

Consolidated Financial Statements of

CARLETON UNIVERSITY

Year ended April 30, 2023

CARLETON UNIVERSITY

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Year ended April 30, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors of Carleton University

Opinion

We have audited the consolidated financial statements of Carleton University (the "Entity"), which comprise:

- the consolidated statement of financial position as at April 30, 2023
- the consolidated statement of operations for the year then ended
- the consolidated statement of changes in net assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the consolidated financial position of the Entity as at April 30, 2023, and its consolidated results of operations, its consolidated changes in net assets and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditor's Responsibilities for the Audit of the Financial Statements***" section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.



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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

October 20, 2023

CARLETON UNIVERSITY

Consolidated Statement of Financial Position

April 30, 2023, with comparative information for 2022
(in thousands of dollars)

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents	\$ 470,722	\$ 507,947
Marketable securities	312,568	301,108
Accounts receivable (note 3)	37,983	31,946
Prepaid expenses	9,787	10,200
Current portion of net investment in lease (note 5)	1,066	999
	<u>832,126</u>	<u>852,200</u>
Investments (note 4)	378,197	347,122
Net investment in lease (note 5)	3,675	4,742
Tangible capital and intangible assets (note 6)	700,414	705,099
Collections (note 7)	24,947	24,909
	<u>\$ 1,939,359</u>	<u>\$ 1,934,072</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 51,540	\$ 52,871
Deferred revenue (note 9)	147,171	139,925
Accrued leave	20,496	19,148
Current portion of long-term debt (note 10)	4,858	4,582
	<u>224,065</u>	<u>216,526</u>
Long-term debt (note 10)	265,544	270,402
Deferred capital contributions (note 11)	180,699	186,327
Employee future benefits liability (note 12(a))	94,116	112,479
	<u>\$ 764,424</u>	<u>\$ 785,734</u>
Net assets:		
Unrestricted deficiency	(93,680)	(107,155)
Internally restricted (note 13(b))	442,715	443,239
Investment in tangible capital and intangible assets (note 14)	439,530	444,079
Investment in collections (note 7)	24,947	24,909
Endowments (note 15)	361,423	343,266
	<u>1,174,935</u>	<u>1,148,338</u>
Contingent liabilities and commitments (notes 16)		
	<u>\$ 1,939,359</u>	<u>\$ 1,934,072</u>

See accompanying notes to consolidated financial statements.

CARLETON UNIVERSITY

Consolidated Statement of Operations

April 30, 2023, with comparative information for 2022
(in thousands of dollars)

	2023	2022
Revenue:		
Government grants for general operations	\$ 176,680	\$ 170,832
Fees	348,309	349,278
Research grants and contracts	82,378	73,351
Sales and services	19,890	11,069
Donations	27,432	11,279
Investment income	37,940	20,716
Amortization of deferred capital contributions (note 11)	12,946	13,051
Other revenue (note 17 and Schedule 1)	21,204	17,577
	<u>726,779</u>	<u>667,153</u>
Expenses:		
Salaries	378,710	367,778
Benefits	40,139	39,938
Scholarships and bursaries	58,872	58,562
Amortization of tangible capital and intangible assets	44,191	41,143
Other expenses (note 18)	59,492	36,652
Externally contracted services and fees	34,423	35,146
Employee future benefits (note 12(b))	36,220	33,163
Renovations	31,343	31,518
Supplies	14,932	12,507
Utilities	14,389	11,789
Minor equipment and furnishings	16,309	11,600
Interest	2,383	2,590
Travel	9,144	2,561
	<u>740,547</u>	<u>684,947</u>
(Deficiency) of revenue over expenses	<u>\$ (13,768)</u>	<u>\$ (17,794)</u>

See accompanying notes to consolidated financial statements.

CARLETON UNIVERSITY

Consolidated Statement of Changes in Net Assets

Year ended April 30, 2023, with comparative information for 2022
(in thousands of dollars)

	Unrestricted	Internally restricted (note 13(b))	Investment in tangible capital and intangible assets (note 14)	Collections (note 7)	Endowments (note 15)	2023 Total	2022 Total
Net assets (deficit), beginning of year	\$ (107,155)	\$ 443,239	\$ 444,079	\$ 24,909	\$ 343,266	\$ 1,148,338	\$ 1,206,554
Change in accounting policy (note 2)	(9,610)	–	–	–	–	(9,610)	–
Revised net assets/(deficit), beginning of year	(116,765)	443,239	444,079	24,909	343,266	1,138,728	1,206,554
Deficiency of revenue over expenses	(13,768)	–	–	–	–	(13,768)	(17,794)
Employee future benefit re-measurements and other items (note 12(c))	36,549	–	–	–	–	36,549	(27,777)
Internally imposed restrictions	(3,160)	(524)	–	–	3,684	–	–
Internally endowed restrictions	(1,085)	–	–	–	1,085	–	–
Net change in investment in tangible capital and intangible assets (note 14)	4,549	–	(4,549)	–	–	–	–
Contributions to collections (note 7)	–	–	–	38	–	38	–
Endowment contributions and investment income (note 15)	–	–	–	–	8,203	8,203	21,186
Unrealized (loss) gain on endowment investments (note 15)	–	–	–	–	5,185	5,185	(33,831)
Net assets (deficit), end of year	\$ (93,680)	\$ 442,715	\$ 439,530	\$ 24,947	\$ 361,423	\$ 1,174,935	\$ 1,148,338

