



**FINANCIAL REPORT  
TO THE BOARD OF GOVERNORS**

**2022-2023**

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## FINANCIAL HIGHLIGHTS OF THE YEAR

The university's audited financial statements, prepared in accordance with Canadian accounting standards for non-profit organizations, received an unqualified opinion from the external auditors (KPMG), and no differences (adjusted or unadjusted) were identified. The highlights from Carleton's Statement of Operations and Financial Position are detailed below.

### Statement of Operations

After several challenging years presented by the global pandemic, fiscal year 2022-23 saw the complete return to campus. The university offered full in-person courses, resumed normal residence operations, and other activities such as convocation returned to our campus.

From a financial performance point of view, the university's general operating budget demonstrated its ability to remain nimble in the face of adversity. Lingering pandemic effects on enrolment and the government's delay in issuing international student visas had a negative impact on tuition revenue however the university was able to find efficiencies and reduce discretionary expenditures to offset this \$15.3 million revenue shortfall. In 2019-20, domestic tuition fees were reduced by 10% and continue to be frozen at this level. As a result, the university is strategically utilizing its reserves to mitigate against any unforeseen circumstances.

The investment markets continue to ebb and flow, with the university experiencing improved investment returns over the previous year. Available cash balances from the bond proceeds in 2021 were invested in high yield instruments such that the operating investment revenue experienced a \$12.5 million positive variance as compared to budget and enabled the general operating budget to finish the year with a \$12.8 million surplus.

In 2022-2023, ancillary units completed their financial recovery from the pandemic with overall revenues returning to pre-pandemic levels. Collectively, they contributed \$12.7 million in annual surplus. With the exception of Parking Services and The Print Shop, all ancillary units ended the year with an accumulated surplus.

The audited financial results, presented in accordance with Canadian accounting standards for non-profit organizations, indicates a deficit on a consolidated basis of \$13.8 million, as compared to a \$17.8 million deficit in 2022-23. This consolidated deficit is the result of the planned use of reserves,

accumulated from prior year surpluses, to fund additional expenditures in the current year. This includes funding \$20.7 million of campus infrastructure investments, as well as a \$12.9 million decrease in general appropriations (i.e. balances carried forward).

Awarded research funding continues to be strong, with \$116.1 million received in 2022-23 compared to \$92.5 million in the previous year. Actual sponsored research expenditures of \$110.6 million in 2022-23 supports Carleton's research in the areas of the humanities, public affairs, science, engineering, and business.

### Statement of Financial Position

The university continues to be in a strong cash position with \$783.3 million in operating cash and marketable securities, compared to \$809.1 million one year earlier. This decrease is mainly attributed to draws on reserves for capital assets, deferred maintenance, and the resumption of normal activities such as travel, supplies and equipment purchases.

During the year, \$39.5 million was invested in capital assets, which included the completion of the Engineering Design Centre, as well as substantial construction work on the new student residence. The university also continues to address its deferred maintenance backlog, with \$31.3 million spent on renovating facilities, which is comparable to the previous year.

Unrestricted net assets almost exclusively represent the liability associated with employee future benefits. The non-pension future benefit liability has decreased slightly by \$0.5 million to \$165.9 million, however the main decrease in this liability is due to changes in the equity markets that increased the pension asset, on an accounting basis, by \$17.9 million to \$71.8 million as at April 30, 2023.

Internally restricted net assets, at \$442.7 million, represent reserves available to faculties and departments, as well as specific centrally established reserves, including reserves for capital expenditures, and future pension liabilities. While overall the balance is down \$0.5 million from last year, ancillary and research balances have grown by \$17.8 million, whereas the operating reserves, including capital, have decreased by \$20.8M.

The endowment fund assets also saw an increase year over year of \$27.2 million, due to realized investment gains and donations.

Overall, the university's assets, and combined liabilities and net assets grew slightly to \$1.94 billion.

## OPERATING ENVIRONMENT

Full-time equivalent (FTE) students attending Carleton during 2022-23 totalled 27,375. Overall graduate FTEs were up slightly (0.8%), however undergraduate levels were down 5.4% and new first year students were down 2.2%.

Enrolment patterns since the pandemic, including 2022-23, have been less predictable than historical patterns. Notably, there had been more enrolments during the summer months of 2020 and 2021, however summer 2022 enrolments abruptly returned to pre-pandemic levels. Additionally, like most institutions across the country, Carleton experienced the negative impact of delays in government issued international student visas. Despite having an increase of 5% in international confirmations, there was a decrease of 11% in new international undergraduate students, and a 16% decrease in new international graduate students.

