Wilfrid Laurier University

Inspiring Lives of Leadership and Purpose

2025/26 Budget

Board Approved

June 5, 2025 – Board of Governors

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Overall Fiscal Outlook

The assumptions and estimates included in the 2025/26 Operating, Ancillary and Capital budgets are based on the information available to management at the time of preparation. Post-secondary institutions in Canada are facing sector-wide challenges, with continued revenue constraints and significant inflationary pressures contributing to growing financial risks. Universities across Ontario are facing increased scrutiny on fiscal performance through the Ministry of Colleges, Universities, Research Excellence and Security (MCURES) Financial Accountability Framework.

Successfully navigating this difficult environment will require highly disciplined and effective financial management as the university considers both the short-term horizon as articulated in the fiscal year budget and long-term sustainability as depicted in the multi-year budget projections.

On April 22, 2025 MCURES announced a $750 million investment to support 20,500 STEM learners annually at universities and colleges. Due to Laurier's significant enrolment growth in serving Ontario students, particularly in STEM programs, Laurier's share of that funding is $16.1 million annually, representing funding for over 2,000 existing unfunded STEM learners at the current system funding rates. Laurier's share of the funding is committed for three years, with funding for 2028/29 and 2029/30 to be confirmed by MCURES through future multi-year planning exercises informed by the upcoming funding model review.

Notwithstanding this recent infusion of government grant funding, Laurier remain in a structural deficit position, with a modest deficit slated to increase rapidly over the next five years even if tuition is permitted to increase in 2027/28 and beyond. Significant constraints on revenue continue in the short term, including an ongoing general freeze in domestic tuition rates and a federal cap on international study permits for undergraduate students. The limitations on revenue mean that Laurier will not be able to keep pace with rising operating costs, make the appropriate level of investments in facilities renewal and information technology systems, or invest in strategic initiatives and programs required to succeed in a highly competitive sector.

Alongside a challenging revenue outlook, increased scrutiny of universities' financial performance continues through the MCURES University Financial Accountability Framework. The Framework consists of the five financial health indicators previously reported by Ontario Universities and incorporates debt ratios and the institution's credit rating into an overall risk assessment. While Laurier's 2023/24 financial performance resulted in a "low" risk assessment, a significant contributing factor to this assessment was the occurrence of one-time financial impacts such as real estate transactions (reinvested in capital) and the 23/24 one-time-only STEM funding. Without these transactions, Laurier's performance would have yielded a less favourable risk assessment rating. With the current structural deficit position Laurier must continue efforts to prioritize key investments with consideration for growth, revenue generation, cost containment, and spending to increase priority services and programs while demonstrating the ability to safeguard its fiscal health through Framework risk assessment results.

Throughout our history, the strength of the Wilfrid Laurier University community has allowed us to capitalize on opportunities and overcome challenges to become a comprehensive, multi-campus institution focused on excellence in academics, a sector-leading student experience, and a growing research enterprise. Since 2019, Laurier has pursued these efforts in addition to implementing significant budget savings targets; with the 2025/26 proposed budget, the magnitude of efficiencies achieved will be in excess of $43 million, a 12% reduction resulting in 2025/26 budgeted expenses of $371 million.

Operating Budget

The Operating Budget comprises the major annual revenues and expenditures of the university's financial operations. Revenues from student tuition fees and government operating grants account for 85% of the total operating revenues. Faculty and staff salaries and benefits account for 75% of the total operating expenditures. Table 1 below is a summary of the 2025/26 Operating Budget.

Table 1: *2025/26 Operating Budget Summary*

In 000's	Budget 2024/25	Budget 2025/26	Change
Tuition Fees	184,259	189,829	5,570
Enrolment Based Government Grants	105,241	124,123	18,882
Other Income & Fees	47,010	55,131	8,121
Revenue	**336,510**	**369,083**	**32,573**
Salary & Benefit	257,908	280,057	22,149
Non-Salary Expenses	85,956	91,384	5,428
Total Expenses	**343,864**	**371,441**	**27,577**
Surplus/(Deficit) Before Contributions	**(7,354)**	**(2,357)**	**4,998**
Austerity Measures Savings	1,000	1,000	
Contribution to Reserves	(1,000)	(1,000)	
Milton Reserve Transfer	1,501	957	(544)
Anticipated BEd funding		1,400	1,400
Fund from Operating Stabilization Reserve	5,854		(5,854)
Surplus/(Deficit) After Contributions	**0**	**0**	**0**

The 2025/26 Budget shows forecasted total revenues of $369.1 million, an increase of $32.6 million, or 9.7%, over last year's Budget. Tuition revenue has increased by $5.6 million, primarily due to an anticipated 1.6% increase in enrolment and limited, allowable tuition increases. An overall $18.9 million increase in grant funding over the prior year is the result of the recently announced support for the continued delivery and enhancement of STEM programming for the sector, with Laurier receiving $16.1 million. Other grant increases relate to the increase in one-time funding from the Postsecondary Education Sustainability Fund (PSESF) and continued domestic growth at the Milton campus, which is fully funded. An updated Student Affairs Administrative Agreement (SAAA), now called the Comprehensive Student Services Administrative Agreement (CSSAA), resulting in additional student contributions driving the remaining revenue increase.

Total expenditures are forecasted at $371.4 million, an increase of $27.6 million, or 8.0%, over last year. Salaries and benefits increased by $22.1 million over the previous year, largely due to current collective agreements in place, (~$15 million), benefit increases and transitioning to UPP on January 1, 2026 (~$2.5 million). Non-salary expenses increased by $5.4 million. Section 3.2.6 provides further detail.

The 2025/26 Budget is being presented as a balanced budget through the continuation of limited austerity measures, appropriation of the Milton operating deficit, and the anticipated additional BEd funding that remains unconfirmed at the time of writing. Further, an institutional 1.0% budget reduction across vice-president portfolios along with limited investments in 2025/26 also contributed to the balanced budget being put forward for approval.

Ancillary Budget

The Ancillary Services Budget as summarized in Table 2 below includes the self-sustaining units of Business Development, Conference Services, Food Services, Hawk Shops, HUB Operations, Off Campus Housing (Ezra Bricker Apartments & Houses), OneCard Operations, Parking & Transportation Resources, Printing Services and Residence Operations (Waterloo & Brantford campuses).

Table 2: *2025/26 Ancillary Budget Summary*

In 000's	Budget 2024/25	Budget 2025/26	Change
Revenue	**57,147**	**60,052**	**2,905**
Salary & Benefit	8,555	8,778	224
Non-Salary Expenses	44,472	47,074	2,602
Expense Total	**53,027**	**55,852**	**2,826**
Net Surplus/(Deficit)	**4,120**	**4,200**	**80**

The revenue of the ancillary enterprises increased by $2.9 million from an approved budget of $57.1 million in 2024/25 to $60.1 million in 2025/26.

The ancillary portfolio net position is a projected surplus of $4.2 million in 2025/26.

Capital Budget

The 2025/26 capital project list identifies a number of projects with an estimated total cost of $24.47 million, including $1.0 million for ICT project priorities, $7.03 million of facilities renewal priorities across operating and ancillary fund components, as well as $2.94 million of equipment renewal.

Capital expenditure requirements are addressed through a variety of funding sources, including reserves established through proceeds from sale of assets, capital-specific government funding envelopes, departmental annual operating budget lines, central operating budget accounts, as well as strategies that rely on fundraising and partnership arrangements.

Multi-Year Forecast

A multi-year planning approach is critical for ensuring institutional success and sustainability. On a consolidated basis, inclusive of operating and ancillary fund projections, a deficit is anticipated in 2026/27 with growing magnitude in subsequent years. To accurately depict genuine uncertainty impacting specific assumptions, three scenarios have been developed in the Operating Multi-Year Budget forecast. The consolidated forecast over the next four years projects a $30.6 million deficit in 2029/30 in the Base case scenario.

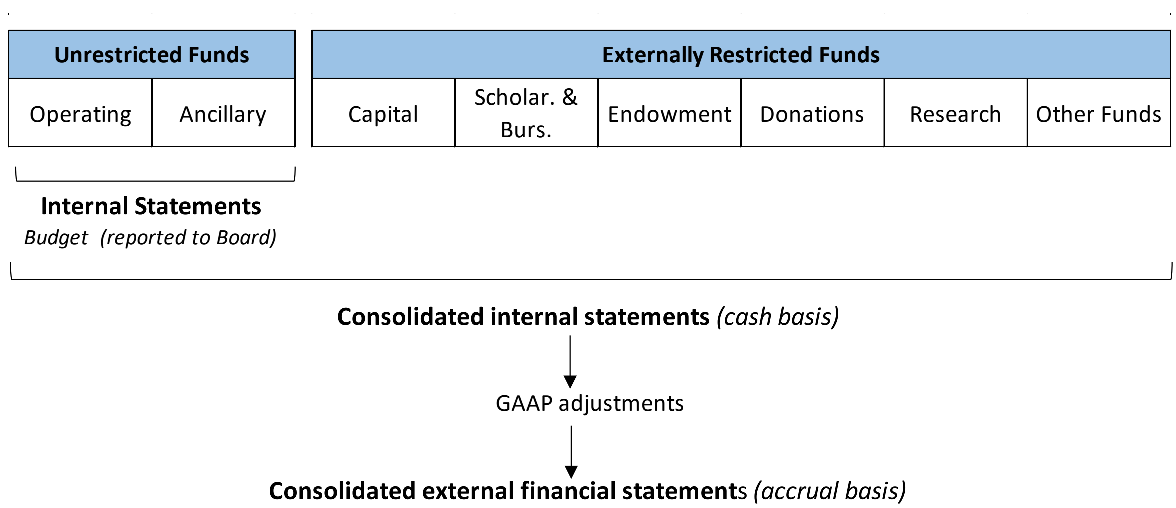
Part A – Overview

This draft report includes the Operating, Ancillary, and Capital Funds which are Laurier's largest funds and components of the overall Consolidated Financial Statement Funds.

Figure 1 depicts the different funds which are presented annually in the audited financial statements.

Every budget report contains forward-looking information and is based on information available to management at the time of preparation; actual results may vary from these assumptions.

Figure 1: *Consolidated Financial Statement Funds*



Prior to the Board of Governors receiving this final Budget, the draft Budget was presented to the Senate Executive and Finance Committee on May 12, to Senate on May 21, and to the Board Finance, Investments & Property Committee on May 15. Fee information, a key assumption included in this 2025/26 Budget report, has been included in a separate set of 2025/26 Fee Reports. The Tuition Fee Report was presented and reviewed during the January/February governance cycle, culminating with approval at the February 13 meeting of the Board of Governors; the Non-Tuition Fee Report was presented and reviewed during the March/April governance cycle and was approved by the Board of Governors on April 24.

For Approval:

- Operating Budget
- Ancillary Budget
- Capital Budget

For Information:

- Multi-Year Operating Budget Forecast
- Multi-Year Ancillary Budget Forecast
- Mult-Year Consolidated Forecast

Part B - Operating Budget

1. 2025/26 Budget Context

The Operating Budget comprises the major annual revenues and expenditures of the university's financial operations. Revenue from student tuition fees and government operating grants account for 85% of the total operating revenues. Faculty and staff salaries and benefits account for 75% of the total operating expenditures.

The Operating Budget does not include those financial activities that are not available for general operating purposes such as direct sponsored research, trust and endowments, and government grants for major capital projects. These financial activities are consolidated and presented annually in the audited financial statements.

Several internal and external factors directly influence Laurier's Budget. These include:

Strategic Plan

The university is currently in the second year of the Laurier Strategic Action Plan (2024-2028) entitled *Focused for a Thriving Future.* The Strategic Action Plan succeeded the Laurier Strategy (2019-2024) as the university's guiding strategic document. The Strategic Action Plan builds on the Laurier Strategy and on a number of other significant strategic documents approved over the past several years (see Figure 2 below). The strategy highlights Laurier's role and responsibility in preparing people to be engaged global citizens who will work to address the world's challenges in the coming decade. The four areas of focus are: Enhance Academic Experience, Elevate Holistic Student Development, Excel in Research and Innovation, and Enrich Community Engagement and Partnership. These areas are supported by Operational Effectiveness and People, which are the foundations for the success of the overall strategy. Each area of focus has a series of objectives tied to specific performance metric targets reported annually.

Figure 2: *Strategic Planning Environment at Laurier*

Strategic Mandate Agreement

The Strategic Mandate Agreement (SMA) between MCURES and Laurier is the university's formal agreement with the government regarding the institution's role in support of the provincial government's objectives and priority areas for the postsecondary education system. With SMA3 concluding its final year (SMA3 covers the five-year period from April 1, 2020 to March 31, 2025), negotiation of SMA4 commenced in Fall 2024 and continues at the time of writing. The SMA4 process was expected to conclude by March 31, 2025, but was extended to June 30, 2025 due to the provincial election in February. SMA4 will retain the key features of SMA3: the corridor funding model and performance-based funding linked to metrics. MCURES has also announced that during the first two years of SMA4, they will review the funding model – the enrolment corridor and performance-based funding – which may result in changes to the corridor midpoint. Any in-base changes to government grant funding would be implemented in 2027/28, which coincides with the end of the Postsecondary Education Sustainability Fund (PSESF). The PSESF provided three years of recurring one-time only grant funding from 2024/25 to 2026/27. In addition to the performance metrics, for SMA4 five percent of each institution's total base operating grant will be linked to accountability requirements related to data reporting, and to attestations related to research security, engaging in the creation of and reporting on efficiency metrics, and collaborating on metrics for skills and competencies assessment.

Early in the SMA4 process, institutions were required to complete a template with information about Science, Technology, Engineering, and Mathematics (STEM) programs. The information requested included STEM programs, enrolments and projected enrolments, labour market demand, delivery costs, and barriers to further expansion. Laurier's response to the template demonstrated significant growth in STEM programs, both in absolute terms and as a share of total enrolment: STEM enrolments increased by 40% from 2019/20 to 2023/24 and grew from 22% to 28% as a share of total domestic enrolment. The template also provided an opportunity for Laurier to highlight labour market outcomes for STEM graduates, to provide information about the costs of delivering STEM programs, and to describe the barriers to further STEM program expansion.

With the April 22 STEM funding announcement (further details below) and the impending funding model review, the university will need to review and consult internally to determine if any revision is needed to our internal grant allocation methodology. This review will consider new funding envelopes (such as STEM) and signals about the focus of the funding formula review. This will ensure appropriate alignment between our internal allocation and the external accountabilities and reporting requirements for government grant funding.

Science, Technology, Engineering, and Mathematics (STEM) Funding

On April 22, 2025 MCURES announced a $150 million annual investment to support the continued delivery and enhancement of STEM programming for universities and colleges. Due to Laurier's significant growth in serving Ontario students, particularly in STEM programming area, Laurier's share of that funding is $16.1 million for a minimum of the next three years, representing funding for over 2,000 existing STEM learners at the current system funding rates. Funding for 2028/29 and 2029/30 will be confirmed by MCURES through future multi-year planning exercises following the funding model review.

Postsecondary Education Sustainability Fund

In February 2024, MCURES announced a set of measures to stabilize university and college finances with funding totalling $1.3 billion, including a $903 million investment over three years through the Postsecondary Education Sustainability Fund (PSESF). The PSESF provided institutions with a 3% one-time only increase in 2024/25, to be incremented by 2% in each of the following two years. For 2025/26, institutionally, Laurier will receive $5.2 million in one-time only funding, representing approximately 5% of base operating grant ("Institutional Sub-Total" in table 10).

Corridor Funding Formula

Ontario universities operate in a corridor funding model where rather than incrementally funding grant-eligible (normally domestic) enrolment, institutions are funded to a fixed mid-point level within a corridor.

Figure 3 depicts Laurier's enrolment corridor, weighted grant units (WGUs), growing moving average over time and recent midpoint adjustment. Grant reductions apply when enrolments fall below the corridor floor. For 2025/26, the corridor floor will be lowered based on an institution's STEM enrolment as a measure of financial stability for those institutions who have fallen below their enrolment corridor, as indicated by the hashed yellow line below. This provision does not impact Laurier because our total eligible enrolment exceeds the corridor midpoint.

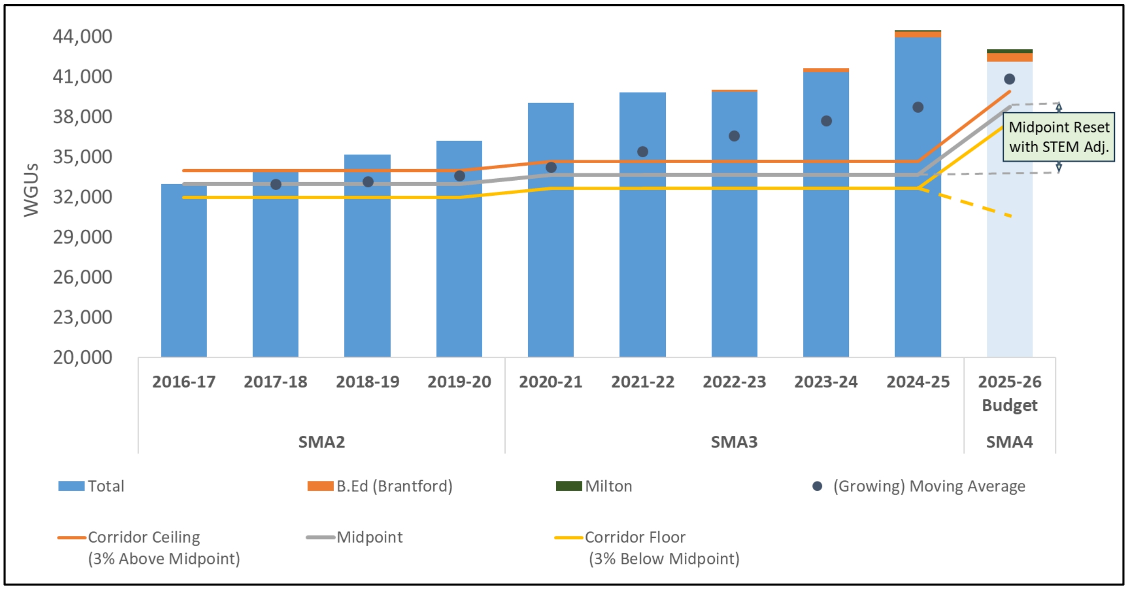
For SMA4, the new STEM funding will be operationalized through the indicated corridor midpoint reset (Figure 3), equivalent to a 15.1% increase in Laurier's midpoint as shown by the inclining gray line in the figure.

Even with the corridor midpoint adjustment due to STEM enrolment funding, Laurier continues to have unfunded domestic enrolments well above the corridor midpoint and above the corridor ceiling.

In April 2022, MCURES approved 60 additional funded seats in the Bachelor of Education program located at the Brantford Campus, with an additional 60 funded seats added in Fall 2023. This funding is outside of our enrolment corridor but is considered base funding.

The 2025/26 budget includes base funded seats at the Milton campus, which are also outside our enrolment corridor.

Figure 3: *Enrolment Corridor*



Performance-Based Funding

An increasing proportion of funding is linked to performance to metric targets. For SMA4, the number of metrics is decreasing from ten to eight. The metrics are principally system-wide metrics determined by MCURES, with three metrics defined in part by each institution. Each metric includes an institutionally designated weighting, and a target with a band of tolerance informed by historical performance.

Student and Graduate Outcomes Metrics:

1. Graduate Employment Rate in a Related Field
2. Graduation Rate
3. Graduate Employment Earnings
4. Experiential Learning

Community and Economic Outcomes:

5. Community/Local Impact
6. Institutional Strength/Focus
7. Investment and Innovation-Related
8. Institution-Specific

Over the course of SMA3, the proportion of performance/outcomes-based funding included as part of the provincial operating grant was scheduled to increase from 25% in 2020/21 to 60% by 2024/25. In response to the pandemic, the government announced that for the first three years of the agreement operating grant funding was de-coupled from the performance metrics.

MCURES implemented a 10% performance-based funding allocation for 2023/24, increasing to 25% for 2024/25. A stop-loss mechanism is in place to prevent universities from losing more than 5% of performance-based funding across all metrics. Any increases or decreases in government grant funding due to performance-based funding are managed on a slip-year basis. For SMA4, the performance-based grant has been capped at the system-average proportion of 25% in 2025/26 and

2026/27, with a potential increase of 5% in subsequent years, to reach 40% in 2029/30 (SMA5, year five). These potential increases will depend on the outcome of the funding model review.

On the basis of performance in 2024/25, Laurier expects to receive the full amount of the performance-based grant envelope for 2025/26. This was achieved by meeting or exceeding targets for all metrics.

Tuition Fee Framework

The Ministry of Colleges and Universities (MCURES) provides a regulatory framework that guides the fee setting for publicly funded tuition fees and the application of the framework for tuition fee set-aside, billing, and program fee policy. For the 2025/26 budget, approximately 79% of all tuition fee revenue is governed by the framework.

In 2019, MCURES released the 'Tuition Fee Framework and Ancillary Fee Guidelines' which included a 10% domestic tuition fee reduction for 2019/20, and a subsequent domestic tuition fee freeze up to and including 2022/23. On March 2023 MCURES announced a continued general freeze on most Ontario tuition rates for 2023/24. In February 2024, the general freeze was extended for a further three years as part of the government's response to the Blue-Ribbon Panel. The government has announced as part of SMA4 (more details below) that they will conduct a review of the funding model for implementation in 2027/28. Given that this implementation date coincides with the end of the current tuition freeze, the university and the sector are advocating for a new framework that includes tuition fee increases. This funding model review will commence after SMA4 agreements are signed, with any recommendations expected to take effect in 2027/28.

As an exception to the general freeze extended in 2023, the government permitted tuition increases in specific programs with tuition rates significantly lower than similar programs across the sector. Through this Tuition Anomaly Program, Laurier received permission to increase tuition rates in the Bachelor of Business Administration, Bachelor of Science and Bachelor of Arts in Computer Science, and Bachelor of Science in Data Science. The first set of increases associated with these exceptions took effect for 2023/24 and a further set of increases was included in the Tuition Fee Reports for 2024/25 and 2025/26. Business Administration will reach its approved target rate ($5,179 per term) with an increase of 3.6% for 2025/26. The Computer Science and Data Science programs are scheduled to reach their approved target rate of $4,554 per term in 2027/28.