CARLETON UNIVERSITY

Consolidated Statement of Changes in Net Assets (continued)

Year ended April 30, 2023, with comparative information for 2022
(in thousands of dollars)

	Unrestricted	Internally restricted (note 13(b))	Investment in tangible capital and intangible assets (note 14)	Collections (note 7)	Endowments (note 15)	2023 Total	2022 Total
Details of year-end balance:							
Plant	\$ 436	\$ –	\$ –	\$ –	\$ –	\$ 436	\$ 4,647
Ancillary	–	–	–	–	–	–	677
Provision for employee future benefits (note 12(a))	(94,116)	–	–	–	–	(94,116)	(112,479)
Appropriations – Operating	–	335,187	–	–	–	335,187	355,969
Research	–	58,801	–	–	–	58,801	54,417
Appropriations – Ancillary (Schedule 1)	–	35,782	–	–	–	35,782	22,394
Entrepreneurial initiatives	–	5,132	–	–	–	5,132	4,722
Professional expense	–	4,181	–	–	–	4,181	4,207
Sinking Funds	–	3,622	–	–	–	3,622	1,518
Scholarships	–	10	–	–	–	10	12
Tangible capital and intangible assets	–	–	439,530	–	–	439,530	444,079
Collections	–	–	–	24,947	–	24,947	24,909
Endowment	–	–	–	–	361,423	361,423	343,266
Net assets (deficit), end of year	\$ (93,680)	\$ 442,715	\$ 439,530	\$ 24,947	\$ 361,423	\$ 1,174,935	\$ 1,148,338

CARLETON UNIVERSITY

Consolidated Statement of Cash Flows

Year ended April 30, 2023, with comparative information for 2022
(in thousands of dollars)

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ (13,768)	\$ (17,794)
Add (deduct) non-cash items:		
Amortization of tangible capital and intangible assets	44,191	41,143
Amortization of deferred capital contributions	(12,946)	(13,051)
Unrealized losses (gains) on investments and marketable securities	(4,090)	26,834
Net change in other non-cash operating working capital (note 19)	1,639	16,710
Changes relating to employee future benefits:		
Employee future benefits contributions (Note 12(b))	(27,644)	(27,511)
Employee future benefits expenses (Note 12(b))	36,220	33,163
Net cash provided by operating activities	23,602	59,494
Financing activities:		
Issuance of debenture	–	220,000
Decrease in loans payable (note 10(a))	(4,582)	(4,323)
Capital contributions received (note 11)	7,318	7,851
Endowment contributions and investment income	8,203	21,186
Net cash used in financing activities	10,939	244,714
Investing activities:		
Net change in investments	(33,260)	(216,192)
Decrease in net investment in lease	1,000	935
Tangible capital and intangible assets additions	(39,506)	(43,713)
Net cash used in investing activities	(71,766)	(258,970)
Increase (decrease) in cash and cash equivalents	(37,225)	45,238
Cash and cash equivalents, beginning of year	507,947	462,709
Cash and cash equivalents, end of year	\$ 470,722	\$ 507,947
Consisting of:		
Cash and cash equivalents on deposit	\$ 38,510	\$ 306,630
Outstanding cheques	(4,625)	(4,172)
Short-term bond and mortgage fund	210,846	205,489
GIC	225,991	–
	\$ 470,722	\$ 507,947

See accompanying notes to consolidated financial statements.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements

Year ended April 30, 2023
(in thousands of dollars)

1. Description:

Carleton University (the “University”) was incorporated as a university in 1943 under the laws of the Province of Ontario. The University is dedicated to providing post-secondary and graduate education and to conducting research.

The University is a registered charity and therefore is, under section 149(1)(f) of the Income Tax Act (Canada), exempt from payment of income tax.

The consolidated financial statements reflect the assets, liabilities, net assets, revenue, expenses and other transactions of all of the operations and organizations controlled by the University. Accordingly, these consolidated financial statements include the academic, administrative and other operating expenditures funded by fees, grants and other general revenue; restricted purpose endowment funds and ancillary operations. These consolidated statements also include the assets, liabilities, deficit and operations of the University’s subsidiary and joint ventures as follows:

Sudbury Neutrino Observatory Institute is a joint venture of the University and four other Canadian universities, which performs research in sub-atomic physics. The University’s proportionate share of the Institute’s operations has been included in these consolidated financial statements.

The University is a member, along with 20 other universities, of TRIUMF, which performs research in particle and nuclear physics and is located on the campus of the University of British Columbia (UBC). Prior to June 1, 2021, TRIUMF was a joint venture and was an unincorporated registered charity. On June 1, 2021, TRIUMF transferred all of its assets and liabilities to TRIUMF Inc., a not-for-profit corporation and the University became a member of the corporation with the 13 other universities. . On March 6 2023, 7 universities joined TRIUMF increasing the membership to 21 universities. Each university has an undivided 1/21 interest 4.76%. (2022 - 7.14%) in its assets, liabilities and obligations. The land and buildings it occupies are owned by UBC. The facilities and its operations are funded by federal government grants, and the University has made no direct financial contribution to date. TRIUMF’s net assets are not contemplated to be and are not readily realizable by the University. The University’s proportionate share of TRIUMF’s operations has been included in these consolidated financial statements.