The existing provincial tuition fee framework, which froze domestic fees at 2019-20 rates, remained unchanged for 2022-23. This, coupled with overall lower domestic undergraduate FTEs, resulted in tuition revenue falling short of budget by \$15.3 million.

In August 2020, Carleton and MCU signed the current Strategic Mandate Agreement (SMA3), which covers a period of five years (2020-25) and includes the introduction of performance-based funding built on metrics that are meant to reflect priorities of the government in areas of skills development, job outcomes, and economic and community impacts. The goals and priorities identified by the government for the post-secondary sector already occupy an important part of Carleton's priorities, such as improving graduation rates, skills development towards higher employability, and research.

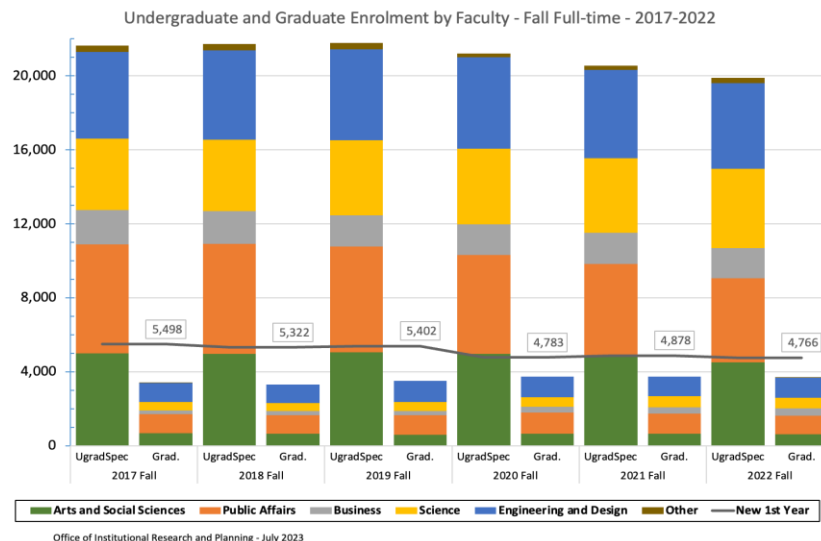
Due to COVID, for the first three years of SMA3 funding was decoupled from the performance metrics. The Ministry has assessed the sector's readiness for activation in Year 4 (2023-24), at a planned system-wide proportion of 10% increasing to 25% in Year 5 (2024-25).

While the assessment against metrics had been paused for 2022-23, and overall funding rates have not changed, the university's grant income is still affected by the Ministry's International Student Recovery (ISR) claw back and the requirement to defer restricted grants until the corresponding expenditures are made. Despite this, government funding for operations at \$179.6 million exceeded the prior year by \$4.1 million.

The other key regulatory provision still affecting Carleton's operations in 2022-23 was the Ontario government's *Protecting a Sustainable Public Sector for Future Generations* (Bill 124). This legislation effectively capped broader public sector wage increases to an average of one per cent annually for a three-year period, starting in 2019. In the past two years, the university has negotiated settlements with the following unions:

- CUPE 4600, Unit 1, Teaching Assistants (after Bill 124)
- CUPE 4600, Unit 2, Contract Instructors (after Bill 124)
- PSAC 77000, Postdoctoral Fellows (within Bill 124)

With the major health and operational impacts of COVID-19 in the past, the university must now turn its attention back toward planning and developing a sustainable financial model. Financial pressures will continue as we exit Bill 124 and significant inflation impacts most goods and services. On a positive note, the higher interest rates should provide for additional investment income in the coming year and the university's reserves will continue to provide the necessary funding for strategic operational initiatives.



# AUDITED CONSOLIDATED FINANCIAL STATEMENTS AT A GLANCE

## Consolidated Statement of Operations

The audited Statement of Operations combines all activities of the university (general operating, ancillary, research, capital, and trust) into one column, and should be read in conjunction with the Financial Report, which highlights key operating income and expenses as compared to the approved 2022-23 Operating Budget.

As shown in the Consolidated Financial Statements, the university experienced a shortfall in revenue over expenses of \$13.8 million in 2022-23. This deficit reflects timing differences in the recognition of operating expenses and appropriations, as described on page IX of this Management Discussion and Analysis section.