Under the current tuition fee framework, and as approved by the Board of Governors, Canadian citizens/permanent residents who reside outside of Ontario at the time of admission may be charged a tuition fee that is up to 3% higher in 2021/22, and up to 5% higher in each of 2022/23, 2023/24, 2024/25, and 2025/26 than the rate for Ontario residents. Laurier is assessing new and returning out-of-province students in undergraduate programs with a 5% tuition increase in 2025/26. Equivalent non-Ontario fees for graduate students will be implemented for 2026/27.

International Students: Regulatory Changes

Over the past 18 months, universities and colleges across Canada have been impacted by a series of regulatory changes enacted by the federal government through Immigration, Refugees, and Citizenship Canada (IRCC). Most significantly, on January 22, 2024, the IRCC announced a two-year cap on study permit applications to reduce the rate of growth in international students studying in Canada. For the 2024/25 intake cycle, the cap applied only to new study permit applications for university and college students in non-masters and non-PhD programs. However, in September 2024, IRCC announced that going forward the cap would also apply to Master's and PhD students. Existing students, including those requiring renewal of study permits, continued to be exempt from the cap.

With the inclusion of graduate students in the permit caps, the province was required to revise the allocation of study permit applications for Ontario universities and colleges. In early February, Laurier received its allocation for the 2025/26 cycle; the allocation that closely matches the combined total of study permit applications submitted in 2023 for study at both Laurier and Wilfrid Laurier International College.

These regulatory changes, and particularly the disruptions that accompanied their implementation, impacts both projected 2025/26 and future international enrolments. It is increasingly clear that the greatest consequence is to Canada's reputation as a destination of choice. Future years will be affected both by these reputational issues as well as by the cap on study permits.

Student Non-Tuition Fees

In Spring 2023, the University established a renewed Student Affairs Administration Agreement SAAA) with WLUSU and WLUGSA which incorporated increased student fee contributions to support the student experience and grow services across the university. The increase in the Comprehensive Student Services (CSS) fee provides substantial financial contribution to these areas, enabling the university to sustain and enhance services that impact the student experience.

In February 2024, students voted in favour of a new Athletics and Recreation Facilities Fee to support the enhancement of fitness, sport and active extra-curricular amenities at the Waterloo campus.

The CSS fee, Athletics and Recreation fee, as well as other non-tuition fees, support the overall student experience while mitigating the burden on operating funds.

2. 2025/26 Budget Process

The 2025/26 budget process continued to focus on safeguarding overall financial sustainability while pursuing Laurier's strategic objectives. In the short term, the rate of increase in our major revenue sources – tuition and government grant – will continue to fall short of matching increases to expenses.

We continued to look to the Laurier community to be future-oriented, innovative, constructive, and strategic as reflected in the Laurier Strategic Action Plan, 2024-2028. This has meant being alert to opportunities, open to strategic partnerships and synergies, and focused on institutional objectives.

The 2025/26 budget development process was guided by the following principles:

- Prioritize the financial sustainability of the institution in the long term
- Grow capacity for strategic action
- Focus on revenue generation aligned to mission
- Focus on student recruitment and retention
- Reduce activity that is low-value, low-impact, and/or not well-aligned with strategy
- Reinforce critical strengths and address critical weaknesses
- Minimize impact of budget reductions on occupied positions

To manage this careful balance, the Budget Co-Chairs (Lloyd Noronha, Vice President: Finance & Administration, and Heidi Northwood, Provost & Vice President: Academic) have worked closely with both the Executive Leadership Team and Budget Council, supported by the Budget Coordinating Team in accordance with the roles and responsibilities outlined below.

Budget Co-Chairs

The Provost & Vice President: Academic and the Vice President: Finance & Administration are jointly responsible for overseeing the development of the University Budget and making a recommendation to the President.

Executive Leadership Team (ELT)

The Executive Leadership Team (ELT) is made up of the president and vice-presidents who oversee all aspects of university administration. These include the activities and strategic direction of the university at all of its campuses and locations. ELT prioritizes essential requests and determines how budget targets are allocated across portfolios.

Budget Council (BC)

The Budget Council (BC) is an advisory committee to the President regarding the annual budget development and resource allocation decisions. Members fulfill fiduciary responsibilities at an institutional-level basis and advise on overall budget objectives that support the mission and goals of the university.

The Budget Council Provides oversight for the development of the University Budget, as informed by strategic and integrated planning.

- Establishes the annual budget development process
- Provides advice and recommendations for transparent resource allocation decisions reflective of the university's strategic priorities
- Informs assumptions on key budget drivers

Final approval of all budget recommendations, as presented in the Budget Report, is made by the Co-Chairs. Co-chaired by the Provost & Vice President: Academic and the Vice President: Finance and Administration, the Council membership is representative and ensures appropriate attention to the breadth of the University Budget and is structured to balance academic and administrative budget leaders.

Budget Coordinating Team (BCT)

The Budget Coordinating Team is co-chaired by the Assistant Vice President: Financial Resources and the Assistant Vice President: Integrated Planning & Budgeting. The Budget Coordinating Team is responsible for overseeing the operational development of the budget.

Working on the timeline in Figure 4, the ultimate objective of the budget process is to bring forward a recommended budget for consideration by the governing bodies – review and recommendation by Senate and review and approval by the Board of Governors (as depicted in Figure 5).

***Figure 4**: Annual Budget Process Timeline*

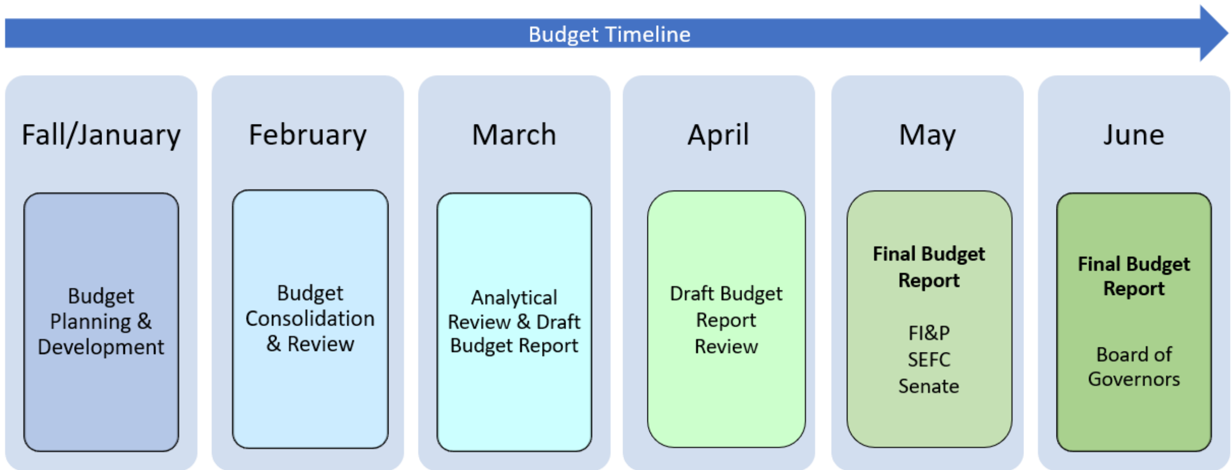
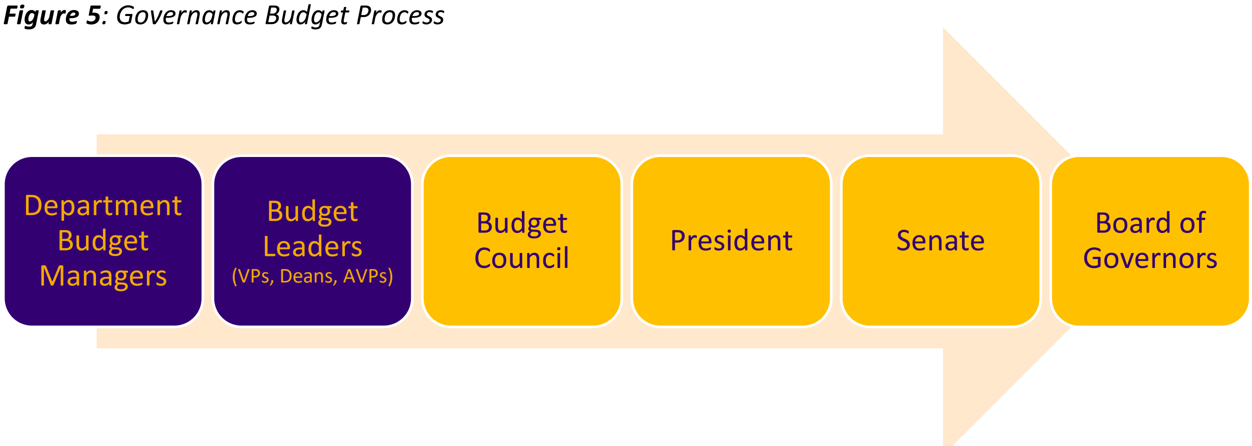


***Figure 5**: Governance Budget Process*

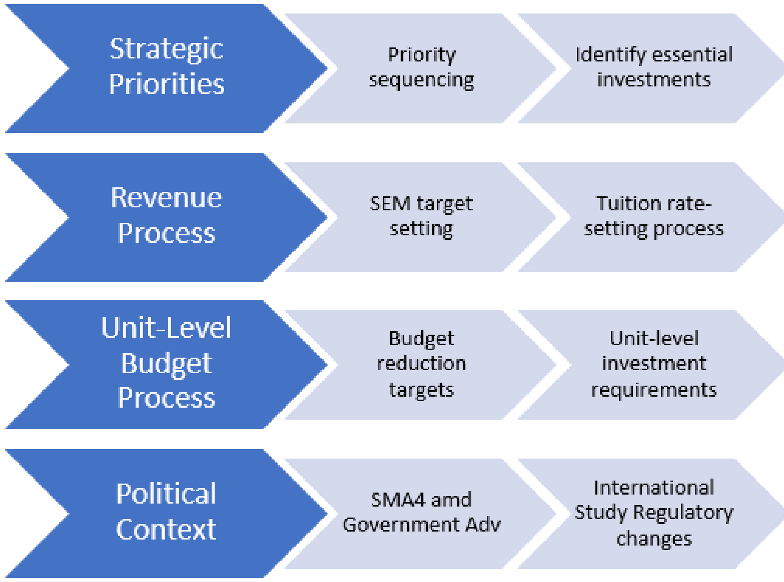


The 2025/26 budget development process was divided into three phases, beginning with a budget template approach to collect and consider both budget pressures and reduction strategies.

Phase I: Budget Planning & Development (Unit Planning)
Phase II: Budget Coordinating Team Analysis & Review
Phase III: Executive Leadership Team (ELT) and Budget Council Review

Although the budget process is developed through a phased approach with unit leaders across the university, additional iterative, parallel processes occur to build understanding of key inputs early in the process resulting in a framework to facilitate highly strategic decision-making on budget priorities.

***Figure 6**: Parallel Process Approach*



The 2025/26 budget development process began with a **structural deficit budget of $16.1 million**. This structural deficit did not yet reflect new costs for 2025/26, including salary increases, essential requests, and other institutional costs pressures.

Phase I: Budget Planning & Development (Unit Planning)

The first phase of the budget development process included the completion of a budget template by each unit. The purpose of this template was to provide units with an opportunity to identify proposed plans for 2025/26, resulting anticipated resource needs and the identification of funding sources available or required. The template also included 1% budget target modelling at the unit level. The savings from the 1% was intended for reinvestment into essential requests, direct cost of teaching and revenue generation initiatives.

Phase II: Budget Coordinating Team Analysis and Review

The Budget Coordination Team (BCT) conducted a comprehensive review and analysis of the revenue and expense factors driving the budget:

- revenue
- institutional costs, unit-level and central
- inflationary salary costs
- direct costs of teaching
- essential requests
- budget targets

The full detail on all these elements is provided in Sections 2.1 through 2.3 below.

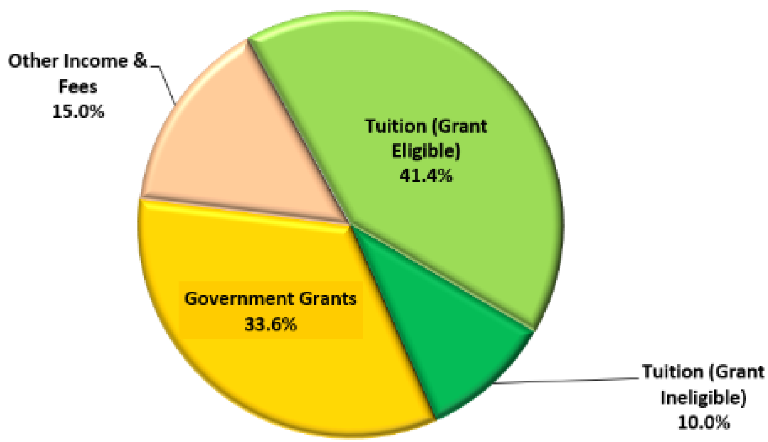
Phase III: Executive Leadership Team and Budget Council Review

The Executive Leadership Team along with Budget Council reviewed the overall financial position of the 2025/26 draft budget through the review of the major revenue and expense drivers outlined above to determine what level of budget target would be required at the university level.

2.1 Revenue Process

The revenue process considers three separate components: government operating grant, tuition fees, and other income and fees.

Figure 7: *Breakdown of Total Revenue (2025/26)*



Operating grants

MCURES allocates enrolment based operating grant revenue in alignment with the Strategic Mandate Agreement (SMA). At the time of writing, SMA4 is currently under negotiation. SMA4 was intended to take effect for April 1, 2025, but due to the February provincial election the timeline has been extended to June 30, 2025. Operating grant allocations for universities are governed by the enrolment corridor funding model that includes a fixed midpoint, indicating the level of funded student enrolments.

MCURES's funding model includes several distinct funding categories:

SMA-Related Funding:

- Enrolment Envelope Based on a corridor midpoint measured in WGUs to incentivize stable domestic enrolment.
- Differentiation Envelope: Supports accountability for student and community outcomes. This envelope includes Performance-Based Funding[1] (PBF) distributed based on outcomes against specified metrics. Beginning in 2025/26, the number of metrics is being reduced from ten to eight. PBF was first activated in 2023/24 at 10% of funding, increasing to 25% for 2024/25 where it will be held at that level for the first two years of SMA4. Pending a broader

[1] Performance-Base Funding (PBF) is implemented on a slip-year basis. For 2025/26, PBF will be based on both institutional and system-wide metric performance for 2024/25. Laurier has achieved all metric targets for 2024/25 and anticipates receiving full funding for 2025/26.

review of the funding model, MCURES intends to increase PBF by 5% each year, reaching 40% of total funding in 2029/30.

- Priority Funding: STEM (Science, Technology, Engineering, and Mathematics): Funding related to the additional weighted enrolment units added to the corridor midpoint dedicated to the continued delivery and enhancement of STEM programs.

Other Grant Funding Mechanisms:

- Postsecondary Education Sustainability Funding (PSESF): In February 2024 MCURES announced the Postsecondary Education Sustainability Fund, which provided three years of recurring, incrementing one-time only grant funding applied to base operating grant received under the Enrolment and Differentiation envelopes described above. Beginning in 2024/25, PSESF equated to a 3% increase increasing a further 2% for 2025/26. As one-time funding, it is in-year only and does not address overall financial sustainability.
- Efficiency, Accountability, and Transparency: This is a new priority area for SMA4. Requirements include timely submission of a set of regular reports and attestation to support research security principles and to participate in developing standardized efficiency metrics and skills and competencies assessments. If any of the accountabilities is not met, 5% of base operating grant will be deducted.
- International Student Recovery: A grant reduction based on each institution's applicable level of relevant international enrolments.
- Special Purpose Grants Envelope: Designated purpose funding in support of system-wide priorities and initiatives as well as institution-specific grants.

Laurier's operating grant funding includes an allocation for Martin Luther University College, a federated college of the university.

Tuition revenue

Revenue from tuition is the product of tuition rates and enrolment. The processes for both are outlined below.

Tuition rates

Tuition rates for publicly funded (largely domestic) students are governed by the Province's Tuition Fee Framework. With the exception of tuition increases permissible under the Tuition Anomaly Program, Ontario tuition fees continue to be frozen for 2025/26. In 2025/26, the general rate tuition fee for publicly funded students will be lower than that in 2015/16, ten years prior, notwithstanding the 27% inflation experienced during that period.

Canadian citizens and permanent residents who reside outside of Ontario at the time of admission may be charged a tuition fee that is higher than the rate for Ontario residents. For 2025/26, that increase is up to 5%. Laurier is assessing these new and returning undergraduate out-of-province students with a fee increase, with an equivalent graduate student process to be implemented for 2026/27.

For international students and students in non-publicly funded programs and courses, the university has discretion over tuition fee increases as these are not eligible for provincial government grant funding and are not governed by the Province's Tuition Fee Framework. Tuition rates for these programs are guided by the market and Laurier's relative competitiveness. For international students, the university has formalized its practice through a Tuition Guarantee, limiting continuing student increases to a maximum of 5%. This guarantee enables international students to better determine the total cost of their degree.

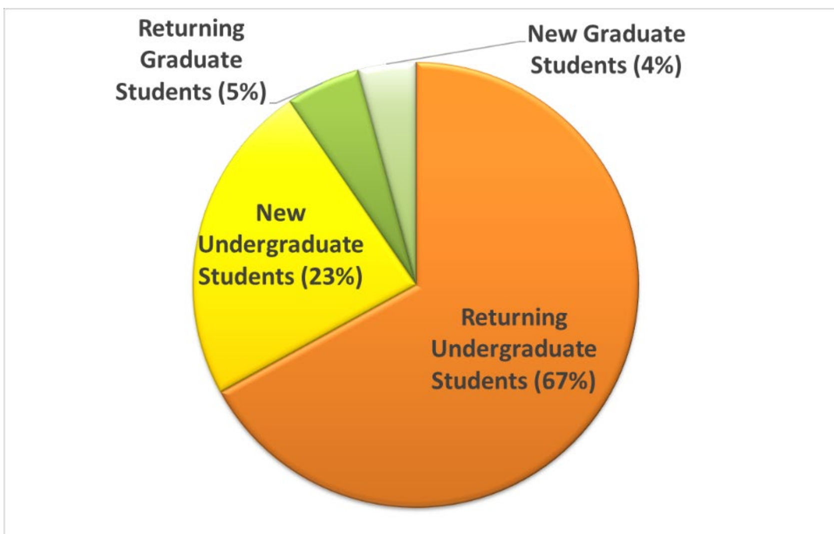
The Tuition Fee Report, separate from the Budget Report, includes the tuition fee rates that are incorporated into the 2025/26 budget.

Enrolment projections

Student enrolment is the major driver of institutional revenue. The Strategic Enrolment Management (SEM) Committee is responsible for aligning the enrolment planning process with institutional priorities. Intake enrolment projections are determined by the Provost with the relevant Dean, through a data-informed process reflecting external trends and linked to internal resourcing. The SEM committee reviews the intake projections and monitors retention metrics. These core inputs form the basis of the enrolment projection, which is then used to forecast tuition and operating grant revenue for new and returning students institutionally and by Faculty.

Figure 8 depicts the proportion of the various cohorts of students included in the enrolment projection.

Figure 8: *Components of Enrolment Forecast by Student Fall Headcount*



2.2 Enrolment

The following table illustrates the projected change in total students[2]:

***Table 3**: Forecasted Change in Total Students*

	Total Fall Headcount (Full-time & Part time) *				
	2023-24	2024-25	2025-26	2025-26 /2024-25	
	Actual	Actual	Projected	Projected / Actual	
Undergraduate				#	%
Domestic	18,849	19,653	19,670	17	0.1%
International	1,060	928	798	-130	-14.0%
Full Time	16,382	17,223	17,136	-87	-0.5%
Part Time	3,527	3,358	3,332	-26	-0.8%
Graduate					
Domestic	1,779	1,684	1,767	83	4.9%
International	258	397	400	3	0.8%
Full Time	1,064	1,231	1,344	113	9.2%
Part Time	973	850	823	-27	-3.2%
Undergraduate	19,909	20,581	20,468	-113	-0.5%
Graduate	2,037	2,081	2,167	86	4.1%
Total	**21,946**	**22,662**	**22,635**	**-27**	**-0.1%**
Domestic	20,628	21,337	21,437	100	0.5%
International	1,318	1,325	1,198	-127	-9.6%
Total	**21,946**	**22,662**	**22,635**	**-27**	**-0.1%**
Full Time	17,446	18,454	18,480	26	0.1%
Part Time	4,500	4,208	4,155	-53	-1.3%
Total	**21,946**	**22,662**	**22,635**	**-27**	**-0.1%**

* # of registered students in the Fall term as of November 1

Overall, the total student headcount for Fall 2025 is projected to remain flat year-over-year with a decrease in undergraduate students, offset by an increase in graduate students.

Undergraduate domestic enrolment growth is anticipated to remain flat, with a decrease in several professional programs offset by an increase in the Bachelor of Education at the Brantford Campus. Part-time enrolment is particularly impacted by a decline in the online programs. International students are anticipated to decrease with Canada's declining reputation as a destination of choice.

[2] Student enrolment tables exclude students registered at Martin Luther University College

The decrease in full-time undergraduate headcount also relates to the decline in international enrolment.

Graduate growth is anticipated for domestic enrolment with international enrolment anticipated to remain stable. Domestic growth is forecasted in doctoral, master's and diploma programs, notably in the Faculty of Science and the Lazaridis School. Full-time enrolment growth is seen across the majority of program categories, with part-time enrolment declines concentrated in cost recovery master's programs.