Carleton University Foundation (U.S.) (the “Foundation”) was incorporated without share capital on February 12, 1996 under the District of Columbia Non-Profit Corporation Act. The Foundation is not included in these consolidated financial statements. The objects of the Foundation, as established by the Internal Revenue Code of 1986, are to accept, receive, manage and distribute money and other property to support education and research at the University. The Foundation had minimal activity in the year.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

2. Summary of significant accounting policies:

The consolidated financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations, and include the following significant accounting policies.

(a) Basis of presentation:

The University uses the deferral method of accounting for contributions for not-for-profit organizations.

These consolidated financial statements do not reflect the assets, liabilities and results of operations of the various student organizations at the University, or the Foundation.

(b) Cash and cash equivalents:

Cash and cash equivalents include deposits with financial institutions that can be withdrawn without prior notice or penalty and short-term deposits with an original maturity of ninety days or less.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The University has elected to carry its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the University determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the University expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

The University is party to certain derivative financial instruments, principally interest rate swaps.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

2. Summary of significant accounting policies (continued):

(c) Financial instruments (continued):

The University accounts for interest rate swaps as hedges. The University uses the accrual basis of accounting for hedges. At the inception of the hedging relationship, the University designated that hedge accounting would be applied and formally documented the hedging relationship between the swap and the loan. At inception and throughout the loan period, the critical terms of the swap and the loan are the same.

Gains or losses realized on settlement are deferred until the settlement of the swap. Payments and receipts under the interest rate swaps are recognized as adjustments to interest expense on long-term debt. The fair value of the swap is not recorded on the consolidated statement of financial position, but is disclosed in note 10(d).

(d) Tangible capital and intangible assets:

Purchased tangible capital and intangible assets are recorded at cost. Donated tangible capital and intangible assets are recorded at an appraised value established by independent appraisal in the period received by the University. Land acquired prior to May 1, 2011 are recorded at deemed cost, being its fair value at May 1, 2011, the transition date to Canadian accounting standards for not-for-profit organizations. All subsequent purchases are recorded at cost.

Amortization is provided on a straight-line basis over the estimated useful life of the asset. When components of a capital asset have different useful lives, they are accounted for as separate items of capital assets and depreciated separately.

The estimated useful lives of assets are as follows:

Asset	Useful life
Tangible capital assets:	
Buildings and its components	20 to 40 years
Cogeneration facility	25 years
Equipment and furniture	10 years
Computer equipment	4 years
Automobiles	5 years
Library holdings	10 years
Intangible assets:	
Software	4 years

Construction costs are capitalized as work progresses and amortization commences in the period that the asset is available for use.

When a tangible capital or intangible asset no longer contributes to the University's ability to provide services, its carrying amount is written down to its residual value.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

2. Summary of significant accounting policies (continued):

(e) Art collection:

Purchases of items to be included in the collection are expensed. Donations of items to be included in the collection are recorded as direct increases in net assets at an appraised value established by independent appraisal in the period received by the University.

(f) Deferred capital contributions:

Contributions received for tangible capital and intangible assets are deferred in the accounts and amortized over the same term and on the same basis as the related capital asset.

(g) Recognition of revenue and other contributions:

(i) Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(ii) Contributions and investment income externally restricted for purposes other than endowment are deferred and recognized as revenue in the period in which the related expenses are recognized.

(iii) Endowment contributions and restricted investment revenue earned for re-endowment are recognized as direct increases in net assets in the period in which they are received or earned.

(iv) Student fees are recognized as revenue in the period that the courses and seminars are held. Sales revenue is recognized at point of sale.

(v) Contract revenue is recognized as the service is provided.

(h) Internally imposed restrictions on net assets:

The University internally restricts the use of portions of its externally unrestricted net assets for specific future uses. When incurred, expenses are charged to operations, and the balance of internally restricted assets is reduced accordingly.

(i) Contributed services:

Volunteers, as well as members of the staff and faculty of the University, contribute an indeterminable number of hours per year to assist the University in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these consolidated financial statements.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

2. Summary of significant accounting policies (continued):

(j) Employee benefit plans:

The University accrues its obligations and related costs for funded employee future benefit plans as the employees render the service necessary to earn the pension and other retirement benefits, based on the latest going concern funding valuation. The actuarial determination of the accrued benefit obligations for pensions and other employee future benefits uses the projected method on service (which incorporates management's assumptions used for funding purposes, other cost escalation, retirement ages of employees and other actuarial factors). The actuarial valuation is performed at least every three years. In the years between valuations, pension plan results are prepared based on extrapolations of the latest available funding valuation results. Assets of the employee future benefit plans are valued using fair values at the date of the consolidated financial statements.

The benefit plan expense for the year consists of the current service and finance costs. Re-measurements and other items are recorded directly on the consolidated statement of changes in net assets.

(k) Use of estimates:

The preparation of consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the consolidated financial statements in the period in which they become known.

Significant management estimates include assumptions used in determining the employee future benefits liability.

(j) Change in accounting policy:

The University has adopted the amendments made to Section 3462, Employee future benefits and Section 3463 Reporting employee future benefits by not-for-profit organizations, which are effective for financial statements for fiscal years beginning on or after January 1, 2022. The amendments require those defined benefit plans for which there is no legislative, regulatory, or contractual requirement to prepare an actuarial valuation for funding purposes to be measured as of the statement of financial position date using an actuarial valuation for accounting purposes.