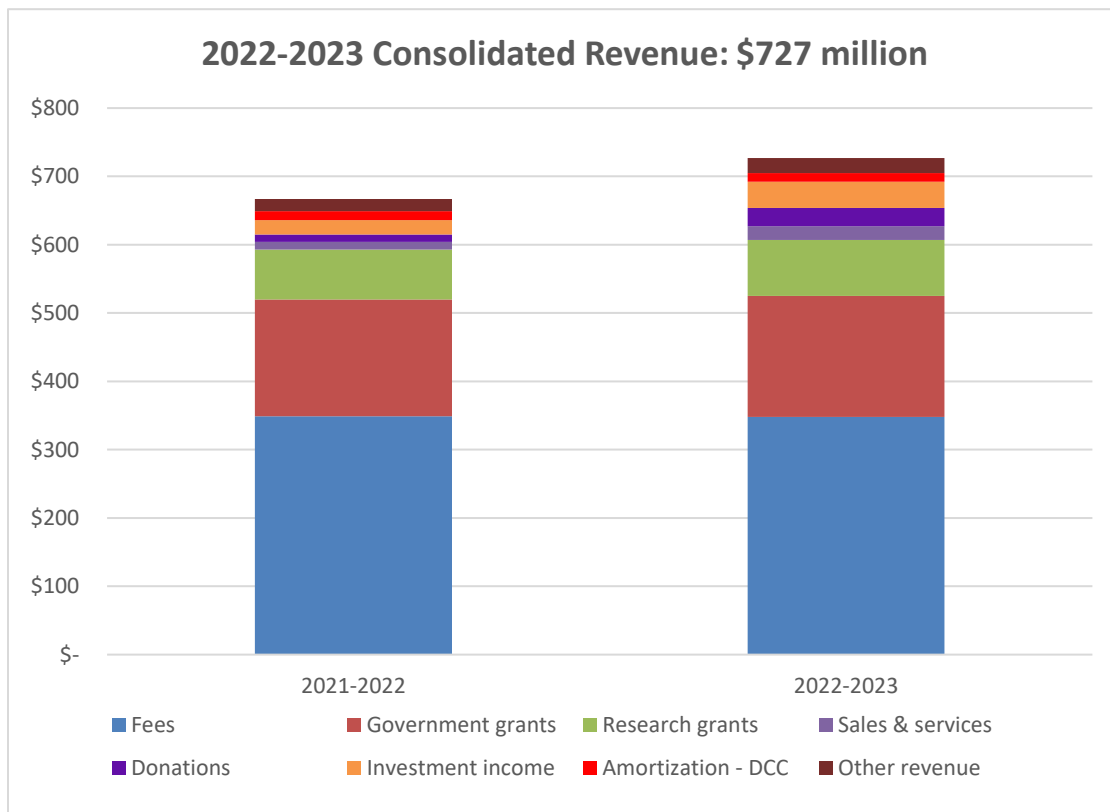
The university’s consolidated revenue of \$726.8 million increased \$59.6 million (8.9%) from the previous year, while consolidated expenses increased \$55.6 million to

