Distribution of Expenses



Expenses are distributed across a number of student life cost centres within the portfolio. Predominantly costs are administrative for the Vice President, Student Life, or are otherwise related to support for services and clubs, or the planning and execution of special events.

Changes in Budgeted Lines FY2019 to FY2020

Student Life Portfolio	Expense Changes	Reason
20100 - Vice President Student Life		
Wages	\$1,109.23	Adjustment for CPI increase.
Benefits	\$106.48	Adjustment for CPI increase.
P/T Wages	\$(5,500.00)	Unbundled and costed out to appropriate Student Life budgets (e.g. Equity Commissioner)
Volunteer Recognition	\$(2,000.00)	Costed out to appropriate units, and reduced due to budget constraints.
Cell Phone	\$(876.00)	Eliminated. Executive cell phone compensation based on needs basis for being on call while out of office or need for travel, per Board procedure.
Special Projects	\$(4,250.00)	
Satellite campus/College relations	\$(2,500.00)	Moved to President's portfolio due to bylaw changes.
Community Events	\$700.00	Increased to allow focus on community engagement.

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New Student Transition	\$800.00	Increased to support member and student transition.
Society Relations	\$(950.00)	Moved to President's portfolio due to bylaw changes.
Leadership Awards	\$3,000.00	Moved from President's portfolio due to change in consolidation of committees.
Transition Honorium	\$(542.80)	Restructured transition honoraria so only incoming executive receive honoraria. It is the expectation of an outgoing executive to transition their successor.
20200 - Equity Commissioner (New role as of 2019 - used to be Society Relations Commissioner)		
Special Projects	\$(200.00)	Based on job duties, the SRC formerly had engagement on every satellite campus and all societies, the Equity Commissioner has different focus and responsibilities.
PT Wages	\$5,500.00	Moved in from VP Student Life budget under unbundling of costs for transparency.
21100 - Director of Campus Life		
Salaries P/T	\$2,000.00	Support for risk assessment and event form review support for Societies, Clubs, and WUSA.
Photocopying	\$(50.00)	Reduced based on actual use.
Ent/Promo/Meeting	\$(150.00)	Reduced based on actual use.
Travel/Conf/Prof.Dev't	\$500.00	Increased for Professional Development requests within the department.
24100 - Services Manager		
EOT Service Coord Honoraria	\$(2,000.00)	Reduced based on actual use and dissolution of two services within the last year.
Volunteer Appreciation	\$(720.00)	Reduced based on actual use and dissolution of two services within the last year.
Volunteer Training	\$750.00	Increased to support increased training for service volunteers.
Ent/Promo/Meetings	\$(610.00)	Decreased based on actual use and need.
PT Wages	\$4,776.40	No per mensum increase. Services Assistant role created through General Meeting two years ago came into effect part way through FY2019, hence costs are increased reflective of a full year's worth of expenses planned to be incurred.
23100 - Clubs		
Salaries P/T	\$(2,316.70)	Change in wages or hours paid out based on financial constraints and because new clubs manager hired.
Volunteer Appreciation	\$150.00	Increased to recognize Clubs Support Team commensurate with other critical support volunteers.
Ent/Promo/Meeting	\$(200.00)	Reduced based on actual use.

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Staff Relations	\$(20.00)	Reduced based on staffing changes.
Amortization	\$(765.00)	Reduced to conclusion of amortization.
Special Projects	\$(2,950.00)	Reduced based on financial constraints from optional fees and need. Note: the Special Projects Fund exists.
Clubs Allotment	\$(1,250.00)	Floating point levels based on actual IAC approved clubs list. Per club allocations will likely not change except as a financial control if needed.
Clubs Awards	\$(1,150.00)	Reduced based on actual use and new strategy.
BBQ Supplies	\$(150.00)	Reduced based on use rates in Spring being lower than typical and lack of use during Winter season.
Clubs Surplus (Deficit)	\$3,695.38	Based on close out of old club accounts.
24300 - Campus Response Team		
Volunteer Appreciation	\$(680.00)	Based on overall budgeting direction.
Photocopying	\$(50.00)	Based on overall budgeting direction.
General Office	\$500.00	Increase for radio license renewal fee.
Taxi Fund	\$(250.00)	Closure of Bomber contributed to elimination of overnight shifts.
Ent/Promo/Meetings	\$(340.00)	Reallocated to certifications.
Subscriptions	\$100.00	1st year of membership of ACERT - \$100/yr
Special Projects	\$(600.00)	Reallocated to general office for radio purchase
Certifications	\$1,115.00	More volunteers expected to become certified.
Casualty Simulation	\$(400.00)	Reallocated to certifications.
Discretionary Expenses	\$(280.00)	Based on overall budgeting direction.
Volunteer Training	\$(738.00)	Shortened training schedule.
24500 - Foodbank		
Volunteer Appreciation	\$380.00	Increased to better support volunteers supporting this service, particularly with forthcoming service-level changes.
Photocopying	\$(25.00)	Based on overall budgeting direction.
General Office/Supplies	\$(150.00)	Based on overall budgeting direction.
Auto	\$(100.00)	Based on overall budgeting direction.
Memberships	\$(50.00)	Foodbank WR reduced membership fee.
Special Projects	\$(1,025.00)	Based on overall budgeting direction.
Trick or Eat	\$(200.00)	Based on overall budgeting direction.
24600 - Glow		
General Office/Supplies	\$(200.00)	Based on overall budgeting direction.
Ent/Promo/Meetings	\$(25.00)	Based on overall budgeting direction.
Conferences	\$(50.00)	Based on overall budgeting direction.
Special Projects	\$700.00	Supporting professional performers in "Drag me to" events.

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Pride Festivals	\$(1,100.00)	Capital items purchased and overestimated in previous year.
Literature	\$(30.00)	Based on overall budgeting direction.
Special Events	\$(2,000.00)	Lower estimated costs in FY19/20
Volunteer Training	\$(100.00)	Reduced number of volunteers require training
24900 - Sustainable Campus Initiative		
Photocopying	\$(20.00)	Reduced based on financial constraints due to optional fees and actual use.
General Office	\$(350.00)	Reduced based on financial constraints due to optional fees and actual use.
Ent/Promo/Meetings	\$(100.00)	Reduced based on financial constraints due to optional fees.
Special Projects	\$(700.00)	Reduced based on financial constraints due to optional fees.
Earth Hour	\$(300.00)	Reduced based on financial constraints due to optional fees.
Volunteer training	\$(50.00)	Reduced based on financial constraints due to optional fees.
Recycle Week	\$(450.00)	Reduced based on financial constraints due to optional fees.
EcoLoo	\$(400.00)	Reduced based on financial constraints due to optional fees.
Anti-Idling Campaign	\$(200.00)	Reduced based on financial constraints due to optional fees.
Amortization	\$(260.00)	Reduced based on financial constraints due to optional fees.
24800 - Off-Campus Community		
Volunteer Appreciation	\$20.00	Increased based on volunteer participation levels.
Telephone	\$315.00	New line. Phone for peer support and panic button instillation.
Don Events	\$(200.00)	Reduced based on financial constraints due to optional fees.
Special Projects	\$(150.00)	Reduced based on financial constraints due to optional fees.
25100 - Women's Centre		
Photocopying	\$5.00	Immaterial
Special Projects	\$(150.00)	Based on overall budgeting direction.
Literature	\$(50.00)	Based on overall budgeting direction.
Love Your Body Week (Fall)	\$50.00	Required to successfully run event
Volunteer Training	\$50.00	Volunteers require training to run events
Poetry Slam	\$(100.00)	Event not bring run in Spring due to Bomber closure.
24200 - Bike Centre		

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Volunteer Appreciation	\$240.00	Services that bring in revenue in excess of expenses were authorized to pay honoraria to their Executives.
General Office/Supplies	\$(20.00)	Reduced based on financial constraints due to optional fees.
Equipment Costs	\$(500.00)	Reduced based on financial constraints due to optional fees.
Parts	\$(1,000.00)	Based on real use and need in current fiscal year. Should be re-evaluated in future years based on need.
Mechanic Honorarium	\$1,000.00	Services that bring in revenue in excess of expenses were authorized to pay honoraria to their Executives.
Volunteer Mng. Honorarium	\$500.00	Services that bring in revenue in excess of expenses were authorized to pay honoraria to their Executives.
Legal Theft Mng. Honorarium	\$500.00	Services that bring in revenue in excess of expenses were authorized to pay honoraria to their Executives.
Social Media Honorarium	\$400.00	Services that bring in revenue in excess of expenses were authorized to pay honoraria to their Executives.
Rental Mng. Honorarium	\$500.00	Services that bring in revenue in excess of expenses were authorized to pay honoraria to their Executives.
Bike Lockers	\$1,850.00	Investment in new Bike Locker program across campus.
24700 - International and Canadian Student Network		
Volunteer Appreciation	\$(270.00)	Reduced based on financial constraints due to optional fees.
Ent/Promo/Meetings	\$(390.00)	Reduced based on financial constraints due to optional fees.
Special Events	\$(844.00)	Reduced based on actual use.
24400 - Co-op Connection		
Ent/Promo/Meetings	\$(100.00)	Reduced based on financial constraints due to optional fees.
General Office/Supplies	\$(25.00)	Reduced based on financial constraints due to optional fees.
Special Projects	\$(200.00)	Reduced based on financial constraints due to optional fees.
Events	\$1,000.00	Increased based on Council resolution for increased support for co-op students when on work terms.
25000 - Volunteer Centre		
General Office/Supplies	\$(100.00)	Service dissolved. Operations wound down over Spring term.

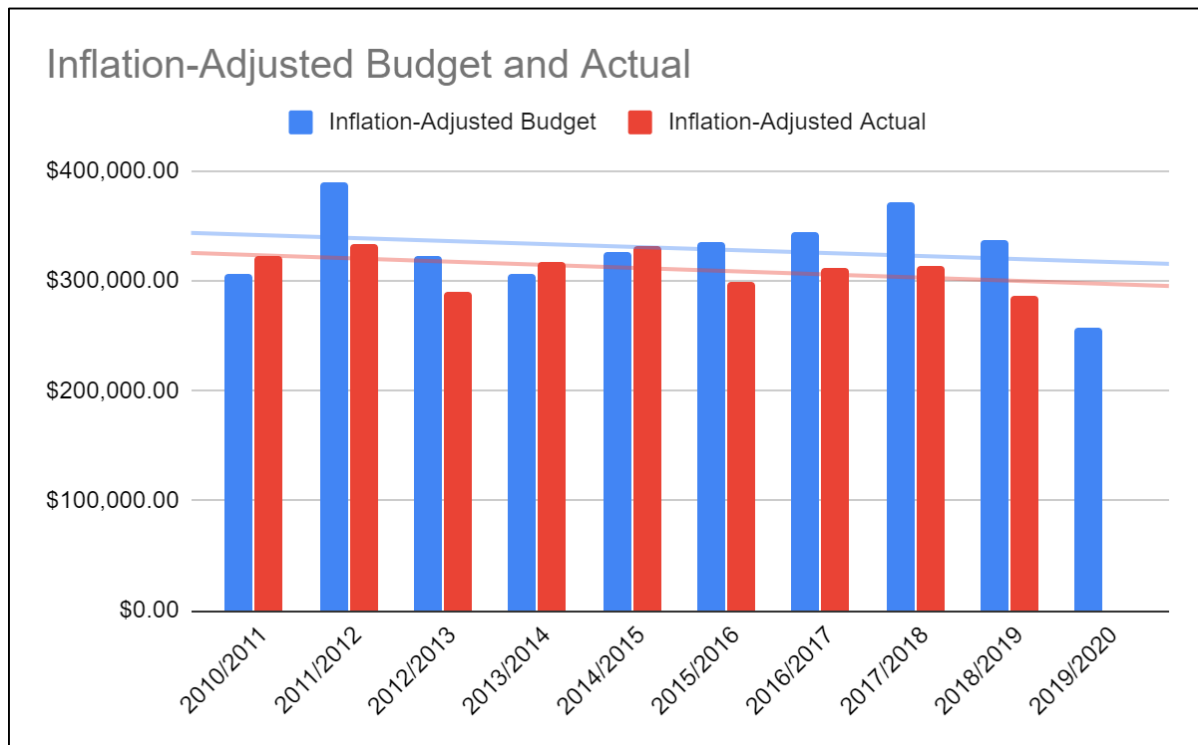
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Volunteer Appreciation	\$(380.00)	Service dissolved. Operations wound down over Spring term.
Photocopying	\$(20.00)	Service dissolved. Operations wound down over Spring term.
Ent/Promo/Meetings	\$(95.00)	Service dissolved. Operations wound down over Spring term.
Volunteer Training	\$(125.00)	Service dissolved. Operations wound down over Spring term.
Annual Fees	\$(500.00)	Service dissolved. Operations wound down over Spring term.
Events	\$(980.00)	Service dissolved. Operations wound down over Spring term.
25300 - Mates		
Volunteer Appreciation	\$(10.00)	Based on overall budgeting direction.
Telephone	\$350.00	New line.
Volunteer Training	\$300.00	Volunteers require training to be beneficial peer-peer supports.
Special Projects / Events	\$1,000.00	Expansion of events expected.
RAISE (25400)		
General Office/Supplies	\$(75.00)	Based on overall budgeting direction.
Volunteer Appreciation	\$850.00	Based on volunteer staffing levels and full year of operation. In FY2019, RAISE only operated a portion of the year, in FY2020 the service budgeted for a full year of operations.
Ent/Promo/Meetings	\$400.00	Based on volunteer staffing levels and full year of operation. In FY2019, RAISE only operated a portion of the year, in FY2020 the service budgeted for a full year of operations.
Xchanges Conference	\$2,800.00	Support for successful conference program that engaged hundreds of students. The service is expected to bring in revenues from applications to endowments to help offset conference costs.
Special Projects	\$(100.00)	Based on overall budgeting direction.
Events	\$(1,400.00)	Based on overall budgeting direction.
Vibes Nights	\$880.00	New line.
22000 - Special Events/Programming		
Photocopying	\$(75.00)	Reduced based on actual use.
General Supplies	\$(50.00)	Reduced based on actual use.
Ent/Promo/Meetings	\$(100.00)	Reduced based on lack of need.
COCA Membership	\$50.00	Floating point value tied to membership cost. Costs of membership increased.
Special Projects	\$(7,925.00)	Reduced based on financial constraints due to optional fees. Note: the Special Projects Fund exists.

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General Meetings	\$2,000.00	Transfers in from the Student Government budget under the President's Portfolio. Inclusion in Events & Programming allows for centralized planning and budgeting.
Fall Welcome Week	\$(8,000.00)	Reduced based on financial constraints due to optional fees. Department expected to seek increased sponsorship levels, cost-sharing approaches, or ticketing income/ opting-in to fees to allow for greater expenditure.
Winter Welcome Week	\$(8,000.00)	Reduced based on financial constraints due to optional fees. Department expected to seek increased sponsorship levels, cost-sharing approaches, or ticketing income/ opting-in to fees to allow for greater expenditure.
Cultural Caravan	\$500.00	Increased based on growth expected and consolidation with lines from the Clubs budget.

Year-over-Year Growth



Fiscal Year	Budget	Actual	Inflation-Adjusted Budget	Inflation-Adjusted Actual
2011	\$262,074.37	\$276,369.30	\$305,600.71	\$322,269.80
2012	\$340,467.11	\$291,166.71	\$389,856.76	\$333,404.63
2013	\$290,029.77	\$259,990.14	\$322,685.33	\$289,263.43
2014	\$279,587.98	\$289,767.37	\$306,467.02	\$317,625.04
2015	\$300,491.15	\$305,508.85	\$326,429.31	\$331,880.14
2016	\$315,387.67	\$281,178.30	\$336,044.05	\$299,594.13

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2017	\$326,229.75	\$296,231.69	\$343,752.36	\$312,143.03
2018	\$357,546.98	\$302,160.84	\$371,470.15	\$313,927.23
2019	\$328,686.38	\$279,868.95	\$336,248.18	\$286,307.65
2020	\$256,851.02	\$ -	\$256,851.02	\$ -

Future considerations

As with other portfolios, the VPSL portfolio will continue to develop with reference to the Students' Choice Initiative and opt-out rates. As a significant portion of the Student Life Portfolio is considered optional, it is important to note that the requirement set by the Committee based upon the Ancillary Fees Directive is that if students opt out of a fee, then expenses in that area cannot exceed the fees collected unless other sources of revenue can support those costs (e.g. ticketing, sales, or opt-ins).

The Committee recommends against further cuts to the Student Life portfolio in future years, if financially prudent, particularly due to the associated impact on service levels. Current scaling is unsustainable, unique approaches to revenue generation should be reviewed, but generally greater support for units that impact the most students should be entertained (e.g. clubs systems, services based on usage, need, and impact, etc). Given much of the department operates on optional fees, the magnitudes of those fees should be optimized to maximize revenue, so as to better support demanded service levels.

Increased support for Clubs, both the Clubs System and the Clubs Allotment, should be implemented. A review of funding models for clubs should be undertaken which examines a minimum allotment and then larger *pro rata* allocations tied to usage and participation.

The Committee further recommends the following:

- The continuation of the FY2019 Budget Report's recommendation that usage data of services be provided, from metrics established for total use as well as benefit per use, in the form of an analytics report from the Campus Life Advisory Committee or Office of the Vice President, Student Life, to inform budgeting and best comply with Corporate Policy 51, *Value-for-Money*.
- Conducting an internal review of Part-Time wages, honoraria, and volunteer appreciation as compensation or appreciation mechanisms, respectively. Barring this year with changes due to the Student Choice Initiative (SCI), these expenses have traditionally increased with time. A holistic review of all such compensation and appreciation mechanisms based on greatest social good or remuneration provided with an acceptable level of financial impact should be undertaken.
 - Given the urgency of adapting to SCI, this review should be completed and changes necessary, including any fee increments required to support the outcome of such a review, be implemented during the Winter 2020 Term.
 - In addition, it is recommended that a more cogent governing environment exist for volunteer and employment compensation, honoraria, benefits, and appreciation that likely should be laid out in Policy, with procedural implementation as appropriate, rather than what is a currently conflicting minefield of procedure from the Board and Council as well as various orders historical from General Meetings.
- The Campus Life Department should perform a strategic review exercise to plan the future of the department's operating mechanisms for both compulsory and optional fee buckets, and the

associated service lines for those areas. Such a review should include assessment of ticketing and fee verification methods, with specific regard to events and service access, pricing models, resource access, and similar. As a corollary, the Committee recommends the Office of the Vice President, Operations & Finance, be directed to ensure any centralized member management and fee verification system include a centralized ticketing platform for WUSA and the Societies.