The cumulative effect of the application of the amendment is the change in the discount rate used to measure the University's defined benefit obligations which is recorded in opening net assets as at the date that the amendments are first applied.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

3. Accounts receivable:

	2023		2022	
Student	\$	11,644	\$	10,465
Research		13,051		10,284
Government		1,704		1,882
Other		13,438		10,609
		<u>39,837</u>		<u>33,240</u>
Less allowance for doubtful accounts		(1,854)		(1,294)
	\$	<u>37,983</u>	\$	<u>31,946</u>

4. Investments:

(a) Carrying value, cost and fair values:

The cost and fair value of the investments are as follows:

	2023		2022	
	Fair value	Cost	Fair value	Cost
Marketable securities	\$ 378,197	\$ 362,270	\$ 347,122	\$ 336,929

The carrying value of marketable securities is fair value.

(b) Purpose:

Investments held by the University include funds, which are permanently endowed or restricted in use as follows:

	2023		2022	
	Carrying value		Carrying value	
Endowments	\$	370,086	\$	342,869
Parker loans for students		1,350		1,308
National Wildlife Research Centre Capital renewal		1,084		1,009
Sprott Student Investment Fund		2,055		1,936
Debenture Sinking Fund		3,622		—
	\$	<u>378,197</u>	\$	<u>347,122</u>

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

5. Net investment in lease:

Carleton University has entered into an agreement with Environment Canada under which Carleton University built the National Wildlife Research Centre (NWRC) on its property and leased the building to Environment Canada. The lease term is for 99 years starting May 1, 2002.

Carleton University's net investment in the direct financing lease consists of:

	2023	2022
Minimum lease payments receivable	\$ 5,200	\$ 6,500
Unearned financing revenue	(459)	(759)
	4,741	5,741
Less current portion of net investment in lease	(1,066)	(999)
Net investment in lease	\$ 3,675	\$ 4,742

At April 30, 2023, future minimum lease payments receivable under the direct financing lease are as follows:

2023-24	\$ 1,300
2024-25	1,300
2025-26	1,300
2026-27	1,300
	<u>\$ 5,200</u>

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

6. Tangible capital and intangible assets:

Tangible capital and intangible assets consist of the following:

	2023		2022	
	Cost	Accumulated amortization	Net book value	Net book value
Tangible capital assets:				
Land	\$ 93,300	\$ –	\$ 93,300	\$ 93,300
Buildings and its components	906,576	377,139	529,437	534,625
Cogeneration facility	21,892	3,426	18,466	19,329
Equipment and furniture	93,639	49,209	44,430	43,487
Computer equipment	16,411	9,746	6,665	5,466
Automobiles	837	378	459	352
Library holdings	16,751	9,464	7,287	7,780
Intangible assets:				
Software	1,562	1,192	370	760
	<u>\$ 1,150,968</u>	<u>\$ 450,554</u>	<u>\$ 700,414</u>	<u>\$ 705,099</u>

Cost and accumulated amortization at April 30, 2022 amounted to \$1,134,715 and \$429,616, respectively. In the year, \$23,253 (2022 - \$10,235) of cost and accumulated amortization was removed from the respective balances for assets that had been fully-amortized and no longer in use.

Included in buildings and its components is \$24,019 (2022 - \$27,757) of construction in progress. As construction in progress is not yet in use, these assets are not amortized.

7. Collections:

The University has an art collection comprised of approximately 30,000 works of art. The collection focuses on three main areas. The first is twentieth-century Canadian art, in particular prints, drawings and photographs created since 1950. The second is European works on paper, in particular French prints from the 18th and 19th centuries. The third is Indigenous (Inuit, Métis and First Nations) art in all forms, including prints, drawings, sculptures and textiles. In 2023, there were additions of donated pieces of art at an appraised value of \$38K (2022 - no donations).

8. Accounts payable and accrued liabilities:

As at year end, the University had \$5,784 (2022 - \$5,440) payable for government remittances, including harmonized sales tax/goods and services tax and payroll remittances.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

9. Deferred revenue:

Deferred revenue includes deposits, prepayments on contracts and deferred contributions received by the University. Deferred contributions are unspent externally restricted grants and donations received in the current and prior years for expenditures in a future year.

Details of the year-end balances are as follows:

	2023	2022
Research	\$ 75,401	\$ 69,891
Donations	11,121	12,308
Student fees	9,649	11,893
Grants	11,251	11,254
Student aid	12,887	8,398
Other	26,862	26,181
	<u>\$ 147,171</u>	<u>\$ 139,925</u>

Research includes the unexpended portion of restricted research grants and prepayments on research contracts.

Donations are the unexpended portion of donor restricted gifts to be spent on specific items in future years.

Grants are unexpended restricted grants to be spent on specific items in future years.

Student aid is the unexpended donations and interest to be spent on student aid and other special purposes.

Student fees are tuition and related amounts received for courses beginning after April 30.

Other deferred revenue includes deposits and prepayments on contracts.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

10. Long-term debt:

As at April 30, 2023, the University has principal outstanding of 265,544 (2022 - \$270,402) under long-term debentures and loans.