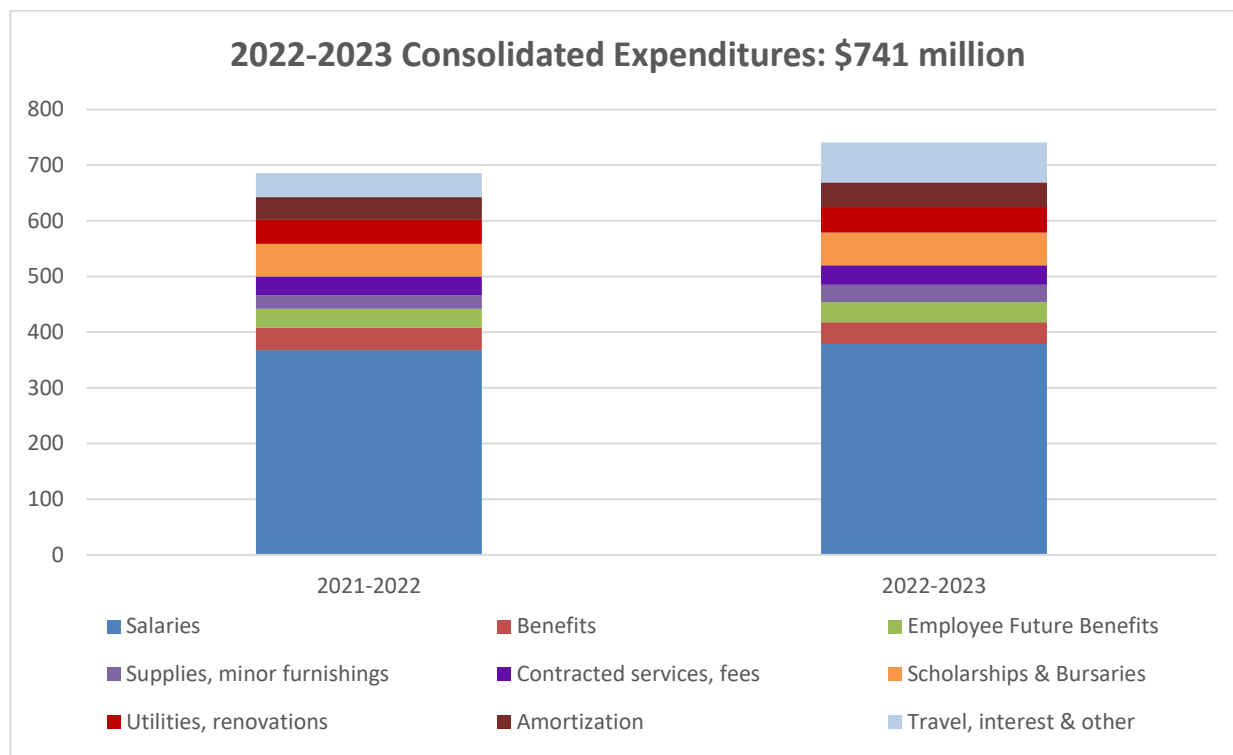
\$740.5 million (8.1%). The main contributor to the increased revenue was improved investment returns (\$17.2 million), increased donations (\$16.2 million), and increased research grants and contracts (\$9.0 million).

Research grants and contracts recognized in the financial statements totalled \$82.4 million, while deferred research revenues climbed \$5.5 million to \$75.4 million, reflecting the success of Carleton’s efforts to expand research activities.

In addition to grant and contract revenue, the research enterprise also received \$25.6 million in donation revenue, most of which was industry in-kind support.

The following charts illustrate the sources of consolidated revenue and expenditures for 2022-23.





Salaries and benefits, at \$455.1 million, form the largest part of the university's consolidated expenditures, accounting for 61.5% of total expenses. This represents an increase of \$15.0 million (3.4%) over 2021-22.

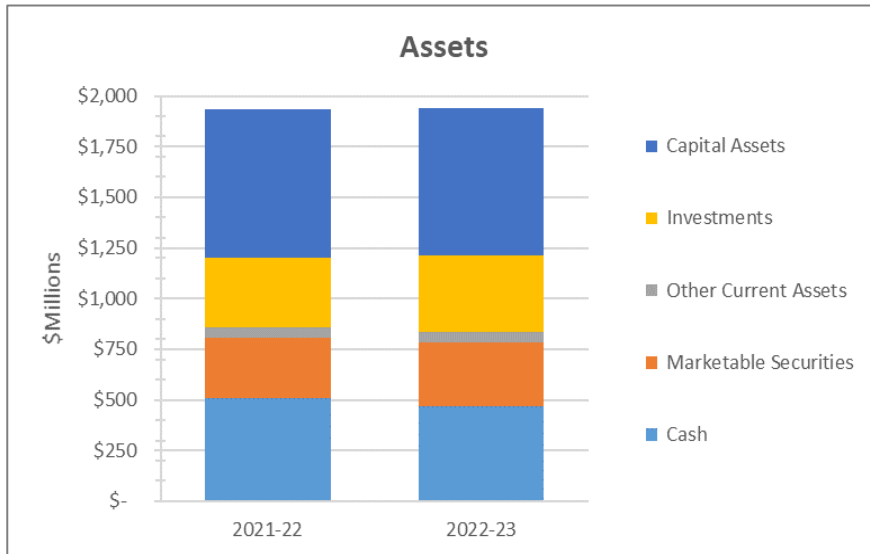
As normal teaching, research and support services resumed on campus, so did the expenditures associated with these activities. Labs and offices were re-supplied with necessary equipment and supplies, and travel for research, recruitment and administrative purposes came close to returning to pre-pandemic levels. In 2022-23, travel and other expenditures

increased from \$43.0 million in the prior year, to \$71.0 million.