- A mass survey of students should be conducted to determine interests, in order to gauge what events, resourcing needs, and services students make use of, see value in, and seek. This will allow for better analysis of success in outcomes for student experience efforts as well as targeted direction for where students seek additional supports. In addition, marketing support to increase awareness of services outside of the SLC should occur.
- The Student Life portfolio should invest greater resources, staff time, and funds to actively seek sponsorships, strategic partnerships, and in-kind donations with the expectation of reduced funding in the future due to opt-outs. This should be undertaken for both compulsory and optional areas across the organization, but with particular haste for service lines affected by optional fees. A plan should put forward for seeking sponsorship before budgets are approved in the future.
- Campus Life Department specific (i.e. per service or division) contingency plans should be developed and presented to the Vice Presidents Student Life and Operations & Finance as fallback options in the event that a review by the MTCU – or reclassification by the University – determines that those services or divisions be considered optional rather than compulsory. Such planning should include transition methodology, scale-back of expenditures, and alternative revenue considerations.
- Explore opportunities for developing and marketing supports for students on work-terms away from campus (or outside of the Region of Waterloo) is encouraged. It is recommended that increasing support for co-operative education students while on work-term may increase perceived value of service offerings and minimize reductions or fluctuations in opt-out rates.

Education & Advocacy Portfolio

Overview

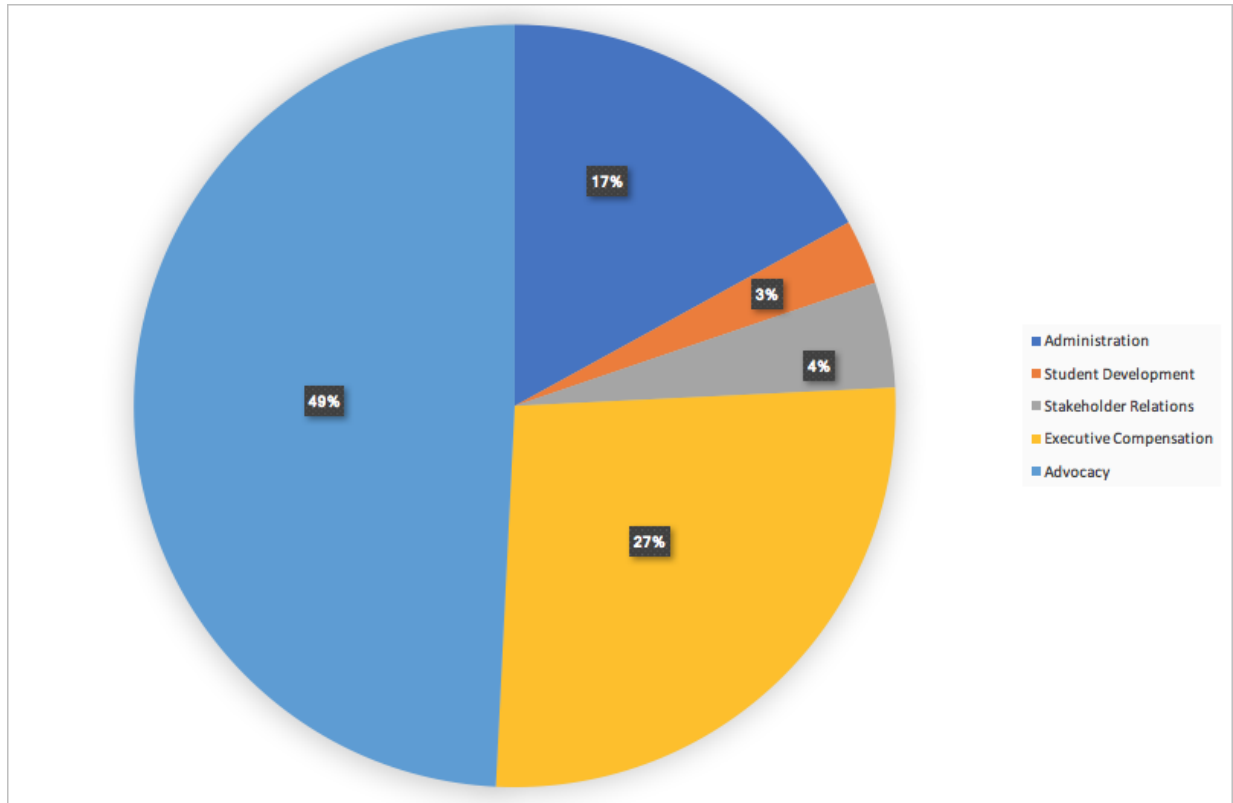
Role of the Vice President, Education — The Vice President, Education (VPEd) is responsible for advocating on behalf of undergraduate students to the University of Waterloo, the municipality and region of Waterloo, the provincial government, and the federal government, on all matters related to postsecondary education. They also further student advocacy objectives and represent Waterloo to any External Political Organization of which WUSA is a member. Through the support of Commissioners, the portfolio also provides assistance to students facing difficulties in their interactions with the University or any level of government, or otherwise seeking assistance of a general academic nature.

Considerations in the Development of Budget — In the development of a budget for the Education & Advocacy Portfolio the Committee aimed to ensure the VP Education and their staff were able to maintain and expand relationship development to promote undergraduate student welfare. A key factor influencing the distributions of funds to education and advocacy efforts was optional fees in advocacy, the change in leadership of the Ontario Undergraduate Student Alliance (OUSA), recommendations for the earmarking of targeted fee increases approved by the Winter 2019 General Meeting, the addition of a new commission, and the ongoing work on various Commissions. More specifically, the following items are noteworthy to the reader:

1. *Membership in the OUSA* — The Alliance, a post-secondary education provincial lobbying organization, excises a fixed inflation-adjusted per capita fee. The fee is not prorated for part-time undergraduates enrolled.
2. *Education Commissioners* — Commissioners serve as the primary advocacy support unit in the VP Education's portfolio and operate as proxies on more niche or specific priorities. This budget continues support from the prior fiscal year but expands resources for the Centre for Academic Policy Support (CAPS) and the newly re-established Government Affairs Commission for Provincial and Federal Advocacy. These roles augment the Education portfolio and facilitate the initiatives led by the VP Education, allowing flexibility through effective delegation of responsibility.
3. *Optional Fees* — With the majority of the VP Education's budget being considered optional under the MTCU's Ancillary Fee Directive, most supports were met requirements for a 30% budget reduction, after accounting for recommended fee increases approved by the Winter 2019 General Meeting. Services exempted on the basis of compulsory status, which were still expected to find efficiencies in budget, included academic policy support, university representation by the VP Education and relevant commissioners, and portions of the Municipal Affairs Commission as it pertains to municipal safety of students and transit negotiations.

Strategic Categorization

The below chart demonstrates the strategic categorization of the Education & Advocacy portfolio's expenditure. Raw data for the same can be found immediately thereunder. Classification has remained consistent relative to FY2019.



Strategic Category	Absolute Cost	Percentage of Budget
Administration	\$34,977.26	17%
Student Development	\$5,670.83	3%
Stakeholder Relations	\$9,170.83	4%
Executive Compensation	\$54,615.59	27%
Advocacy	\$102,184.37	49%
Total Expenses	\$206,618.88	100%

Strategic Categorization is based on primary functions of the portfolio. The Education & Advocacy Portfolio is advocacy focused and thus advocacy, associated stakeholder relations costs, and administrative costs for the portfolio dominate.

- Administration — 17% of the portfolio budget is spent on general administration, an increase of 3% from the prior year, which is largely owed to the increase in PT staff under the Vice President and associated management costs. This includes portions of Part-Time salary for Commissioners, photocopying, telephone/cell phone plans, general office supplies, meetings, and costs of governance and oversight functionality by the Students’ Council committees (Education Advisory Council, External Advocacy Organization Review Sub-committee, and Co-operative Education Student Council).
- Student Development — 3% of the portfolio budget is spent on student development for Commissioners, Staff, and the Vice President. This covers portions of conferences, professional development opportunities, travel, and special events opportunities.

- Stakeholder Relations — Stakeholder relationship is up from the prior fiscal year, and accounts for 4% of the portfolio expenditures. Stakeholder relations fosters and supports relationships with students, University administration, and external groups. The VP Education and the Stakeholder Relations Officer negotiate and advocate on behalf of students with University and external stakeholders to advance student interests. This includes special events sponsorship such as “Politics at the Pub” where students directly engaged with electoral candidates in the elections.
- Executive Compensation — salary, benefits, and transition honoraria for the VP Education accounts for 27% of the portfolio budget. This compensation package enables Full-Time elected students to serve as executives, leading the organization’s efforts in achieving post-secondary education priorities set by students.
- Advocacy — down from the prior fiscal year’s budget, largely due to optional fees impacting the larger costs in this category (i.e. OUSA memberships), the Advocacy portion of the portfolio budget accounts for 49% of expenditures. Advocacy provides for achieving student goals set by the Students’ Council in the post-secondary education sector. Advocacy is achieved by using channels established through stakeholder relations and membership in provincial and federal lobbying organizations. Provincial advocacy is led through OUSA and federal advocacy efforts are channeled through UCRU. The later has no associated costs other than travel and administration.

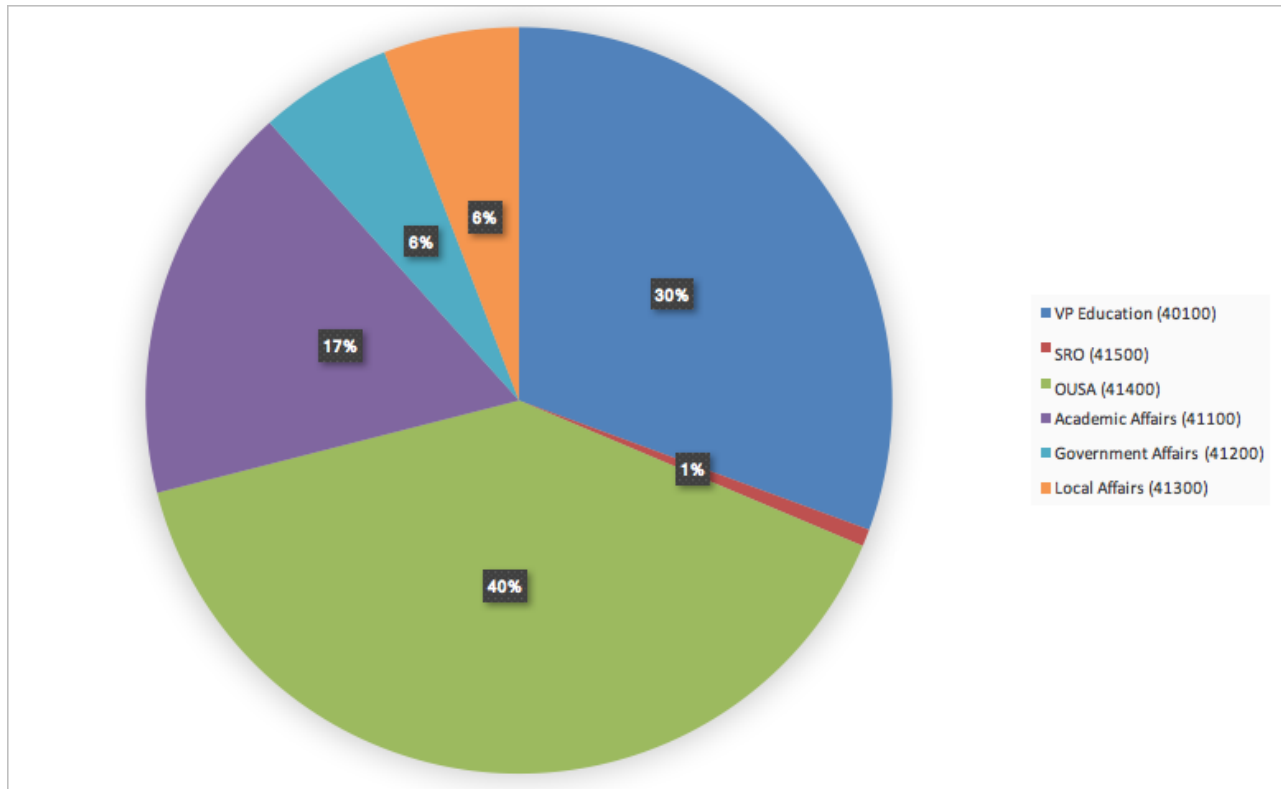
Key Highlights

1. *Fee Increase* — The 2019 Winter General Meeting approved a fee increase of \$0.62 per assessment beginning in September of 2019 to support increased funding in the Vice President, Education portfolio including Part-Time salaries, travel for federal advocacy, professional development, and increased stakeholder engagement including VP Education town halls.
2. *Separation of Commissioner Salary Costs* — In the interest of greater transparency and accuracy the part-time salary costs of Commissioners have been separated out by portfolio into the relevant departments, as was done for all PT staff units within the organization.

Summary of the Portfolio

Summary of Revenues	Budget 18/19	Actual 18/19	Budget 19/20
Total	\$-	\$-	\$-
Summary of Expenses	Budget 18/19	Actual 18/19	Budget 19/20
VP Education (40100)	\$86,353.68	\$89,841.17	\$63,171.74
SRO (41500)	\$1,475.00	\$1,753.12	\$1,530.00
OUSA (41400)	\$109,335.00	\$107,239.82	\$81,751.59
Academic Affairs (41100)	\$1,050.00	\$168.15	\$35,759.33
Government Affairs (41200)	\$-	\$-	\$11,903.11
Local Affairs (41300)	\$650.00	-\$120.00	\$12,103.11
Total	\$198,863.68	\$198,882.26	\$206,218.88
Excess (deficiency) of Revenues over Expenses	\$(198,863.68)	\$(198,882.26)	\$(206,218.88)

Summary of Expenditures



Changes to Budgeted Lines FY2019 to FY2020

Education & Advocacy Portfolio	Expense Changes	Reason
Office of the Vice President Education		
Wages	\$1109.24	Adjustment for CPI increase.
Benefits	\$106.48	Adjustment for CPI increase.
PT Salaries	\$(25,675.00)	For transparency in budgeting, the costs of PT staff have been costed out to appropriate department budgets within the portfolio.
Cell Phone	\$20.15	Increase in cell & data plan support. The VP Education is on call and accessible during stakeholder relations meetings off campus, advocacy in Ottawa or Toronto.
Photocopying	\$(100.00)	Decreased reflective of increased digitization.
Ent/Promo/Meetings	\$(100.00)	Decreased based on actual use.
Transition Honoraria	\$(542.80)	Restructured transition honoraria so only incoming executive receive honoraria. It is the expectation of an outgoing executive to transition their successor.
Travel/Conf/Professional Development	\$2000.00	The Vice President, Education, currently serves as an OUSA

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		Executive for this fiscal year. This increase aims to support advocacy efforts and OUSA engagement.
Academic Affairs Commission		
PT Salaries	\$33,759.33	PT Salaries for each appropriate staff member costed out to departmental/commission budgets. Represents salary caps of up to \$11,253.11 for the following roles: Academic Affairs Commissioner, Co-operative & Experiential Affairs Commissioner, and Centre for Academic Policy Support Coordinator.
Discretionary Expenses	\$500.00	Increased based on earmarked increases at the Winter 2019 General Meeting to support advocacy.
WUSA Staff Awards	\$300.00	Roll-out of new program for recognition of staff that go above and beyond. Award issued by WUSA on behalf of undergraduates. Modelled after WUSA Teaching Awards.
WUSA Teaching Awards	\$150.00	Teaching Awards/Faculty appreciation to highlight successes and thanks to faculty that go above and beyond and deserve recognition by the student association.
Government Affairs Commission (NEW)		
PT Salaries	\$11,253.11	New Commission. PT Salaries for each appropriate staff member costed out to departmental / commission budgets. Represents salary caps of up to \$11,253.11 for the Provincial & Federal Affairs Commissioner. Role funded by earmarked fee approved at Winter 2019 General Meeting.
Travel/Conf/Professional Development	\$200.00	New budget line for Commission, funded by earmarked fee approved at Winter 2019 General Meeting.