(a) Details of long-term debt:

	Maturity	Interest rate	2023 Principal outstanding	2022 Principal outstanding
Unsecured debenture, Series A Interest payable in equal semi-annual payments	2061	3.264%	\$ 220,000	\$ 220,000
Loans payable:				
Leeds Residence	2027	6.782%	4,786	6,025
Prescott Residence	2029	6.549%	6,958	8,004
Frontenac Residence	2039	4.930%	10,691	11,098
Lennox & Addington Residence	2042	3.110%	23,197	24,099
NWRC loan	2028	6.710%	4,770	5,758
			50,402	54,984
			270,402	274,984
Less current portion of long-term debt			(4,858)	(4,582)
			\$ 265,544	\$ 270,402

(b) Long-term debt repayments:

Principal repayments under the mortgage and loan agreements are as follows:

2023-24	\$ 4,858
2024-25	5,149
2025-26	5,461
2026-27	4,624
2027-28	3,152
Thereafter	247,158
	<u>\$ 270,402</u>

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

10. Long-term debt (continued):

(c) Debenture:

The University established a sinking fund investment by purchasing units in the endowment fund to provide funding to repay the Series A senior unsecured debenture maturing on July 5, 2061. The value of the sinking fund investment at April 30, 2023 is \$3,622.

(d) Interest rate swaps:

The University has entered into interest rate swap agreements to manage the volatility of interest rates. The University converted a net notional \$101,758 of floating rate debt for fixed rate debt ranging from 3.110% to 6.782%. The related derivative agreements are in place until the maturity of the debts in 2027, 2028, 2029, 2039, and 2042.

These interest rate swaps qualify, and have been designated by the University, as cash flow hedging items against the floating rate long-term debt. The University has assessed the hedging relationship as effective. The fair value of the interest rate swaps at April 30, 2023 is estimated to be \$440,000 (2022 - \$1,588) which represents the amount the University would have to pay if the swap agreements were terminated on that date. The University is current with respect to the required payments under the loan and swap agreements.

11. Deferred capital contributions:

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of tangible capital and intangible assets. The amortization of the deferred capital contributions is recorded as revenue in the consolidated statement of operations. The changes in the deferred capital contributions balance are as follows:

	2023	2022
Balance, beginning of year	\$ 186,327	\$ 191,527
Less amortization of deferred capital contributions	(12,946)	(13,051)
Add capital contributions received:		
Contributions for equipment and buildings	7,197	6,902
Donated assets	121	949
	<u>7,318</u>	<u>7,851</u>
Balance, end of year	<u>\$ 180,699</u>	<u>\$ 186,327</u>

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

12. Employee future benefits:

Post-employment and post-retirement benefit plans:

The University has defined post-retirement benefit plans (other than pensions) and defined post-employment benefit plans covering substantially all of its employees. These plans provide health, dental and severance benefits to eligible employees. The most recent full actuarial valuation of employee future benefits was completed as at April 30, 2022.

Similar to many non-pension benefit plans in Canada, the University's plans are not pre-funded, resulting in plan deficits equal to the accrued benefit obligation.

Pension plan and pension plan liability:

The University contributes to the Carleton University Retirement Plan which is a defined contribution pension plan with a defined benefit minimum guarantee, covering substantially all full-time employees of the University.

An actuarial valuation of the Plan as of June 30, 2022 determined that the Plan is funded on a going concern basis with a surplus of \$51,447 and the plan is funded on a solvency (hypothetical wind up) basis with a surplus of \$70,547. The Plan is now fully funded and no special payments are required. The next actuarial valuation for funding purposes is required June 30, 2025, which will determine the minimum funding requirement commencing July 1, 2025.

An actuarial valuation roll-forward for funding purposes was performed as at April 30, 2023, the measurement date for financial reporting purposes.

Accrued benefit asset:

The reconciliation of the funded status of the Plan to the amounts recorded in the consolidated financial statements is as follows:

	2023	2022
Accrued benefit obligation	\$ 1,543,182	\$ 1,511,798
Less: fair value of Plan assets	1,615,010	1,565,711
Accrued benefit asset	<u>\$ (71,828)</u>	<u>\$ (53,913)</u>

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

12. Employee future benefits (continued):

(a) Employee future benefits liability:

	2023		2022	
Post-employment and post-retirement benefit plans	\$	165,944	\$	166,392
Pension plan asset		(71,828)		(53,913)
		\$ 94,116		\$ 112,479

(b) Employee future benefits expense:

	Current service cost		Carrying amortization		2023		2022	
Post-employment and post-retirement benefit plans	\$	7,725	\$	8,800	\$	16,525	\$	16,392
Pension plan		22,930		(3,235)		19,695		16,771
		\$ 30,655		5,565		36,220		\$ 33,163

During the year, the University made cash contributions included in the total above of \$4,728 (2022 - \$4,799) and \$22,916 (2022 - \$22,712), respectively.

(c) Re-measurements and other items:

	2023		2022	
Post-employment and post-retirement benefit plans	\$	21,855	\$	(6,720)
Pension plan		14,694		(34,497)
		\$ 36,549		\$ (41,217)

During the year, post-employment and post-retirement benefit plans had re-measurements of \$21,855 in actuarial gains (2022 - \$6,720 loss) on its obligation. The pension plan had re-measurements of \$14,694 (2022 - \$34,497 loss) related to actuarial gains and return of plan assets.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

13. Net assets:

(a) Capital management:

The University's overall objective for its capital is to fund tangible capital and intangible assets, future projects and ongoing operations. The University manages its capital by appropriating amounts to internally restricted net assets for anticipated future projects, contingencies and other capital requirements. These allocations are disclosed in note 13(b).