***Figure 9**: Student Composition*

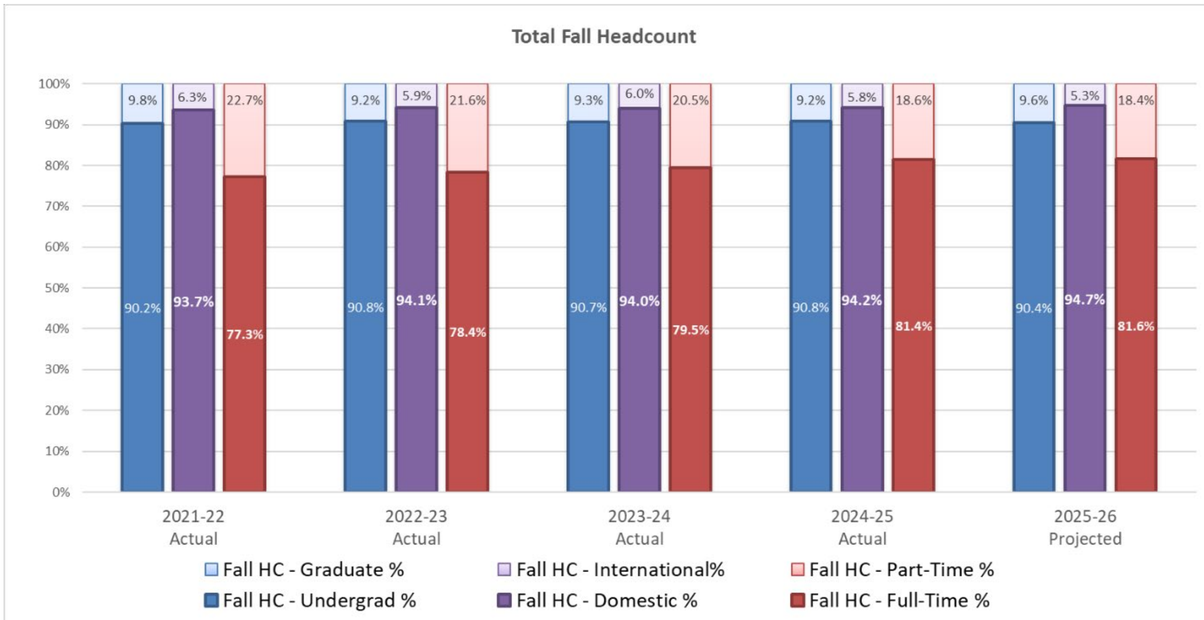


Figure 9 highlights the total student population in terms of student level (UG/Graduate), student visa status (domestic/international) and attendance (full-time/part-time) since 2021. For 2025/26, the percentage of enrolment related to graduate programs is anticipated to increase, driven by anticipated increases in domestic full-time graduate students and stable undergraduate enrolment. Overall, the percentage of international students continues to decline, reflecting the decline of Canada's reputation as a destination of choice for study. Part-time students as a percentage of total enrolment continue to decline from a peak during the height of the pandemic, reflecting decreases at both the undergraduate and graduate levels.

Undergraduate (UG) Students:

Total projected undergraduate headcount for Fall 2025 is 20,468 reflecting a 0.5% decrease over the prior year (Table 3) due to declining international enrolment. The incoming first year class makes up 29% of the total full-time undergraduate enrolment.

***Table 4**: Fall Full-Time Headcounts – Undergraduate Intake*

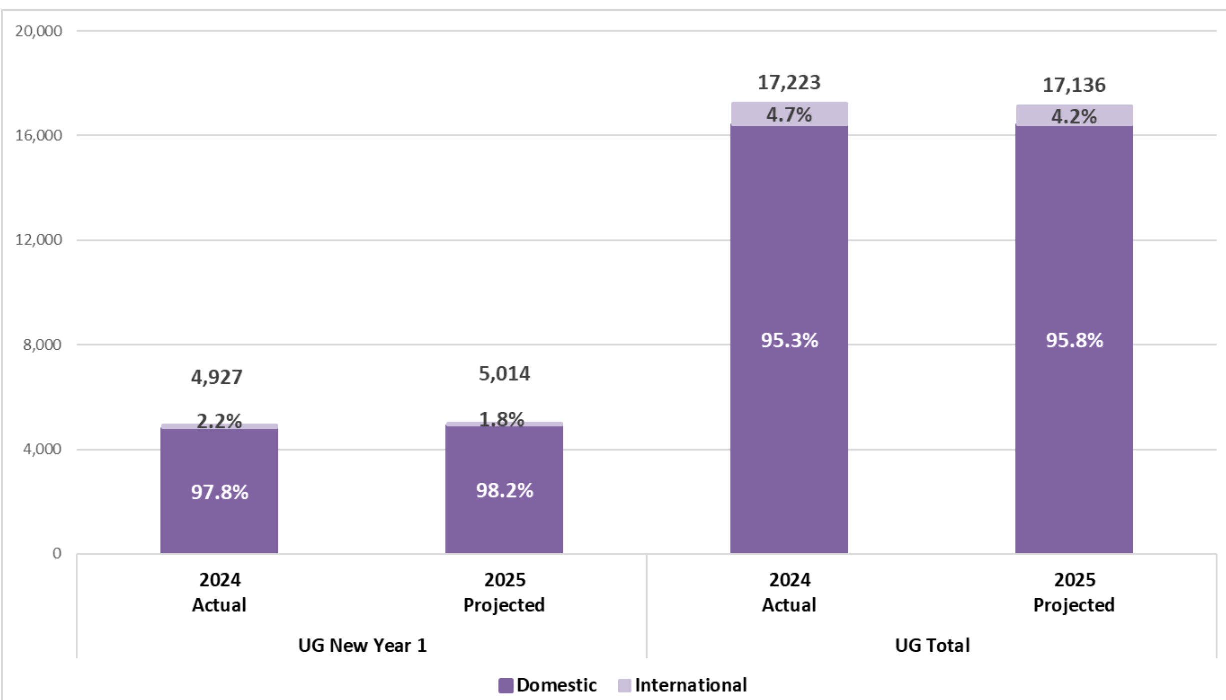
1st Year Fall Full-Time Headcount – Undergraduate				
Fall Full-Time Headcount	**2023 Actual**	**2024 Actual**	**2025 Projected**	**25p vs 24a % Change**
Domestic – 1st entry	4,430	4,496	4,564	1.5%
International – 1st entry	184	109	92	-15.6%
1st entry Sub-Total	**4,614**	**4,605**	**4,656**	**1.1%**
Domestic – 2nd entry (Bachelor of Education)	242	322	358	11.2%
International – 2nd entry	1	0	0	-
Total	**4,857**	**4,927**	**5,014**	**1.8%**

The anticipated Fall 2025 intake represents the second largest incoming class at Laurier. The projected intake target shows a 1.8% increase over 2024 intake. While the majority of entering students are 1st entry, there is growth projected for the Bachelor of Education program, primarily at the Brantford Campus. Also included is the second undergraduate incoming class in Milton.

International intake is expected to decrease 15.6% resulting from IRCC efforts to reduce the rate of growth in international students and resulting negative impact on Canada's reputation as a destination of choice for study.

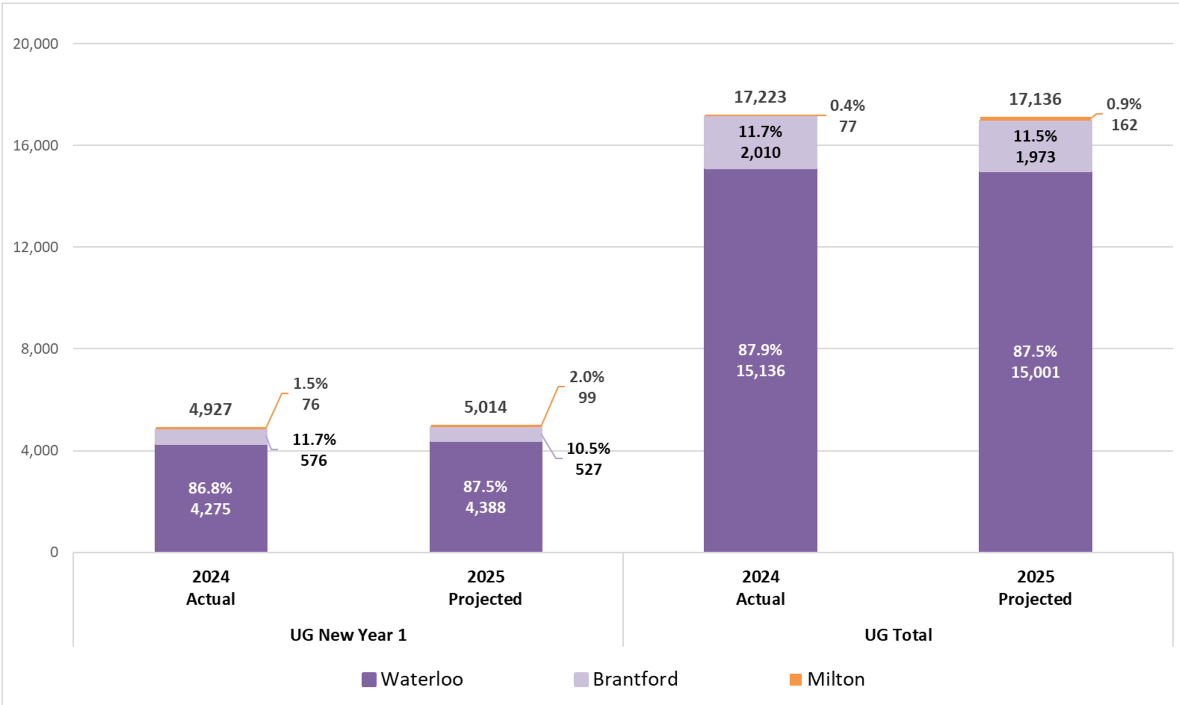
Total full-time undergraduate enrolment for both first year intake and overall is displayed by Student Visa Status (Figure 10), by Campus (Figure 11) and by Faculty (Figure 12).

***Figure 10:** Total Undergraduate Fall Full-time Headcount-Domestic/International*



The above figure shows the student visa status breakdown for both total full-time undergraduate enrolment and 1st year intake. Overall undergraduate enrolment is expected to decrease 0.5% related to the anticipated decline in full-time international students.

Figure 11: *Total Undergraduate Fall Full-time Headcount by Campus*

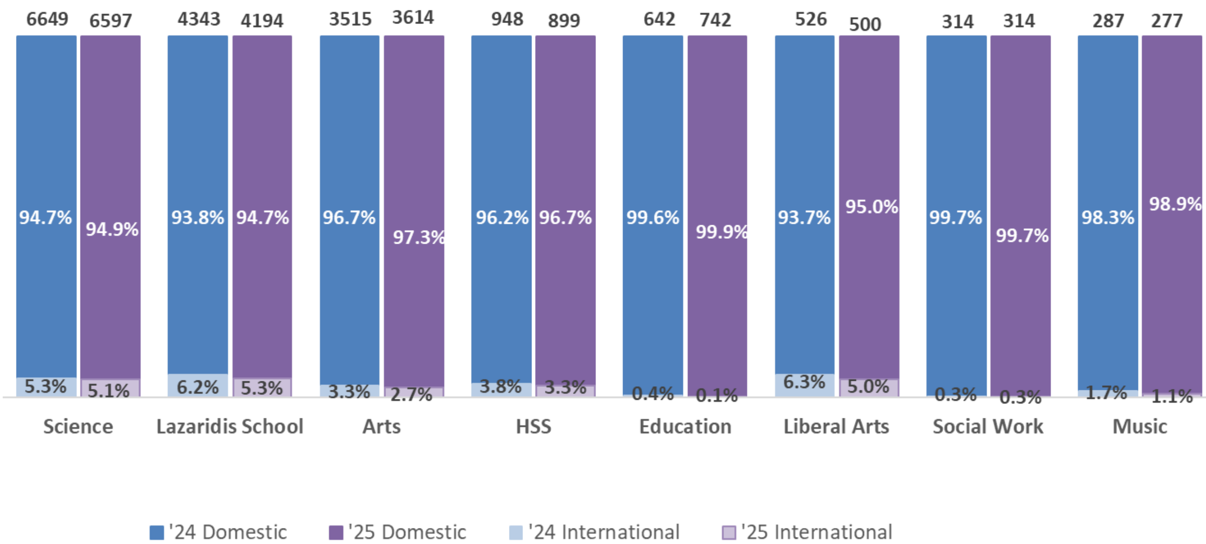


The Brantford campus is projecting an 8.5% decrease in intake, mainly related to the movement of the first year Bachelor of Business Technology Management (BTM) program cohort to the Milton Campus. The anticipated increase in the Brantford Bachelor of Education intake offsets a decline in anticipated first-year Bachelor of Social Work (BSW) intake. The BSW program is expecting a larger cohort of new advanced standing students for 2025/26, offsetting reductions in new year 1 students. Overall, Brantford Campus enrolment is expected to decline 1.8%, reflecting the initial shift in BTM students to the Milton campus and reduction in enrolment in Liberal Arts and Human & Social Sciences, offset by increases in the Bachelor of Education.

Intake for the Waterloo campus is expected to hold relatively steady overall at a 2.6% increase, with an anticipated increase in new domestic students offsetting anticipated reductions in international intake. Total Fall full-time undergraduate headcount is expected to decline for the Waterloo Campus by 0.9%, with declines concentrated in international enrolment in professional programs.

In Fall 2024 we welcomed our first UG incoming class at Milton. For Fall 2025, an additional cohort will join the campus, including the first-year cohort of the BTM program.

Figure 12: Total Undergraduate Fall Full-time Headcount by Faculty



Total undergraduate Fall full-time headcount is down 0.5% institutionally with no Faculty projecting an international enrolment increase, Figure 12 above shows the enrolment projection variation across Faculties:

- The Faculty of Science is projecting a slight decline overall of approximately 1%.
- The Lazaridis School anticipates a 3.4% decline in enrolment due to an anticipated 17.4% decline in international enrolment, as well as a slight decrease in domestic enrolment.
- The Faculty of Arts is projecting an enrolment increase of 2.8%, with domestic enrolment growth anticipated to offset a decline in international full-time enrolment.
- Faculty of Human and Social Sciences enrolment is expected to decline 5.2%, mainly related to domestic enrolment.
- The Faculty of Education is projecting a 15.7% increase for Fall full-time enrolment due to domestic student growth in the Bachelor of Education program at the Brantford Campus
- The Faculty of Liberal Arts is expected to decline approximately 5% with declines in domestic and international enrolment.
- The Faculty of Social Work's total UG Fall full-time enrolment is projected to be unchanged year-over-year, with an increase in upper year students offsetting an anticipated decrease in new year 1 enrolment.
- The Faculty of Music is projecting relatively stable enrolment, with a slight decrease in both domestic and international enrolment.

Graduate Students:

At the graduate level, student enrolment[3] is projected to increase by 7.1% (Table 9) with growth anticipated across several program categories.

The composition for the projected Graduate Fall FTE is displayed by Program Category (Table 5), Student Visa Status (Table 6) and by Faculty (Figure 13):

***Table 5**: Graduate Fall FTE by Program Category*

Graduate FTE by Program Category				
Fall FTE	**2023 Actual**	**2024 Actual**	**2025 Projected**	**25p vs 24a % Change**
Grant Eligible Programs				
Doctoral	224.5	230.4	244.3	6.0%
Masters	938.2	1105.7	1189.4	7.6%
Diploma and General Grad Studies	1.3	0.6	0	-100.0%
Grant Ineligible Programs				
Full Cost Recovery *	191.9	149.3	157.2	5.3%
Total	**1,355.9**	**1,486.0**	**1,590.9**	**7.1%**

* Enrolments in cost recovery programs (e.g. MPS, MFin) are not eligible for government grant funding

Growth is projected for PhD programs across the majority of Faculties, primarily in the Faculty of Science and the Lazaridis School. Master's program growth is anticipated for both professional and research-based programs, with growth concentrated in the latter category. Growth for cost recovery programs is due to increases in diploma programs.

***Table 6**: Graduate Fall FTE - Domestic/International*

Graduate FTE by Type of Student				
Fall FTE	**2023 Actual**	**2024 Actual**	**2025 Projected**	**25p vs 24a % Change**
Domestic – Grant Eligible	868.6	906.4	999.5	10.3%
Domestic – Grant Ineligible *	231.4	185.4	194.2	4.7%
International**	255.9	394.2	397.2	0.8%
Total	**1,355.9**	**1,486.0**	**1,590.9**	**7.1%**

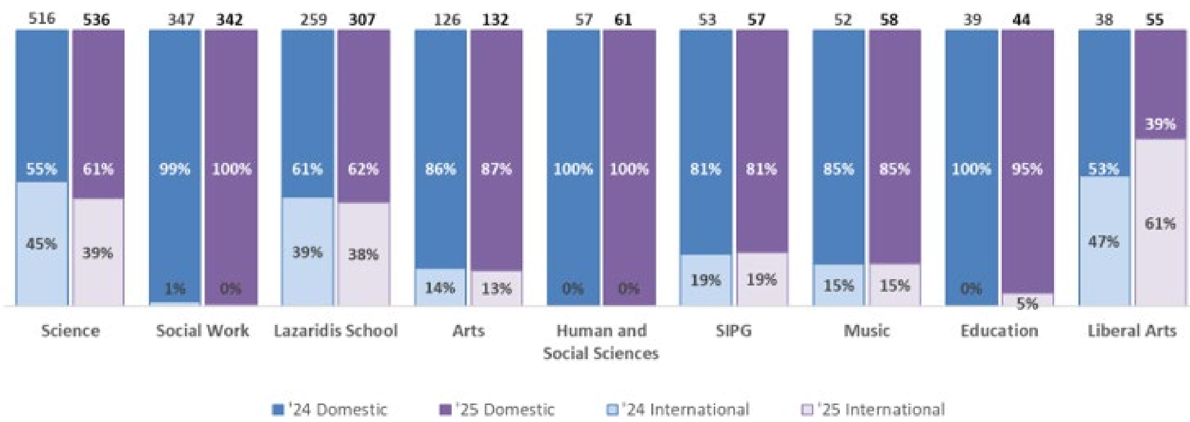
** Includes domestic students in cost-recovery programs (2/3 of category) and those who exceed WGU/grant limit (1/3 of category)*
*** Includes inbound exchange students and international students in full-cost recovery programs*

Graduate growth is projected in programs eligible for provincial grant funding, with an increase of 10.3% over the prior year. Growth is concentrated at the master's level, making up approximately 87% of the increase. Domestic enrolment in graduate programs that are ineligible for provincial grant

[3] Consistent with MCURES reporting, graduate enrolment is reported as Fall full-time equivalents (FTEs) with 1 part-time graduate student = 0.3 FTE

funding is anticipated to increase by 4.7%, reflecting increases in cost recovery diploma programs. International graduate enrolment is projected to remain stable.

Figure 13: Graduate Fall FTE by Faculty



Total Fall full-time graduate enrolment is projected to increase 7.1%, with a levelling off of international enrolment growth and 9.3% domestic growth. Figure 13 above shows the variation across Faculties:

- The Faculty of Science is anticipating a 4.0% increase overall in graduate Fall enrolment, with domestic growth, particularly in master's programs, anticipated to offset a decline in international enrolment.
- The Lazaridis School is expecting to increase graduate enrolment for Fall by 18.4% with increases in both domestic and international enrolment and across diploma, master's and doctoral programs.
- Music is projecting graduate enrolment growth of 12.3% for Fall, with growth at both the master's and PhD level.
- Education is projecting 12.9% graduate enrolment growth, including the planned launch of a PhD program and international growth at the master's level.
- The Faculty of Liberal Arts is expecting significant growth, primarily in international enrolment, with an 83.3% increase for Fall at the master's level increasing their proportion of international students to 61%.
- The graduate enrolment for the Faculties of Social Work, Arts, Human and Social Sciences, and SIPG is expected to be similar to the prior year.

2.3 Expense Process

The current financial expense assumptions incorporate updated salary and benefit information, updated projections including institutional costs, direct costs of teaching, and new investments in priority areas.

Total expenses for 2025/26 are $371.4 million. Expense changes are categorized as Direct Cost of Teaching, Essential Requests, Institutional Costs – Unit Oversight and Institutional Costs – Central Oversight.

Direct Costs of Teaching

The direct costs of teaching associated with the creation of new academic programs and enrolment changes in continuing programs are considered when establishing the expense budget. Senate Academic Planning Committee and Senate review and approve the creation of new programs and the related detailed multi-year budgets. These necessary expenditures on direct program costs (principally teaching) are offset by incremental revenue from the new programs.

Each Dean reviewed the Strategic Enrolment Management (SEM) plans for their Faculty and identified resource needs based on any change in enrolment mix. Requests and relevant enrolment are reviewed by the Provost to determine eligible costs to be funded. Examples of direct cost of teaching expenditures include the hiring of full-time faculty or Contract Teaching Faculty (CTF), lab support, equipment, space modifications, and operating costs.

Essential Requests

As part of the budget template process, budget leaders had the opportunity to identify critical needs for 2025/26. In the continued fiscally constrained environment, budget leaders were asked to identify only those items that would normally be funded through the cessation of another activity or new costs that have already been committed. Examples of high risk, critical requests that would potentially be identified during this process are highlighted in Figure 14:

Figure 14: *Essential Request Principles*

- **Health & Safety -** additional investments necessary to ensure the continued health, safety, and mental and physical well-being of all members of the Laurier community
- **Legislative Compliance** – high risk associated to non-compliance
- **Financial Sustainability** – positioning us for continued success and having a significant impact into the future. Laurier will be in a worse financial position if investment is not made this fiscal year.
- **Strategic Initiatives** – strategic initiatives necessary to support and position Laurier for continued success in the future
- **Milton** – required investment in providing direct support to undergraduate activity in Milton
- **Unavoidable** – costs that have already been committed

VPs were requested to focus on prioritizing only the most essential items to minimize the overall budget impact to the university. Prioritization included consideration if requests could be delayed or if there was potential for cost flexibility.

The 2025/26 Budget includes an allocation of $0.5 million with final prioritization still underway at the time of writing by the Budget Co-Chairs. Allocation to the specific unit critical needs will be communicated once the budget is approved.

Institutional Costs – Unit Oversight

Institutional costs with unit oversight are costs that are directly attributable to a unit, and the unit has the responsibility to oversee the cost, but the unit has limited control over how the cost may increase or decrease (e.g., scholarships, pension valuation, contractual obligations, etc.).

These costs were reviewed by the unit and the Budget Coordinating Team as part of the budget development process with the objective of keeping any cost changes to a modest level based on actual experience and anticipated future changes, while reducing conservatism. The proposed changes were reviewed by the Vice President: Finance & Administration and the Provost & Vice President: Academic. Budget Council also had an opportunity to review cost changes and advise the Co-Chairs.

Institutional Costs – Central Oversight

Institutional costs with central oversight are costs that cannot be directly attributed to a unit. These costs are reviewed for any changes that may cause the cost to increase or decrease (e.g., interest income, ancillary contribution).

These central oversight costs (both revenue and expense) were reviewed based on actual experience and/or anticipated future changes and adjusted accordingly. The expected change was reviewed by the Vice President: Finance & Administration and the Provost & Vice President: Academic and brought to Budget Council for information.

3. 2025/26 Operating Budget

The 2025/26 Operating Budget detailed information is presented in the following pages beginning with a summary of the Operating Budget (Table 7). The summary is broken out into major revenue and expense types with a comparison to the 2024/25 Budget, noting the major changes year-over-year. Additionally, the summary is further broken out into Base (ongoing revenue and expense components) and One-Time-Only (OTO), time-limited revenue and expense components.