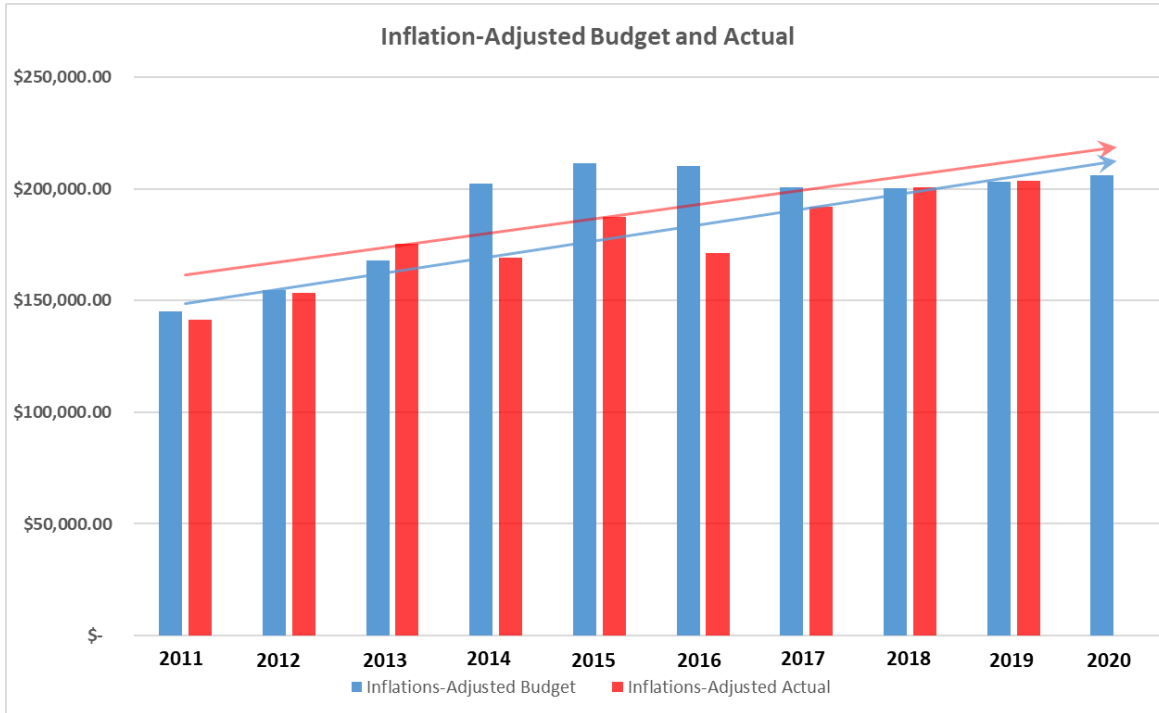
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Special Projects/Events	\$300.00	Focused on Federal Elections Initiatives and governance/advocacy promotional events. New budget line is funded by earmarked fee approved at Winter 2019 General Meeting.
Entertainment/Promo/Meetings	\$150.00	New budget line for Commission, funded by earmarked fee approved at Winter 2019 General Meeting.
Local Affairs		
PT Salaries	\$11,253.11	PT Salaries for each appropriate staff member costed out to departmental / commission budgets. Represents salary caps of up to \$11,253.11 for the Municipal Affairs Commissioner.
Travel/Conf/Professional Development	\$200.00	Aimed at increasing participation in city and regional committees and increased training for role. Exact purposes at discretion of Commission.
Ontario Undergraduate Student Alliance (OUSA)		
Memberships	\$(27,633.41)	Optional Advocacy fees for Gov't advocacy (provincial) means planning around 30% opt-out rate. The budgeted amount is based on inflationary adjustment (x1.023) and opt-out expectations over the year (x0.70). Note: OUSA expenses are tied 1-to-1 with student fee payment by contract, if fewer students opt-out then this expense will exceed the budgeted amount.
Special Events	\$50.00	
Stakeholder Relations Officer (SRO)		
Photocopying	\$(25.00)	Decreased based on actual use and direction for cost control measures from the Committee.
Office Supplies	\$(20.00)	Decreased based on actual use and direction for cost control measures from the Committee.
Travel/Conf/Professional Development	\$100.00	Increase in professional development opportunities and

		travel for stakeholder engagement options.
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Year-over-Year Growth



Fiscal Year	Budget	Actual	Inflation-Adjusted Budget	Inflation-Adjusted Actual
2010/2011	\$126,177.06	\$122,826.18	\$145,103.62	\$141,250.11
2011/2012	\$138,144.30	\$136,829.36	\$154,721.62	\$153,248.88
2012/2013	\$152,644.31	\$159,309.26	\$167,908.74	\$175,240.19
2013/2014	\$185,588.12	\$155,221.40	\$202,291.05	\$169,191.33
2014/2015	\$199,662.65	\$176,666.29	\$211,642.41	\$187,266.27
2015/2016	\$200,069.10	\$162,924.07	\$210,072.56	\$171,070.27
2016/2017	\$194,917.35	\$186,601.27	\$200,764.87	\$192,199.31
2017/2018	\$196,554.46	\$196,934.42	\$200,485.55	\$200,873.11
2018/2019	\$198,563.68	\$198,882.26	\$203,130.65	\$203,456.55
2019/2020	\$206,218.88	\$-	\$206,218.88	\$-

Future considerations

Specifically, it is the opinion of the Committee that the following recommendations be acted upon:

- That Education & Advocacy specific contingency plans be developed and presented to the VPs Education and Operations & Finance as fallback options in the event that a review by the MTCU – or reclassification by the University – determines that those services, commissions, or initiatives be considered optional rather than compulsory. Such planning should include transition methodology, scale-back of expenditures, and alternative revenue considerations.

- Given that the prior FY2019 Budget Report identified a decline in real dollars available to the Education & Advocacy portfolio due to increases in the OUSA fee being unmatched by increases to the Operating Levy, it is recommended that a review be undertaken of options to prevent this occurring in future years. Pending such review, the Office of the Vice President, Education, should draft a corporate policy for consideration by the Students' Council regarding floating fee adjustment for the OUSA Membership fees not exceeding CPI, whereby CPI-driven increments to the OUSA fee made by the Steering Committee would be matched by an increase to appropriate fee bucket.
 - Note that this course of action can likely be done in a manner compliant with the MTCU's Ancillary Fee Directive and Article 13: *Membership in External Political Organizations* of the Bylaws, by keeping the fee within its fee bucket, but removing the OUSA Membership Fee⁶ from the General Operating Budget and creating an Administered Fund.
 - If such action is taken the recommended steps are that the Vice President, Education, draft a proposal to shift the OUSA Membership Fee from the General Operating Budget to a new Administered Fund, to be accepted by Council. If accepted by Council, the Board be recommended to create a new Administered Fund for OUSA. Upon such approvals, the Office of the Vice President, Operations & Finance, shall sever the OUSA Membership Fee from the operating budget and issuing notice for the same.
- Addressing identified concerns in the FY2019 Budget Report, the Office of the Vice President, Education should increase funding for in-house advocacy efforts with support of student staff and volunteers, in an effort to reduce both the financial and operational impacts of losses experienced by the portfolio over the prior decade.
- Ensure that advocacy efforts and successful outcomes of advocacy and their impacts on students are well communicated and marketed. Given the Student Choice Initiative, it is imperative that this be a top priority for the organization to ensure the average student payer is aware of the value of their advocacy fees. Such action may offset some losses within the Education & Advocacy portfolio.
- A departmental strategy plan be developed specific to each commission to guide the budget development process, particularly as the Committee moves toward a multi-year budget model. Such planning may also provide support through turn-over of executive and commissioner leadership.
 - Regarding the Centre for Academic Policy Support, an implementation plan for the direction, staffing, and resource needs of the service should occur. Such a plan should provide for any FTE or PT staffing needs, as well as projections of anticipated volumes of users to inform the budget process.

⁶ Note this is specific to the membership fee, Account number 66050 of Department 41400 – OUSA, not the entire OUSA budget within the Education & Advocacy portfolio.

Operations & Finance Portfolio

Overview

The portfolio includes a multitude of departments within the organization including all Commercial Operations/Business Units, Marketing & Communications, Accounting, IT, Internal Development, and SLC Operations. For budgeting purposes, the Operations & Finance portfolio is comprised of seven (7) main subcategories of the operating budget, of which four (4) divisional budgets within the portfolio are restricted by the Board of Directors in accordance with Policy 52, *Freedom of Information & Secrecy in Corporate Governance*, in the interest of legal and insurance affairs, commercial operations which under good business practice would not ordinarily be publicly disclosed, and matters pertaining to human resources or contract that the organization is legally obligated to keep confidential.

The bottom lines of all restricted budgets, including those of business units, are made public for forward looking comparison against the annual audit, for further information on restricted budgets, see the Corporate Overview. These divisions of the portfolio include:

- VPOF – The Vice President, Operations & Finance (VPOF) oversees the financial and administrative aspects of the corporation. This role also assists student groups with their budgeting, facilitates updates to the Health and Dental insurance plans, oversees pooled benefits plans like the UPass program and the Legal Protection Service, administers the Student Refugee Program in conjunction with on-campus partners, and oversees management of Part-Time and Full-Time personnel.
- Director of Operations & Development – The Director of Operations & Development oversees the Commercial Operations Manager, including the various retail and hospitality businesses operated by the association, supervises internal development and information technology, and oversees SLC Operations. This budget accounts for the day-to-day office work and projects that coincide with the Operations & Finance portfolio.
- Operations* & Facilities* – This division includes restricted budgets for the various business units operated by WUSA as well as the operations of the Student Life Centre. Pursuant to Policy 43, *Commercial Operations*, all Commercial Operations are self-run, meaning the revenues brought in throughout the year pay for the expenses going out. The rise of food and labour costs is a reoccurring burden for many of our commercial operations. Tactics have been implemented to pay close attention to costing and labour forecasts, while not hindering the quality of these businesses.
- Information Technology* - 90% Student Fee, 10% Business Units – IT incurs most of its capital costs from ongoing necessary software licensing and hardware replacement in WUSA offices and operations. In addition, recent budget growth is largely due to license/subscription centralization from the other departments within WUSA and investment in infrastructure to provide fee verification and opt-in/out-out controls required by changes to government policy, as well as the necessary administrative costs that accompany this scale up in operations. Ten percent (10%) of the department's costs are borne by business unit cost centres reflecting the approximate use and expense of this overhead department.
- General Office* - 90% Student Fee, 10% Business Units – The General Office accounts for WUSA insurance, legal and contractual expenses, memberships, banking and some full-time salaries. Primary costs are legally or contractually required, such as insurance for student spaces and for

Societies, or an independent public audit. The senior management team constantly explores options to minimize these fees, to provide the best value-for-money for members. Ten percent (10%) of the department's costs are borne by business unit cost centres reflecting the approximate use and expense of the overhead departments funded by the General Office budget.

- Services Salaries – All full-time salaries from WUSA are paid in accordance with the University Support Group corresponding with their evaluated job description. Salaries reflected an economic increase of 2% in accordance to the scale adjustments from Human Resources and UW Staff Association.
- Marketing & Communications – This department promotes and advertises information of WUSA. This includes marketing for the clubs, services, special events, commercial operations, advocacy, group benefits plans, and some societies. The department has many students working part-time for promotions, videography, and design.

(*) indicates a budget restricted by the Board of Directors.

A summary breakdown is presented below, followed by a strategic categorization by which the portfolio's expenses can be reviewed in a more general context.

Considerations in Budget Development — A multitude of changes in public reporting, business forecasting, costing estimates, and similar occurred in the Operations & Finance portfolio in the last year. Below is a summary of primary factors that were considered in development of these budgets.

1. *Clarity and Corporate Accountability* — In an effort to more clearly outline the actual functions, departments supported under the portfolio directly, performance of commercial, and administrative the Committee directed the overhaul of the portfolios reporting. For the first time, the Operations & Finance portfolio will report on all items within its purview and provide budgeted bottom lines by which to compare audited results at year's end for each of the units it oversees. This is of paramount importance for commercial operations, which have long benefited from nontransparent reporting of business performance; particularly in the context of student (and community) surprise at the closure of the Bombshelter Pub last year which had long suffered from financial losses that the organization could not continue to bear. Lack of appropriate reporting for comparison of budgets and actual expenditure, obfuscated costing of salaries and administrative overheads, among other concerns culminated in surprise and anger from membership when the business closed. By charging out salary costs to each unit and identifying those units' overhead contributions and individual performance as a note on the income statement, commercial operations management can be held to account for business performance in a transparent, concise, and accessible manner.
2. *Separation of Services Salaries* — Although still reported in aggregate, services salaries – the salaries of full-time personnel for those non-business units which cannot be charged out to individual departments easily while maintaining privacy requirements – are no longer reported as part of the General Office budget, but rather their own line with the portfolio to highlight their distinction from the actual General Office functions.
3. *Removal of Marketing & Communications as a Restricted Budget* — At the recommendation of Council, and with no reasonably compelling need for restriction, the Board of Directors lifted the restricted status on the Marketing & Communications Departmental Budget. As a result, with

the exception of Operations & Facilities Marketing budget, the department's budget is now entirely public, and its resource allocation determined by elected student representatives.

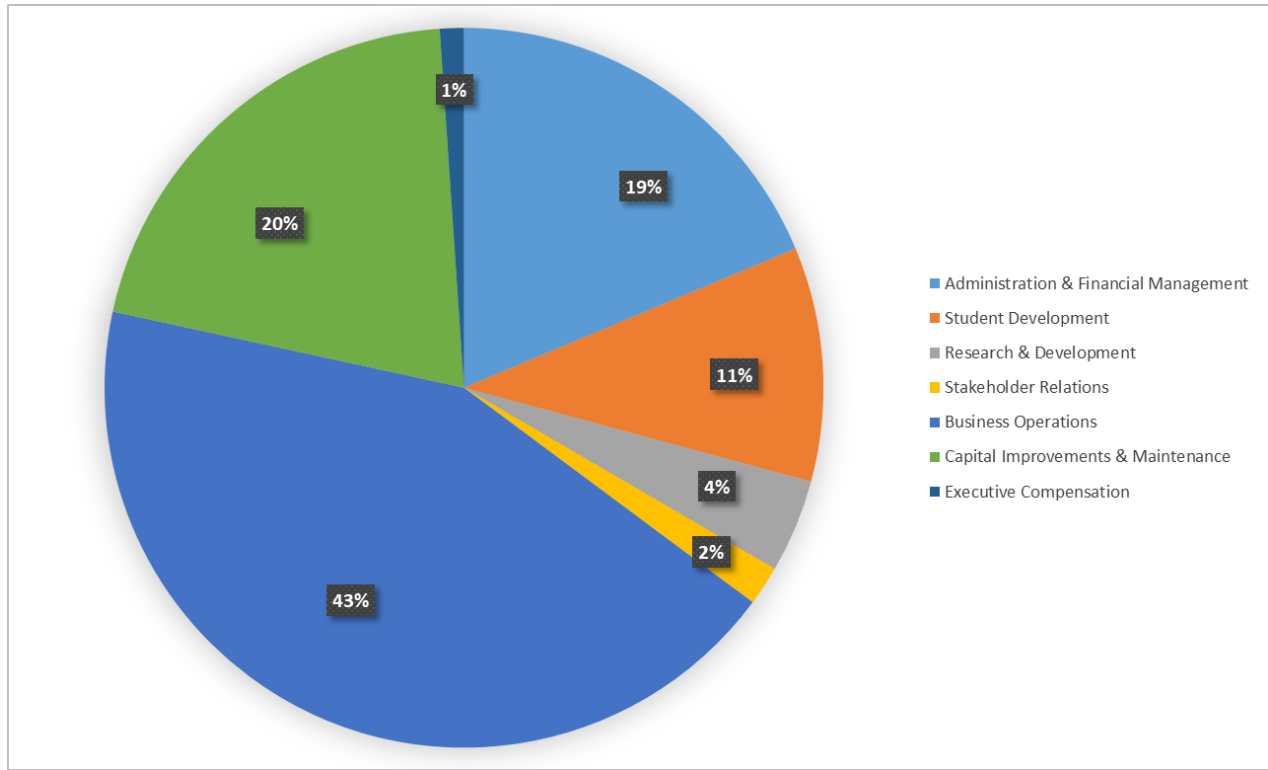
4. *Funding for the "Director of Commercial Operations"* — At its [16 September 2018 regular meeting](#), the Students' Council overturned a previous decision regarding funding of the former role of "Director of Commercial Operations" out of member dues. Council set new budgetary requirements that the salaries and expenses of role be borne by commercial operations cost centres solely. A complication arose because the role in question no longer existed in the same form, but had been repurposed into two roles, one focused entirely on businesses operations, that being the "Commercial Operations Manager" role, and one focused on oversight and planning for all operations and internal development, including IT and the SLC, that being "Director of Operations & Development" role. As such, the salary and expenses of the Commercial Operations Manager were costed out to each of the business units, and one-third of the office costs of the Director of Operations & Development, which includes office expenses for the Commercial Operations Manager, were charged to the Operations & Facilities budgets. The budget for the Director and the bottom lines for the business units reported reflect these changes.
5. *Changes in Overhead Costing for Operations & Facilities* — Formerly, 20% of the costs of the primary overhead units (General Office and IT) were borne by Operations & Facilities, while 80% was funded through student fees. As a result of Student Choice Initiative and a review of business unit performance, this funding distribution was reviewed based on time-audit and planned project impacts on the overhead departments for the services versus business portions of the organization, resulting in a new costing of 10% for Operations & Facilities and 90% funded through student fees. Reasoning includes, but is not limited to:
 - a. Decreases in accounting load and changes to insurance from the shutdown of the Bombshelter Pub and lack of operation of Campus Bubble/Wasabi (which had been closed for the beginning of the SLC/PAC Expansion) the General Office workload was substantially smaller relative to that of non-commercial aspects of the corporation.
 - b. The restructuring of fees into optional and compulsory categories, audit and reporting requirements for those fee buckets, IT infrastructural and staff time for opt-in/opt-out controls, and development of a fee payment verification mechanism has resulted in increasing reliance of many service departments on IT and the General Office.
6. *SSAC Funding for SLC Operations & Salaries* — The Student Life Centre budget may be subject to fluctuations on the order of \$100,000 due to operations and salaries costs potentially being provided for via the Student Services Fee(s). The Student Services Advisory Committee (SSAC) had voted to approve salary and space costs for the SLC when the SLC/PAC Expansion completed. In particular, the SLC's expanded food court is set to open this Fall 2019 Term, meaning in all likelihood the SLC could see cost recovery via the Student Services Fee as early as Winter 2020 term, or if construction delays persist, as late as Spring 2020 Term.

Strategic Categorization

Strategic categorization for the Operations & Finance portfolio's expenditure is shown below with supporting data shown immediately thereunder. Note that many of this expenditures of the portfolio

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are not from student fees, but rather from sales in business operations, marketing, facilities management, and similar.



Strategic Category	Absolute Cost	Percentage of Budget
Administrative & Financial Management	\$944,770.46	18.68%
Student Development	\$532,065.591	10.52%
Research & Development	\$212,030.96	4.19%
Stakeholder Relations	\$89,520.54	1.77%
Business Operations	\$2,186,773.21	43.24%
Capital Improvement & Maintenance	\$1,037,831.36	20.52%
Executive Compensation	\$54,665.59	1.08%
Total	\$5,057,657.71	100%

The Operations & Finance portfolio is focused on execution of budget preparation and controls, financial analysis, administration & financial management, and business operations which are largely divided amongst the following seven identified strategic categories: administration, executive compensation, stakeholder relations, student development, capital improvement, business operations, and research & development.

- Administration & Financial Management — 18.68% of the portfolio budget is spent on general administration and controller functions, including human resources management for all full-time and part-time staff and committee functions related to the role of the Vice President.

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- Executive Compensation — salary, benefits, and transition honoraria for the VP Operations & Finance accounts for 1.08% of the portfolio budget. Considering the focus of the Vice President’s office is on business operations and financials, fewer resources are required for this portfolio relative to others.
- Stakeholder Relations — Stakeholder relationships accounts for 1.77% of the portfolio expenditures. Stakeholder relations fosters and supports relationships with students, University administration, and external groups. The portfolio’s stakeholder relationships include legal, commercial operations with on and off campus partners, sponsorship development, auditors, etc.
- Student Development — 10.52% of the portfolio budget is spent on student development. This covers conferences, professional development opportunities for students, travel, and some special projects within the portfolio.
- Research & Development — 4.19% of the budget is allocated to research and development that supports market analysis, financial analysis, business plans, and organizational planning. This includes some conference and travel expenses related to research.
- Business Operations — 43.24% of expenditure is related to business operations, which in turn bring in more than \$5M in annual revenues. This includes operating student-run businesses, strategic business considerations, planning expansion and directional changes to businesses, and commercial operations marketing.
- Capital Improvement — Capital improvement accounts for 20.52% of expenses. This goes toward supporting capital maintenance and improvement in the Student Life Centre, for commercial operations, IT infrastructure, and more.