The University also considers its endowments, as disclosed in notes 4(b) and 15 as part of its capital. The University's objective with regards to endowments is to grow the endowment principal such that it preserves the original capital investment and provides the prescribed distribution rate described in note 15.

Under the direction of its Board of Governors, the University is required to present a balanced budget each year.

The University is not subject to any other externally imposed capital requirements and its approach to capital management remains unchanged from the prior year.

(b) Internally restricted net assets:

Internally restricted net assets are funds restricted by the University for future commitments and projects to improve and invest in the University's campus facilities, information systems, equipment, programs and student aid.

Internally restricted net assets have been designated for the following purposes:

	2023	2022
General appropriations	\$ 169,108	\$ 164,940
Pension liability reserve	69,212	69,212
Capital reserve	52,373	65,274
Student aid funds	1,500	5,636
Other projects and initiatives	42,994	50,907
Total operating appropriations	335,187	355,969
Research initiatives	58,801	54,417
Ancillary reserve fund	35,782	22,394
Entrepreneurial initiatives	5,132	4,722
Professional expense fund	4,181	4,207
Sinking funds	3,622	1,518
Scholarship funds	10	12
	\$ 442,715	\$ 443,239

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

13. Net assets (continued):

(b) Internally restricted net assets (continued):

- (i) General appropriations relate to funds held centrally and within academic units to support long-term strategic initiatives as well as economic uncertainties.
- (ii) Capital reserve funds relate to operating funds that have been allocated to capital improvements and additions, as well as for addressing the university's deferred maintenance.
- (iii) Pension liability reserve represents funds set aside to cover future pension liabilities.
- (iv) Student aid funds relates to funds available to provide financial support to students.
- (v) Other projects and initiatives relates to funding set aside to support various initiatives, including improvements to campus facilities and infrastructure, as well as other initiatives aimed at improving the quality of the university's activities and programs.
- (vi) Research initiatives relates to funds that have been internally restricted for research activities.
- (vii) Ancillary reserve fund relates to funding available for improving ancillary programs and physical facilities.
- (viii) Entrepreneurial initiatives represents funds earmarked for the continuation of providing entrepreneurial activities at the university, including professional development services and seminars, non-credit course offerings, and contract services.
- (ix) Professional expense funds are funds reserved for the professional expenses of faculty members.
- (x) Sinking funds have been established to fund the principal repayments of the bullet debenture held by the University, as disclosed in Note 10.
- (xi) Scholarship funds relates to funds that do not have donor placed restrictions on them, but have been internally earmarked for student support in future years.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

14. Investment in tangible capital and intangible assets:

The investment in tangible capital and intangible assets consists of the following:

	2023	2022
Tangible capital and intangible assets	\$ 700,414	\$ 705,099
Less amounts financed by:		
Deferred capital contributions	(180,699)	(186,327)
Debenture	(7,312)	(3,927)
Loans payable (Leeds, Prescott, Frontenac Lennox & Addington residences)	(45,632)	(49,226)
Other short-term financing	(27,241)	(21,540)
	<u>\$ 439,530</u>	<u>\$ 444,079</u>

The net change in investment in tangible capital and intangible assets is calculated as follows:

	2023	2022
Tangible capital and intangible assets additions:		
Total additions	\$ 39,506	\$ 43,713
Less:		
Donated assets	(121)	(949)
Additions financed with grants	(7,197)	(6,902)
	<u>32,188</u>	<u>35,862</u>
Financing:		
Debenture	(3,385)	(3,927)
Loans payable	3,594	3,395
Other short-term financing	(5,701)	(8,310)
	<u>(5,492)</u>	<u>(8,842)</u>
Amortization of deferred capital contributions	12,946	13,051
Amortization of tangible capital and intangible assets	(44,191)	(41,143)
	<u>(31,245)</u>	<u>(28,092)</u>
Net change in investment in tangible capital and intangible assets	<u>\$ (4,549)</u>	<u>\$ (1,072)</u>

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

15. Endowments:

Contributions restricted for endowment consist of monies received primarily as benefactions and which either the donor or the Board of Governors has designated as endowment. The annual income earned from funds designated as endowment by the donor may be expended only for the purpose designated. If no purpose is designated by the donor, then the income is expended at the direction of the Board. Monies designated as endowment by the Board are unrestricted and the principal and annual income may be expended at its direction.

Investment income earned on endowed investments is distributed at a rate of 4% (2022 - 4%) of the moving average market value over four years of the endowment fund investments. Actual investment income earned in excess of the distributed amount is accumulated in the endowment fund for future distribution and to maintain capital.