Table 7: *2025/26 Budget by Revenue & Expense*

2025/26 Operating Budget
In $000's

	Approved Budget 2024/25	BASE Budget 2025/26	OTO Budget 2025/26	Total Budget 2025/26	Change	% Chg
Revenue						
Tuition Fees	184,259	189,829		189,829	5,570	3.0%
Enrolment Based Government Grants	105,241	118,882	5,241	124,123	18,882	17.9%
Other Income & Fees	47,010	51,721	3,410	55,131	8,121	17.3%
Revenue Total	**336,510**	**360,432**	**8,651**	**369,083**	**32,573**	9.7%
Salary & Benefit Expenses						
Full/Part Time Faculty Costs	119,243	125,480	2,913	128,393	9,150	7.7%
Full/Part Time Staff Costs	91,756	98,007	(468)	97,539	5,783	6.3%
Benefits	28,650	33,788	550	34,338	5,688	19.9%
Current Service Costs	18,260	19,786		19,786	1,526	8.4%
Salary & Benefit Expenses Total	**257,908**	**277,061**	**2,996**	**280,056**	**22,147**	8.6%
Non-Salary Expenses						
Scholarships & Bursaries	19,868	21,018	95	21,113	1,245	6.3%
Operating Costs	50,005	52,254	1,779	54,033	4,028	8.1%
Debt Service	6,678	6,833		6,833	155	2.3%
Utilities, Insurance & Taxes	7,405	7,405		7,405		0.0%
Contingency	2,000	2,000		2,000		0.0%
Non-Salary Expenses Total	**85,956**	**89,510**	**1,874**	**91,384**	**5,428**	6.3%
Expense Total	**343,864**	**366,571**	**4,869**	**371,441**	**27,576**	8.0%
Surplus/(Deficit) Before Contributions	**(7,354)**	**(6,139)**	**3,782**	**(2,357)**	**4,998**	
Austerity Measures Savings	1,000		1,000	1,000		
Contribution to Reserves	(1,000)	(1,000)		(1,000)		
Surplus/(Deficit) Before Contributions	**(7,354)**	**(7,139)**	**4,782**	**(2,357)**	**4,998**	
Milton Reserve Transfer	1,501		957	957	(544)	
Anticipated BEd funding			1,400	1,400	1,400	
Fund from Operating Stabilization Reserve	5,854				(5,854)	
Surplus/(Deficit) After Contributions	**0**	**(7,139)**	**7,139**	**0**	**0**	

The 2025/26 Operating Budget is inclusive of the revenues and expenses for the Milton campus. In June 2021, the Government of Ontario announced its approval for Laurier to develop a new university campus in Milton in collaboration with the Town of Milton and Conestoga College, with programming, research, and experiential learning in interdisciplinary and STEAM (science, technology, engineering, arts and mathematics) fields. Laurier Milton was launched in Fall 2024 with students entering undergraduate Computer Science and Psychology programs. The Bachelor of Business Technology Management is being introduced in Fall 2025, with a Bachelor of Engineering in Software Engineering planned for Fall 2026. Milton undergraduate enrolments are receiving base incremental enrolment funding from the province.

Table 8 below breaks out major revenue and expense types for Milton.

Table 8: *2025/26 Budget by Revenue & Expense (Milton only)*

Milton Campus 2025/26 Operating Budget

In $000's

	Approved Budget 2024/25	Total Budget 2025/26	Change	% Chg
Revenue				
Tuition Fees	438	1,305	867	198%
Enrolment Based Government Grants	200	874	674	337%
Other Income & Fees	140	130	(10)	-7%
Revenue Total	**778**	**2,309**	**1,531**	**197%**
Salary & Benefit Expenses				
Full/Part Time Faculty Costs	495	1,066	571	115%
Full/Part Time Staff Costs	488	600	112	23%
Benefits	206	321	115	55%
Salary & Benefit Expenses Total	**1,189**	**1,987**	**798**	**67%**
Non-Salary Expenses				
Scholarships & Bursaries	115	135	20	17%
Operating Costs	633	666	33	5%
Building Lease	315	390	75	24%
Bus Access Fee	0	55	55	
Utilities, Insurance & Taxes	27	32	5	20%
Non-Salary Expenses Total	**1,090**	**1,278**	**188**	**17%**
Expense Total	**2,279**	**3,266**	**987**	**43%**
Surplus/(Deficit)	**(1,501)**	**(957)**	**544**	**-36%**

Figure 15 below depicts the key components contributing to the year-over-year change as shown in Table 7. The details of these key components are further explained in Sections 3.1 (Revenue Projections) and 3.2 (Expense Projections). Positive values indicate a favourable impact to the budget, whereas a negative value indicates an unfavourable impact.

Figure 15: *Key Components of the Budget Build Process*

In $ Millions	BASE	OTO	TOTAL
2024/25 Budget - ***Structural Deficit***	**-16.1**	**-1.0**	**-17.1**
Tuition & Grant Revenue	22.2	5.2	27.4
Salary/Benefits	-16.8	-0.4	-17.2
Institutional Costs	-0.3	1.1	0.8
Essential Requests	-0.5		-0.5
Faculty Replacement/Direct Cost of Teaching	0.5	-4.5	-4.0
Budget Reduction @ 1%	2.6		2.6
Austerity Measures		1.0	1.0
Gapping & Revenue Adjustments		4.4	4.4
CSS	1.2	-0.5	0.7
Other Adjustments	0.1	-0.5	-0.4
2025/26 Deficit Before Contributions	**-7.1**	**4.8**	**-2.3**

3.1 Revenue Projections

Overall, total revenues are expected to increase by $32.6 million or 9.7%. Revenue from student tuition fees and government operating grants account for 85% of the total operating revenues. The following provides a comprehensive review of each major component of operating revenues and the factors causing the change from the previous year.

3.1.1 Tuition Revenue

Total tuition revenue is the product of enrolment projections and tuition rates. The process of how each input is determined is described in Section 2. Table 9 breaks out the tuition revenue components, related student FTEs and year-over-year change in budget. Total tuition revenue is projected to increase by $5.6 million or 3.0% when compared to the prior year's budget.

Total projected tuition revenue is down 0.5% from estimated actual 2024/25 tuition. While graduate enrolment is increasing 7.1%, undergraduate enrolment is projected to decrease 2.7% primarily due to a 15.6% decline in undergraduate international enrolment. The 2.0% decrease in undergraduate domestic enrolment is primarily offset by the domestic tuition rate increases through the Tuition Anomaly Program, resulting in a slight increase overall in undergraduate domestic tuition over prior year estimated actuals.

***Table 9**: Budgeted Operating Revenue Components*

	Enrolment (UG Fiscal FTE & GR Fall FTE)							
	2023-24	2024-25	2024-25	2025-26	2025-26 /2024-25		2025-26 /2024-25	
	Actual	Budget	Actual	Budget	YoY Budget Change		Budget / Actual	
Undergraduate					#	%	#	%
Domestic	18,513	18,702	19,443	19,051	349	1.9%	-392	-2.0%
International	1,076	920	969	818	-102	-11.0%	-151	-15.6%
Full Time	16,748	16,849	17,624	16,742	-106	-0.6%	-882	-5.0%
Part Time	2,841	2,774	2,789	3,127	354	12.8%	339	12.1%
Graduate								
Domestic	1,100	1,149	1,092	1,194	45	3.9%	102	9.3%
International	256	345	394	397	52	15.1%	3	0.8%
Full Time	1,064	1,212	1,231	1,344	132	10.9%	113	9.2%
Part Time	292	282	255	247	-35	-12.4%	-8	-3.2%
Undergraduate	19,589	19,622	20,412	19,870	247	1.3%	-543	-2.7%
Graduate	1,356	1,494	1,486	1,591	97	6.5%	105	7.1%
Total	**20,945**	**21,116**	**21,898**	**21,461**	**344**	**1.6%**	**-438**	**-2.0%**
Domestic	19,613	19,851	20,535	20,245	394	2.0%	-290	-1.4%
International	1,332	1,265	1,364	1,215	-49	-3.9%	-148	-10.9%
Total	**20,945**	**21,116**	**21,898**	**21,461**	**344**	**1.6%**	**-438**	**-2.0%**
Full Time	17,812	18,061	18,855	18,086	26	0.1%	-769	-4.1%
Part Time	3,133	3,056	3,044	3,374	319	10.4%	331	10.9%
Total	**20,945**	**21,116**	**21,898**	**21,461**	**344**	**1.6%**	**-438**	**-2.0%**

	Preliminary Tuition (in $000's)							
	2023-24	2024-25	2024-25	2025-26	2025-26 /2024-25		2025-26 /2024-25	
	Actual	Budget	Est. Actual	Budget	YoY Budget Change		Budget/ Actual	
Undergraduate					$	%	$	%
Domestic	$129,316	$132,989	$138,744	$139,115	$6,126	4.6%	$371	0.3%
International	$31,089	$26,725	$27,487	$25,293	-$1,433	-5.4%	-$2,194	-8.0%
Full Time								
Part Time								
Graduate								
Domestic	$15,568	$14,446	$13,844	$14,346	-$101	-0.7%	$502	3.6%
International	$6,786	$10,098	$10,669	$11,076	$977	9.7%	$407	3.8%
Full Time								
Part Time								
Undergraduate	$160,405	$159,715	$166,231	$164,408	$4,693	2.9%	-$1,823	-1.1%
Graduate	$22,354	$24,544	$24,512	$25,421	$877	3.6%	$909	3.7%
Total	**$182,759**	**$184,259**	**$190,743**	**$189,829**	**$5,570**	**3.0%**	**-$914**	**-0.5%**
Domestic	$144,884	$147,435	$152,587	$153,461	$6,025	4.1%	$873	0.6%
International	$37,875	$36,824	$38,156	$36,368	-$455	-1.2%	-$1,787	-4.7%
Total	**$182,759**	**$184,259**	**$190,743**	**$189,829**	**$5,570**	**3.0%**	**-$914**	**-0.5%**

Undergraduate tuition revenue: Year-over-year budget change

Undergraduate tuition revenue is forecasted to increase by $4.7 million or 2.9% over the prior year budget. While overall undergraduate FTE enrolment is increasing by only 1.3%, tuition increases under the ongoing Tuition Anomaly Program augment the overall tuition increase.

Undergraduate domestic tuition revenue

Undergraduate domestic tuition revenue is forecasted to increase by $6.1 million or 4.6% over the prior year budget. This reflects a 1.9% increase in enrolment as well as the ongoing impact of the Tuition Anomaly Program. No other Ontario tuition rate increases have been applied in alignment with the current Tuition Fee Framework.

Undergraduate international tuition revenue

Undergraduate international tuition revenue is forecasted to decrease by $1.4 million or by 5.4% over the prior year budget. This reflects an 11.0% decrease in enrolment and an increase in the number of international students who qualify for domestic tuition rates. The resulting decrease is partially offset by tuition increases ranging from 1% to 5%. International enrolment decline is sector-wide, due to the IRCC's imposed cap on international study permits and resulting decline in Canada's reputation as a destination of choice for international study.

Graduate tuition revenue: Year-over-year budget change

Graduate tuition revenue is forecasted to increase by $0.9 million or 3.6% over the prior year's budget. The Fall 2025 graduate FTE enrolment is increasing 6.5%, offset by lower winter term international enrolment to yield the overall revenue increase of 3.6%.

Graduate domestic tuition revenue

Graduate domestic tuition revenue is forecasted to decrease by $0.1 million or down 0.7% over the prior year budget. While graduate domestic Fall FTE is anticipated to increase by 3.9% overall, cost recovery program enrolment is decreasing as a proportion of total graduate domestic enrolment. These are typically higher tuition programs, so decreases in these programs impact the total graduate domestic tuition revenue.

Graduate international tuition revenue

Graduate international tuition revenue is forecasted to increase by $1.0 million or 9.7% over the prior year's budget, with a 15.1% increase in Fall FTE expected and international tuition rate increases ranging from 0-7%. The overall change in tuition revenue is impacted by a decrease in expected Winter term enrolment, particularly in the Master of Applied Computing program.

Figure 16: *Student Revenue Source by Type*

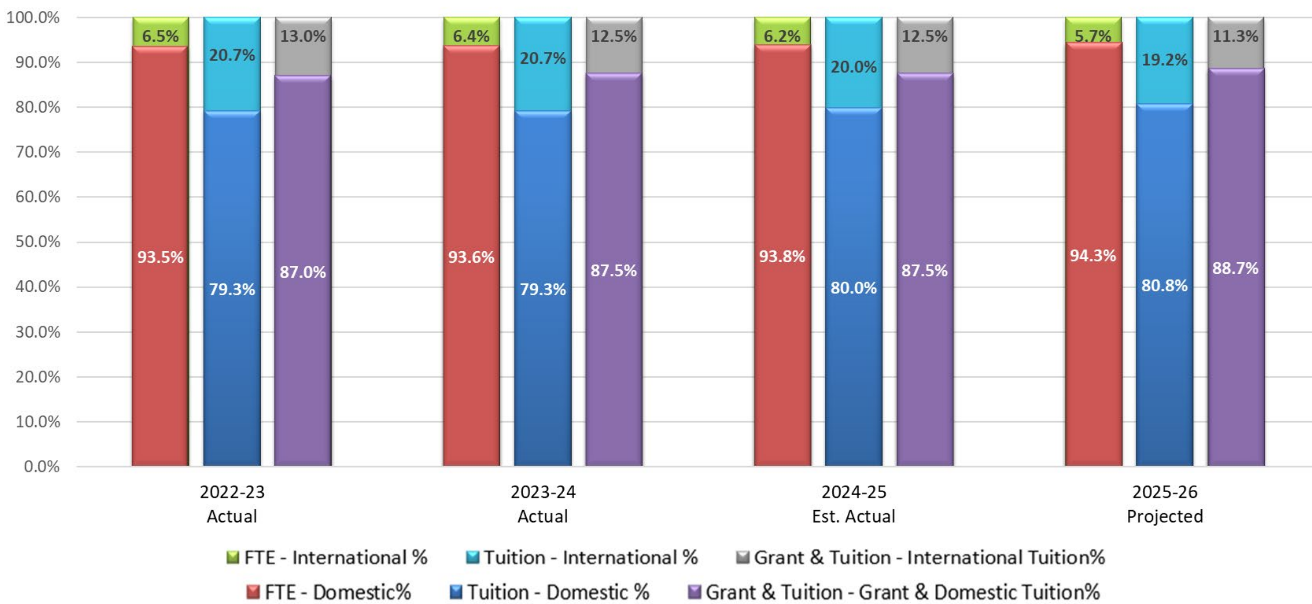


Figure 16 indicates that despite increasing graduate international enrolment, overall projected international enrolment for 2025/26 drops to 5.7% of total enrolment due to the decline of undergraduate international students. With international enrolment decreasing as a proportion of total enrolment, there is a complementary decrease in the proportion of international tuition to 19.2%. Declining overall international tuition of 4.7% as well as increased funding for domestic students through the funding for previously unfunded STEM students, and one-time increases in PSESF grant for 2025/26, result in a continued increase in the proportion of student revenue attributed to domestic students increasing from 87.5% to 88.7%.

3.1.2 Government Grants

Table 10 outlines the major sources of government grant funding in fiscal 2025/26.

Table 10: *Major Sources of Government Grant Funding*

Major Sources of Government Grant Funding				
Budget *(In 000's)*	**2024/25 Budget**	**2025/26 Budget**	**Change**	**%**
Enrolment Envelope	38,843	38,843	0	0.0%
Differentiation Envelope*	64,742	64,742	0	0.0%
Institutional Sub-Total	**103,584**	**103,584**	**0**	**0.0%**
Postsecondary Education Sustainability Fund**	3,135	5,241	2,106	67.2%
Priority Funding: STEM	-	16,092	16,092	NA
Milton Campus**	195	874	679	348.4%
B.Ed. (Brantford Campus)***	722	721	(0)	0.0%
International Student Recovery	(810)	(779)	31	-3.8%
Institutional Total	**106,826**	**125,733**	**18,907**	**17.7%**
Allocation to Martin Luther University College	(1,584)	(1,609)	(25)	1.6%
Total	**105,241**	**124,124**	**18,883**	**17.9%**

*Includes Performance-Based Funding

** One-time only increase to operating grant 3% for 2024/25 and a further 2% for 2025/26

*** Base funding for B.Ed. in Brantford and for UG Milton Campus enrolment, which are currently outside the enrolment corridor

The total revenue from the government operating grant is increasing by $18.9 million or 17.9% for 2025/26. Approximately 87% of Laurier's grant is tied to undergraduate enrolment.

Increases in grant relate to:

- A $16.1 million increase representing Laurier's share in the $150 million annual investment to support the continued delivery and enhancement of STEM programming for universities and colleges
- A further cumulative increase of an additional 2% related to the Postsecondary Education Sustainability Fund (PSESF), estimated institutionally at $5.2 million in one-time only funding
- Milton campus base operating grant related to increasing enrolment, particularly upper year students; Milton enrolment is outside Laurier's enrolment corridor and students for 2025/26 will be fully funded
- Reduction in International Student Recovery (ISR) due to a comparable decrease in applicable international students (UG and Master's)

Other Income & Fees

Other income & fees are expected to increase $8.1 million from the prior year. This category includes the student fees for essential services as well as other general fees and program revenues, such as financing income, transcript fees, co-op/internship fees, application fees, athletics, student interest, and continuing education. Additionally, this year, the main contributors to the overall net increase include:

Favourable contributors:

- **Comprehensive Student Services Fees**
  - Increase in revenue of $7.7 million to reflect the revised Comprehensive Student Services Administrative Agreement fee schedule. Of this amount, $2.2 million was revenue that related to the increase in 2024/25 that was recorded after the budget was approved.
- An additional $2.0 million of revenue was incorporated to reflect the potential amount of revenue that could ultimately result from favourable revenue variances in several categories, including enrolment-based revenue and interest income.
- Increase in interest income of $0.9 million due to rising interest rates in comparison to rates from spring 2024.
- Increase in student interest charges of $0.85 million to reflect prior year and trend.

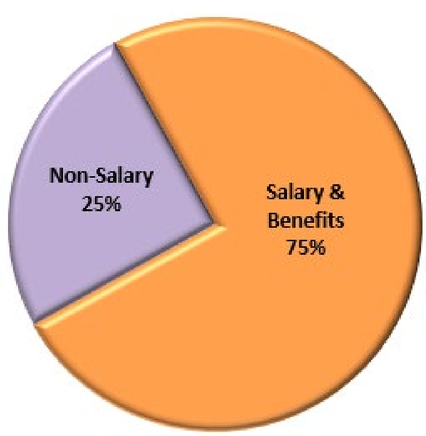
Budget Adjustments:

- The Lazaridis Institute is moving its activities out of the operating budget so that expenses will be funded directly from a donation account. $3.4 million of revenue and expenses were removed to reflect this revised treatment of the Institute. There is no net impact to the overall operating budget (decrease in revenue matches decrease in expenses).

3.2 Expense Projections

Total expenses are expected to increase by $27.6 million (8.0%). Faculty and staff salaries and employee benefits account for 75% of the total operating expenditures. Figure 17 depicts the breakdown of total expenses.

***Figure 17**: Total Expenses Breakdown*



3.2.1 Faculty Replacement / Direct Cost of Teaching

Direct costs of teaching costs (DCT) result from the creation of new programs and from significant changes in student enrolment.

Table 11: *Direct Cost of Teaching*

In 000's	BASE	OTO	TOTAL
Full-time Faculty	(1,294)	4,002	2,708
Contract Teaching	540	403	943
Support Staff and Program Operations	229	81	310
Faculty Replacement/Direct Cost of Teaching	**(525)**	**4,486**	**3,961**

The majority of Direct Teaching Costs budgeted for 2025/26 supports the replacement of retiring/resigning faculty members as well as enabling the hiring of several new tenure-track and limited term appointment faculty members. These investments enhance Laurier's full-time faculty complement, especially in Faculties with growing programs and strong student demand. The 2025/26 Budget anticipates a net increase of 23 full-time faculty members. We manage our faculty complement through two main processes:

1. Replacement of retiring/resigning faculty: BASE savings are typically realized through the replacement of senior faculty members in the later stages in their careers with faculty members at earlier stages in their careers. Many of the replacements in 2025/26 will be tenured/tenure-track hires, however some will be limited term appointments as a bridge to continuing faculty positions in the future.
2. Net-new faculty hires to support program growth and the introduction of new programs: In addition to replacing vacancies created by retiring/resigning faculty members, the 2025/26 Budget also reflects the hiring of five net-new tenured/tenure-track hires and 20 limited term faculty appointments (ranging in duration from 1 to 3 years).

The overall impact of these processes is a $2.7 million investment in full-time faculty resources, with BASE savings arising from replacement of retiring/resigning faculty offset by one time only investments in limited term faculty appointments.

The Faculty of Education has realized significant enrolment growth in the B.Ed program at both the Brantford and Waterloo campuses. Their DCT budget increase will enable the hiring of CTF and support staff, making permanent previously awarded one-time-only funding. Lazaridis School of Business and Economics will receive OTO funding to deliver additional sections of 200 level business courses and corresponding marking, proctoring, and instructional assistance necessitated by a large cohort of students progressing through the BBA program. The Faculty of Liberal Arts will receive DCT budget to enable expansion of the MSc User Experience Design (UXD) program that was launched in Fall 2024. The budget increase will support the hiring of CTF and expansion of scholarship opportunities for MSc UXD students. The Faculty of Science is launching a new course-based pathway for the MSc Health Sciences program and their DCT budget increase will support administrative assistance for the program.

3.2.2 Institutional Costs – Unit Oversight

Institutional costs with unit oversight are costs that are directly attributed to a unit, and the unit has the responsibility to oversee the cost, but the unit has limited control over how the cost may increase or decrease. Reflected below are the changes that have been incorporated into the budget. In Table 12, a positive figure indicates a budget increase (negative impact) whereas a negative figure indicates a budget reduction/savings (positive impact). The total impact of institutional costs (unit oversight) was unfavourable at $3.8 million.