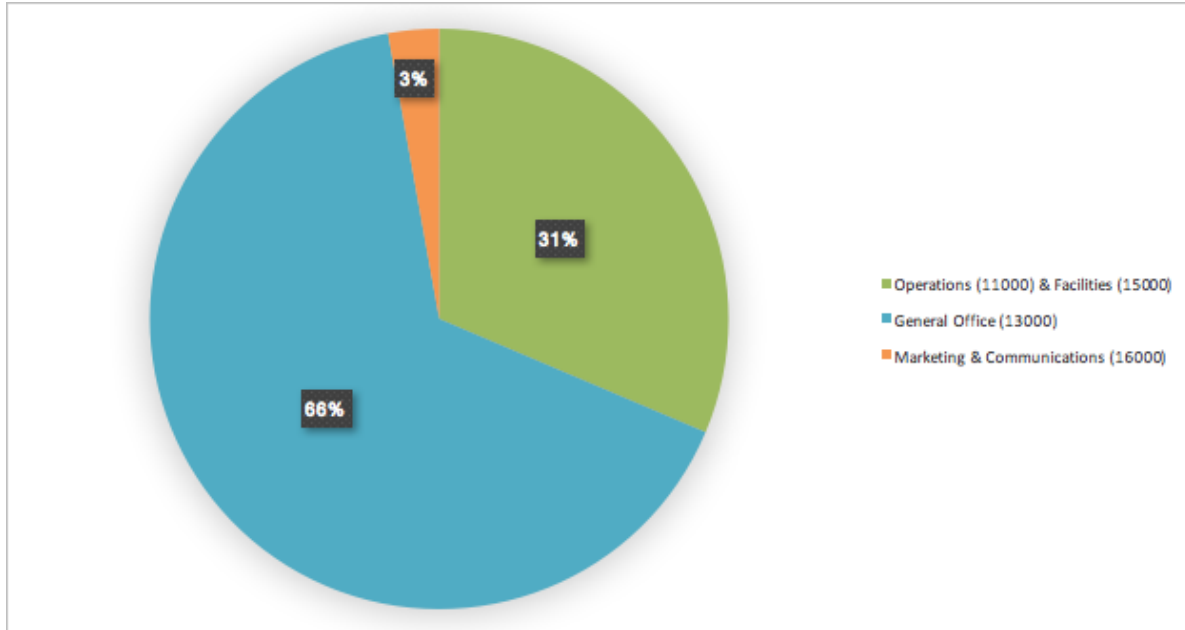
Summary of Portfolio

Summary of Revenues/Gross Profit	Budget 18/19	Actual 18/19	Budget 19/20
VPOF (10100)	\$-	\$-	\$-
Director of Operations & Development (11100)	\$-	\$-	\$1,108.81
Operations (11000) & Facilities (15000)	\$2,260,910.67	\$1,992,720.72	\$1,805,872.60
Information Technology (14000) - 90% Student Fee	\$-	\$-	\$-
General Office (13000)	\$3,420,000.00	\$3,420,000.00	\$3,786,337.85
Marketing & Communications (16000)	\$144,372.00	\$118,192.24	\$163,545.04
Total	\$5,825,282.67	\$5,530,912.96	\$5,756,864.30
Summary of Expenses	Budget 18/19	Actual 18/19	Budget 19/20
VPOF (10100)	\$72,173.68	\$63,806.93	\$75,141.74
Director of Operations & Development (11100)	\$3,505.00	\$3,667.06	\$3,696.04
Operations (11000) & Facilities (15000)	\$2,627,623.93	\$2,551,333.82	\$1,836,271.56
Information Technology (14000) - 90% Student Fee	\$277,300.16	\$277,540.16	\$390,522.09
General Office (13000) - 90% Student Fee	\$956,883.51	\$765,506.81	\$1,023,284.03
Services Salaries	\$1,382,194.09	\$1,382,194.09	\$1,383,410.00
Marketing & Communications (16000)	\$366,333.20	\$284,294.08	\$345,332.25
Total	\$5,686,013.57	\$5,328,342.95	\$5,057,657.71

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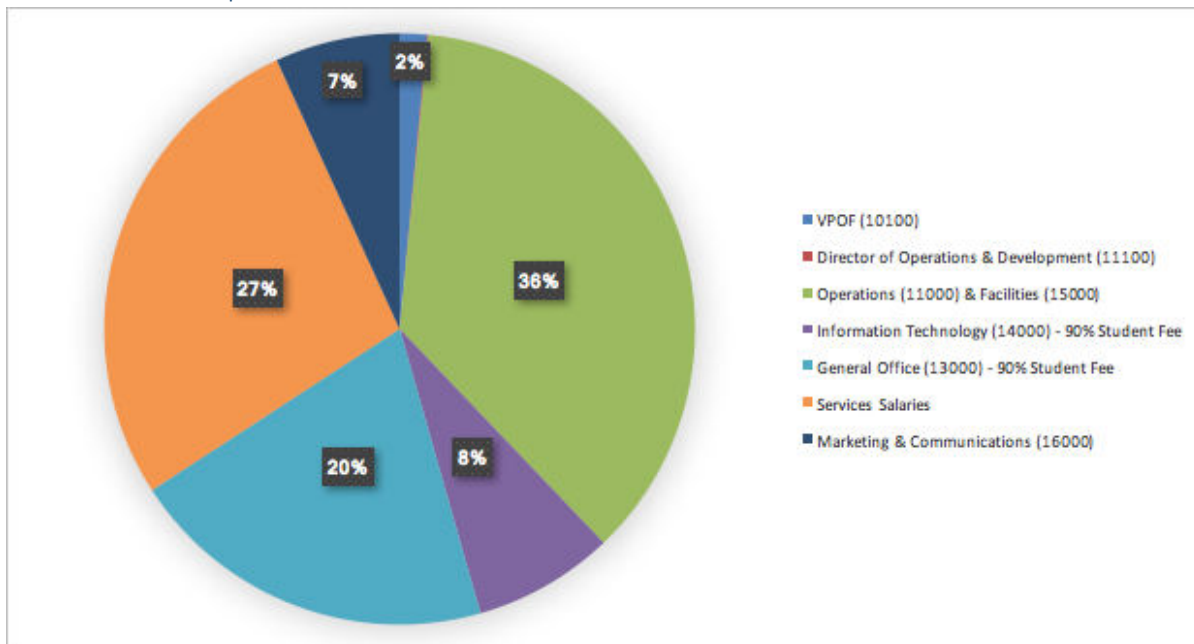
Excess (Deficiency) of Revenue over Expenses	\$139,269.10	\$202,570.01	\$699,206.60
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Distribution of Revenues/Gross Profits



All revenues from student fees, the departments within the portfolio, interest, and investments are reported through the Operations & Finance portfolio. This is the principal revenue centre for the organization, from which all other portfolios and administrative departments are predominantly funded.

Distribution of Expenses



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Despite support staff being organized by the Personnel Committee to each of the portfolios based on function or need, or earmarked fee increases, all full-time salaried staff are costed to the Operations & Finance portfolio. Composing 27% of the allocated expenses in the budget and excluding business salaries and some departmental salaries, the Services Salaries are primarily used for the support of the other portfolios, in particular the Student Life portfolio.

Summary of Operations & Facilities Departments

Revenues	Budget 18/19 (to Mar 24)	Actuals 18/19	Budget 19/20
INews	\$1,605,004.39	\$1,734,880.83	\$1,777,551.16
Caffeine Dispensary	\$133,218.19	\$141,813.61	\$112,433.92
Feds Used Books	\$887,050.00	\$867,176.19	\$915,532.50
Makers Kitchen	\$714,607.90	\$738,686.89	\$832,920.00
Bombshelter Pub	\$1,311,231.00	\$750,195.05	\$-
Student Life Centre	\$1,812,852.04	\$1,691,774.21	\$1,761,075.32
Total	\$6,463,963.52	\$5,924,526.78	\$5,399,512.90
Cost of Goods/Sales			
Cost of Goods/Sales	Budget 18/19 (to Mar 24)	Actuals 18/19	Budget 19/20
INews	\$1,216,264.71	\$1,243,223.42	\$1,236,677.31
Caffeine Dispensary	\$60,546.77	\$59,348.59	\$60,349.50
Feds Used Books	\$653,125.00	\$597,460.36	\$672,548.13
Makers Kitchen	\$279,218.47	\$301,426.23	\$352,923.36
Bombshelter Pub	\$522,417.00	\$361,076.58	\$-
Student Life Centre	\$1,471,480.90	\$1,369,270.88	\$1,271,142.00
Total	\$4,203,052.85	\$3,931,806.06	\$3,593,640.30
Gross Profit	\$2,260,910.67	\$1,992,720.72	\$1,805,872.60
Expenses			
Expenses	Budget 18/19 (to Mar 24)	Actuals 18/19	Budget 19/20
INews	\$365,509.41	\$472,542.18	\$463,367.91
Caffeine Dispensary	\$87,029.76	\$91,752.39	\$76,548.84
Feds Used Books	\$125,161.55	\$113,066.34	\$202,301.08
Makers Kitchen	\$276,573.89	\$335,668.55	\$470,040.04
Bombshelter Pub	\$948,891.00	\$714,699.61	
F/T Business Unit Salaries	\$224,800.00	\$228,687.06	
Student Life Centre	\$327,919.74	\$334,155.95	\$465,815.31
10% General Office	\$202,413.54	\$191,376.70	\$113,698.23
10% IT	\$69,325.04	\$69,385.04	\$43,391.34
Transfers-out (Director of Operations & Development, 50%)			\$1,108.81
Total	\$2,627,623.93	\$2,551,333.82	\$1,836,271.56
Excess (Deficiency) of Revenue over Expenses	\$(366,713.26)	\$(558,613.10)	\$(30,398.96)

Notes on income statement presented above:

Unit Performance without Overhead Costs
Operations Profit (Loss)

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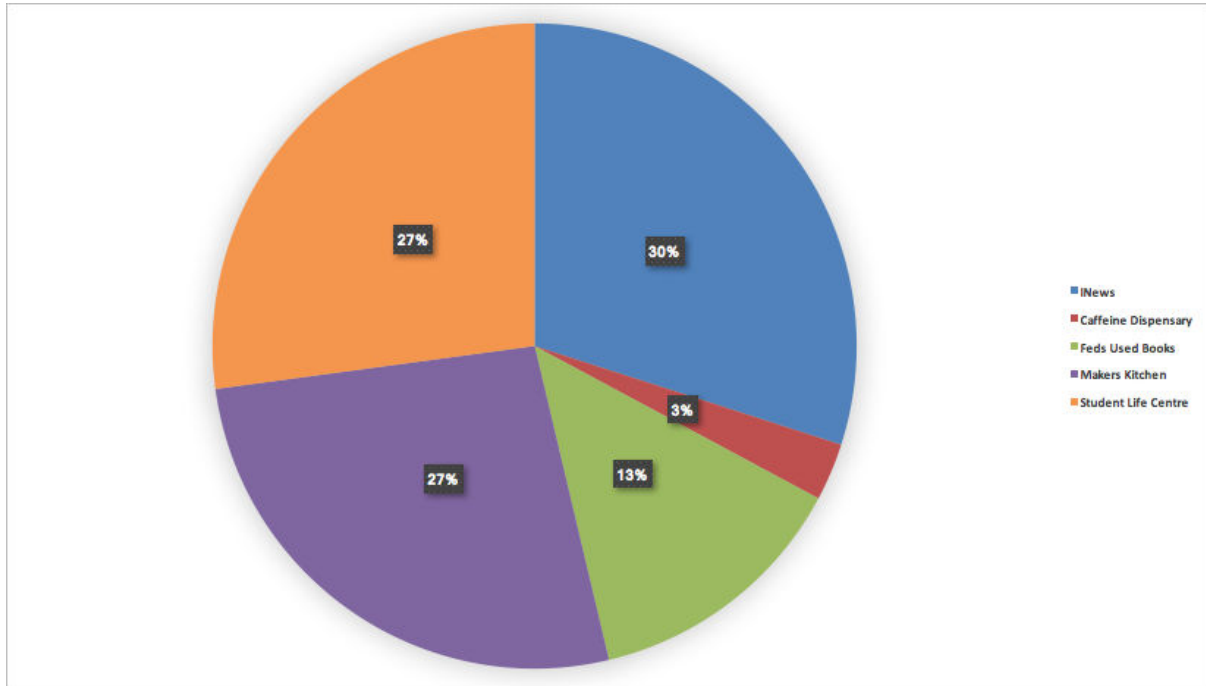
INews	\$77,505.93	
Caffeine Dispensary	\$(24,464.42)	
Feds Used Books	\$40,683.30	
Maker’s Kitchen	\$9,956.60	
Business Unit Excess (Deficiency) of Revenue over Expenses	\$103,681.41	<i>Includes Salaries, but not overheads.</i>
Facilities Profit (Loss)		
SLC	\$24,118.01	
Facilities Excess (Deficiency) of Revenue over Expenses	\$24,118.01	<i>Includes Salaries, but not overheads.</i>
Excess (Deficiency) of Revenue over Expenses		
	\$127,799.42	

All Operations & Facilities operate as social enterprises, meaning their net surplus (loss) are used to support (or are supported by loan from) the organization. The objective of operations – commercial especially – is to support the rest of the organization in the promotion of its not-for-profit aims and objects. During the last governing year, the Students’ Council approved amendments to the Policy 43, Commercial Services, that required that no money collected from student fees could be used to pay for expenses, direct or indirect, incurred by commercial operations, with some exceptions. In addition, policy amendments required that any net income from commercial operations, after capital improvements, was to be passed to the general fund for furtherance of the objects of the Corporation.

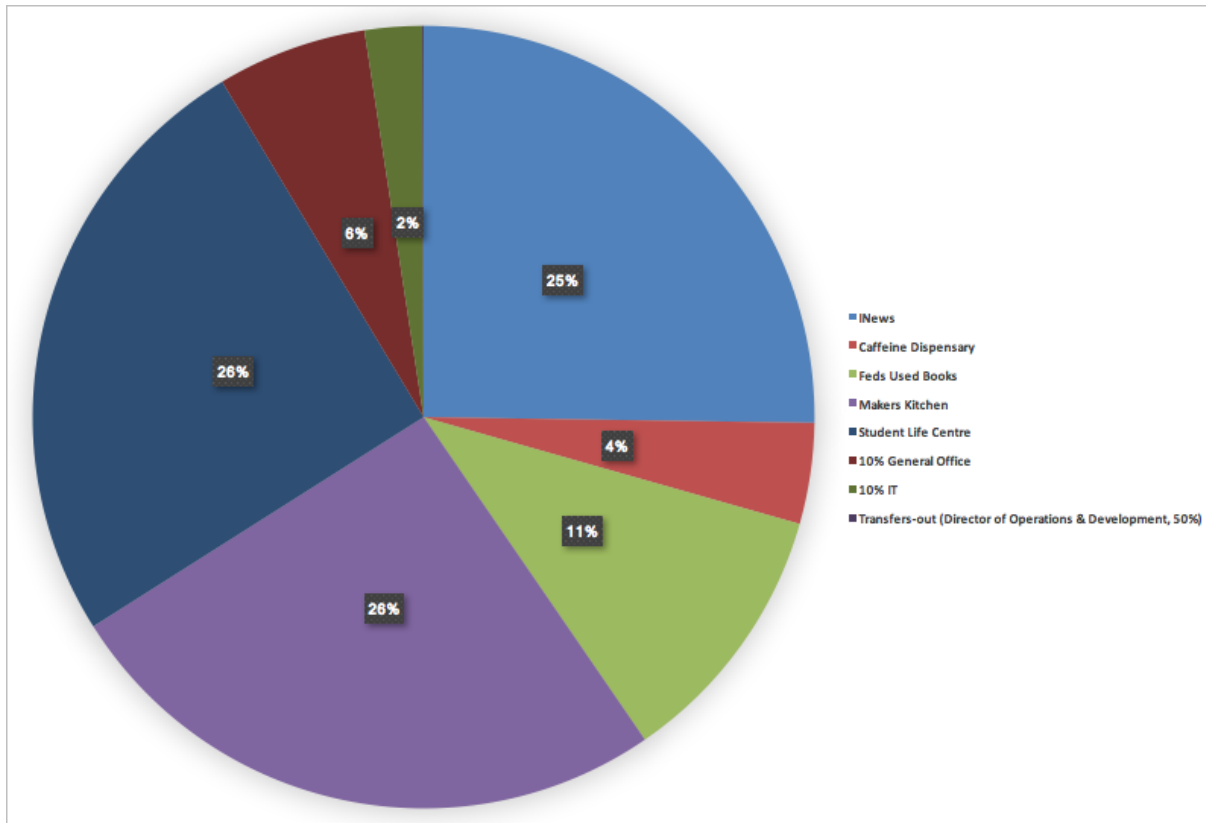
With the Bombshelter Pub having been closed – running a final deficit exceeding \$325k – the commercial operations are better placed to support the organization as it enters the Student Choice Initiative (SCI), where some fees are optional. A review of pricing and preparatory costs has reduced costs of goods, yielding a greater gross profit. In addition, all full-time salaries for commercial operations, including that of the Commercial Operations Manager, have been costed out to each of the units (hence the increases in expenses for the various business units, particularly Maker’s Kitchen which prior to FY2020 was listed 50% as a service salary as the Kitchen was used by students generally as well). The onset of the SCI has meant that the Caffeine Dispensary support fee no longer may exist. This has led to the operations running a nearly \$25k loss, which is being covered off by other business units. Were WUSA not to operate the Dispensary, the net loss would be \$(5,934.54).

A review of the notes on the income statement shown above, which highlight the bottom line for each business inclusive of the salary costing for those units, demonstrates sound financial position of most of the business units. Overhead costing included puts the businesses collectively at a deficit of approximately \$(30k). However, as the overhead costs would ordinarily need to be paid anyhow by the association through other forms or revenue (such as student fees), this indicates that the businesses are paying into the furtherance of the Corporation generally. This financial support from the business units in turn allows greater support for the promotion of objects of WUSA and ensuring the organization is on more sound financial footing as optional student fees enter permanence.