	Externally endowed	Board designated	Total 2023	Total 2022
Donations and bequests	\$ 4,242	\$ –	\$ 4,242	\$ 6,112
Internal contributions	3,684		3,684	2,566
Realized gains on sale of investment	14,157	382	14,539	26,112
Investment income	4,570	196	4,766	4,074
Income distributions	(14,766)	365	(14,401)	(13,635)
	11,887	943	12,830	25,229
Unrealized gains (losses) on investments	5,185	142	5,327	(34,977)
Net change in year	17,072	1,085	18,157	(9,748)
Fund balance, beginning of year	334,055	9,211	343,266	353,014
Fund balance, end of year	\$ 351,127	\$ 10,296	\$ 361,423	\$ 343,266

The endowment balance consists of:

	2023	2022
Cumulative endowment principal	\$ 227,497	\$ 219,571
Cumulative undistributed investment income	123,413	118,509
Cumulative unrealized gains	10,513	5,186
Endowment balance on endowment investments	\$ 361,423	\$ 343,266

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

16. Contingent liabilities and commitments:

(a) Litigation:

The nature of the University's activities are such that there may be litigation pending or in prospect at any time. With respect to claims at April 30, 2023, administration believes that the University has valid defenses and that appropriate insurance coverage is in place wherever it is possible to do so. In the event any claims are successful, administration believes that such claims are not expected to have a material effect on the University's financial position. Accordingly, no provision has been made in the financial statements.

(b) Insurance:

The University is a member of the Canadian University Reciprocal Insurance Exchange (CURIE), a self-insurance co-operative comprised of Canadian universities and colleges. CURIE insures general liability, university property, cyber and errors and omissions risks. Annual premiums paid by the University are determined by the CURIE Board, on the advice of the actuary. There is a provision under the agreement for assessments to all member universities if these premiums are not sufficient to cover losses. As of December 31, 2022, the date of the latest financial statements available, CURIE had subscribers' equity of \$97,444 (2021 - \$105,790). Additional insurance for automobiles, artwork, miscellaneous property, and major construction projects is purchased through commercial insurers to provide coverage for losses not insured by CURIE.

(c) SNOLAB - Asset retirement obligation

As stipulated within the Constitution for SNOLAB, this joint-venture research project's assets and liabilities are to be divided among the member institutions. The agreements also indicate decommissioning costs for the former Sudbury Neutrino Observatory as well as SNOLAB facility expansions are the responsibility of member institutions based on their proportionate share. Currently, new experiments are being developed using the facility. There are no immediate plans for decommissioning of the facilities or a reasonable estimate of when such decommissioning may occur.

(d) TRIUMF - Asset retirement obligation

The members of TRIUMF and the Canadian Nuclear Safety Commission (CNSC) approved a decommissioning plan which requires all members to be severally responsible for their share of the decommissioning costs, as well as provide financial covenants to the CNSC for the amount of these costs. While there are no current intentions of decommissioning the facilities, TRIUMF has complied with federal legislation by putting in place a decommissioning plan, including a funding plan. This decommissioning plan does not require any payments from the members. All decommissioning costs are expensed in the period in which the costs are incurred.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

16. Contingent liabilities and commitments:

(e) Capital commitments

As of April 30, 2023, commitments for future acquisitions, construction and renovations amount to approximately \$74,815 (2022 - \$19,505). These costs will be financed by a combination of debt, gifts, grants, and allocations from operations.

(f) Other

In addition to the capital commitments disclosed in Note 16(e), the University has issued letters of credit totaling \$14,765 (2022 - \$14,812) related to capital and other obligations.

17. Other revenue:

	2023		2022
Commissions and sponsorships	\$ 8,276	\$	5,738
Medical insurance recoveries	1,747		1,183
Salary and benefit recoveries	809		1,212
Miscellaneous	10,372		9,444
	<u>\$ 21,204</u>	<u>\$</u>	<u>17,577</u>

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

18. Other expenses:

	2023	2022
Equipment rental	\$ 8,338	\$ 6,658
Licensing and membership fees	22,160	6,617
Minor repair and upkeep	6,196	5,031
Support services	5,445	4,829
Property taxes and insurance	4,446	3,909
Banking and bad debts	3,303	2,918
Advertising and promotion	3,678	2,739
Communication	1,670	1,569
Miscellaneous	4,256	2,382
	<u>\$ 59,492</u>	<u>\$ 36,652</u>

19. Net change in non-cash operating working capital:

	2023	2022
Increase in accounts receivable	\$ (6,037)	\$ 1,164
Decrease in prepaid expenses	413	859
Decrease in accounts payable and accrued liabilities	(1,331)	79
Increase in deferred revenue	7246	13,715
Increase in accrued leave	1348	893
	<u>\$ 1,639</u>	<u>\$ 16,710</u>

20. Financial risks:

The University, through its financial assets and liabilities, is exposed to various risks.

(a) Credit risk:

Credit Risk is the risk of financial loss to the University if a counterparty to a financial instrument fails to meet its contractual obligations. The University is exposed to credit risk with respect to its accounts receivable and fixed income investments. The University assesses on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. In 2023, \$1,854 (2022 - \$1,294) is recorded as allowance for doubtful accounts.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

20. Financial risks (continued):

(a) Credit risk (continued):

To manage credit risk related to fixed income investments the University's Statement of Investment Policies and Procedures defines permitted investments and limitations are established on credit ratings, maturity term and fixed income products. The majority of the University's fixed income investments are highly rated securities. The University monitors the financial health of the investments included in its fixed income portfolio on an on-going basis with the assistance of the Investment Committee and its external investment managers.