Table 12: *Institutional Costs – Unit Oversight*

In 000's		BASE	OTO	Total
Expense	Scholarships/TAs	1,116		1,116
	Employee Benefits	762		762
	Conestoga *(revenue adj)*	542		542
	ICT/Library Inflation and FX *	159	245	405
	Facility Operations	337		337
	LEAF UG	183		183
	YMCA	141		141
	Faculty Support	125		125
	One Market	120		120
	Insurance/Utilities/Taxes	49		49
	Commissions	0	-50	-50
	Others less than $25K	*111*		*111*
	Increase in Expenses	**3,647**	**195**	**3,842**
Negative Impact on Operating Budget		**3,647**	**195**	**3,842**

* ***FX*** *(Foreign Exchange)*

3.2.3 Institutional Costs – Central Oversight

Institutional costs with central oversight are costs that cannot be directly attributed to any one unit. These costs are reviewed centrally for any changes that may cause the cost to increase or decrease. Reflected below are the changes that have been incorporated into the budget. In Table 13, a positive figure indicates an increase to revenue or expense, whereas a negative figure indicates a decrease to revenue or expense. The total impact of changes to institutional costs (central oversight) was favourable at $4.6 million.

***Table 13**: Institutional Costs – Central Oversight*

In 000's		BASE	OTO	Total
Revenue	Bank Interest Income	1,587	1,470	3,057
	Student Interest Charges	850		850
	CSS Fee Budget Target Contribution	499		499
	Internal Loan Interest Revenue	300		300
	Late Registration Fees	162		162
	Other	*62*	*-20*	*42*
	Increase in Revenue	**3,460**	**1,450**	**4,909**
Expenses	Contingency	-241		-241
	Bad Debt Expense	200		200
	LEEP Internal Loan Payment	150		150
	Special Research Allowance		100	100
	Supplemental Pension Arrangement		77	77
	Internal/External Loan Int & Principal	48		48
	Other	*6*		6
	Increase in Expenses	**163**	**177**	**340**
Positive Impact on Operating Budget		**3,297**	**1,273**	**4,570**

3.2.4 Budget Targets

The preliminary 2025/26 forecast reflected an operating deficit even before considerations for new costs, including salary increases, contributions to strategic and capital priorities, and other institutional cost pressures. Without a general domestic tuition increase and with any change in base operating grant funding delayed until at least 2027/28 with the funding formula review , additional tactics were required to improve the budget deficit and support the achievement of Laurier's strategic objectives.

Laurier has made significant budget reductions since the tuition freeze began in 2019/20. To continue to make deep reductions puts the institution at risk. As a result, this budget cycle required us to continue prioritizing the development of new and expanded revenue sources and managing inflationary pressures in support of improved financial sustainability. An assigned budget target of 1% to each VP represented a considerably lower target than in previous years.

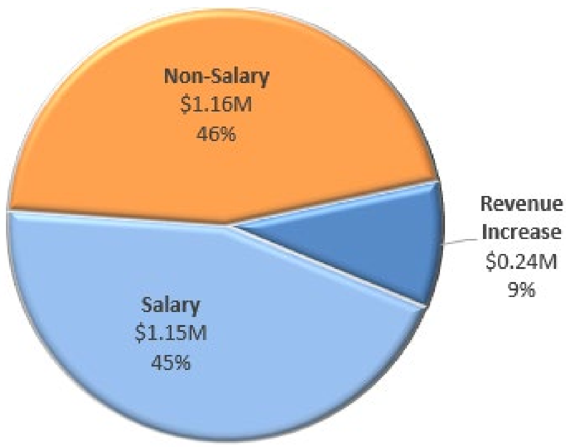
VPs were responsible for assigning differentiated budget targets within their portfolio based on information received in the unit templates. The actual targets assigned are shown in Table 14.

***Table 14**: Budget Targets by VP Portfolio (in 000's)*

VP Portfolio	BASE Budget	% of University Budget	Target 1.0%
Presidents Area	2,726	1.1%	27
Chief Human Resources & Equity Offier	4,734	1.9%	47
VP - Student Affairs	19,876	7.8%	199
Vice President: Academic	186,190	73.0%	1,862
VP - Research	2,462	1.0%	25
VP - Finance & Administration	29,423	11.5%	294
VP - Advancement and External Relations	9,755	3.8%	98
	255,167	**100.0%**	**2,552**

Figure 18 shows the breakdown of the Operating Unit's targets by type and highlights the nature of activity that is planned to realize the budget target.

***Figure 18**: Unit Budget Targets by Type*



Non-Salary reductions represent 46% of the overall $2.55 million of budget targets achieved. The VP: Academic and the VP: Finance & Administration portfolios contributed 73% and 12% respectively of the overall non-salary reductions, with the remaining 7% attributed to other VP portfolios.

Salary/benefits represent 45% of the budget targets achieved. The majority of the $1.15 million salary targets were achieved through vacancy savings (resignations or retirements) and reduction in teaching costs through re-alignment of course offerings with student demand.

The increase in revenue from the Comprehensive Student Service fee mitigated any potential budget reduction impacts on the student experience for the third year in a row.

The major contributors to the non-salary saving reductions include the following:

Efficiency savings

- Transition of the current mobile contract from Telus to Rogers reducing costs
- License cost consolidation and rationalization
- Replacement and/or retirement of legacy technology

Other major savings

- Reduction of expenses in Toronto MBA program due to a suspension of program enrolment

3.2.5 Central Review of Preliminary Deficit Position

As in previous years, the Budget Coordinating Team completed a comprehensive review of central and institutional items to identify potential savings and deficit reduction opportunities. The focus continues to be on reducing fiscal conservatism to bring the budget as close as possible to projected actuals; and to reduce the level of unit-level budget targets.

3.2.6 Commentary to 2025/26 Budget by Expense

This section provides detailed commentary to the 2025/26 Budget including review of the major drivers influencing the expenditure assumptions. Further, it provides explanations and highlights the major variances to expenditures as noted in Table 7 for 2025/26 as compared to 2024/25.

Salary & Benefit Expenses

Salaries and benefits for faculty and staff (full and part-time) make up the largest portion of the university's operating expenditure budget ($280.1 million or 75%).

The salaries & benefits increase of $22.1 million or 8.6% over the previous year, is a result of the following major salary and benefit related budget components:

Full/Part Time Faculty Costs – Increase of $9.2 million

Compensation increases of $8.4 million driven by collective agreements are the largest cost driver of this budget category.

The atypical factors contributing to this increase this year include:

- Increase of $2.7 million related to full-time faculty hiring and direct costs of teaching (Table 11)
- Increase of $1.0 million to reflect adjustment required for IA, Marking and Proctoring
- Increase in TA-ships of $0.4 million to reflect collective agreement rate changes and changes in student volume
- Increase of $0.3 million to reflect additional faculty and CTF required for Milton in 2025/26
- Increase of $0.6 million to reflect the 1.2% UPP offset effective Jan 1, 2026

The atypical factors offsetting the full/part time faculty cost include:

- Budget reductions of $0.5 million (largely CTF, overload)
- Reduction in CTF stipends through re-alignment of course offerings with student demand and teaching needs. Increases in these categories associated with growth and student demand are allocated through direct costs of teaching.

Full/Part Time Staff Costs – Increase of $5.8 million

Compensation increases of $5.0 million driven by collective agreements are the largest cost driver of this budget category. Additionally, direct cost of teaching accounted for a $0.2 million change year over year.

This year, some atypical factors contributed to the increase, including:

- Increase of $0.3 million to reflect the 1.2% UPP offset effective Jan 1, 2026

This year, a number of atypical factors offset the staff salary increases, including:

- Salary savings of $0.5 million of which the majority are related to positions not currently occupied and anticipated vacancies.

Benefits – Increase of $5.7 million

The statutory and fringe benefits budget has been adjusted to reflect the impact of the anticipated transition to the University Pension Plan Ontario (UPP), as well as increases in health and dental benefit costs reflective of prior year financial results. The impact of the UPP transition is estimated at a $1.4M increase in pension costs for 25/26. A review of spend from 22/23 to present identified a growing variance between budgeted and actual benefits costs. For 25/26, the review has resulted in an increase of $4.3 million.

Pension Plan: Current Service Costs – Increase of $1.5 million

The university required contributions to the WLU Pension Plan include 7% of earnings to each member's money purchase account plus the Current Service Costs and any special payments required to fund the minimum guaranteed pension. The Current Service Cost is set by the Actuary based on the results of the Plan valuation and is intended to cover the cost of benefits earned by Pension Plan members for the coming year. The Current Service Cost is calculated as a percentage of pensionable earnings. The Current Service Cost based on the January 1, 2023 valuation is 2.0%. The service cost is a percentage of pensionable earnings, the dollar amount associated with this has increased due to salary increases in this last budget year.

In addition to Current Service Costs, the university must pay for any unfunded deficits that have occurred in the Plan. Pension Plan deficiencies are calculated by the Actuary at the time of the Plan's formal valuation, which, in Laurier's case, was last performed on January 1, 2023. There are two calculations, both reflecting the funded status of the Plan at a point in time. The Going Concern valuation provides an assessment of the Plan's financial position at the valuation date on the premise that the Plan continues into the future indefinitely. Based on the current funding framework, any Going Concern Deficits must be amortized and paid over a period not to exceed 10 years. Laurier's Going Concern funded ratio at January 1, 2023 is 1.04 with a surplus of $29.5 million. Given there is no Going Concern funding deficit, no special payments are required. The Solvency valuation is intended to provide an assessment of the Plan's financial position at the valuation date on the premise that certain obligations as prescribed by the act are settled on the valuation date for all members should the Plan wind up. The Actuary must comply with more restrictive assumptions and methodologies when performing this calculation. Laurier's January 1, 2023 valuation showed a solvency surplus of $87.7 million, and a solvency funded ratio of 1.11. There are no solvency special payments required so long as the solvency ratio is above 0.85.

The 2025/26 Budget contains a provision for employer contributions of 9% of pensionable earnings or $19.8 million:

- For the period up to and including December 31, 2025: 9% of pensionable earnings based on our last valuation of the Laurier plan on January 1, 2023
- For the period of January 1, 2026 to April 30, 2026: contributions based on the current rates set by the UPP Joint Sponsors (9.2% of pensionable earnings up to the year's additional maximum pensionable earnings (YAMPE), 11.5% contributions above YAMPE)

The next valuation of the Laurier plan is due no later than January 1, 2026, which aligns with the proposed conversion to the University Pension Plan (UPP). The university and the Joint

Finance/Pension Committee of the Board receive regular reports from the Actuary on the funded status of the Plan and may decide to file a valuation earlier than required by law if it is advantageous to do so.

The University will be filing an application with the Financial Services Regulatory Authority of Ontario (FSRA, pension regulator) in April/May 2025 for the conversion of the Laurier plan to the UPP effective January 1, 2026. FSRA has 120 business days from the application filing to provide approval, which includes approval of the effective date of the conversion.

Non-Salary Expenses

This category, which includes a number of non-salary budgets, increased $5.4 million year-over-year. The following explains the main cost category changes:

Scholarship & Bursaries - Increase of $1.2 million

Undergraduate scholarships costs are expected to increase in 25/26. This is primarily due higher projected enrolment of incoming students eligible for entrance awards, as well as expansion of scholarship funds available for international students. Graduate scholarship costs are also expected to increase due to higher projected enrolment of research-based Masters and PhD students. Undergraduate scholarship costs are informed by award rate (%), award value ($), and enrolment levels. Graduate scholarships are informed by enrolment levels in scholarship-eligible Masters and PhD programs and the respective award value ($).

Operating Costs - Increase of $4.0 million

This category includes a multitude of accounts across all units within the university. The largest categories with budget exceeding $3.0 million include Externally Contracted Services, Equipment/Software, Deferred Maintenance, Library Acquisitions, and Equipment/Operating Renewal. Annual review of Institutional Costs relating to rental and other contractual agreements were reviewed and adjusted as necessary. Unit level budget targets of $1.2 million offset the overall increase.

*The atypical **favourable** changes to this category this year include:*

Lazaridis Institute is moving its activities out of the operating budget so that expenses will be funded directly from a donation account. $3.4 million of revenue and expenses were removed to reflect this revised treatment of the Institute. There is no net impact to the overall operating budget (decrease in revenue matches decrease in expenses).

*The atypical **unfavourable** changes to this category this year include:*

CSS Agreement – Increase of $5.2 million

- Based on the new Comprehensive Student Services Administration Agreement, additional funding was received through an increased CSS fee to allocate dedicated service enhancement funding for Student Affairs areas that the CSS fee supports.
- This increase of expenses represents allocating budget to prior SAAC-approved annual transfers from reserves as well as allocating a budget placeholder until the review of new/existing priorities is finalized. The overall CSS fee revenue increase is offset in Other Income & Fees.

Conestoga Partnership (Brantford) – Cost Recovery fee reduction of $0.5 million due to enrolment uncertainty as well as a potential reduction in the per student rate for 25/26.

Debt Service – Increase of $0.2 million

A ramp-up approach was introduced for the Laurier Energy Efficiency Project (LEEP) internal loan payment commencing in 2024/25. This payment increased by $0.15 million in 2025/26 to $0.35 million and has a 35-year payback payment schedule. LEEP was completed in 2021/22 and has resulted in significant energy savings and utility cost savings.

3.3 Budget by Faculty

RCM Budget Model

Laurier adopted a Responsibility Centred Management (RCM) budget model in 2017/18, including a multi-year transition plan to incrementally phase in implementation. The transition plan was paused in 2019/20 due to the significant impact of the change in domestic tuition policy, reducing tuition by 10% with a subsequent, and ongoing general freeze.

The RCM budget model allocates tuition and operating grant revenue based on student activity. A universal base-rate for undergraduate tuition is allocated to each Faculty based on teaching activity. Operating grant and any undergraduate tuition premium over and above the base-rate tuition, as well as all graduate tuition, is allocated based on students' Faculty of registration for their program. For the purposes of the RCM allocation, the School of International Policy and Governance (SIPG) is treated as a distinct Faculty. The recently announced STEM funding, allocated as a separate funding envelope, has not been incorporated into the by-Faculty revenue allocation.

In consideration of the magnitude of the STEM funding, the timing of its announcement and the changing nature of government grant funding, we will be reviewing the current internal grant allocation methodology in 2025/26. In particular, the review will consider how to incorporate the shifting nature of the government grant funding to priority envelopes with specific accountabilities and reporting requirements.

Table 15 below depicts the Faculties' financial position expressed as a type of contribution margin, using allocated tuition and grant less direct Faculty costs. The remainder is available to fund administrative and student support costs. This approach represents a change from previous budget reports, which included a surplus or deficit position for each Faculty that fully accounted for central, administrative, and student service costs. This presentation acknowledges that:

- A significant portion of enrolment-related grant has been excluded from the Faculty allocation as the details related to the recently announced STEM funding are considered.
- Including a shared service allocation, where administrative unit costs are allocated to the Faculties, would mean fully allocating costs when not all revenue has been allocated.

Table 15: *2025/26 Budget by Faculty*

2025/26 Budget by Faculty *(In 000's)*

	Arts	Lazaridis	Education	HSS	Liberal Arts	Music	SIPG	Science	Social Work	Total
Tuition & Grant Revenue	45,757	78,322	13,403	21,553	9,618	5,359	1,254	108,077	12,340	295,682
Non-Tuition & Grant Revenue	372	305	502	71	42	1,273	0	957	2,470	5,991
Total Revenue	**46,129**	**78,626**	**13,906**	**21,623**	**9,660**	**6,631**	**1,254**	**109,034**	**14,810**	**301,673**
Total Direct Costs	33,526	48,927	6,720	12,367	9,273	10,079	3,005	53,944	11,152	188,993
Contribution Margin	**12,603**	**29,699**	**7,186**	**9,256**	**387**	**(3,447)**	**(1,752)**	**55,090**	**3,658**	**112,680**
Direct Costs as % of Revenue	*72.7%*	*62.2%*	*48.3%*	*57.2%*	*96.0%*	*152.0%*	*239.7%*	*49.5%*	*75.3%*	*62.6%*

Excludes Milton and recently announced STEM funding

Reconciliation to Table 7:	
Total Faculty Contribution Margin *(from above)*	112,680
Milton Surplus/(Deficit) - Table 8	(130)
Net Shared Service Costs	(133,551)
Net Central Revenue	18,644
Surplus/(Deficit) Before Contributions (Table 7)	**(2,357)**

The bottom-line position of each Faculty reflects net changes in revenue and direct costs. The direct costs change is a result of increases in salary costs (see section 3.2.6) and new direct costs of teaching (Table 11) offset by the budget reductions (Table 14).

Part C – Reserves

Internally Restricted Net Assets as shown on Laurier's audited financial statements represent funds restricted by the university for future commitments, projects and other specific purposes.

Reserves are an important component of the long-term fiscal strategy in a number of ways. Historically, reserves have provided a source of funds to address operating and ancillary fund deficits, and as a source of funding for specific strategic initiatives. More recently, reserves have provided internal loans for capital purposes. Laurier's efforts to strengthen financial sustainability includes strategies to replenish reserves and serve these needs. The realization of annual operating and ancillary surpluses is a deliberate strategy, as outlined in Laurier's Budget Planning Policy, to achieve solid reserve balances.

The table below indicates preliminary forecasted reserve balances for 2024/25, and actual April 2025 reserve amounts will be impacted by year-end results.

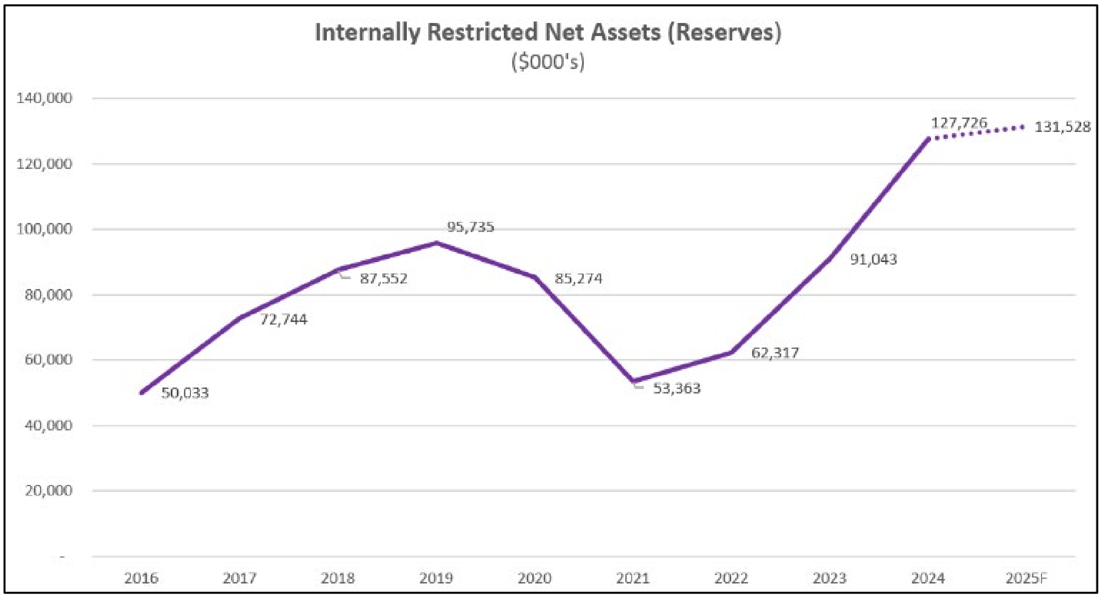
Table 16: *Internally Restricted Net Assets (Reserves)*

Summary *(In 000's)*	**Apr 2025** *(forecast)*	**Apr 2024** *(actual)*	**YoY Change**
Carryforward/Retained Surplus	9,851	11,900	(2,049)
Operating Stabilization Reserve	11,610	11,610	(0)
Operating Specific Reserves	5,399	5,594	(195)
Operating General Reserves	2,303	2,279	24
Major Repairs and Maintenance	16,791	15,215	1,576
Equipment Replacement and Renewal Fund	3,687	3,644	43
Research Reserves	7,291	7,291	0
Ancillary Reserves	7,226	4,727	2,499
Sinking Fund	36,000	31,680	4,320
Post-Employment Benefits, *Net of Internal Loans*	15,492	13,778	1,714
Capital Reserve	15,878	20,008	(4,130)
Internally Restricted Net Assets	**131,528**	**127,726**	**3,803**

Sinking fund and post-employment benefit reserves are forecasted based on planned contributions and repayment of internal loans. Ancillary reserves include deliberate contributions for the purposes of deferred maintenance for infrastructure needs. The operating stabilization reserve was established in 2023/24 as a result of the province's funding to stabilize colleges and universities while maintaining a general tuition freeze for Ontario students. In February 2024, Laurier received $11.6 million of funding for STEM program costs for 2023/24 enrolments above currently funded levels, which enabled Laurier to offset $11.6 million in budgeted expenditures incurred during the 2023/24 year and contribute to a stabilization fund to mitigate future deficits. Other reserve categories will be impacted by year-end results, including the use of unit-specific carryforward funds, and potential year-end surplus contributions.

The figure below shows how the reserve balances have changed since 2016.

Figure 19: *Internally Restricted Net Assets (Reserves) Trend*



Part D – Multi-Year Operating Budget Forecast

A multi-year planning approach is critical for ensuring institutional success and sustainability. The 2025/26 budget presents a deficit of $2.4 million which will be funded through the Milton appropriations and the unconfirmed but anticipated B.Ed continued funding.

The Multi-Year Operating Budget model starts with the proposed 2025/26 Budget as the base and applies assumptions in developing the Multi-Year Forecast. It incorporates revenue expectations reflecting the government's current and anticipated future Tuition Fee Framework, the Provincial operating grant funding formula, and the university's enrolment projections. Inflationary factors have been added to non-salary costs, as well as provisions for gapping and austerity measures to allow time for revenue generation ideas to scale up and the financial impacts of strategic reductions to take effect.

In preparing the multi-year model, certain assumptions and estimates were necessary. The assumptions and estimates are based on the information available to management at the time of preparing the 2025/26 Operating Budget. Readers are cautioned that actual results may vary from the forecast(s).

To accurately depict genuine uncertainty impacting specific assumptions, three scenarios have been developed in the Multi-Year Budget forecast.

Base Scenario:	the 'most likely' scenario based on current knowledge
Scenario 1:	represents the impact of financially favourable[4] budget assumptions
Scenario 2:	represents the impact of financially unfavourable budget assumptions

Table 17: *Multi-Year Assumptions*

Enrolment Commentary:

The enrolment projections are the foundation of the multi-year revenue scenarios. They are based on a set of potential outcomes given our knowledge of current and future initiatives. The enrolment levels have been factored into the projections for related increases in direct costs of teaching and scholarships.