Distribution of Operations & Facilities Departmental Gross Profit



Distribution of Operations & Facilities Departmental Expenses



Summary of Marketing & Communications Department

Summary of Revenues	Budget 18/19	Actual 18/19	Budget 19/20
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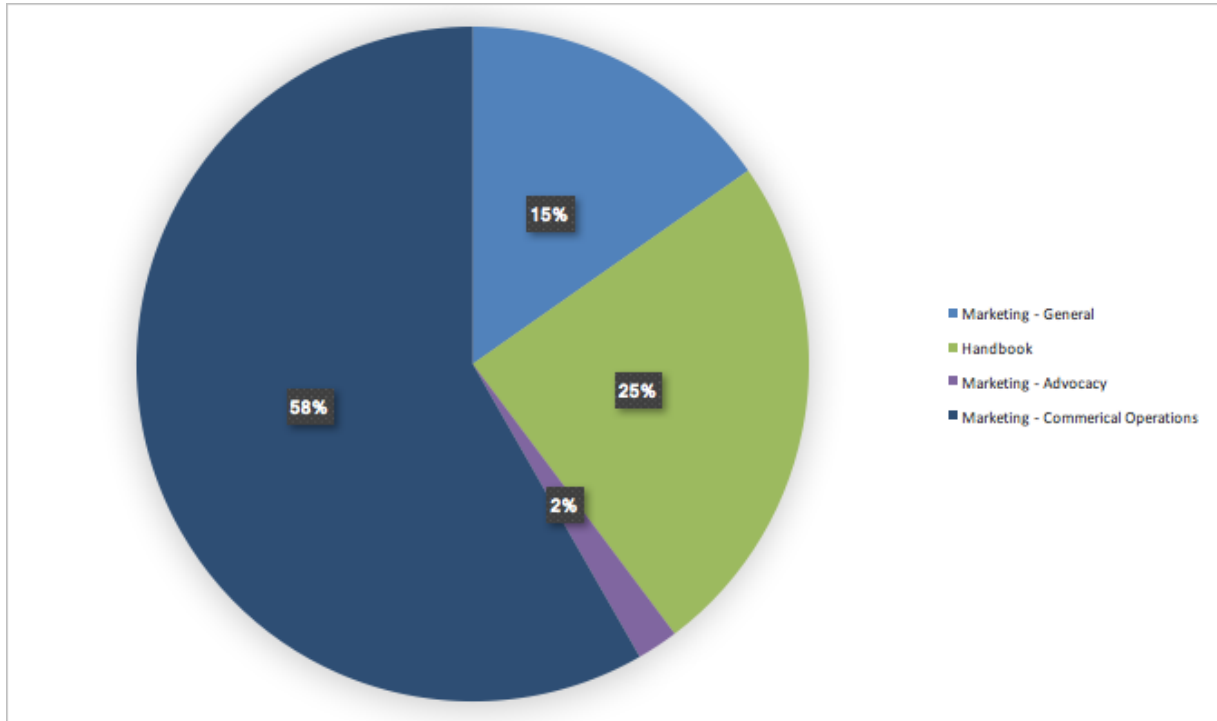
Marketing - General	\$34,062.00	\$27,596.60	\$25,000.00
Communications	\$-	\$-	\$-
Handbook	\$40,000.00	\$46,744.39	\$40,000.00
Marketing - Advocacy	\$-	\$-	\$3,240.00
Marketing - Campus Life	\$-	\$-	\$-
Marketing - Research, Clubs & Societies	\$-	\$-	\$-
Marketing - Commercial Operations	\$70,310.00	\$43,851.25	\$95,305.04
Total	\$144,372.00	\$118,192.24	\$163,545.04
Summary of Expenses			
	Budget 18/19	Actual 18/19	Budget 19/20
Marketing - General	\$190,568.20	\$158,476.70	\$70,095.97
Communications	\$21,265.00	\$20,872.93	\$28,480.50
Handbook	\$41,300.00	\$40,122.99	\$27,000.00
Marketing - Advocacy	\$8,660.00	\$7,607.52	\$35,112.51
Marketing - Campus Life	\$23,890.00	\$19,032.41	\$55,046.72
Marketing - Research, Clubs & Societies	\$10,340.00	\$5,122.29	\$34,291.51
Marketing - Commercial Operations	\$70,310.00	\$33,059.24	\$95,305.04
Total	\$366,333.20	\$284,294.08	\$345,332.25
Excess (Deficiency) of Revenue over Expenses	\$(221,961.20)	\$(166,101.84)	\$(181,787.21)

The Marketing & Communications Department provides support to WUSA services, societies, clubs and departments through marketing and communications for efforts that inform University of Waterloo undergraduates on the ways their student union serves, empowers and represents them. The department is also responsible for production of the student handbook.

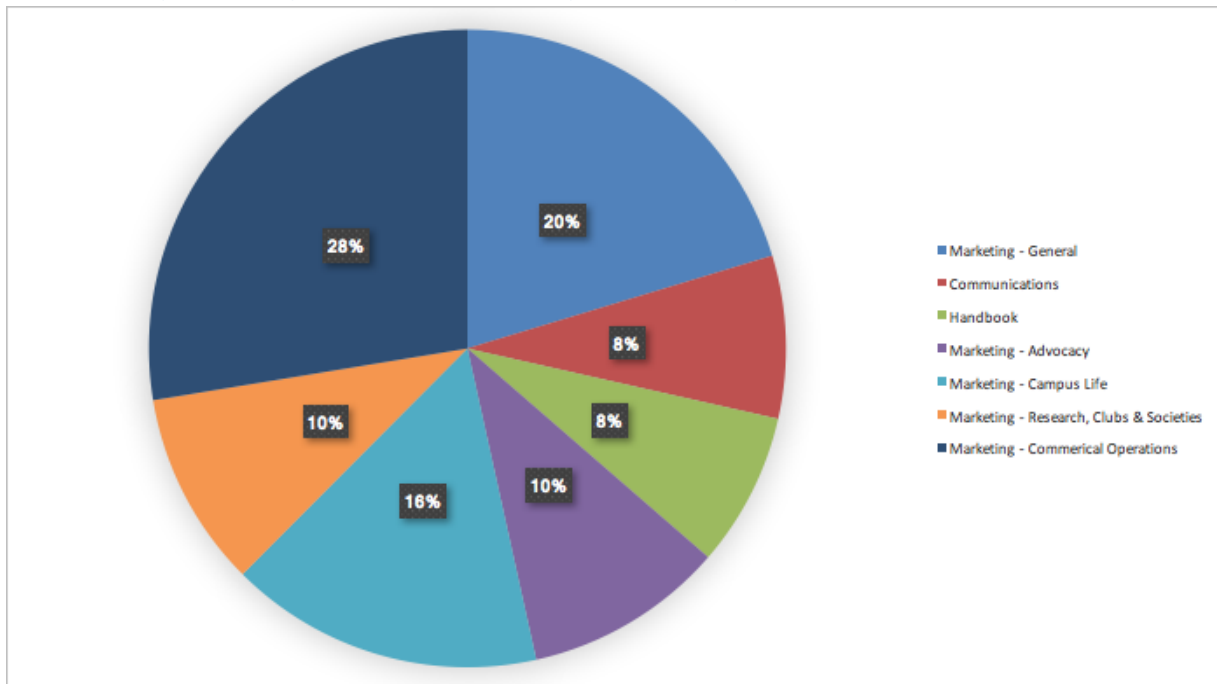
Prior to FY2020, the Marketing & Communications budget was a confidential budget restricted by the Board of Directors. At the recommendation of Council, the Board unrestricted this budget. It is now budgeted for in accordance with the appropriate departments and units it supports. Except for the Commercial Operations Marketing portion of the budget, the budget is public and set by the Students' Council as of this year. The Commercial Operations portion is funded through a percentage of sales and is accounted for in the business unit budgets as an advertising expense (transferred out to the Marketing & Communications Department).

The department has successfully reduced its expenses relative to the FY2019 by six percent (6%) and increased its revenues by thirteen percent (13%), despite an ongoing rebrand. The Spring term rebrand costs are reflected in the amounts appropriated and were budgeted for in the transitional budget by the outgoing Executive and Budget & Appropriations Committees.

Distribution of Marketing & Communications Departmental Revenues



Distribution of Marketing & Communications Departmental Expenses



Changes in Budgeted Lines FY2019 to FY2020

The bottom line changes that occurred from last fiscal year to this fiscal year was a \$559,937.50 increase in surplus, with a \$(628,355.87) decrease expenses. Below there is a line by line assessment for those

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public budgets funded by student fees directly overseen by the VPOF comparing budgeted values to one another. All values are rounded to the nearest cent.

Operations & Finance Portfolio	Expense Changes	Reason
Office of the Vice President Operations & Finance		
Wages	\$1109.24	Adjustment for CPI increase.
Benefits	\$106.48	Adjustment for CPI increase.
Cell Phone	\$20.15	Increase in cell & data plan support. The VP Operations & Finance is on call for emergencies in the SLC, other Society spaces on campus, health & safety inspections, and operational affairs.
Photocopying	\$(25.00)	Decreased reflective of increased digitization.
Travel/Conf/Prof.Dev't	\$300.00	Increased for SLC/PAC expansion projects, research & development use, and municipal negotiations for transit.
Staff Relations	\$(500.00)	Decreased based on actual use.
Amortization	\$(500.00)	Final payment for amortization. No further amortization should be needed in this line.
Criterion License	\$(2000.00)	Discontinued licensing. Moving toward Netflix and other similar partners for general license.
Transition Honoraria	\$(542.80)	Restructured transition honoraria so only incoming executive receive honoraria. It is the expectation of an outgoing executive to transition their successor.
Internal Funding Committee – Special Projects Fund	\$5000.00	IFC was moved under the VPOF at Council’s direction last year. Last year the fund was not budgeted for by the VPSL. Procedure requires funding of this line.
Director of Commercial Operations		
Transfers-in (Commercial Operations, 30%)	\$1108.81	Required by Council and corporate policy. Paid by Commercial Operations (covering off 30% of office costs).
Cell Phone	\$11.04	Increased based on actual use and projected need given ongoing projects.
General Office Supplies	\$(20.00)	Decreased based on actual use.

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Auto	\$(100.00)	Decreased based on actual use.
Travel/Conference/Prof Dev	\$300.00	Increased for SLC/PAC expansion new projects and research & development required for fee payment verification, opt-in/out infrastructure, and similar.
Staff Relations	\$(550.00)	Decreased based on actual use.
Operations & Facilities Departments		
INews	\$54,275.66	Increases in sales, review of pricing and discounts, increased price controls. Decreases resulting from inclusion of all appropriate FT Salary costs.
Caffeine Dispensary	\$(10,106.08)	Implementation of SCI has resulted in no Pharmacy student fee support. Additional decreases resulting from inclusion of salary costs, change in hours.
Feds Used Books	\$(68,080.15)	Primarily driven by projections of increased textbooks sales. Decreases resulting from inclusion of all appropriate FT Salary costs.
Maker's Kitchen	\$(148,858.94)	Increases in gross profit. Decreases resulting from inclusion of all appropriate FT Salary costs.
Bombshelter Pub	\$(160,077.00)	Closure of the Bombshelter Pub resulted in no ongoing expenses after write offs.
Student Life Centre	\$10,666.62	Increases in support contributions from the University of Waterloo (SSAC). Inclusion of all appropriate FT Salary costs.
Full-Time Business Salaries	\$(224,800.00)	Salaries are costed out to each unit now, rather than aggregated. Unit performance can now be identified transparently.
General Office Contribution	\$(88,715.31)	Contribution amount reduced from 20% to 10% reflective of time audit and planned projects.
IT Contribution	\$(25,933.70)	Contribution amount reduced from 20% to 10% reflective of

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		time audit and planned projects.
Transfers-out (Director of Operation & Development, 30%)	\$1,108.81	Required by Council and corporate policy. Paid by Commercial Operations (covering off 30% of office costs).
Marketing & Communications Department		
Marketing General		
Advertising Revenue	\$5000.00	Based on actual revenues.
Advertising Business Revenue (20% of total)	\$(14062.00)	Discontinued guaranteed funding model. Replaced with percent of sales model
Part-Time Salaries & Wages	\$(128,132.03)	Salaries & Wages have been costed out to each Marketing unit as appropriate. General marketing has been retained in this line.
Telephone	\$(300.00)	Reduced based on direction for expense controls from VPOF.
Printing/Graphic	\$(2,000.00)	Reduced based on direction for expense controls from VPOF.
General Office/Computer Supplies	\$(1,000.00)	Costs for PT staff management software and subscriptions subsumed by IT.
Entertainment/Promo/Meetings	\$(300.00)	Reduced based on direction for expense controls from VPOF.
Promotions	\$3,700.00	Increased for rebrand, budgeted for by outgoing Committee.
Travel/Conference/Wk./Prof. Dev.	\$1,000.00	Hosting AMICCUS-C Regional Conference.
Advertising	\$9,000.00	Increase for rebrand.
Staff Relations	\$(1,000.00)	Reduced based on direction for expense controls from VPOF.
Special Projects	\$(500.00)	Reduced based on direction for expense controls from VPOF.
Amortization	\$(940.20)	No new computers were acquired last year, so no anticipated amortization expenses.
Communications		
Part-Time Salaries & Wages	\$5,707.50	Increases to cover improved communications, taking on PT staff.
Telephone	\$300.00	Additional FT Staff member resulting from rebrand.

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General Office/Computer Supplies	\$(100.00)	Reduced based on direction for expense controls from VPOF.
Entertainment/Promo/Meetings	\$(150.00)	Reduced based on direction for expense controls from VPOF.
Travel/Conference/Wkp/Prof. Dev.	\$1,450.00	Additional staff added and outgoing committee approved expenses for digital conference for a staff member.
Subscriptions	\$(200.00)	Consolidated under IT
Amortization	\$408.00	Digital and media capital assets purchased in prior year.
Video Projects	\$(200.00)	Digital and media capital assets already purchased; line returned to prior position.
Student Handbook		
Printing/Graphic	\$(14,300.00)	Printing costs reduced with new design and binding style.
Marketing - Advocacy		
Endowment Fund Promotion Revenue	\$500.00	IFC authorized funding from WUSA administered endowments to support their own promotion.
SLEF Governance & Advocacy Sponsorship	\$2,740.00	Transfer-in from the Governance Portfolio budget based on funds awarded from SLEF.
Part-Time Salaries & Wages	\$23,152.51	Costed out to from Marketing – General.
Telephone	\$50.00	Based on actual use.
Printing/Graphic	\$(700.00)	Previously used for all proofs and other general printing costs, as well as cost of printing advocacy documents; moved to applicable lines to make print log easier.
Advertising - Special Projects	\$500.00	Leadership Awards Advertising and anything outside of planed advocacy and governance events that arises.
Advertising - Advocacy	\$1,200.00	Federal Election, SCI awareness campaign, and rebranding
Advertising - Elections	\$3,000.00	Elections and elections rebranding costs
Advertising – General Meetings	\$1,000.00	Consolidated by prior Executive.
Marketing – Campus Life		

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Part-Time Salaries & Wages	\$36,731.72	Costed out to from Marketing – General. Includes some rebrand PT Staff support.
Photocopying	\$(50.00)	Reduced based on direction for expense controls from VPOF.
Printing/Graphic	\$(200.00)	Reduced based on direction for expense controls from VPOF.
General Office/Computer Supplies	\$(100.00)	Reduced based on direction for expense controls from VPOF.
Entertainment/Promo/Meetings	\$(25.00)	Reduced based on direction for expense controls from VPOF.
Advertising	\$(300.00)	Reduced based on actual use.
Advertising – CRT	\$100.00	Increased based on CRT budget request.
Advertising – Women's Centre	\$(500.00)	Reduced based on direction for expense controls from VPOF and parity between services.
Advertising – Glow Centre	\$(200.00)	Reduced based on direction for expense controls from VPOF and parity between services.
Advertising – Sustainable Campus Initiative	\$(500.00)	Reduced based on conversations on future direction of the Service.
Advertising – Student Food Bank	\$(100.00)	Reduced based on actual use and expense control directive from VPOF.
Advertising – ICSN	\$(100.00)	Reduced based on direction for expense controls from VPOF and parity between services.
Advertising – Co-op Connection	\$100.00	Increased based on Council direction form prior Fiscal Year for increasing awareness of service.
Advertising – Volunteer Centre	\$(532.80)	Service terminated by Council. Only \$67.20 was spent in Spring term for the First-Year Fair, not additional funds required.
Advertising – Bike Centre	\$(200.00)	Reduced based on actual use and expense control directive from VPOF.
Advertising – MATES	\$(300.00)	Reduced based on actual use.
Advertising – Warrior Tribe	\$(2,000.00)	Service terminated by Council in prior Fiscal Year.
Advertising – RAISE	\$(500.00)	Reduced based on direction for expense controls from VPOF and parity between services.

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Advertising – Welcome Week	\$(500.00)	Reduced based on direction for expense controls from VPOF.
Advertising – Wellness Days	\$(500.00)	Reduced based on actual use.
Advertising – Centre for Academic Policy Support	\$1,000.00	Commission expected to formalize, discussion on appropriate housing for marketing support landed on conglomeration with remaining services.
Services Special Projects	\$(100.00)	Reduced based on actual use.
Marketing – Operations & Facilities		
Advertising - Commercial Operations Revenues	\$24,995.04	Increased based on percent of sales.
Total Expenses	\$24,995.04	Increased to allow for additional marketing of new coffee brand, potential roll out of new business venture in Campus Bubble/Wasabi space, and Bomber space focus groups. In addition, PT Salaries have been costed out.
Marketing – Research, Clubs & Societies		
Part-Time Salaries & Wages	\$27,991.51	Costed out to from Marketing – General.
Telephone	\$(300.00)	Eliminated redundant expense; same staff member as Operations & Facilities Marketing.
Cell Phone	\$(240.00)	Eliminated redundant expense; same staff member as Operations & Facilities Marketing.
Photocopying	\$(50.00)	Reduced based on actual use.
Printing/Graphic	\$250.00	Increased based on actual use.
General Office/Computer Supplies	\$(100.00)	Reduced based on actual use.
Entertainment/Promo/Meetings	\$(100.00)	Reduced based on actual use.
Advertising	\$(500.00)	Consolidated with another budget line for clarity of reporting. No increases to other line observed.
Mystery Shopper Program	\$(500.00)	Moved to Commercial Operations Advertising, as predominant benefactor is commercial.
Advertising – Special Events	\$(500.00)	Reduced based on actual use. Further decreases not

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		recommended without examination of impact.
Research	\$(1,200.00)	Decreased based on actual use.
Subscriptions	\$200.00	Clubs advertising tool subscriptions.
Census	\$(1,000.00)	Project cancelled.

