

Financial Questions presented by AUFA to the Administration regarding the financial statement and the revised budget of June 6th, 2020.

First Quarter Results:

The first quarter of the 2020-2021 fiscal year is complete.

1. How did the actual financial numbers compare to the budget projections?
2. How did the actual financial numbers compare to previous years?

Financial Statements:

1. Why haven't the 2019-2020 financial statement been released?
2. Can this be released immediately to the University Community?
3. Has the 2019-2020 list of Public Sector Employment Compensation Disclosure Act list been released? Can this be posted to the HR website as required?

Deferred Maintenance

1. What is the breakdown of plant and deferred maintenance? In the 2018 Budget Advisory committee meetings, we were told that this line is comprised of deferred maintenance, utilities, and a portion of externally contracted services. Please breakdown the ~\$10M into these 3 categories. In your letter of June 25th, you indicated that deferred maintenance budget was going to be reduced by \$2M yet the restated budget only shows a drop of \$769K.
2. Does the \$1.75M provincial deferred maintenance grant require matching dollars or does it offset \$1.75M in deferred maintenance expenditures? i.e. does the university have to spend any further funds to get the \$1.75M?

Operational Expenses

3. What is the expenditure of \$1.799M in Academic Support comprised of? Is this truly an expense or is it a capital cost? i.e. is it purchasing equipment?
4. The revenue projections are based on a decrease in students but there is an increase of \$50K in scholarships and bursaries? Why? Shouldn't a decrease in students equal a decrease in scholarships and bursaries? Are student athletes still being given athletic scholarships even though there will be no varsity sports played this year?
5. Open Acadia shows a decrease in spending of \$578K yet we have been told that they have hired 10 students to work for them. What is the decrease comprised of?
6. During the Open Acadia virtual education workshops, we have been informed that they are buying equipment to use and to teach professors how to use. Where is this expenditure being tracked? How much have they spent?
7. Administration and University Support has increased by \$35K. Why?
8. \$356K has been designated for Special Projects. What are these projects, and can they be put on hold during the pandemic?
9. In the budget advisory committee, we were told that there was a \$500K contingency fund. Has this fund been removed from the budget?

Principal & Interest payments

10. Short term interest is forecasted to increase by \$22K. Did the university take out a short-term loan? In what amount? Why?
11. Principal payments decreased by \$266K which we were told was a loan being paid off. Is Acadia paying down the principal on its loans at an accelerated rate? If so, can this be stopped during the pandemic.
12. Long term interest has decreased by \$95K between 2019 and 2020's budget. Is this associated with the loan that was paid off? If so, what was the size of the loan paid off? According to the 2019 financial statements, the Wheelock load of \$272K was supposed to be paid off in January 2020. Long term interest of \$95K on a \$272K loan for a period of 10 months seems excessive.
13. Banks are offering to renegotiate loans during the pandemic. Has the University reached out to its lenders to renegotiate their loans? If not, why not? If you did reach out to your lenders, what was their response?

Salary mitigation

14. Salary Spending Mitigation is listed at \$1.48M. What is the breakdown by group? For example, how much of this amount is allocated to AUFA (full-time, part-time, non-permanent CLT), AUPAT, SEIU, and Administration?
15. In your July 3rd email, we were told that the \$1.48M in salary spending mitigation amounted to 5% of the total Acadia salary envelope. $\$29.6M \times 5\% = \$1.48M$ yet the total Acadia salary envelope is much more than that (according to the 2019 Acadia Financial statements, salary and wages were ~\$48.3M). What salaries are being exempted from the mitigation and why? We were also told in your June 25th letter that the reduction in CLTs and part-time could total as much as \$1.3M. Is this \$1.3M in the \$1.48M salary mitigation? (which means that faculty are being asked to shoulder 88% of the salary mitigation). Also in your June 25th letter, you indicated that faculty COLA was calculated at \$550K. Added to the \$1.3M in CLT and part-time reductions comes to \$1.855M which is considerable greater than the \$1.48M in salary mitigation in the budget. Why is there such a large discrepancy in the numbers? Not to mention that the announced CERB layoffs and COLA rollbacks to administration and AUPAT have not even been accounted for.
16. Since the budget was developed early in June 2020, the following have been reported to the union: four retirements (one which was an administrator who didn't return to the bargaining unit), one resignation, one leave of absence without pay and one early retirement. In addition, there is at least one resignation for January 2021 that has already been tendered. The total salary savings for these individuals is in excess of \$600K. Will this amount reduce the Salary mitigation amount?
17. We have been told that Acadia will not be fulfilling its obligations in hiring lectures/lectrices/PADs this year. Are these salaries that are not being spent part of the Salary mitigation?
18. We have been told that there is a new CRC starting in July 2020. Is the \$100K CRC grant from the federal government included in the reduction of \$28K in faculty salaries? Or is it in salary mitigation? Why is the reduction in the spend on faculty salaries only \$28K when there were faculty resignations where the salaries were in excess of \$100K?

Revenue

19. In your revenue projections of June 25th, you show that the original budget for residence occupancy was 1,320 with revenue of \$11.319M. This equates to approximately \$8,575 per student. In the revised budget, you indicate that occupancy will be 1,100 and revenue will be \$8.798M which is only ~\$8K per student. Why the drop in revenue? Also, the difference between these two columns is 220 fewer students and \$2.521M in revenue which equates to approximately \$11.5K per student. Why is there a \$3K difference in the individual student spend?

Budgets

20. Acadia has run operating deficits from 2006 – 2012 and again from 2015 – 2017. The Operating Deficit in 2008 was over \$5.5M. Why is the current projected \$6.8M deficit so critical to resolve in one year when Acadia has a history of posting multi-year operating deficits?

Internally Restricted Assets

21. On the 2019 financial statements, there is \$9M in internally restricted assets. What are the restrictions on these assets? Why can they not be used to cover the budget shortfall?