Enrolment projections have been considered for both undergraduate and graduate programs, and for domestic and international students. Milton enrolment projections have been included, as well as the efforts to increase enrolment at the Brantford Campus and active enrolment strategies for the Waterloo campus. Enrolment assumptions across the three scenarios vary based on anticipated impact of various trends and pressures:

- The impact of international study permit policy on Canada's reputation as a destination of choice
- The changing competitive landscape and student demand patterns related to domestic enrolment
- Anticipated graduate enrolment trends
- Opportunities aligned with government policy and student demand

[4] Financially favourable / unfavourable: Immediate fiscal impact at a point in time on the budget and should not be construed as commentary on the qualitative impact, nor on the investment value of the increase or decrease.

Tuition Rate: (annually)		BASE	Scenario 1	Scenario 2
UG & Graduate Domestic tuition increase:	2026/27	0%	0%	0%
	2027/28	2%	3%	0%
	2028/29	2%	3%	0%
	2029/30	2%	3%	0%
UG and Graduate International tuition increase		3%	3%	3%
Graduate Cost Recovery tuition increase		2%		

Tuition Commentary:

- The most recent Tuition Fee Framework extends to 2026/27 and continues the ongoing general domestic tuition freeze. Tuition Anomaly Program increases have been applied as previously approved.
- International tuition increases are informed by ongoing market analysis and reflecting increased financial pressures for students.
- Tuition increases for Cost Recovery programs align with inflationary assumptions.

Operating Grant:	BASE	Scenario 1	Scenario 2
Operating grant	Includes continued PSESF inflationary increases at +2% annually	Includes continued PSESF inflationary increases and full funding for Bachelor of Education students, aligning with local labour market demands	Freezes PSESF inflationary increase at 26/27 levels

Operating Grant Commentary:

- The projected operating grant includes the relevant adjustments to account for changes in the International Student Recovery aligned with applicable international enrolment.
- Operating grant funding for STEM and Milton enrolments is included in all three scenarios.

Salary & Benefits:		BASE	Scenario 1	Scenario 2
Salary increases (ATB)	2026/27	2%		
	2027/28	2%		
	2028/29	2%		
	2029/30	2%		
Student faculty ratio		Impact of enrolment		
Pension service cost/pension deficiency		Based on most recent valuation		

Salary & Benefits Commentary:

- Collective agreements are in place for Laurier's two largest union groups (WLUFA Full-time Faculty & Librarians and WLUSA/OSSTF Staff) to June 2026. Across all scenarios, the same % has been assumed for forecast purposes only, and re-examined annually based on activity across the sector.

- The Pension Service cost/pension deficiency assumption included in all scenarios is based on actuarial estimate and transition to UPP. Section 3.2.6 explains the Pension Plan: Current Service Costs in more detail.

Non-Salary Expenses:	BASE	Scenario 1	Scenario 2
Scholarships	Impact of enrolment		
Inflation (Revenue and Non-Salary)	Revenue: 1%; Non-Salary: 2%		

Non-Salary Expenses Commentary:

- A 2% inflation rate has been included in all scenarios based on the Bank of Canada's target to keep total CPI inflation at the 2% midpoint of a target range of 1 to 3 per cent over the medium term.

Central Gapping Adjustments:	BASE	Scenario 1	Scenario 2
OTO salary savings ($2.0M)	Savings continue in future years		

Central Gapping Adjustments Commentary:

- The $2.0 million assumption reflects the recognition of anticipated passive vacancy savings. Each year we budget positions as full FTEs for the full year, and naturally over the year we have turnover and vacancies that lead to salary and benefit savings. The amount has been determined based on past vacancy savings and reflects salary and benefits savings.

Austerity Measures	BASE	Scenario 1	Scenario 2
OTO salary savings ($1.0M)	Savings continue in future years		

Austerity Measures Commentary:

The $1.0 million assumption reflects the recognition of ongoing efforts to address financial constraints, reduce spending and other efficiency measures to address a projected operating budget deficit.

Table 18 and Figure 20 provides a very high-level overview of the Operating Budget forecast over the next four years. The multi-year scenarios below are reflective of the most likely funding and cost projections over the next four years. These are based on limited revenue increase opportunities and most probable inflationary cost increases for salary and non-salary costs. From the scenarios above, it is clear that Laurier will face significant fiscal hardship in the coming years.

***Table 18**: Multi-Year Operating Budget Model*

Multi-Year Operating Budget Forecast *(In millions)*

Operating *(including Milton)*	**2025/26**	**2026/27**			**2027/28**			**2028/29**			**2029/30**		
In Millions	**Budget**	BASE	Scenario 1	Scenario 2	BASE	Scenario 1	Scenario 2	BASE	Scenario 1	Scenario 2	BASE	Scenario 1	Scenario 2
Tuition Fees	189.8	193.4	197.6	188.2	194.8	205.5	181.9	197.9	214.7	178.0	202.8	225.0	175.8
Enrolment Based Government Grants	124.1	128.4	129.7	127.0	131.3	132.6	127.8	133.6	134.8	127.8	135.9	137.1	127.8
Grant & Tuition Total	**314.0**	**321.7**	**327.2**	**315.2**	**326.1**	**338.0**	**309.7**	**331.5**	**349.5**	**305.8**	**338.7**	**362.1**	**303.7**
Other Income & Fees	55.1	55.0	55.0	55.0	55.3	55.3	55.3	55.5	55.5	55.5	55.7	55.7	55.7
Revenue Total	**369.1**	**376.7**	**382.2**	**370.2**	**381.4**	**393.3**	**364.9**	**387.0**	**405.0**	**361.3**	**394.4**	**417.8**	**359.3**
Salary & Benefit Expenses	280.1	293.2	294.8	293.2	308.0	309.8	307.9	321.4	324.5	321.2	334.7	338.8	334.2
Non-Salary Expenses	91.4	92.7	93.0	92.3	94.0	94.4	93.5	95.1	95.6	94.6	96.3	96.9	95.6
Total Expenses	**371.4**	**386.0**	**387.8**	**385.5**	**402.0**	**404.2**	**401.4**	**416.6**	**420.2**	**415.8**	**431.0**	**435.8**	**429.8**
Operating Surplus/(Deficit)	**-2.4**	**-9.2**	**-5.6**	**-15.3**	**-20.6**	**-10.9**	**-36.5**	**-29.6**	**-15.2**	**-54.5**	**-36.6**	**-18.0**	**-70.5**
Austerity Measures Savings	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Contribution to Reserves	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0	-1.0
Fund from Milton Reserve	1.0												
Anticipated BEd funding	1.4												
Operating Surplus/(Deficit)	**0.0**	**-9.2**	**-5.6**	**-15.3**	**-20.6**	**-10.9**	**-36.5**	**-29.6**	**-15.2**	**-54.5**	**-36.6**	**-18.0**	**-70.5**

In supporting long-term financial sustainability, contributions to operating reserves continue to be included which contribute to strengthening reserves and supporting strategic projects.

On a scenario basis, a deficit is anticipated with growing magnitude in future years in all scenarios.

Figure 20 provides a very high-level overview of all scenario in-year forecasts over the next four years projecting a range of $18 million to $70 million in 2029/30. Figure 21 provides the same forecasts on an accumulated basis projecting a range of $52 million to $179 million between scenarios in 2029/30.

***Figure 20:** Multi-Year In-Year Operating Forecast*

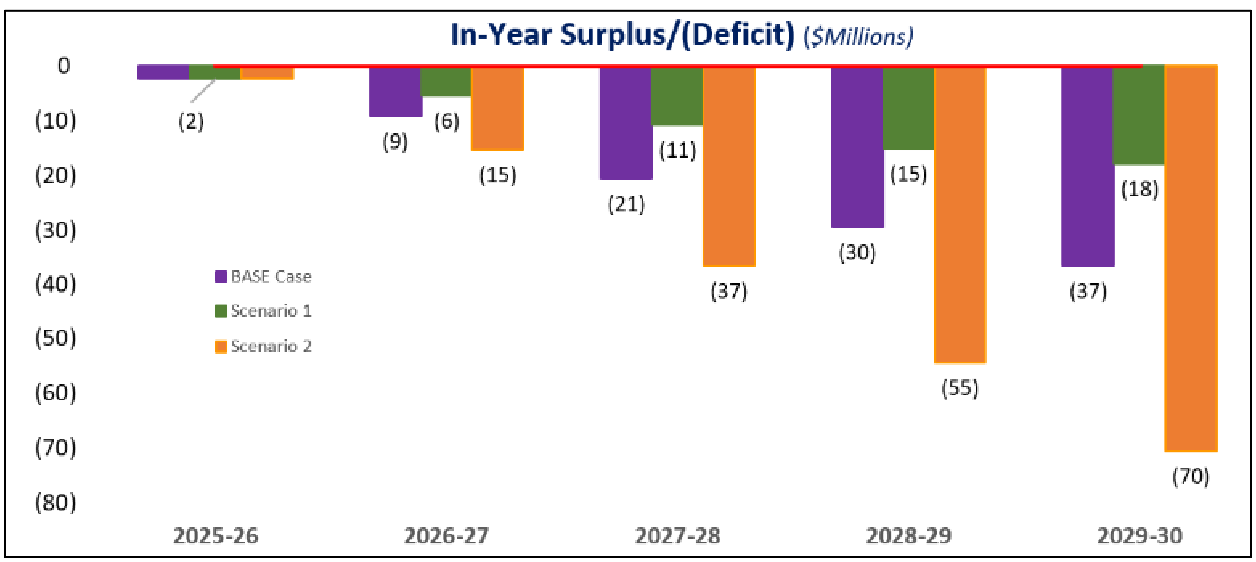
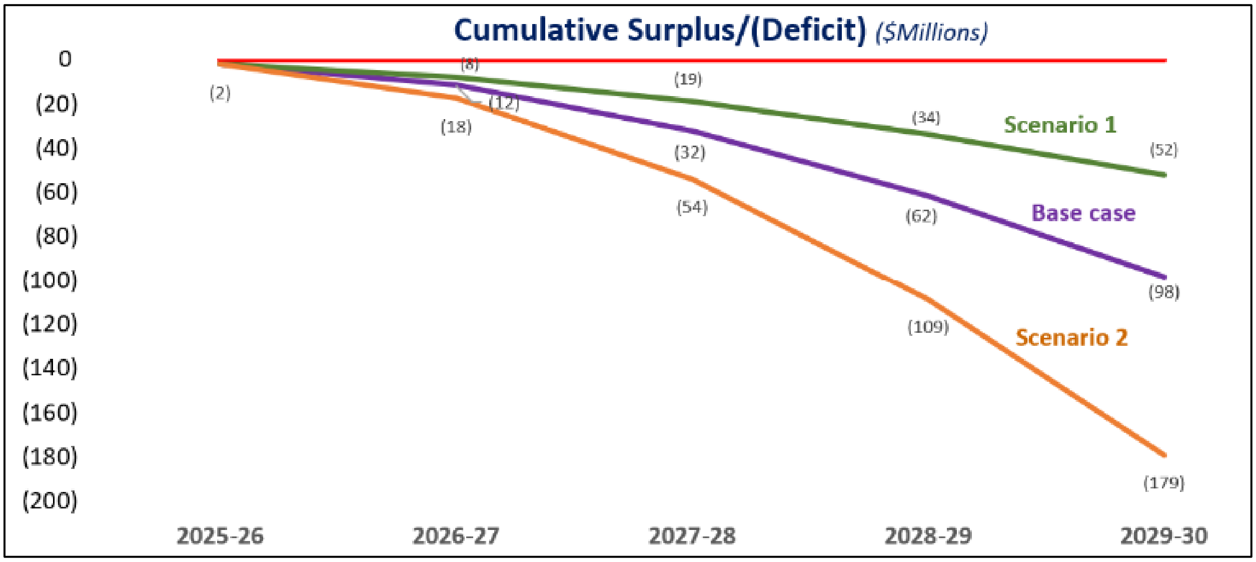


Figure 21: *Multi-Year Operating Forecast on a Cumulative basis*



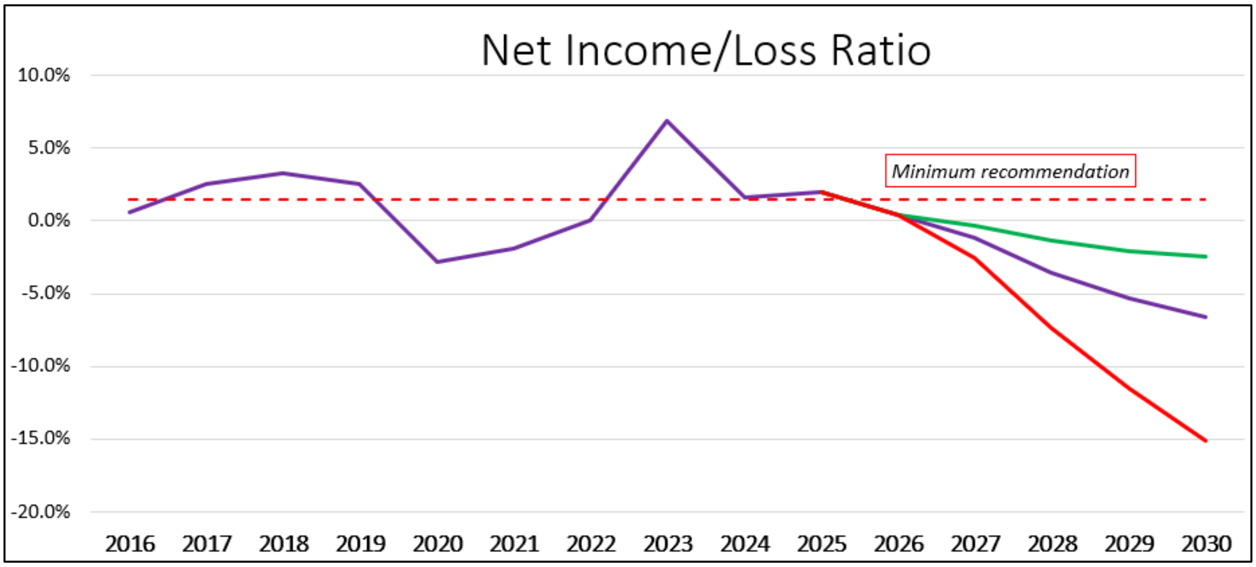
While the recent provincial funding announcement provides some relief with recurring STEM funding for at least the next three years, it still leaves a shortfall and increasing structural deficit in future years. Even if the one-time STEM funding were to become a permanently recurring addition to annual revenue, Laurier would continue to face a structural deficit. This is because limited available inflationary increases on revenue are not keeping pace with inflation on costs, driven primarily by negotiated salary increases.

Future Years Planning and Impact

Revenue generation is an essential part of the university's budget strategy. In accordance with the Laurier Strategic Action Plan, the university's short-term revenue-generation priorities will depend on new program development, continued government advocacy, internationalization, curriculum renewal and reform, and multi-campus development. Concerted action in these areas is aligned with Laurier's vision and mission and will contribute significantly to overall financial sustainability.

Projections of Net Income/(Loss) in figure 22 reflect the impact of ancillary and operating fund projections, as well as the proceeds of real estate transactions that took place in 2022/23 and 2023/24 causing the increase in those years. Fiscal 2024/25 reflects the projected surplus of $8.0 million compared to the original budgeted deficit of $3.2 million. Future years reflect ongoing operating and ancillary fund activities. Based on multi-year scenarios, a deteriorating net income (deficit over revenues) of the consolidated operating and ancillary fund is expected through to 2030.

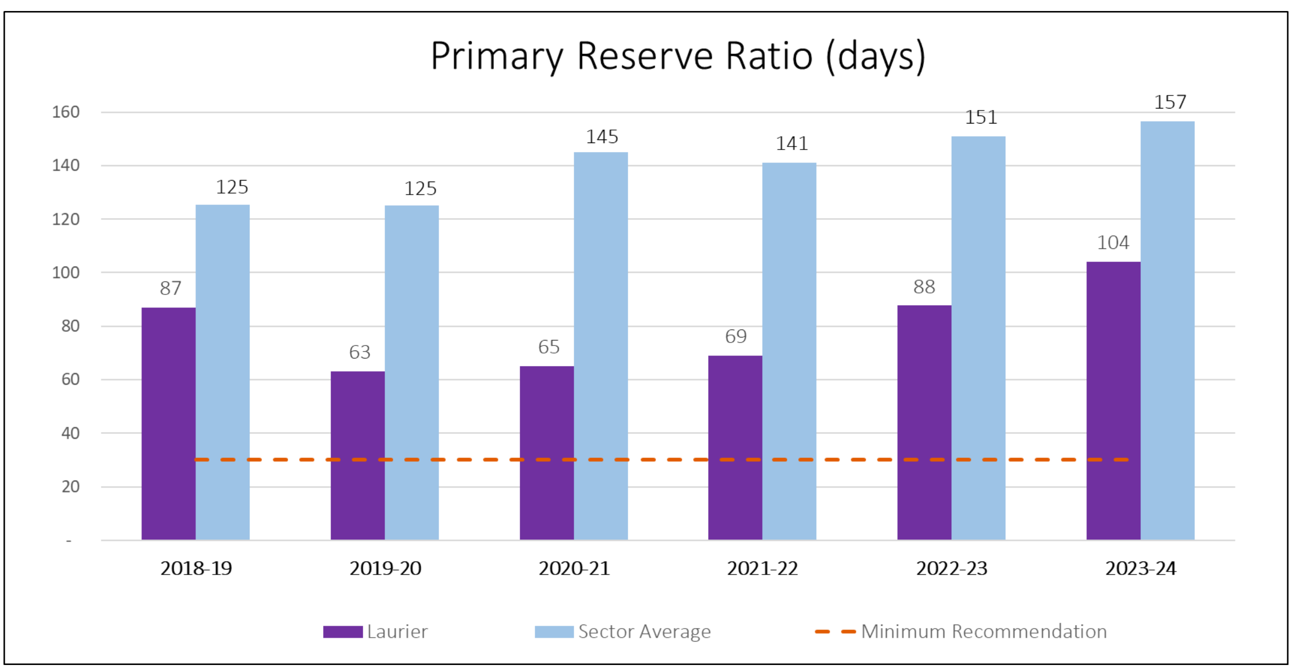
Figure 22: *Net Income/Loss Ratio*



In addition to improved performance in Net Income financial indicators, further strengthening of the Primary Reserve Ratio, a measure reflecting the health of the organizations expendable net assets relative to operations, is needed.

Primary Reserve Ratio is a measure of financial viability that compares expendable net assets to total expenses, and provides an indication of an institution's financial strength and flexibility by determining how many days an institution might (theoretically) function using only its expendable net assets. Expendable Net Assets include: unrestricted surplus (deficit), internally restricted net assets and internally restricted endowments, adjusted for the non-cash component of employee future benefits. A multi-year strategy that increases contributions to reserves will contribute to improvements in Laurier's Primary Reserve Ratio, which is currently much lower than the sector average.

Figure 23: *Primary Reserve Ratio*



Part E – 2025/26 Ancillary Budget

The Ancillary Services Budget is separate and distinct from the Operating Budget. All direct expenditures incurred in service areas of the university (e.g., facilities management) are charged to the ancillary operations as they are required to be self-sustaining.

The Ancillary Services units include the ancillary operations of Business Development, Conference Services, Food Services, Hawk Shops, HUB Operations, Off Campus Housing (Houses & Ezra Bricker Apartments), One Card Operations, Parking & Transportation Resources, Printing Services and Residence Operations (Waterloo & Brantford campuses). Table 20 provides a summary of the 2025/26 Budget being submitted for approval. Table 21 summarizes the 2025/26 Budget by each ancillary operation. The following provides highlights of the major changes in revenues and expenditures for Ancillary Services as compared to 2024/25 approved budget.

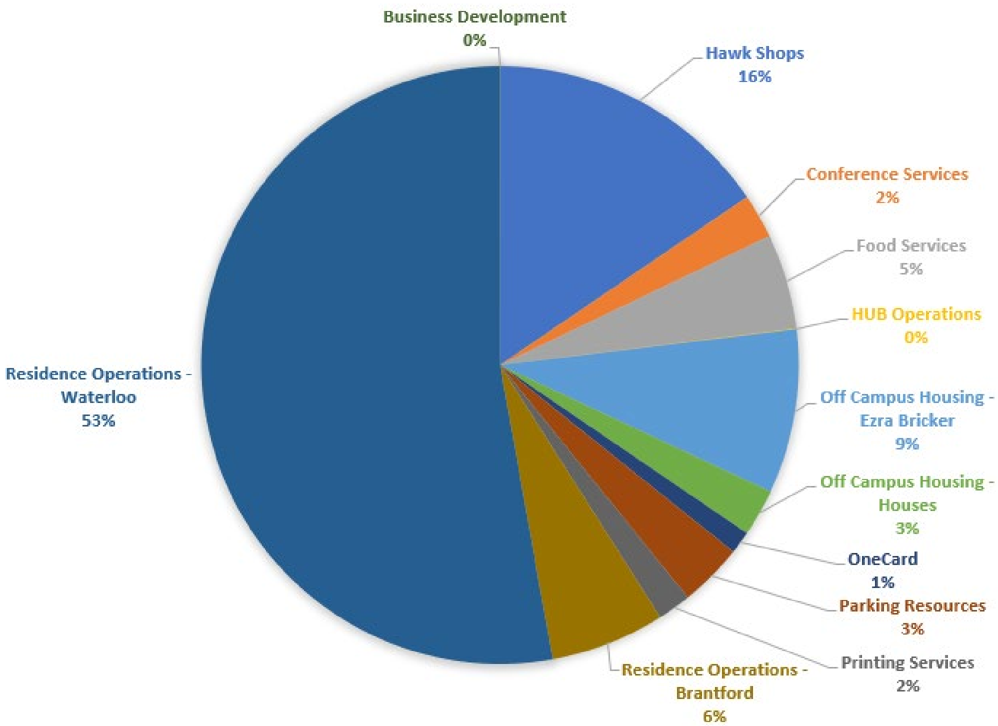
Ancillary Services is projecting a surplus of $4.2 million in 2025/26.

Revenue

The revenue of the ancillary units is estimated to be $60.1 million in 2025/26.