Year-over-Year Trends

Nominal and Adjusted Budgeted and Actual Income				
Fiscal Year	Budget	Actuals	CPI Adjusted Budget	CPI Adjusted Actuals
2010-2011	\$(102,275.88)	\$(109,350.14)	\$(119,891.52)	\$(128,184.23)
2011-2012	\$(137,430.41)	\$(113,144.69)	\$(154,355.34)	\$(127,078.77)
2012-2013	\$(81,678.73)	\$(53,564.15)	\$(91,737.69)	\$(60,160.72)
2013-2014	\$(101,621.20)	\$(58,250.92)	\$(112,930.79)	\$(64,733.76)
2014-2015	\$(71,930.03)	\$(57,431.28)	\$(78,281.85)	\$(62,502.78)
2015-2016	\$(77,552.12)	\$(65,282.34)	\$(83,339.59)	\$(70,154.16)
2016-2017	\$(81,863.88)	\$(63,890.06)	\$(87,016.15)	\$(67,911.11)
2017-2018	\$(81,931.18)	\$(70,385.28)	\$(85,886.48)	\$(73,783.19)
2018-2019*	\$139,269.10	\$202,570.01	141,967.31	206,494.62
2019-2020	\$699,139.40	-	\$699,139.40	-

Note: values from FY2019 on onward, are reported as the excess revenues over expenses for the entire administrative, operations, and financial department budgets, including all bottom-lines.

Future Considerations

As reported last year, the actual inflation-indexed costs of the Office of the Vice President and the Director of Operations & Development have reduced in real dollars over the last decade. However, in recent years these office costs have begun to stabilize at just below approximately \$80k (this year will see a \$77k in expenses for the Office, a difference of ~ \$2,000 from the prior fiscal year). Figures from FY2019 and onward have been adjusted to a new budget model at the decision of the Budget & Appropriations Committee, as requested by the Board, to increase the clarity of budgeting to the average student and showcase actual performance of individual units. In addition, the lifting of confidentiality surrounding the Marketing & Communications Budget has skewed costs in FY2020, so the prior year was adjusted for comparison's sake.

The portfolio has had a sustained need for administrative support as greater functional requirements and demands are made on the Office of the Vice President, Operations & Finance, and the Office's charge in support of the objectives set by the Executive Committee, the Students' Council, and the Board of Directors. IT costs have increased by 41% relative to the prior fiscal year due to increased requirements from other portfolios for ramp-up of ongoing projects as well as addition of new project costs, including: vote.wusa.ca platform for the governance portfolio, clubs and services management tools for the student life portfolio, fee verification and opt-in/out infrastructure for the organization, etc. Operations & Facilities has seen a 20% reduction in revenue and a 30% reduction in costs primarily driven by the closure of the Bombshelter Pub, but also due to efficiencies and a review of pricing.

Ultimately though, while the increases in revenues are likely able to be maintained in the mid-term, many of the reductions in expenses require thorough review for long term sustainability. In particular, the frequency of out-of-budget capital expenses impacting actuals has become a greater reality year-over-year.

It is the recommendation of Budget & Appropriations Committee that:

- Greater administrative, financial, and secretarial support be provided to the Operations & Finance portfolio for amount being requested of the portfolio's departments. This burden is not likely to decrease, and ongoing administrative support offers consistency and maintenance of important priorities between governing years where they might otherwise be impacted by turn-over.
- Consider reclassification of centralized salary costings and overhead departments to their respective portfolios, rather than their current location under the Operations & Finance portfolio. These changes may more truly capture the costs for each portfolio, rather than subsuming the costs under the Operations & Finance portfolio.
 - The Personnel Committee should review whether Full-Time services salaries can and should be costed out to each of the appropriate portfolios, or if possible, their subsidiary departments. The reporting of services salaries through the Operations & Finance portfolio is misleading as it implies this staff support directly benefits or supports administration of that portfolio, when in reality many of these costs would be more appropriately listed as expenses in other portfolios.
 - The Vice President, Operations & Finance, and General Manager should consider whether costing out central overhead and administrative support departments is a reasonable approach given the Ancillary Fee Directive. If this action is decided against, then future budget reports should continue to note these central departments as providing costs for the entirety of WUSA and its constituency societies.
- Resulting from the Ancillary Fee Directive, the "Student Services Fee" set by the Student Services Advisory Committee (SSAC) is now to be broken up. Therefore, students will in short order see two or three Student Life Centre fees on their fee statement. Consolidation of the "Student Services Fee – SLC" (set by SSAC) and "SLC Facilities Fee" (set by WUSA) should be undertaken. The Committee recommends that the Executive work with the Graduate Student Association to reduce SSAC fee(s) by amount equivalent to the increase in the "SLC Facilities Fee". This will retain governance of critical student fee by students directly rather than indirectly from a committee on which University staff and senior administration have voting rights and reduce the confusion of having multiple seemingly redundant fees.
 - Should the University and WUSA be unable to reach a compromise to this effect, WUSA should at the very least seek SSAC support to begin mid-way through the Fall 2019 Term due to the opening of the expanded SLC Food Court.
- A review of necessity for telephone lines and cellphone support should be immediately undertaken and budgets amended as required to reduce unnecessary expenses.
- The staff benefits packages should be immediately reviewed by the Executive Committee to ensure their provisions are sensible under the Student Choice Initiative.
- A business unit within Campus Bubble/Wasabi space should be opened with a new competitive concept in the SLC/PAC Expanded food court to generate revenue to better support salary costs

for the Maker's Kitchen, which was formerly supported by both the prior business units in this space and student fees. This will enable some salary costings currently borne by Maker's Kitchen to be offloaded to a new business in that space, which will help support overhead functions.

- The Marketing & Communications Department refocus efforts to better communicate and promote advocacy in all facets of the organization's activities.
- A review of Part-Time Staff compensation should be conducted that examines parity between departments and portfolios in terms of compensation and benefits. A standard policy should be developed on this matter. It is disconcerting to the committee that various "service" departments differ considerably in payment without a structured corporate policy or Board procedure standardizing or stratifying salary rate differences.
- The 2.5% administrative overhead on administered funds be recalculated to include advocacy costs reflecting the true costs of administered programs, including advocacy that makes them possible. This may be costed out to these funds (e.g. Municipal Affairs Commission as it pertains to U-Pass). That the Board direct the Vice President, Operations & Finance, to issue fee adjustments for the recalculated overhead amount.

Corporate Overview

Student Fees

The major source of revenue for WUSA is through student fees. Note that the Fiscal Year runs 1 May 2019 to 30 April 2020, however the Academic Year runs from 1 September 2019 until 31 August 2020. In practice, this means that typically fee increases come one-third the way through a given year. Resulting from the Ancillary Fee Directive, a new fee framework began on the September 1st. Prior to this date the entire “Federation of Students’ Fee” was compulsory and there were no administrative overheads charged on any other fees. As a result, student fee revenues have become far more complicated to predict, particularly when including the 2.5% administrative overhead applied to the fees for administered funds.

	Mandatory Fees	Optional Fees (70%)	2.5% Administrative Overhead
	-	-	\$273,568.88
SPRING	\$647,540.16	-	-
FALL	\$1,141,816.22	\$370,510.94	-
WINTER	\$1,018,006.08	\$330,335.46	-
Total	\$2,807,362.46	\$700,846.40	\$273,568.88
Grand Total		\$3,781,777.74	

This year, the Budget & Appropriations Committee conservatively estimates \$3.78M in revenue from student fees based on the prior academic year’s enrollment data, administered fund premiums, and where applicable assuming a 30% opt-out rate. Actual income may exceed this target based on actual premiums for the FY2020 and based on real opt-out data. While opt-out data for the Fall Term could have been used to provide closer accuracy for some calculations, fluctuations in rates, increase in student awareness, opt-ins, and the impacts of fee verification being conducted will significantly impact projections for future terms. Therefore, the utility of using real data for fee calculations is limited; as such a 30% opt-out rate will continue to be used for all budget planning.

Transfers Out

These fees are collected by WUSA and then transferred out to a third-party service provider. This includes the health and dental plan with Student Care and the U-Pass with GRT. The table below identifies the total FY2019 transfers out based on premiums for each administered fund.

Administered Funds Premiums	Total FY2019	Description
Health Insurance Plan	\$3,252,740.17	Transfers out are made to StudentCare, the contracted plan administrator based on claims experience/plan use. WUSA, acting through StudentCare, maintains an insurance policy which underlies the Health Plan. The Health Plan operates on refund accounting, which is an exercise in budgeting, as all finances flow back to the WUSA as

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		the policy holder. Internal reserves carried by WUSA are restricted and noted on audited financial statements.
Dental Insurance Plan	\$2,695,450.61	Transfers out are made to StudentCare, the contracted plan administration based on claims experience/plan use. WUSA, acting through StudentCare, maintains an insurance policy which underlies the Dental Plan. The Dental Plan is an underwritten plan on a fully insured basis, reducing budget complexity and risk. Internal reserves carried by WUSA are restricted and noted on audited financial statements.
GRT U-Pass	\$4,443,111.07	Transfers out are made to the Grand River Transit, Region of Waterloo, under contract for the provision of the Universal Transit Pass. GRT U-Pass is internally restricted and noted on the audited financial statements.
Student Refugee Program (SRP)	\$48,357.60	Transfers out are made to an internally restricted SRP Account for support for student refugees. The fund is shown on the audited financial statements.
Legal Protection Service (estimated)	\$503,095.82	A new administered fund supporting the implementation of the Legal Protection Service adopted by Referenda. Transfers-out are made to StudentCare, as contracted to administer the plan for WUSA.
Societies Fund	\$809,042.15	The grand total of transfers-out from the General Fund to the Societies Fund (the collection of all Societies' accounts) estimated based on the prior fiscal year's actuals. Actual amounts may vary based on fee adjustments and number of enrolled students. Societies budgets are prepared and approved on a termly basis by the individual constituency Societies, subject to review and acceptance by the VP Operations & Finance.

[Notes on Transfers Out: Estimation of Legal Protection Service Premiums](#)

Conservative estimation approaches were used; the method for premiums for Legal Protection Service was based on the following to set a minimum expectation:

- Based on previous year's data, there are 10,183 Regular and 15,743 Co-op stream students in Fall and 10,033 Regular and 13,094 Co-op stream students in Winter terms. Despite the program being accessible to both FT and PT students, only FT students were used for costing estimates to establish a base line of the total premium.
- At a fee rate noted in the General Operating Budget Summary (Regular – \$9.56, with double assessment in Winter; Co-op – \$17.94).
- 30% program opt-out rate.

Spring	Fall	Winter
-	\$97,349.48	\$95,915.48
-	\$282,429.42	\$234,906.36
-	\$3,464.54	\$2,807.77

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-	\$807.30	\$1,027.96
Gross	\$384,050.74	\$334,657.57
Net (less opt-outs)	\$268,835.52	\$234,260.30
Grand Total	\$503,095.82	

Corporate Salaries

All full-time salaries from the Federation of Students are paid in accordance with the University Support Group corresponding with their evaluated job description. Salaries reflected an economic increase of 2% in accordance to the scale adjustments from Human Resources and UW Staff Association.

Note that USG and JobVal are reported from current position, they do not reflect likely regrading which is scheduled to occur by the University HR Department & Staff Relations Committee (SRC) as the Board’s approval of the organizational restructure as recommended by the Personnel Committee.

Role	University Salary Grade (USG)	Job Valuation, 35 hrs/wk, annual (JobVal)
President	-	-
Vice President, Education	-	-
Vice President, Student Life	-	-
Vice President, Operation & Finance	-	-
General Manager	13	\$107,901.65
Director, Commercial Operations	10	\$83,256.94
Area Manager, Food Operations	8	\$70,226.40
INEWS & Dispensary Manager	8	\$70,226.40
Operations Analyst	8	\$70,226.40
Feds Used Books Manager	6	\$58,612.23
Math CnD Shop Manager	6	\$58,612.23
Accounting Manager	10	\$83,256.94
Accounting Assistant	6	\$58,612.23
Accounting Clerk – Receivables	5	\$53,230.05
Accounting Clerk/Receptionist	4	\$48,980.96
Societies Accountant and Administrative Assistant	7	\$64,277.68
Student Life Centre Manager	8	\$70,226.40
Stakeholder Relations Manager	8	\$70,226.40
Research & Policy Officer	6	\$58,612.23
Director, Marketing & Communications	9	\$76,458.40

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Marketing Specialist	7	\$64,277.68
Marketing Specialist	7	\$64,277.68
Marketing Specialist	7	\$64,277.68
Web Design Specialist	8	\$70,226.40
Digital Media Specialist	7	\$64,277.68
Communications & Media Relations Manager	8	\$70,226.40
Orientation & Member Transitions Manager	8	\$70,226.40
Orientation Administrative Coordinator	7	\$64,277.68
Director, Campus Life	9	\$76,458.40
Special Events Coordinator	6	\$58,612.23
Clubs Manager	6	\$58,612.23
Services Manager	6	\$58,612.23
IT Manager	10	\$83,256.94
IT Administrator	7	\$64,277.68
IT Administrator	7	\$64,277.68
Web Developer	7	\$64,277.68
Web Developer	7	\$64,277.68
Total	-	\$2,227,673.89
<i>Average Value</i>	<i>7.45</i>	<i>\$67,505.27 ± \$10,897.93</i>

Note: some of these roles are vacant currently and so the amount charged out for salaries in the budget may not reflect the amount listed in this table.

These exact values are subject to change based on organizational regrading being undertaken by the University of Waterloo Human Resources Department. Generally, based on changes expected in this process, the costs associated with service lines (including staff salaries) can be expected to increase.

APPENDICES

Optional Fees Data

Based on Fall 2019 Opt-Out data, a conservative budgeting approach was employed for a 30% reduction in gross expenses. Despite this, opt-outs for the Fall 2019 term came below this figure at a median value of 22.29% for WUSA Operating Fees (15.43% for Societies Operating Fees), 21.15% for WUSA Administered Fund Fees, and 4.71% for the Orientation Fee.

While the Budget & Appropriations Committee remains optimistic for opt-out rates equilibrating in future terms, the Committee continues to budget for an initial increase in opt-out rates as a greater number of students become aware and actively participate in the optional fee process. In accordance with that consideration, the Committee continues to budget for a 30% reduction to bottom lines to ensure adequate measures are taken to account for both reductions in income from optional fee buckets and to ensure sufficient working capital exists for the corporation to operate effectively.

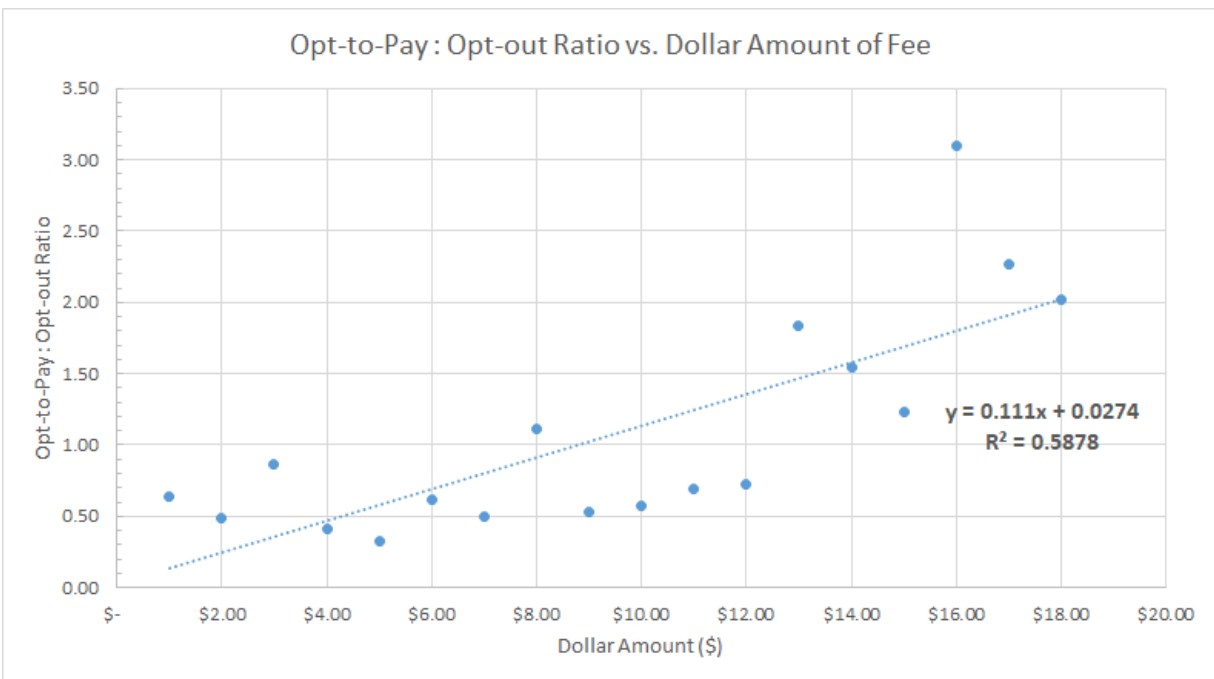
Fee Name	Opt-out Percent (%)	Opt-to-Pay : Opt-out Ratio (-)	Normalized Opt-out Percent (%/\$1.00)
Student Refugee Program (SRP)	20.57%	0.641	19.97%
WUSA Community-Building Services*	22.29%	0.488	10.37%
WUSA Clubs Funding*	17.76%	0.867	7.08%
WUSA Advocacy - University	23.58%	0.407	6.93%
WUSA Advocacy - Government	25.12%	0.320	3.89%
WUSA Events*	20.57%	0.613	3.69%
Renison Academic Students' Council* (August Data)	16.67%	0.500	3.33%
AHS Student Society*	13.99%	1.117	2.80%
WUSA Legal Protection Service*	21.73%	0.530	2.27%
ARTS Student Society*	20.87%	0.574	2.09%
SJU Students Union*	15.34%	0.696	1.53%
ENV Student Society*	15.70%	0.728	1.26%
MATH Student Society*	11.74%	1.840	0.96%
ENG Student Society*	15.68%	1.540	0.94%
Pharmacy Student Society*	26.86%	1.231	0.77%
Optometry Student Society*	10.77%	3.094	0.72%
SCI Student Society*	10.15%	2.262	0.68%
Acct & Fin Association Fee*	14.21%	2.021	0.47%
Orientation Fee*	4.71%	4.276	0.04%

* Asterisk indicates fees on which HST is applied during fee payment.

While there is insufficient data for multi-term or year analysis for the determination of trends, the optional fees data can be assessed analyzed through a series of key performance indicators (KPIs) which offer compelling conclusions. While not all available KPIs employed are provided for simplicity, the two primary analyses available are opt-to-pay to opt-out ratio for those who chose to engage in the opt-out process in any capacity and the opt-out percentage normalized per dollar of fee.