(b) Interest rate risk:

The University is exposed to interest rate risk with respect to its fixed income investments. To manage this risk, the University's Statement of Investment Policies and Procedures provides guidance and restrictions on the maturity term of these investments to manage the interest rate sensitivity with the capital requirements of the University

The University is also exposed to interest rate risk with respect to its floating rate debt. This risk is mitigated by entering into interest rate swap agreements for its floating rate debt that fixes the interest rate over the term of the debt. Long-term debt and interest rate swaps are disclosed in the consolidated statement of cash flows and note 10.

(c) Currency risk:

The University is exposed to foreign currency risk from direct and indirect investments that are denominated in currencies other than the Canadian dollar. Fluctuations caused by changes in currency rates applied to these investments can result in a positive or negative effect on the fair value of these investments and on the cash flows from these investments. The University's overall currency positions are monitored by the Investment Committee and its external investment managers. In 2023, the equity investments remained unhedged and the majority of the fixed income investments are Canadian. There has been no material change to the risk exposure from 2022.

(d) Liquidity risk:

Liquidity risk is the risk that the University will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The University manages its liquidity risk by monitoring its operating and capital requirements. The University prepares capital and operating budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. The University invests its capital in accordance with the University's Statement of Investment Policies and Procedures which aligns risk tolerance with the liquidity requirements of the University's obligations.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

20. Financial risks (continued):

(e) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk). The University is exposed to these risks in connection with its holdings of domestic and foreign equities (including pooled funds), as well as through its investments in real estate and infrastructure. This risk is managed by the University's Statement of Investment Policies and Procedures which sets limits on asset class allocation and the University monitors the financial health of its investments on an on-going basis with the assistance of its Investment Committee and its external investment managers.

21. Ontario Student Opportunity Trust Fund (Phase I and Phase II) and Ontario Trust for Student Support:

The restricted endowment fund includes funds granted by the Government of Ontario for Phase I and Phase II of the Ontario Student Opportunity Trust Fund (OSOTF) and the Ontario Trust for Student Support (OTSS), as these programs provide for the matching by the Province of Ontario of the endowment contributions received by the University. The investment revenue earned on those funds must be used to provide financial aid to Ontario Students.

CARLETON UNIVERSITY

Notes to Consolidated Financial Statements, continued

Year ended April 30, 2023
(in thousands of dollars)

21. Ontario Student Opportunity Trust Fund (Phase I and Phase II) and Ontario Trust for Student Support (continued):

As per Ministry of Colleges and Universities policies, the transactions related to the Ontario Student Opportunity Trust Fund and to the Ontario Trust for Student Support must be presented in these consolidated financial statements, for the year ended March 31, 2023.

Endowment Fund	Ontario Student Opportunity Trust Funds		Trust for Student Support	Total 2023	Total 2022
	Phase I	Phase II			
Fund balance, beginning of year	\$ 17,104	\$ 5,858	\$ 17,214	\$ 40,176	\$ 38,709
Schedule of changes in expendable funds available for awards:					
Balance, beginning of year	\$ 188	\$ 1,083	\$ 196	\$ 1,467	\$ 1,363
Realized investment income net of direct investment- related expenses and preservation of capital contributions	1,686	293	894	2,873	2,811
Bursaries awarded	(1,549)	(238)	(980)	(2,767)	(2,707)
Balance, end of year	\$ 325	\$ 1,138	\$ 110	\$ 1,573	\$ 1,467
Endowment total book value	\$ 17,429	\$ 6,996	\$ 17,324	\$ 41,749	\$ 40,176

CARLETON UNIVERSITY

Schedule 1 - Consolidated Schedule of Changes in Ancillary Net Assets

Year ended April 30, 2023
(in thousands of dollars)

Unrestricted	Residence & Conference Services	Dining Services	Physical Recreation & Athletics	Parking Services	Health & Counselling Services	Other Ancillary Units	2023 Total	2022 Total
Revenues	\$ 26,928	\$ 6,540	\$ 14,670	\$ 4,944	\$ 3,988	\$ 2,943	\$ 60,013	\$ 43,571
Expenses	21,308	4,565	13,376	4,910	4,779	2,269	51,207	51,004
Excess (deficiency) of revenues over expenses	5,620	1,975	1,294	34	(791)	674	8,806	(7,433)
Net assets, beginning of year	–	–	–	–	–	677	677	680
Transfer from non-ancillary unrestricted net assets	1,739	(94)	1,195	(225)	1,091	199	3,905	8,629
Appropriated to internally restricted net assets	(7,359)	(1,881)	(2,489)	–	(300)	(1,695)	(13,724)	(5,805)
Return of funds from internally restricted net assets	–	–	–	191	–	145	336	4,606
Unrestricted net assets, end of year	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ –	\$ 677
Internally restricted	Residence & Conference Services	Dining Services	Physical Recreation & Athletics	Parking Services	Health & Counselling Services	Other Ancillary Units	2023 Total	2022 Total
Net assets (deficit), beginning of year	\$ 6,361	\$ (58)	\$ 13,537	\$ (996)	\$ 1,650	\$ 1,900	\$ 22,394	\$ 21,195
Appropriated from unrestricted net assets	7,359	1,881	2,489	–	300	1,695	13,724	5,805
Return of funds to unrestricted net assets	–	–	–	(191)	–	(145)	(336)	(4,606)
Net assets (deficit), end of year	\$ 13,720	\$ 1,823	\$ 16,026	\$ (1,187)	\$ 1,950	\$ 3,450	\$ 35,782	\$ 22,394