- Overall revenue associated with the Residence Operations reflects fee increases in line with inflationary cost pressures. Brantford residences revenue projection accounts for a higher vacancy rate. Fees for residence and other non-tuition fees are reviewed and endorsed by the Non-Tuition Fee Protocol Committee in addition to the Student Affairs Advisory Committee.
- Hawk Shops revenue growth is expected in general merchandise through revised pricing strategies, expanded e-commerce and enhanced partnerships across the university. The shift from physical textbooks to digital and inclusive access products, however, continues to lower overall revenue in the academic material category.
- Off Campus Housing portfolio continues to reflect the revenue increases for new rental agreements and modest rental rate increases for renewals.
- Food Services revenue projection reflects annual fee increases on meal plans in addition to the increased contract commission from Aramark negotiated during the pandemic.
- Parking Resources revenue primarily represents the permit fee increase, pay and display parking along with student permit revenue.
- Printing Services projected revenue reflects an adjustment to printing opportunities along with consistent print fleet volume.
- Conference Services expects a return to higher volume of group conference activities and short term stay bookings at Hotel Laurier. There is also an opportunity for external bookings throughout the fiscal year, especially in Brantford.
- One Card Operations revenue will increase related to the inflationary increase in the mandatory card fee as well as revenue growth in business activities such as table rentals and commission revenue.

Figure 24: *Total Revenue Allocation by Ancillary Service Units*



Expenses

Expenses are expected to be $2.8 million higher than 2024/25 with a budget of $55.9 million in 2025/26.

- Salary & benefits cost increases are based on updated salary information.
- Cost of Goods Sold is adjusted based on the projected revenue for each applicable organization.
- Debt Service expenses include LEEP debt repayment.
- Off Campus Facility lease commitments includes inflationary increases.
- Operating Cost increases by $0.6 million to $10.6 million in 2025/26.
- Capital & Deferred Maintenance budget expense of $3.7 million which represents 52.6% increase from 2024/25.
- Contribution directly to operating fund at $1.0 million.

Figure 25: *Total Expenses Breakdown by Ancillary Service Units*

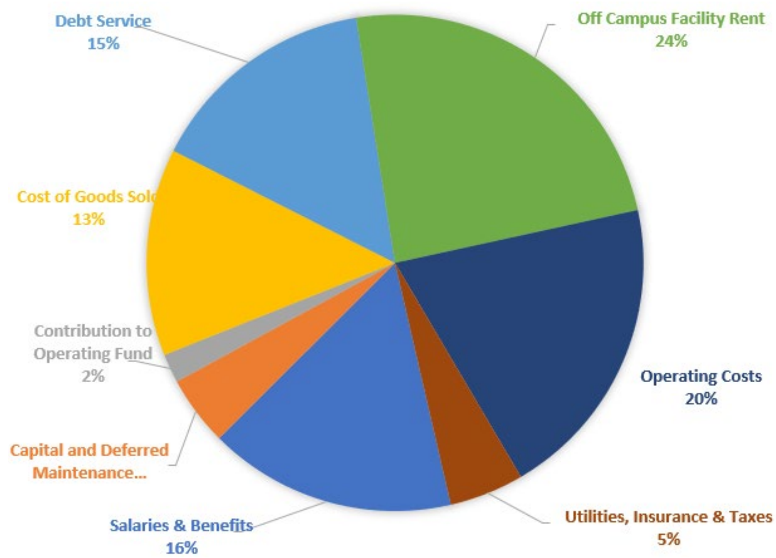


***Table 19**: Ancillary Services Internally Restricted Net Assets Forecast*

Summary *(In 000's)*	**Apr 2025** *(forecast)*	**Apr 2024** *(actual)*	**YoY Change**
Ancillary Unit Reserves	(953)	(3,330)	2,377
Major Repairs & Maintenance *(Residences & Food Services)*	5,069	4,962	107
Residence Building Reserve	3,110	3,162	(52)
Ancillary Services Internally Restricted Net Assets	**7,226**	**4,794**	**2,432**

The Ancillary Services Internally Restricted Net Assets (IRNA) currently is in a surplus position of $4.8 million. The 2024/25 forecast projects a positive contribution to ancillary unit reserves of $2.4 million to a deficit of $1.0 million. The major repairs and maintenance reserves will increase by $0.1 million. The Residence building reserve remains at $3.1 million. The Ancillary Services Internally Restricted Net Assets is projected to be in a net surplus of $2.9 million.

The Ancillary Services internally restricted net assets are important to support strategic initiatives and capital investments within this portfolio. While the operating expenses are significantly different from departments within the operating budget, there are significant resources dedicated to equipment and facility renewals within the ancillary portfolio. Much of the technology (hardware or software) requires ongoing investment and the franchise concepts in Food Services require capital investment for compliance with brand standards. The Residence and Off Campus Housing portfolio require significant facility renewals to address deferred maintenance and to remain competitive with student needs. Each ancillary unit has a dedicated reserve and distinct criteria that influence the dollar value and the prioritization of how the reserve funds are allocated.

Table 20: *2025/26 Ancillary Services Budget Summary*

2025/26 Ancillary Services Budget

In $000's

	Approved Budget 2024/25	Total Budget 2025/26	Change	% Chg
Revenue				
Residence Fees Revenue	33,623	34,763	1,140	3.4%
Other Revenue	23,524	25,289	1,765	7.5%
Revenue Total	**57,147**	**60,052**	**2,905**	**5.1%**
Salary & Benefit Expenses				
Full/Part Time Staff Costs	6,295	6,439	144	2.3%
Benefits	2,260	2,340	80	3.5%
Salary & Benefit Expenses Total	**8,555**	**8,778**	**224**	**2.6%**
Non-Salary Expenses				
Cost of Goods Sold	7,167	7,250	84	1.2%
Debt Service	7,968	8,045	78	1.0%
Off Campus Facility Rent	12,772	12,816	44	0.3%
Operating Costs	10,587	11,167	580	5.5%
Utilities, Insurance & Taxes	2,570	3,120	550	21.4%
Capital and Deferred Maintenance	2,409	3,676	1,267	52.6%
Contribution to Operating Fund	1,000	1,000	-	0.0%
Non-Salary Expenses Total	**44,472**	**47,074**	**2,602**	**5.9%**
Expense Total	**53,027**	**55,852**	**2,825**	**5.3%**
Net Surplus/(Deficit)	**4,120**	**4,200**	**80**	**1.9%**

Table 21: *2025/26 Ancillary Services Budget Detail*

2025/26 Ancillary Service Budget by Unit

In $000's

	Approved Budget 2024/25	Total Budget 2025/26	Change	% Chg
Business Development				
Revenue Total	-	14	14	-
Expense Total	147	114	(33)	(22.6%)
Surplus/(Defict)	**(147)**	**(100)**	**47**	**(32.1%)**
Conference Services				
Revenue Total	1,171	1,442	271	23.1%
Expense Total	991	1,260	269	27.1%
Surplus/(Defict)	**180**	**182**	**2**	**1.1%**
Food Services				
Revenue Total	2,596	3,087	491	18.9%
Expense Total	1,661	1,826	165	9.9%
Surplus/(Defict)	**934**	**1,261**	**327**	**35.0%**
Hawk Shops				
Revenue Total	9,280	9,308	28	0.3%
Expense Total	9,145	9,299	154	1.7%
Surplus/(Defict)	**135**	**9**	**(126)**	**(93.4%)**
HUB Operations				
Revenue Total	113	25	(88)	(77.9%)
Expense Total	99	24	(75)	(76.0%)
Surplus/(Defict)	**14**	**1**	**(13)**	**(91.0%)**
Off Campus Housing - Apartments				
Revenue Total	4,867	5,330	464	9.5%
Expense Total	5,327	5,631	304	5.7%
Surplus/(Defict)	**(460)**	**(300)**	**160**	**(34.8%)**

Table 21: *2025/26 Ancillary Budget Detail-Continued*

2025/26 Ancillary Service Budget by Unit

In $000's

	Approved Budget 2024/25	Total Budget 2025/26	Change	% Chg
Off Campus Housing - Houses				
Revenue Total	1,204	1,533	329	27.3%
Expense Total	1,184	1,403	219	18.5%
Surplus/(Defict)	**20**	**130**	**110**	**558.2%**
OneCard Operations				
Revenue Total	714	733	18	2.5%
Expense Total	707	698	(9)	(1.3%)
Surplus/(Defict)	**8**	**35**	**27**	**345.0%**
Parking & Transportation Resources				
Revenue Total	1,853	2,069	216	11.7%
Expense Total	1,428	1,593	165	11.5%
Surplus/(Defict)	**424**	**476**	**52**	**12.2%**
Printing Services				
Revenue Total	1,075	1,088	13	1.2%
Expense Total	1,043	1,029	(14)	(1.4%)
Surplus/(Defict)	**32**	**59**	**28**	**86.6%**
Residence Operations - Brantford Campus				
Revenue Total	3,906	3,720	(186)	(4.8%)
Expense Total	3,297	3,456	159	4.8%
Surplus/(Defict)	**609**	**264**	**(345)**	**(56.6%)**
Residence Operations - Waterloo Campus				
Revenue Total	30,368	31,703	1,335	4.4%
Expense Total	27,997	29,521	1,524	5.4%
Surplus/(Defict)	**2,371**	**2,182**	**(189)**	**(8.0%)**

Part F – Multi-Year Ancillary Services Budget Forecast

A multi-year planning approach is critical for ensuring institutional success and sustainability of the ancillary portfolio. These projections are building on the work of the 2025/26 Proposed Budget. The strategy lays the groundwork for Laurier and the Ancillary Services to succeed.

The Multi-Year Budget Forecast model for Ancillary Services starts with the 2025/26 Proposed Budget as the base. The model consistently applies specific revenue assumptions by organization and inflationary factors to expenses. The net result is used to project the year-end reserve balances.

These assumptions are based on the information available to management at the time of preparing the multi-year budget forecast. Strategic investment assumptions, essential requests, major capital improvements, impact of Asset Monetization, Food Services contract in 2027 and Milton campus have not, however, been included in future years.

Table 22: *Multi-Year Budget Forecast for Ancillary Services*

Multi-Year Ancillary Budget Forecast *(In 000's)*

	Budget 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30
Revenue					
Residence Fees Revenue	34,763	35,806	36,880	37,986	39,126
Other Revenue	25,289	26,171	26,927	27,764	28,652
Revenue Total	**60,052**	**61,977**	**63,807**	**65,751**	**67,778**
Salary & Benefit Expenses					
Full/Part Time Staff Costs	5,820	5,866	5,978	6,091	6,207
Benefits	2,206	2,275	2,330	2,388	2,446
Salary & Benefit Expenses Total	**8,027**	**8,141**	**8,308**	**8,479**	**8,653**
Non-Salary Expenses					
Cost of Goods Sold	7,250	7,249	7,356	7,482	7,613
Debt Service	8,045	8,082	8,083	8,085	8,086
Off Campus Facility Rent	12,816	13,200	13,596	14,004	14,424
Operating Costs	11,919	12,338	12,703	13,082	13,476
Utilities, Insurance & Taxes	3,120	3,236	3,358	3,486	3,620
Contribution to Operating Fund	1,000	1,000	1,000	1,000	1,000
Capital and Deferred Maintenance	3,676	4,467	4,604	4,744	4,889
Non-Salary Expenses Total	**47,826**	**49,573**	**50,700**	**51,883**	**53,107**
Total Expenses	**55,852**	**57,714**	**59,008**	**60,362**	**61,761**
Ancillary Net Surplus/(Deficit)	**4,200**	**4,263**	**4,798**	**5,389**	**6,018**

Assumptions:

In preparing the multi-year model, certain assumptions and estimates were necessary.

Revenue and Cost of Goods Sold:

The revenue projections are the foundation of the multi-year revenue budget forecast. These projections are based on the most likely outcomes given current plans and knowledge. The revenue assumptions directly impact the cost of goods sold for the applicable unit.

Table 23: *Multi-Year Assumptions - Ancillary Services*

Units:	BASE
Campus Stores Sales*	1% year-over-year increase in Academic Materials 2% to 4% year-over-year increase in in Supplies & Other 3% to 5% year-over-year increase in General Merchandise
Conference Services Sales & Events	Conference Services activities focused on multi-campus fiscal year activities
Food Services Sales Commission	Sales commission structure in place within the contract
Off Campus Housing Portfolio – Rental Fees	3% year-over-year increase in Rental Fees
OneCard Fees & Sales*	OneCard Fee revenue remains consistent with first year enrolment Business Growth in facilities rentals and commission revenue
Parking Resources Permit Fees	Actual year-over-year increase in Permit Fees are subject to staff and faculty collective bargaining negotiations
Printing Services Sales & Fees*	10% year-over-year increase on Printing Services 1% year-over-year increase on Fleet Printing
Residence Fees – Waterloo & Brantford Campuses	3% year-over-year increase in Residence Fees Higher vacancy rate on Brantford campus

** refers to Cost of Goods Sold commentary*

<u>Revenue Commentary:</u>

- Residence fees are projected to increase 3% year-over-year with a target occupancy of 97% on the Waterloo campus and target occupancy of 85% on the Brantford campus.
- The revenue targets for Hawk Shops are based on stretch goals to achieve a 3% increase year-over-year growth in year 1 and 2 followed by 5% increase year-over-year for general merchandise, 2% increase year-over-year increase year 1 and 2 followed by 4% increase year-over-year in supplies and 1% year-over-year growth on academic materials.
- Off Campus Housing portfolio rental fees are projected to increase 3% year-over-year with a target occupancy of 90% or greater.
- Conference Services & Events activities are expected to increase with a focus on the Brantford campus.
- Revenue from OneCard fees will remain at the same first-year enrolment intake in fiscal 2025/26. OneCard business operations growth in facilities rentals and commission revenue.

- New sales commissions percentages on meal plans and retail sales for Food Services.
- Printing Services modestly projects a 1% increase year-over-year cost recovery on fleet printing across the campuses and a revenue target of 10% increase year-over-year for Printing Services activities.
- Parking Resources permit fees are projected to increase year-over-year noting that permit fees increases are subject to collective agreement negotiations.

*** Cost of Goods Sold Commentary:**

- Hawk Shops cost of goods sold is adjusted based on a percentage of revenue for general merchandise, supplies and academic materials to reflect the current changes in operations and product mix.
- Printing Services cost of goods sold is based on a blended percentage of revenue for both fleet printing and Printing Services activities.
- OneCard cost of goods sold to reflect the inflationary adjustment to the cost of the dual chip cards even though the revenue is consistent with first-year enrollment.

Salaries & Benefit Expenses:

Salary & Benefits:	2026/27	2027/28	2028/29	2029/30
Salary increases (ATB)	2%	2%	2%	2%

Salary & Benefits Commentary:

- Collective agreements are in place for Ancillaries' two largest union groups (UFCW and WLUSA/OSSTF Staff) to July 2027 and June 2026 respectively. Across all scenarios, the same % has been assumed for forecast purposes only based on current settlements across the sector.

Non-Salary Expenses:

The Non-Salary expenses, i.e., inflationary factors or assumptions, have been held constant for the multi-year budget forecast. The inflationary factor is applied to non-salary expenses unless specifically indicated in the table below.

Not included in this projection are the following:

- Milton revenue/expenses pertaining to Ancillary Services operations.
- Essential requests, strategic initiatives, major repairs and capital improvements in future years.
- Impact of Asset Monetization
- Food Services Contract (2027)

Non-Salary Expenses:	**Assumption**
Inflation – general Inflation – Utilities	3% 5%
Contribution to Operating Fund	$1 million per year
Deferred Maintenance	Waterloo Residences Operations – 10% of total revenue Brantford Residences Operations – 5% of total revenue Food Services – 15% of commission revenue Parking Resources – fixed dollar amount per year

Part G – 2025/26 Consolidated Budget

On a consolidated basis, inclusive of operating and ancillary fund budgets, a surplus of $1.8 million is anticipated in 2025/26

Table 24: 2025/26 Consolidated Budget

2025/26 Consolidated (Operating & Ancillary) Budget

In $000's

	Approved Budget 2024/25	Total Budget 2025/26	Change	% Chg
Tuition Fees	184,259	189,829	5,570	3.0%
Enrolment Based Government Grants	105,241	124,123	18,882	17.9%
Residence Fees	33,623	34,763	1,140	3.4%
Other Income & Fees	70,534	80,420	9,886	14.0%
Revenue	**393,657**	**429,135**	**35,478**	**9.0%**
Salary & Benefit	266,464	288,835	22,371	8.4%
Non-Salary Expenses	130,428	138,458	8,030	6.2%
Total Expenses	**396,892**	**427,293**	**30,401**	**7.7%**
Surplus/(Deficit) Before Contributions	**(3,235)**	**1,843**	**5,078**	
Austerity Measures Savings	1,000	1,000		
Contribution to Reserves	(1,000)	(1,000)		
Milton Reserve Transfer	1,501	957	(544)	
Anticipated BEd funding		1,400	1,400	
Fund from Operating Stabilization Reserve	5,854		(5,854)	
Surplus/(Deficit) After Contributions	**4,120**	**4,200**	**80**	

Part H – Multi-Year Consolidated Forecast

On a consolidated basis, inclusive of operating and ancillary fund projections, a deficit is anticipated with growing magnitude in future years.

Figure 26 provides a very high-level overview of both the Operating and Ancillary Budget forecast over the next four years projecting a consolidated deficit of $30.6 million in 2029/30 in the Base case scenario without advocacy efforts. Figure 27 provides the same forecast on an accumulated basis projecting $73.7 million in 2029/30.

Figure 26: *Multi-Year Consolidated In-Year Forecast*

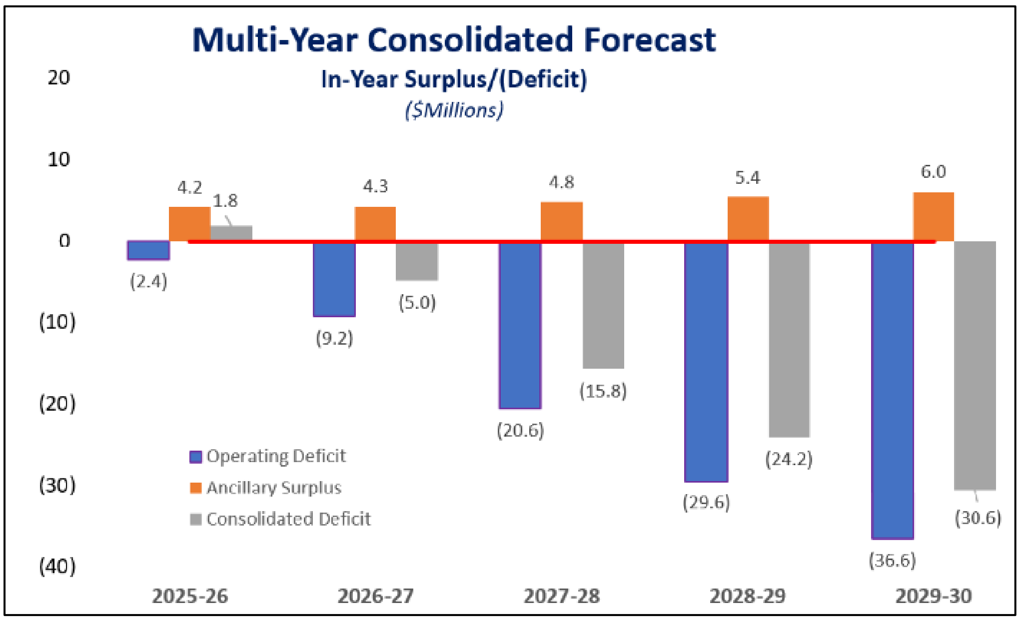
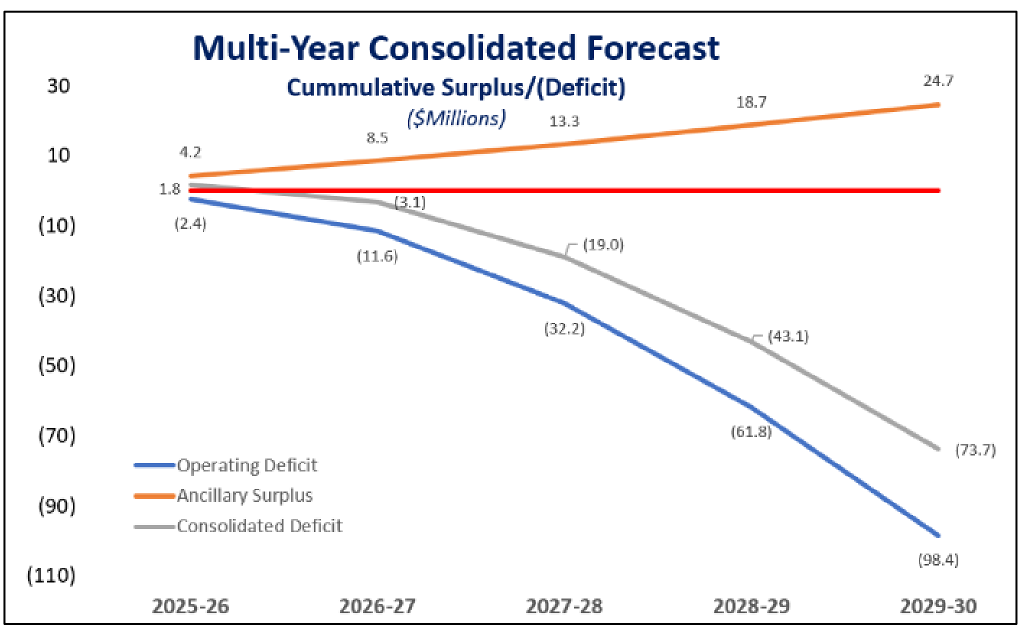


Figure 27: *Multi-Year Consolidated Forecast on a Cumulative basis*



Part I – Capital Budget Priorities and Funding Plan

Overview

Capital spending includes various types of expenditures such as construction projects, repairs and maintenance, property and building acquisitions as well as equipment, system and information technology expenditures. Funding for capital spending relies on a variety of sources, including the use of established reserves, departmental annual operating budget lines, central operating budget accounts, internal and external loans, student fee contributions, as well as strategies that rely on fundraising and partnership arrangements.

Through recent financial sustainability efforts, the areas of Financial Resources, Facilities and Asset Management, Information Communication & Technology, Ancillary and Student Services and Integrated Planning and Budgeting have worked to enhance capital planning and budgeting policies and processes. The Capital Planning Policy, and Capital Budgeting and Capital Debt policies are in place to enable clear understanding of the financial impacts and mitigate potential risks associated with capital projects.

Capital Projects Budget Process

All projects presented in the capital projects budget have been reviewed by the respective committees; Facilities capital projects are reviewed and endorsed by the Capital Projects Committee, and ICT projects are prioritized by the Digital Technology Steering Committee and Digital Executive Council. Facilities capital projects are prioritized based on established principles including: funding status (government, grant, donor funding), risk and regulatory requirements, contractual obligations, accessibility, revenue generation or expense reduction, student experience, as well as sustainability and facilities renewal considerations. For technology projects, prioritization is aligned with priority areas such as digital & technology enablers, compliance, and health and safety, as well as alignment with institutional priority areas and identified strategic risks.