Remain Opted-in vs. Opt-out

Eliminating those students who elected not to engage in the opt-out process at all, it is possible to assess for the remaining students those who remained opted-in to a specific fee relative to those who opted-out of that specific fee. This indicator is useful in aggregate to determine the total perceived value of a fee, including students who opt-out or remain paying a fee based on dollar amount, services rendered, services lost, or otherwise. This metric assesses the likelihood that a student pays a fee if they are to engage in any opt-outs for that fee; for instance, for every 1 student who chooses to opt-out of the Orientation Fee, 4.276 students actively choose to remain opted-in. For comparison, this means at rate parity (between opt-out and opt-to-pay) if two statistically average students engaged with optional fees, one would opt-out and the other would remain opted-in. The higher this ratio, the better the fee performs against the rate parity (equilibrium) case.



The graph indicates a reasonably linear conclusion regarding fees. Of particular interest is that as the magnitude of a fee get larger, the average payer tends to be more willing to remain opted-in to a fee relative to opting-out. Albeit the spread of the data increases as fee amounts get larger as well, which indicates there is more variance in the experience of the average payer, the trend remains reasonably linear with a coefficient of determination (R^2) of above 0.58, indicating the goodness of the linear fit to the data set and providing reasonable confidence for the predictive capacity of the function⁷.

Whether a linear fit is appropriate for this data set will be determined as more optional fees data becomes available, for now linear models offer some predictive value.

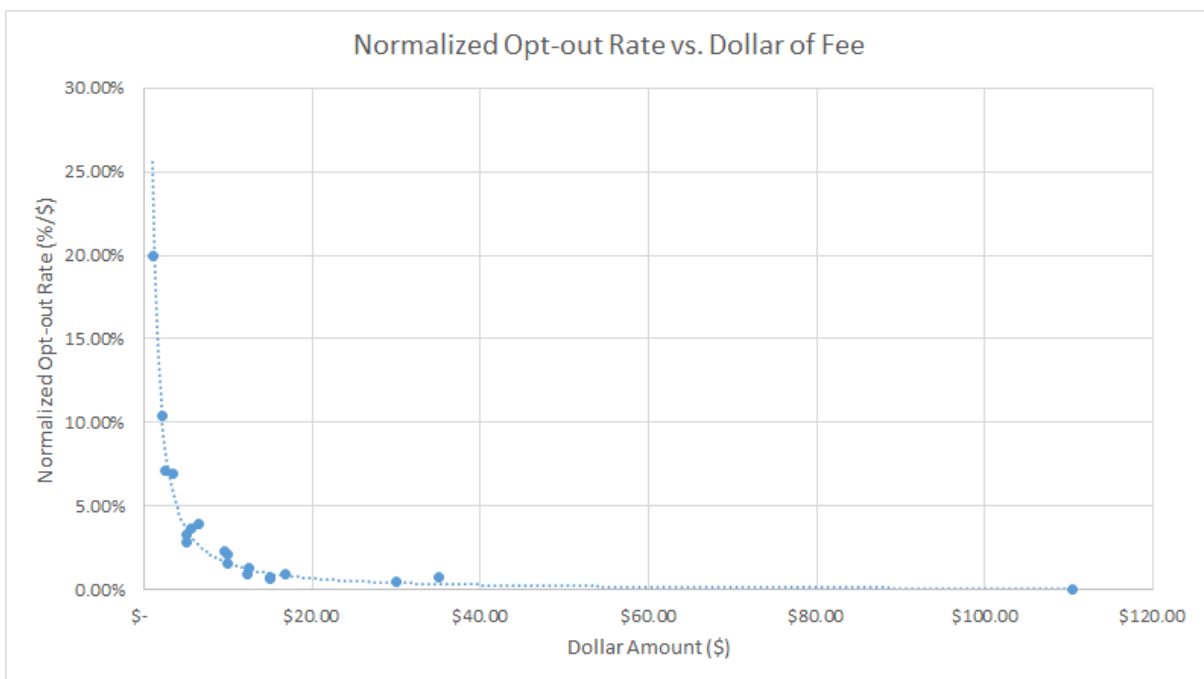
The limitation on the utility of this metric is simple: it cannot be used to draw value proposition conclusions (e.g. estimations on perceived value-for-money) from the payers' decisions in aggregate,

⁷ The R^2 value is a useful statistical measure that represents the proportion of the variance for a dependent variable that is explained by an independent variable or variables in a regression model. It provides statistical measure of the precision of a model's predicted outcomes based on the proportion of total variation of outcomes used in the model.

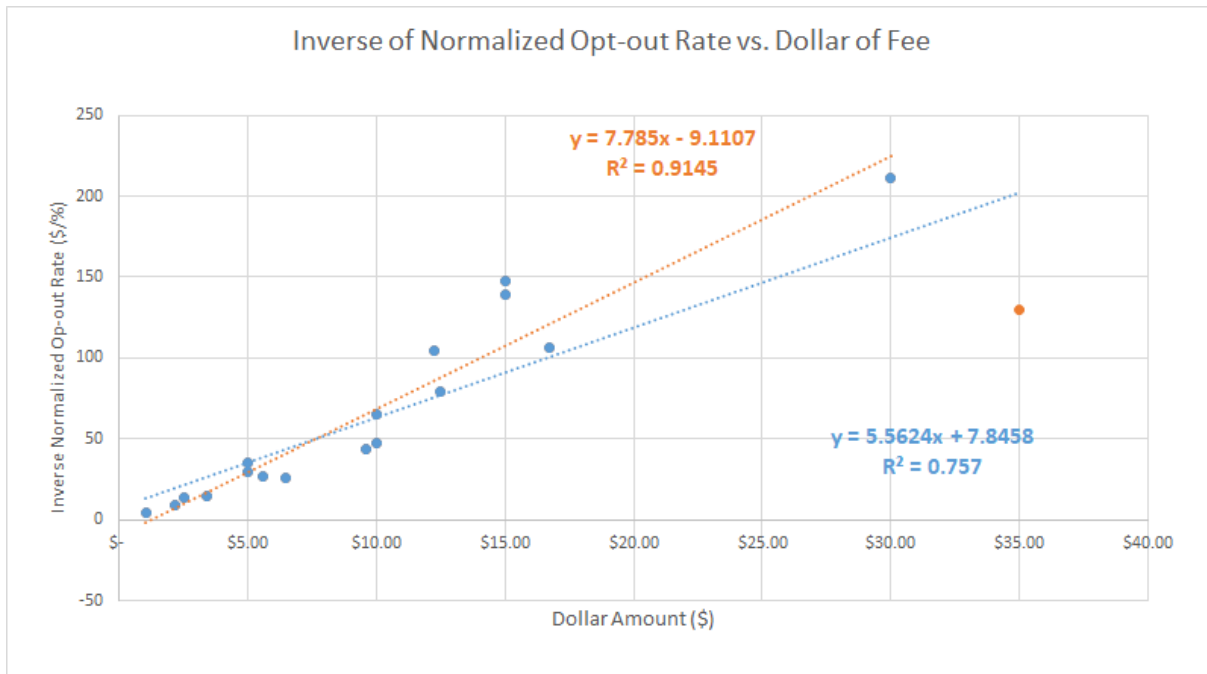
because it does not exclude those who made decisions regarding opt-outs simply based on the magnitude of the fee.

Dollar Normalized Opt-out Percentage

To account for the foregoing limitations, the Committee adjusted values measured on different scales to a notionally common scale of per single dollar. This per dollar normalization recalibrates the opt-out rates of each as though their associated dollar magnitude is \$1.00. In doing so, it is much easier to draw conclusions as to the value proposition of the various fees, as impact of “dollar-magnitude-based opt-out” reduces considerably. On such a scale, the lower the normalized percentage the greater value a fee is perceived by the payer to have. For instance, the SRP Fee of \$1.03, which seemingly has a moderately average opt-out rate of 20.57% in the raw data, has the maximal normalized opt-out rate 19.97%, indicating minimal perceived value.



This graph indicates a well-fitting hyperbolic relationship between dollar amount (x-axis) and normalized opt-out rate (y-axis): $y = \frac{1}{z} = k \cdot x + b$. In order to extract the useful parameters k and b, the inverse plot is provided below:



There is a notable outlier, marked in orange (35x,130y), corresponding to the School of Pharmacy Society (SoPhs) Fee. Given the unique experience of satellite campus students differs greatly, and this fee represents the only standalone satellite campus data (as Architecture and GBDA fees are coupled with the payment of the Engineering Society and Arts Student Union fees, respectively) it has been excluded in the second trend line shown. This provides useful prediction of the normalized opt-out rate per dollar of fee. From the trend line shown, $k = 7.785$ and $b = -9.1107$; so, to predict a given 'value of z ' ($\%/\$$): $z = \frac{1}{(7.785 \cdot x - 9.1107)}$. The product of the fee magnitude and this predicted opt-out rate provides a means to predict a 'total opt-out' rate for a given fee. Based on analysis, excluding outliers, the standard deviation of the predictive index is $\pm 1\%$.

The above graphs allow the extraction of predictive metrics on opt-out of fees for any fee adjustments or budget shifts between buckets by fiscal year and how this may impact opt-outs. A further analysis exploring how such changes shift in time (over multiple terms as a potential equilibrium opt-out rate emerges) will be required.

Opt-ins

In addition to opt-out rates, the net opt-out rate (less any opt-ins) and associated metrics, as well as other KPIs such as ticket price payment for individual events or services access, tiered pricing, and similar) will be useful at the end of each term to evaluate the actual success of each fee.

The below table outlines opt-ins as of the end of September 2019 for various fees. Social Membership is predominantly held by graduate students and students on medical leave from the University of Waterloo which wish to continue to access various services and resources while on leave (including access to administered programs, though this may vary based on the type of opt-in, such as support for students with reduced course load accommodations / benefits).

Fee Name	Sum of Net Amount	Sum of Tax	Sum of Quantity
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Clubs Funding	\$103.17	\$13.31	22
Community-Building Services	\$59.78	\$7.68	10
Events	\$1,510.47	\$196.15	253
Advocacy – Government	\$171.79	\$0	8
Orientation	\$14,589.96	\$1896.84	132
Social Memberships (full Operating Levy)	\$1,773.33	\$0	8
Advocacy – University	\$90.54	\$0	8
U-Pass	\$17,323.96	\$0	176
Total Organizational Income (sum of operating fees + administered fee overhead)	\$ 4142.179	N/A	N/A

Generally, is the assessment of the Budget & Appropriations Committee to continue the current informational strategy for fees to allow students to make values-based judgements of their own accord for the various offerings provided. This strategy has proven successful and lowest in risk, with reasonable outcomes that would indicate values-based judgements were made on fees rather than blanket opt-outs. This will be imperative as the organization embraces the optional fees process into the future.

Assessment of Trends in Financial Position

This appendix outlines an overview of key metrics in the determination of trends in financial position, defensive intervals, and an overall assessment of the working capital of WUSA, as well as their trends, from prior years. The evaluations within this section are based on analysis of the audited financial statements accepted by the Board of Directors each Fiscal Year. To evaluate financial position for reporting to the Board, the Committee employed financial ratios, a widely-used measure to determine financial health. As a not-for-profit student organization, WUSA has different expectations for its ratios as compared to typical corporations.

DISCLAIMER: The following data is based on the prior Fiscal Year and does not necessary reflect the current position of WUSA. As such, this information is used for retrospective analytics purposes to inform planning, it should not be relied on as the current position of the association, which is subject to fluctuation.

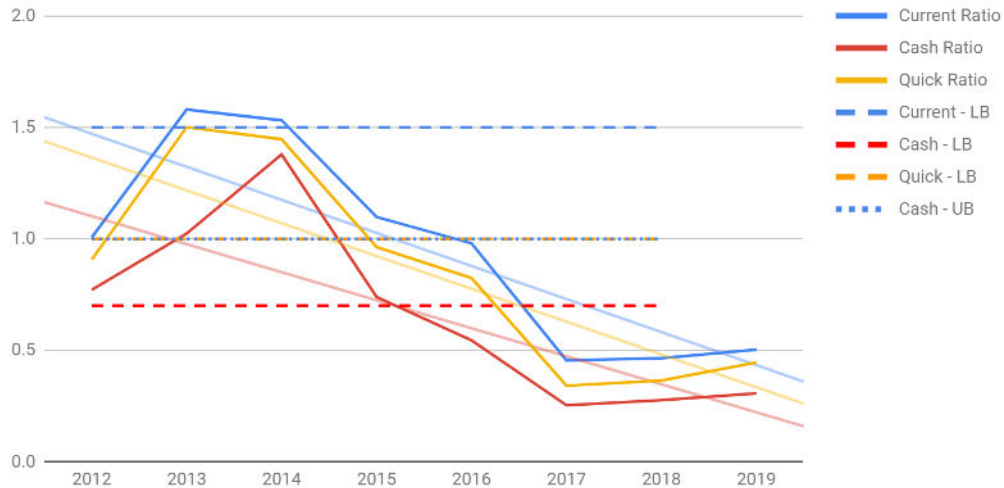
Liquidity Metrics

Liquidity is the ability of an entity to pay its liabilities in a timely manner, as they come due for payment under their original payment terms. Liquidity ratios measure a debtor's ability to pay off current debt obligations without raising external capital. The Committee employed the following metrics, which are described in brief:

- Current Ratio: Can WUSA pay off current liabilities? = $\frac{\text{"Current Assets"}}{\text{"Current Liabilities"}}$
- Cash Ratio: Does WUSA's cash meet a portion of its liabilities? = $\frac{\text{"Cash on Hand"}}{\text{"Current Liabilities"}}$
- Quick Ratio: Can WUSA meet short term obligations with cash and equivalents? = $\frac{\text{"Current Assets"} - \text{"Liabilities"}}{\text{"Current Liabilities"}}$

Fiscal Year	Current Ratio	Cash Ratio	Quick Ratio
2012	1.01	0.77	0.91
2013	1.58	1.02	1.50
2014	1.53	1.38	1.45
2015	1.10	0.74	0.96
2016	0.98	0.55	0.82
2017	0.46	0.25	0.34
2018	0.46	0.28	0.36
2019	0.50	0.31	0.45

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These three metrics show significant falls indicative of potential for issues with working capital. Slow improvements in recent years show optimism that sustainable levels will again be obtained.

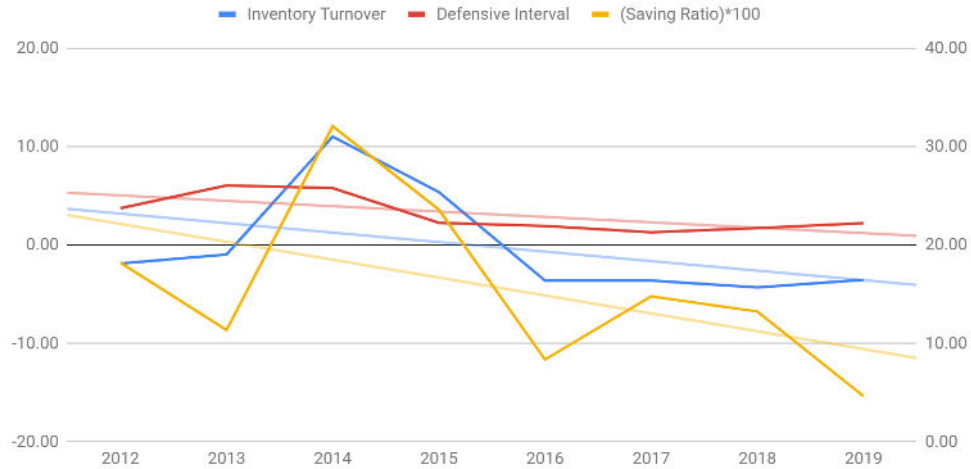
Activity Metrics

An activity consumes resources, such as staff time or funds; it is any action taken to convert an input into an output. In practice, activity ratios measure WUSA’s ability to convert different accounts within its balance sheets into cash or sales. The Committee employed the following metrics, which are described in brief:

- Inventory Turnover: Does WUSA have too much little inventory? = $\frac{\text{"Cost of Goods Sold"}}{\text{"Average Inventory"}}$
- Defensive Interval: How many months can WUSA operate with no additional funds? = $\frac{\text{"Cash"} + \text{"Receivables"}}{\text{"Average Monthly Expenses"}}$
- Saving Ratio: How much of WUSA’s surplus (deficit) goes to (is financed by) savings? = $\frac{\text{Total Revenue} - \text{"Total Expense"}}{\text{"Total Expense"}}$

Fiscal Year	Inventory Turnover	Defensive Interval*	Saving Ratio
2012	18.12	3.74	-1.79%
2013	19.04	6.06	-8.64%
2014	31.02	5.78	12.07%
2015	25.38	2.26	3.60%
2016	16.39	1.94	-11.63%
2017	16.40	1.30	-5.22%
2018	15.70	1.73	-6.75%
2019	16.46	2.23	-15.36%

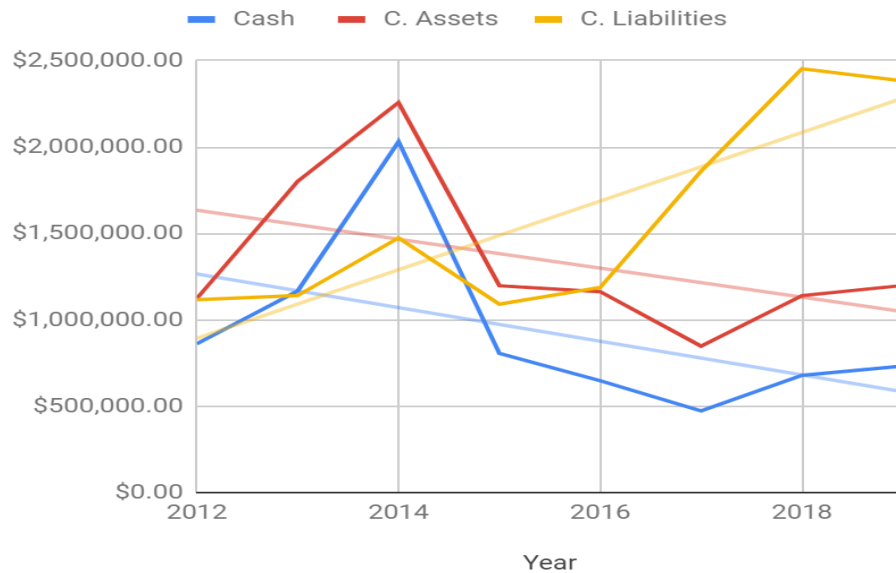
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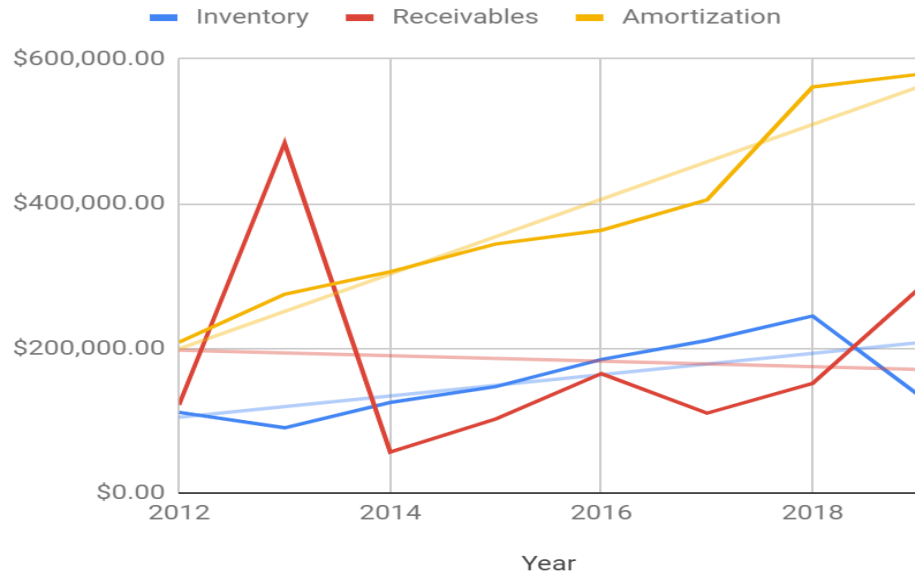
An interpretation of the savings ratio is that WUSA has been financing expenses out of savings since 2015. A contributing factor for the significant drop in 2019 is the closure of the Bombshelter Pub, causing an immediate cease in revenues, while some expenses remained. Note this measure of defensive interval does not include savings.

Cash Flows and General Operating Metrics

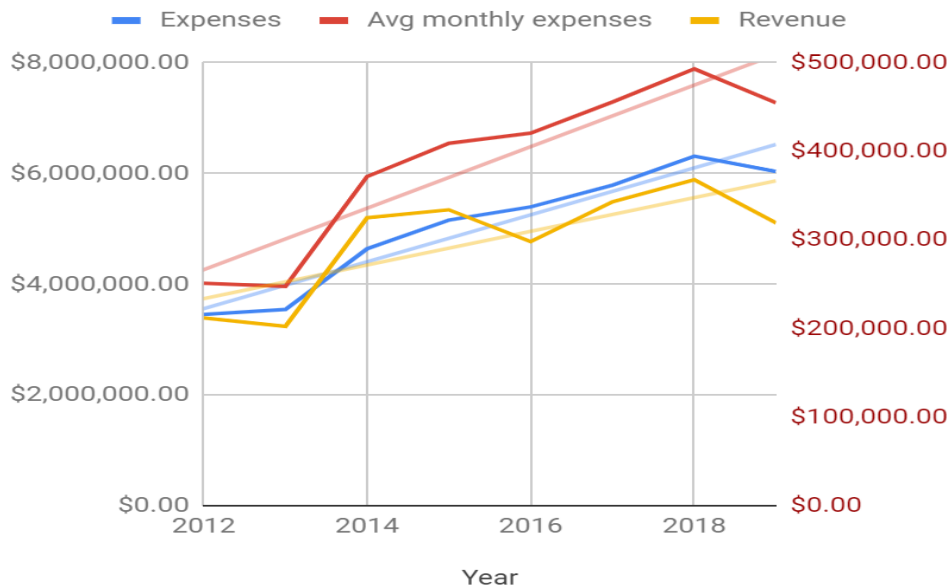
Analyzed in this section are the Cash, Current Assets & Liabilities, Inventory, Receivables, Amortization, and Revenues vs Expenses.



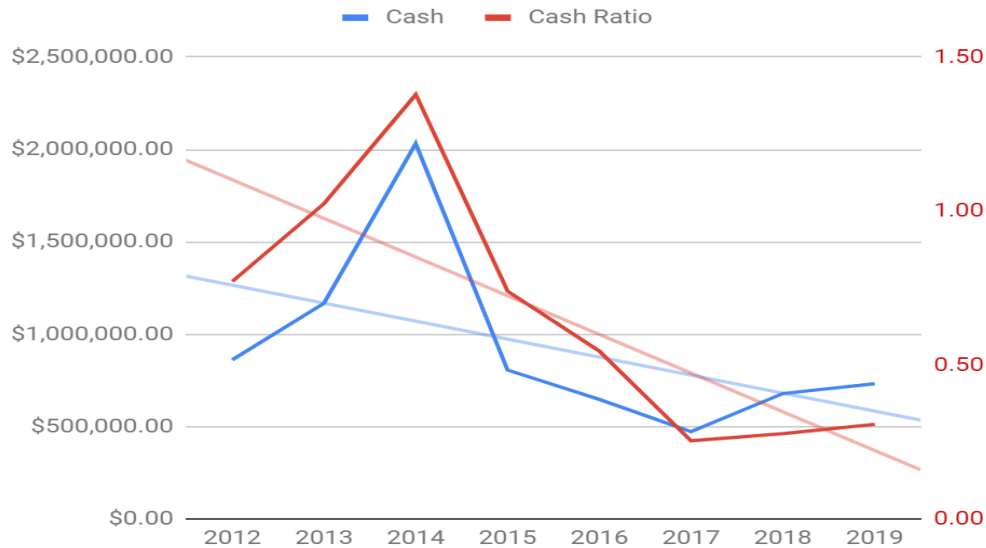
Cash and Current Assets continue to trend downwards though showing improvement in recent years. Note that cash is a subset of assets. Meanwhile, current liabilities have decreased.



Inventory has declined, which is predominantly due to the closure of the Bombshelter Pub. There was an accelerated growth in amortization, which has recently declined, but greater review in acquisition of capital assets will be required until a formal capital budget is developed. The marked decrease in inventory is unrelated to the increase in liquidity experienced in the last fiscal year. The association's cash position benefited from the increasing receivables paid over the Spring term.



The drastic decline in revenues, expenses, and average monthly expenses is largely due to closure of the Bombshelter Pub, but not entirely. The decline in revenues has exceeded the decline expenses by the end of FY2019. This trend is seen to be reversing into FY2020 but requires continued attention to ensure working capital remains stable.



There has been a moderate improvement in cash levels. Cash building measures should remain in place until a stable level has been reached to support sufficient working capital for all operations. The higher receivables by year end (which have since been paid) have improved the cash position of the organization. The cash position is significantly improved from what was expected based on FY2018 and prior position, largely due to cost control measures undertaken by the Office of the Vice President, Operations & Finance. Linear forecasting remains suboptimal relative to targeted performance levels, but there is some optimism that it will again be outperformed in the current fiscal year. With the magnitude of potential fluctuations year-over-year due to changes in opt-out rates, it is unclear what performance may look like and there are few useful predictive mechanisms.

As with the cash position, the defensive interval vastly outperformed the linear forecast, possibly due to measures to stem financial hemorrhage (e.g. Bombshelter Pub closure). While the highest in recent years, WUSA should continue to stride towards a higher Defensive Interval until target levels are met.

Impacts on Working Capital

Cost increases incurred due to staff salary increases, which are required of WUSA under the UWSA MoU with the University’s Board of Governors, have not been adjusted for in fees paid by undergraduates or other salary growth, and as such have regularly outstripped increases CPI as approved by the Board. While the exact impact of this has proved difficult to quantify as many changes to organizational structure, number of staff, and specific staff salaries influence these results, it is observed by the Committee that failing to adjust for staff salary increases has resulted in decreases to service levels and resulted in expenses outstripping revenues. It is recommended that the Board continues to approve, subject to ratification, increases tied to staff compensation.

Background & Historical Context

Historically, WUSA had significant retained earnings which put the Corporation’s Not-For-Profit (NFP) and Tax-Exempt statuses at risk. At the recommendation of the Auditors, in order to address concerns of the Canadian Revenue Agency respecting these statuses, the Students’ Council and/or Board of

Directors strategically planned deficits and directed senior management to follow the Auditors' advice restructure all operations that may contain a profit motive. While this was strategically motivated, the rate of expense growth was never adequately slowed resulting indirectly in the excess of expenses over revenues that are presented in this report.

Comparators and Benchmarking

The foregoing financial assessments were used to assess performance against a benchmark "basket" of similarly positioned organizations (similar mandates, financial scale, staffing costs, etc), which included Queen's University's Alma Mater Society (AMS), Western University's University Students' Council (USC), University of Toronto's Student Union, among others. These comparisons, particularly with respect to their trends in time, represent useful indicators of performance against benchmark for the industry. Subject to the following general disclaimer that comparisons are based on available public data, estimates, or year-over-year averaging, the reader may take away the below comparative notes:

- Liquidity forecasts are below the standard set by other student associations, and warrant attention.
- The defensive interval identifies that WUSA is not well equipped to operate with substantial reductions in revenues relative to other student associations with larger defensive intervals.
- WUSA has also been financing out of savings since FY2015, which has substantially reduced savings levels and requires considerable attention by the Board of Directors.

Corrective Measures

The Board has undertaken strict controlling measures to better position the corporation, including directing the Vice President, Operations & Finance, and by association the Committee to budget according to appropriate expense control guidelines (30% budget reduction targets and increases in sponsorship and revenue generating mechanisms). In addition, the following specific items may factor into consideration for the maintenance of adequate working capital.

- The closure of the Bombshelter Pub has resulted in saving a significant annual loss.
- Investment strategies: an average of \$200,000 of interest/capital gains generated annually⁸.
- SLC Space/Salary Costs being supported by the University of Waterloo via the Student Services Advisory Committee, beginning when SLC PAC open.
- Separating Capital and Operating Expenses: Opportunity to create capital improvement fund for WUSA which will drastically help with cash flow and amortization issues.

⁸ Note that investment strategies are not a new initiative (rather continuation of current practices) and are subject to market forces.

Status Report on Prior Committee Recommendations

This appendix outlines the recommendations from the prior report that were met, exceeded, or are in progress, or could not be completed and why. Of the 17 recommendations enumerated:

- Eight (8) have been completed (47.1%),
- Three (3) are substantially underway to completion (17.6%),
- Three (3) have only marginally been undertaken (17.6%),
- Two (2) have had no action or less than marginal action (11.8%), and
- One (1) was rescinded by the Board (5.9%).

Adjusting for the rescinded recommendation, the Committee is pleased to report that 64.7% of recommendations are substantially underway to completion or already completed.

Key code — **Red** = Incomplete/No Action Taken; **Orange** = In Progress, moderate action taken; **Yellow** = In Progress, substantial action taken; **Green** = Completed (potentially recommendation for continued review).

Budget / Portfolio	FY2019 Recommendations	Actions Taken	Status
General Operations	Action be taken by the Executive, with consultation of stakeholders, to either: <ul style="list-style-type: none"> • Reduce expenditures / redundancy in the budget to maintain current expense levels without incrementing the dues paid by members; or • Increase the dues paid by members sufficiently to account for disparity in inflation-adjusted derivatives. 	At the direction of the Council, the Board oversaw reductions in superfluous expenditures and the Executives tightened budgets. Major financial controls were enacted, such as closure of the Bombshelter Pub. In total the General Fund while losing \$132,600 in FY2019 reduced losses by approximately \$267,400. In addition, the Board successfully recommended increases to the Fee which were implemented by the Winter 2019 General Meeting to account for some excesses of expense over revenues.	In Progress. Requires continued attention.
General Operations / Student Life	The Student Life portfolio is one of the largest budgets and grows with student demand for services. Council should gather use metrics (or other key performance indicators) to better inform future appropriations for services based on need. The Campus Life Advisory Committee should assess and review the continued need for some services which could	Council tasked the VP Student Life and Campus Life Advisory Committee to review student services key performance indicators and develop appropriate metrics, in Fall 2018. This Fiscal Year with optional fees, greater emphasis on statistical tracking of usage rates is in progress.	In Progress. Requires continued attention.

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	potentially be off-loaded or should broach cost-sharing arrangements with the University	In addition, the Volunteer Centre was shut down over the Spring Term, and other services are being reviewed by the Vice President, Student Life.	
General Operations / Governance	With respect to the President’s portfolio, greater support for governance operations is recommended. Recent years of underfunding and neglect have resulted in a deteriorated transition for new Councilors & Directors which decreases the organization’s effectiveness during turn-over.	Governance operations support has increased in some (moderate) capacity mostly through the inclusion of PT salaries lines for secretaries & clerks and for elections support. The larger increase in this budget is temporary for this Fiscal Year for the Long-Range Planning process, which is required.	Completed. Will require further monitoring in future years.
General Operations / Education	The Education portfolio is reasonably well placed to continue operations at current levels, but future cuts to commissioner hours paid-out or salary rates are not recommended. Generally better awareness of the value of stakeholder relations and advocacy in achieving long-term objectives should be observed.	The Committee has avoided future cuts, and increased support through earmarked fee increases for the portfolio. Commissioner hours have been increased moderately and a second phase roll-out of an earmarked increased dedicated for support of research was already approved at the Winter 2019 General Meeting.	Completed. Will require further monitoring in future years.
General Operations / Operations & Finance	The Students’ Council and Board of Directors explore tying increments to staff compensation with those required by the University under existing arrangements with the Staff Association.	The bylaws were successfully amended last year to allow the Students’ Council to ratify increases for staff compensation changes. This allows flexibility as the organization adapts to the Student Choice Initiative as well as adjustment for UW required increments to staff compensation.	Completed.
Operations & Finance	Awareness, use, and necessity of the Student Event Venue Subsidy should be assessed by the Students’ Council. Council should decide whether to continue funding this line item into the future and if so should increase emphasis on and marketing of the financial opportunity to clubs, services, and societies so it may be put to use. Otherwise, it is recommended the line be further decreased to \$2,500 dollars to	Further awareness is needed, including putting information about the subsidy on the www.wusa.ca/funding page, but a greater number of groups have applied for use of the subsidy this year. The line may need to see increases in the next fiscal year pending the Bomber project.	In Progress.

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	reflect real use in future fiscal years		
Operations & Finance	Transfer of the costs of the Director of Commercial Operations to the Commercial Operations cost centre.	As recommended by Council during the Fiscal Year (and originally recommended by the Committee), this change has improved the honesty of the budget process and made clearer the performance of business units with consideration of senior management costs.	Completed.
Student Life	Growth can only continue if the Feds Fee is comparably increased, further cuts are made, or the fee is offset by other external revenues.	<p>The Committee saw increases to the Student Life portfolio budgets for some services and based on a novel reporting mechanism from each of the services and departments funded within the portfolio.</p> <p>Generally, expenditure was reduced substantially by a need for working capital and due to optional fees. Revenue increases were also observed (conservatively) in some areas. The portfolio will need to seek increased sponsorship in future years rather than increases in budget beyond CPI.</p>	Completed.
Student Life	An audit be undertaken by the VPSL and the Campus Life Advisory Committee over the next year to allow for a more detailed analysis of exactly what changes can be made to streamline costs without sacrificing the quality of the services provided.	This recommendation was broken into various components. Some components showed detailed review (including a review of volunteer appreciation and staffing structure for services), while many aspects of the recommendation were not implemented. Progress was stalled immensely by the announcement of SCI.	Incomplete. Greater action required.
Education & Advocacy	Budget growth for this department be allowed to float with undergraduate enrollment to maintain current service levels and prevent departmental contraction (viz. the Education Portfolio's allocation of budget shall automatically scale with	Recommendation was not acted upon at the direction of the Board of Directors. It is recommended that the Students' Council consider implementing this change to Ancillary Fee Policies to permit such a floating increase for	No action taken. Re-examination recommended to Council.

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	enrollment figures to prevent further increases in the percent of departmental expenditure distributed to OUSA)	the OUSA portion of the Advocacy – Government Fee bucket.	
Education & Advocacy	<p>Ignoring the prior recommendation, that the Board of Directors, at the recommendation of Students’ Council, instead choose to fund the costs of membership in OUSA by levying a fee, separate from the dues collected in accordance with Article 4 of the Feds bylaws;</p> <p>Note: such action would require the collection of the associated fee be expressly supported by a referendum, with at least 10% of all full members voting.</p>	Recommendation was not acted upon at the direction of the Board of Directors. It is recommended that the Students’ Council consider this course of action in the consideration of the foregoing recommendation as an alternative, if a referendum is sought.	No action taken. Re-examination recommended to Council.
Education & Advocacy	Board of Directors and Students’ Council recognize the value of advocacy and stakeholder relations as comparable to the provision of services in the attainment of long-term goals and in the long-term planning process, respectively.	<p>This recommendation has been acted upon. Namely,</p> <ul style="list-style-type: none"> • The Board approved earmarked fee increased based on the FY2019 budget report’s recommendations. • The Committee increased funding to the portfolio. • The Officers of Council applied for Advocacy & Governance funding from the Student Life Endowment Fund. 	In Progress. Substantial corrective action taken. Greater attention as to the impacts of SCI necessary.
Education & Advocacy	Future increases to Part Time Staff compensation or hours-paid out for Commissioners. Commissioners, as an arm of the executive in the education portfolio, are critical in the attainment of strategic objectives of the Federation and in advocacy/lobbying priorities set by the membership.	<p>This recommendation was enacted, in addition dedicated Education & Advocacy portfolio fee increases targeting part-time opportunities were passed overwhelmingly at the Winter 2019 General Meeting.</p> <p>In addition, office spaces are being prepared for commissioners within the SLC.</p>	Completed. Continued support will be required.
Corporate Overview	The Board reclassify the Marketing & Communications	Recommendation entirely adopted.	Completed.

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	budget as public to be set by the Students' Council.		
Corporate Overview	The Board reclassify the IT budget should be classified as public, following a review.	Recommendation struck down by the Board in the interests of good business practice.	N/A
Corporate Overview	That bottom-line summaries of all confidential budgets, including those of Business Units be made public with summaries as to performance and operations.	Recommendation adopted. See appropriate sections of this report for details.	Completed.
Commercial Operations	That Commercial 'Services' be reclassified as Commercial Operations or Business Units and refocused on investment in the furtherance of the objects of the Corporation through improved forecasting models targeted toward reinvestment in the businesses as well as supporting non-commercial affairs of the corporation.	Recommendation adopted. Policy changes reflect change of focus and business planning underway to execute a full directional shift	Mostly completed. Further progress and monitoring required.