Information and Communication Technology

For information and communications technology systems, funding of $1 million is included in the 2025/26 Capital Budget for prioritized projects. Continued work on Wi-Fi renewal will use the majority of this capital investment, with the remainder to be allocated to other projects as identified through the work of the Digital Technology Steering Committee, which reviews and assesses projects based on considerations including alignment to priority areas and mitigation of strategic risks. Many projects have both a capital and operating budget component, which limits the ability for approval of these projects given the scarcity of operating budget funding.

Table 25: *2025/26 Technology Project Priorities*

Project Name	Stakeholder	Brief Description	2025/26 Project Cost *(In Millions)*
Wi-Fi Renewal	ICT	Consolidate wireless technology and provide more reliable wireless coverage, performance, and security - component of a multi-year strategy	0.59
TBD	ICT	To be allocated to other Projects as Assessed by the Digital Technology Steering Committee	0.41
Total			**$1.00**

Equipment Replacement and Renewal Funds

In the operating budget, a central expense provision exists for the ongoing funding and budget oversight for expenditures related to capital renewal of equipment. No additional capital funding is required to fund these equipment renewal budgets. Table 26 lists the areas in which a renewal budget has been established. For the 2025/26 budget, all areas have resumed to their normal budget level with a small adjustment for Classroom Technology in Waterloo.

Table 26: *Equipment Renewal Budget*

Operating Budget	2024/25	2025/26	Change
Meeting Rooms	38,172	38,172	0
ICT Software	118,255	118,255	0
Desktop PC/Laptops	708,000	708,000	0
ICT Infrastructure	1,102,500	1,102,500	0
ICT Classroom Technology (Waterloo)	254,528	270,028	15,500
ICT Classroom Technology (Brantford)	91,928	91,928	0
Teaching Labs	245,300	245,300	0
Total ICT Renewal	**2,558,683**	**2,574,183**	**15,500**
Music Equipment	100,000	100,000	0
Science Equipment	100,000	100,000	0
Library	0	20,000	20,000
Athletic Equipment	100,000	100,000	0
Academic Furniture	50,000	50,000	0
Total Equipment Renewal Budget	**2,908,683**	**2,944,183**	**35,500**

Facilities Renewal Priorities

Facilities renewal expenditures, for most universities, continue to be a major challenge as aging buildings and infrastructure deteriorate. The amount of annual Facilities Renewal Program (FRP) funding through the government is anticipated to be $3.5 million in 2025/26 which will contribute to capital renewal needs but will not fully address the facilities renewal requirements of the university. These funds will be fully allocated to the Fred Nichols Campus Centre Chiller Replacement project to address facilities renewal work that was identified in the Asset Management Plan.

As outlined in the Asset Management Plan, a November 2020 review of expected future funding and potential sources for non-funded projects reflects a cumulative shortfall of $135 million over the next 10 years. To address this shortfall, Laurier plans to secure additional funds from a variety of sources, including government incentives and grants, fundraising, alumni donations, student contributions, additional university contributions and potentially asset monetization. Details of the analysis and cost projections are available in the Facilities Capital Plan 2021-2026.

The Facilities Capital Plan, prepared by the Facilities and Asset Management department, was approved by the Board in spring 2021. The plan identifies capital projects required to meet Laurier's present and future facilities needs in alignment with Laurier's strategic mandate and objectives. The plan also reflects a high-level prioritization and potential funding sources for these long-term investments.

The implementation of projects within the capital plan is dependent on the magnitude of available funds. The Capital Budget is provided for informational purposes and reflects projects that have received Board approval, as per the Capital Planning Policy. For 2025/26, this includes the Seagram Facility Phase 1B and 2A project, and the Fred Nichols Campus Centre Central Cooling Plant Retrofit and Upgrades project.

Figure 28: *Cumulative Annual Funding Needs included in the Asset Management Plan*

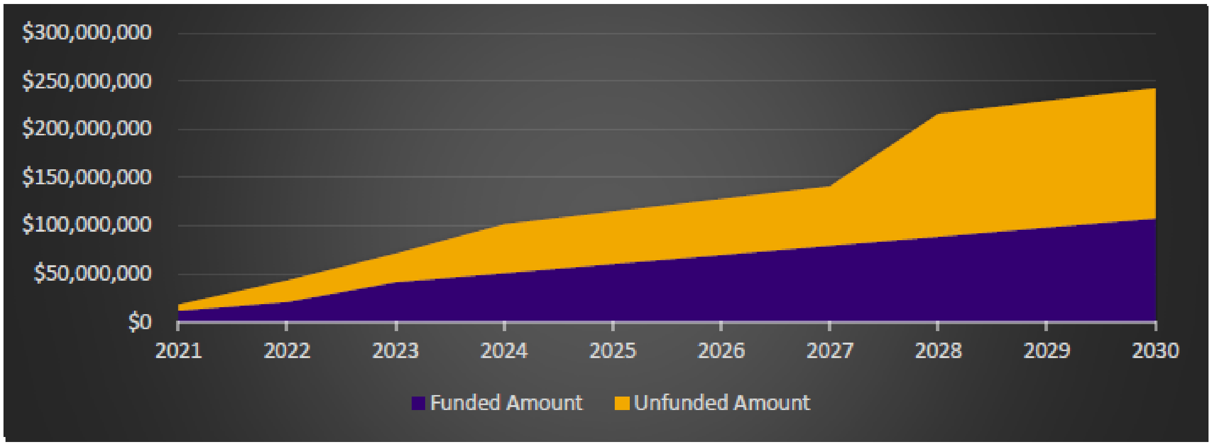


Table 27*: 2025/26 Facilities & Infrastructure Capital Project Priorities**

Project Name	Campus	2025/26 Project Cost *(In Millions)*
Fred Nichols Campus Centre Central Cooling Project	Waterloo	$1.0
Seagram's Athletics and Recreation Project Phase 1B and 2A	Waterloo	8.3
Laurier Academy of Music and Arts Roof Replacement	Waterloo	1.0
Replacement of Roof at Arts C	Waterloo	1.1
Waterloo Renewal and Renovation Projects	Waterloo	1.2
Brantford Renewal and Renovation Projects	Brantford	1.4
Laurier Milton Academic Centre Phase 2	Milton	2.5
DAWB Generator Ducting Reroute and Chimney Demolition	Waterloo	1.2
Library Interior Upgrades and Building Envelope Retrofit Design	Waterloo	1.2
Ancillary Services Facilities Renewal	Waterloo & Brantford	1.6
Total		**$20.5**

**Total project costs spanning multiple years may be greater than 2025/26 project costs*

The capital plan includes a further listing of projects which are assessed through principles of prioritization and strategic subthemes. Details on the capital planning process, the committee's work to prioritize capital projects, and further details regarding each of the projects are available in the *Facilities Capital Plan 2021 – 2026*.

Consolidated Capital Priorities and Funding Plan

The 2025/26 capital project list identifies a number of projects with estimated total cost of $24.47 million, including $1 million for ICT project priorities, $7.03 million of facilities renewal priorities across operating and ancillary fund components, as well as $2.94 million of equipment renewal.

***Table 28**: Consolidated Capital Priorities and Funding Plan (in Millions)*

Project Name	2025/26 Project Cost	Student Fee Contributions	Partner Contributions & Fundraising	Capital Reserve *	2025/26 Operating and Ancillary Budget Components: Equipment Replacement & Renewal	2025/26 Operating and Ancillary Budget Components: Facilities Renewal Funds ***	2025/26 Operating and Ancillary Budget Components: FRP Funding ****
Major Capital Projects							
Seagram's Athletics and Recreation Project Phase 1B and 2A	8.30	7.47	0.83				
Laurier Milton Academic Centre Phase 2	2.50			2.50			
Waterloo Renewal and Renovation Projects	1.20			1.20			
Brantford Renewal and Renovation Projects	1.40			1.00			0.40
Information and Communication Technology Project Priorities							
Wi-Fi Renewal	0.59			0.59			
To be allocated to projects prioritized by the Digital Technology Steering Committee	0.41			0.41			
Equipment Replacement and Renewal	2.94				2.94		
Facilities Renewal Priorities							
Fred Nichols Campus Centre Central Cooling Project	1.00	0.50				0.50	
DAWB Generator Ducting Reroute and Chimney Demolition	1.20						1.20
Library Interior Upgrades and Building Envelope Retrofit Design	1.20					0.40	0.80
Laurier Academy of Music and Arts Roof Replacement and Balcony Demolition	1.00					1.00	
Replacement of Roof at Arts C	1.10						1.10
Ancillary Services Facilities Renewal	1.63					1.63	
Total	**24.47**	**7.97**	**0.83**	**5.70**	**2.94**	**3.53**	**3.50**

* *Capital reserve comprised of proceeds from sale of assets*

** *Preliminary project planning estimates (prior to approval). Total cost includes multi-year project expenditures.*

*** *Facilities Renewal Funds refer to existing base budget to fund ongoing projects and repairs*

**** *FRP Funding refers to grants to assist post-secondary institutions to address ongoing maintenance repairs and renovations*

Appendix I: Acronyms used in Budget document

Acronym	Description
ATB	Across-the-Board
BC	Budget Council
BCT	Budget Coordinating Team
CPI	Consumer Price Index
CSS	Comprehensive Student Service
CSSAA	Comprehensive Student Services Administrative Agreement; *formerly known as Student Affairs Administrative Agreement (SAAA)*
CTF	Contract Teaching Faculty
DCT	Direct Cost of Teaching
ELT	Executive Leadership Team
FAM	Facilities Asset Management
FHSS	Faculty of Human and Social Sciences
FI&P	Finance, Investments and Property
FRP	Facilities Renewal Program
FFTE	Fiscal Full-Time Equivalent
FTE	Full-Time Equivalent
GAAP	Generally Accepted Accounting Principles
GR	Graduate
HC	Headcount
ICT	Information and Communications Technologies
IRCC	Immigration, Refugees, and Citizenship Canada
IRNA	Internally Restricted Net Assets
ISR	International Student Recovery
LEEP	Laurier Energy Efficiency Program
MCURES	Ministry of Colleges, Universities, Research Excellence and Security; *formerly known as Ministry of Colleges and Universities (MCU)*
OSSTF	Ontario Secondary School Teachers Federation
OTO	One Time Only
PBF	Performance-Based Funding
PSESF	Postsecondary Education Sustainability Fund
RCM	Responsibility Centre Management
SAAC	Student Affairs Advisory Committee
SEM	Strategic Enrolment Management
SIPG	School of International Policy and Governance
SMA	Strategic Mandate Agreement
STEAM	Science, technology, engineering, arts, and mathematics
STEM	Science, technology, engineering, and mathematics
UG	Undergraduate
UPP	University Pension Plan
WGU	Weighted Grant Unit
WLIC	Wilfrid Laurier International College
WLUFA	Wilfrid Laurier University Faculty Association
WLUSA	Wilfrid Laurier University Staff Association
WLUGSA	Wilfrid Laurier University Graduate Student Association
WLUSU	Wilfrid Laurier University Student Union
YAMPE	Year's Additional Maximum Pensionable Earnings

Appendix II: Glossary of Budget Terms

Term	Definition
Ancillary budget	This budget accounts for most of the operations provided as supplementary to the primary function of instruction and research. Although an integral part of the institution's total operations, they are reported separately. It includes sales producing operations ancillary to the normal functions of instruction and research. Ancillary operations typically include bookstores, food services (dining hall, cafeterias, and vending machines), residences, parking, university press, publishing, laundry services, property rentals, university facility rentals, theatres, and conference centres.
Appropriation	Based on an approved budget, an authorization for spending specific amounts of money for specific purposes during specific periods of time. Presented in a resolution or ordinance adopted by the governing body.
Audited Financial Statements	Financial statements that have been prepared in accordance with Generally Accepted Accounting Principles and reviewed by an independent accounting firm who verifies that the statements are fairly and appropriately presented, without any identified exceptions, and in compliance with generally accepted accounting principles (GAAP). Unlike internal management reports, audited financial statements are prepared and presented in a very prescribed way to allow for consistent reporting across similar entities, and comparable reporting for the individual entity year-over-year. While budgets are prepared on a forward-looking basis, Audited Financial Statements are prepared on historic looking basis (e.g., they report on the previous fiscal year's actual performance).
Base funding	Refers to the revenue (tuition, grant, other income) that is expected to be received annually. Base funding provides predictability in resources available to commit to long-term, sustained expenses that are more permanent in nature such as salaries and benefits and other fixed operating costs. Base funding is a concept related to forward looking budgeting.
Budget (5.2)	Written report showing the university's comprehensive financial plan for one fiscal year, including estimated revenues and expenditures for the year. For Laurier, the "Budget" is provided for in three separate, but related budgets: the "Operating Budget," "Ancillary Budget" and "Capital Budget."
Budget policy	The university's fiscal policy is to plan for a surplus operating fund budget, and surplus ancillary fund budget, where total cash revenues are to exceed total cash expenses. Surplus revenues exceeding budget will be used to strengthen university reserves to support financial sustainability (through strong balance sheet performance), provide risk mitigation for future fiscal challenges, and provide a source of funding for capital projects and facilities renewal requirements.

Term	Definition
Capital costs / budgets	Capital costs are expenditures incurred for the purpose of maintaining and upgrading physical infrastructure and equipment necessary for operations. Capitals costs include investment in new buildings, construction, and system implementation (digital strategy projects) as well as maintenance of existing facilities, infrastructure and assets.
Carry forward	Carry-forward refers to surplus funds that can be “carried-forward” from one fiscal year to the next. At Laurier, units may have a carry-forward (or retained surplus) balance established through prior year surplus, which may be available for future years. At the entity level, carry-forward can also be referred to as a cumulative surplus/deficit, and represents the balance of prior years’ surplus and deficit contributions.
Contingency Fund	Money allocated within the Operating Budget for use in cases of emergency or to cover unforeseen expenditures.
Corridor Funding Model	The primary mechanism to determine enrolment-based funding allocations for institutions in Ontario. The mechanism determines the corridor’s minimum (the “floor” of the corridor) and maximum (the “ceiling” of the corridor) enrolment within which the institution receives predictable funding, based on the pre-determined corridor midpoint. An institution’s enrolment-based funding only changes if its enrolment falls below the corridor floor. See (Growing) Moving Average
Debt-to-revenue ratio	A measure of an organization’s financial leverage, calculated by dividing its total debt by its total revenue.
Deferred Maintenance	The postponement of maintenance activities such as property repairs to save money. Typically, the term “Deferred Maintenance” is used to refer to the total cost of facility renewal projects that are backlogged due to funding constraints.
Deficit	A financial situation where expenses exceed revenue resulting in a negative balance.
Designated Learning Institution (DLI)	A DLI is a school approved by a provincial or territorial government to host international students.
Enrolment Envelope	Provincial operating grant funding related to enrolment; Part of SMA-Related Funding, this envelope is based on a corridor midpoint measured in weighted grant units (WGUs)
Expenditures	Expenditures (expenses) are the use of funds for goods and services. On a cash basis, expenditures are reflected as they are paid. On an accrual basis, expenditures are reflected when the goods or services are received, regardless of the date of monetary transaction.

Term	Definition
Fiscal full-time equivalent (FFTE/FTE) student	Fiscal Full-time Equivalent/Full-time Equivalent. For Undergraduate students, 1.0 is equivalent to 10 half-credit course registrations. For Graduate students 1.0 is equivalent to one full-time student headcount; a part-time graduate student is 0.3 FTE.
Headcount enrolment	A count of the number of students enrolled in programs at Laurier; refers to the number of students, regardless of course load, and includes both full and part-time students. The Fall academic term is normally used as the benchmark for measuring year-over-year enrolment changes.
Financial Accountability Framework	The Province's University Financial Accountability Framework consists of financial metrics, associated thresholds, and action plans, from which an overall risk rating and action plan for each university are derived. Risk ratings will be assessed annually. The inputs for the calculation of financial metrics are: • University audited financial statements • University credit rating reports
Fiscal year/ year end	A fiscal year is used for accounting purposes and for preparing annual financial statements. Laurier's fiscal year is May 1 to April 30. Year-end is the last day of the end of the fiscal year (i.e., April 30).
Forecast	An estimated prediction of Laurier's future financial position, based on anticipated revenues and expenditures known at the time of development.
Fund	A division in a budget segregating independent fiscal and accounting requirements. An entity within the financial plan designated to carry on specific activities or to reach certain objectives.
Fund Accounting	Fund accounting classifies resources for accounting and reporting purposes in accordance with activities or objectives as specified by donors, governing agencies or other sources in accordance with regulations, restrictions, or limitations imposed by sources outside of the University, or in accordance with directions issued by the governing body of the institution.
GAAP	GAAP = Generally Accepted Accounting Principles - a set of accounting rules, standards, and procedures that ensure consistency, accuracy, and transparency in financial reporting.
(Growing) Moving Average	Assessing enrolment for the purposes of determining an institution's position relative to its corridor midpoint, corridor floor and corridor ceiling is based on total number of funding-eligible WGUs. Enrolments are assessed using a five-year moving average of WGUs, slipped one year to determine each university's enrolment position within its corridor. Initially, this was a Growing Moving Average when first implemented in 2017/18, with 2016/17 WGUs making up the entire calculation, and then the time period lengthening to include subsequent years of WGUs as available (e.g., for 2019/20, the

Term	Definition
	Growing Moving Average included 2016/17 WGUs x 3 + 2017/18 WGUs + 2018/19 WGUs).
Non-GAAP	Non-GAAP financial measures provide additional information about the institution. They can help management tell the institutions story to the WLU community. They can help show a more accurate picture of past and on-going performance. Non-GAAP financial measures are disclosed outside of financial statements and present financial results differently from the financial statements. Non-GAAP financial measures are developed by management and are typically unaudited.
Interest burden ratio	A financial metric that shows the proportion of an organization's revenue that is used to pay interest on its debt.
Internal Management Reports	At Laurier, internal management reports refer to the quarterly financial statements that summarize the University's financial performance against the Board-approved budget. The purpose of internal management reports is to provide in-year monitoring of the university's financial performance, to enable effective decision making and risk mitigation. Laurier prepares internal management reports for the operating fund and ancillary fund In preparing for Audited Financial Statements, the internal management report is consolidated with other fund reports (research, endowment, capital, etc.) and receives a number of adjustments to align with GAAP requirements prior to review by external auditors.
International Student Recovery	A reduction in operating grant based on the number of international undergraduate and non-PhD graduate students.
Liquidity ratio	Financial metrics used to determine an organization's ability to pay off its short-term debts with its current assets.
Operating Fund / Budget	The operating fund/budget includes tuition, grant, fees and other generally unrestricted revenue, and funds the costs of instruction and research (other than sponsored or contract research), academic support services, library, student services, administrative services, plant maintenance and other operating expenses of the university that are largely related to instruction and research.
One-time Only (OTO) funding	Expenses/funding that occur in the current year only and do not carry forward into the following fiscal year.
Performance/ Outcome-based Funding	A portion of the Differentiation Envelope; Creation of the Performance-based Grant links a portion of provincial operating grant funding to the University's performance on a set of metrics established through the Strategic Mandate Agreement that measure student and community outcomes.

Term	Definition
Internally Restricted Net Assets	Internally Restricted Net Assets are those assets (net of liabilities) that the Board of Governors has designated for certain purposes and do not have any external restrictions imposed on them. Such amounts include, but are not limited to, sinking fund contributions, capital reserves, and carryforward of unspent amounts.
Revenue	Ontario university revenue is the total income a university receives from a variety of sources, including tuition, grants, donations, and other fees. On a cash basis, revenue is reflected as it is paid. On an accrual basis, revenue is reflected when the goods or services are delivered or completed, regardless of the date of monetary transaction. Laurier follows the deferral method of accounting for contributions. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
Sinking Fund	A sinking fund is a fund that includes funds set aside to pay off a loan or debt. For Laurier, the current sinking fund includes planned contributions and investment returns which will provide funds to address a debenture obligation. A sinking fund helps ease the burden of a significant revenue outlay in a particular fiscal period.
Shared Services	The units that provide services to the university as a whole, such as Human Resources, student services, ICT, FAM, etc. Shared Services support and enhance the academic enterprise, through direct support to faculties or indirect support to other shared services.
Strategic Mandate Agreement (SMA)	Bilateral agreements established between the Ministry of Colleges and Universities and the Province's publicly funded colleges and universities. The University is reaching the end of SMA3 (2020-2025) and is in the process of negotiating SMA4 (2025-2030).
Structural budget deficit	A planned deficit that persists over multiple years, resulting from budgeted expenditures that chronically exceed budgeted revenue. Structural budget deficits can exist regardless of actual year-end performance on audited financial statements as the structural deficit typically is found in the operating budget. Other variables can impact the actual year end position that show the university performing favourable even though a revenue/expenditure imbalance exists for the operating budget in isolation.
Student Headcounts	A count of the number of students enrolled in programs at Laurier; refers to the number of students, regardless of course load, and includes both full and part-time students. The Fall academic term is normally used as the benchmark for measuring year-over-year enrolment changes.
Surplus	A financial situation where revenues exceed expenses resulting in a positive balance.
Targets (Budget)	Budget targets are a % reduction that units are required to achieve. Targets consider departmental needs and priorities while also balancing the greater financial health of the university as a whole.

Term	Definition
Tuition (Grant Eligible)	Tuition fees from students who are eligible for operating grant funding from the Provincial Government. For example, domestic students in publicly funded programs.
Tuition (Grant Ineligible)	Tuition fees from students who are not eligible for operating grant funding from the Provincial Government and/or programs not eligible for operating grant funding. For example, full cost recovery or self-funded programs, and most international students.
Unfunded students	Students who are enrolled at the institution but do not receive government funding (if the university enrolls more students than its corridor midpoint).
Variance	A budget variance is the difference between the budgeted or baseline amount of expense or revenue, and the actual amount. The budget variance is favorable when the actual revenue is higher than the budget or when the actual expense is less than the budget.
Weighted Grant Unit (WGU)	The basic units of measurement for per student funding in the Ontario postsecondary system's corridor model. WGU values vary from program to program, reflecting the historical differences in the relative costs of program delivery. WGUs were introduced in 2017-18 as part of the new provincial operating grant funding corridor model. The weighting factors for calculating WGUs were revised from those used previously in order to create equal funding per weighted student enrolment for students in similar programs across all institutions as well as a common WGU value.