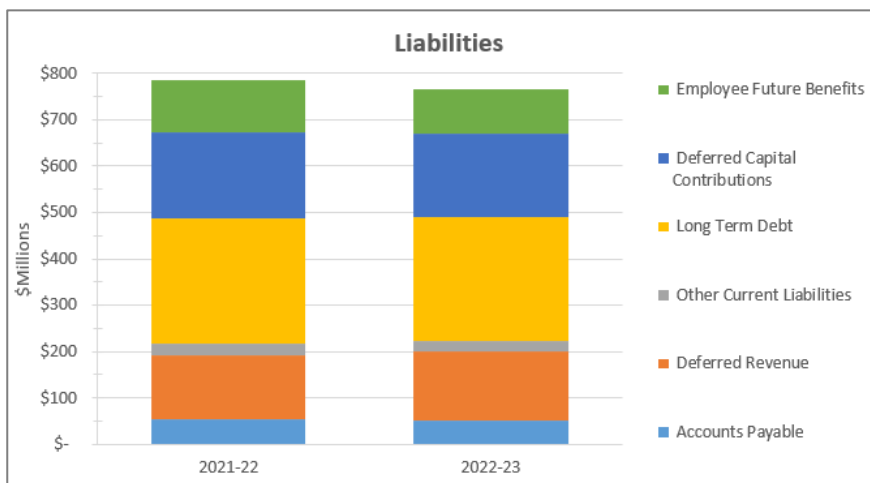
Student support, in the form of scholarships and bursaries remained relatively stable at \$58.9 million in 2022-23. In addition to this form of support, the university also employs thousands of students as teaching and research assistants, academic mentors, athletic facilitators and in various other positions across campus. Including employment, Carleton University provided almost \$112 million in financial support to its students in 2022-23.

Student Support and Employment (\$000)	Employment	Support	Total
Scholarship, bursary, grant	-	58,872	58,872
Teaching assistantship	24,867	-	24,867
Research assistantship	20,874	-	20,874
Other student employment	7,375	-	7,375
<b>Total</b>	<b>53,116</b>	<b>58,872</b>	<b>111,988</b>

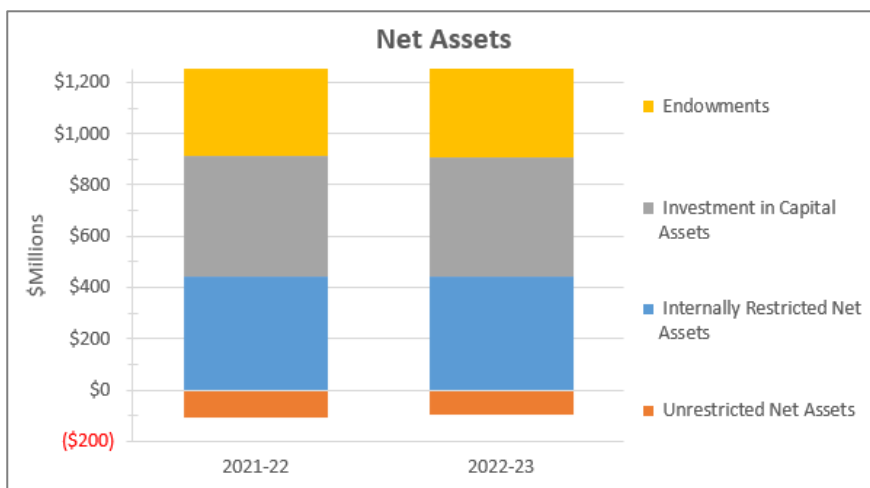
## Consolidated Statement of Financial Position



The university's assets remained relatively consistent with the prior year, increasing by \$5.3 million to \$1.939 billion. Cash and marketable securities decreased by \$25.8 million as reserves were drawn upon for planned use, while long-term investments increased by \$31.1 million. Accounts receivables also increased by \$6.0 million, mostly due to the increase in the research enterprise and the number of cost recovery contracts. Student accounts relate to \$1.2 million of this increase and are being actively managed.



The university's liabilities have decreased \$28.8 million (5.3%) from the prior year to \$540.4 million. Due to positive market activity and remeasurement gains, our employee future benefit obligation has decreased by \$18.3 million. Normal repayment of long-term debt accounts for \$4.8 million of the decrease.

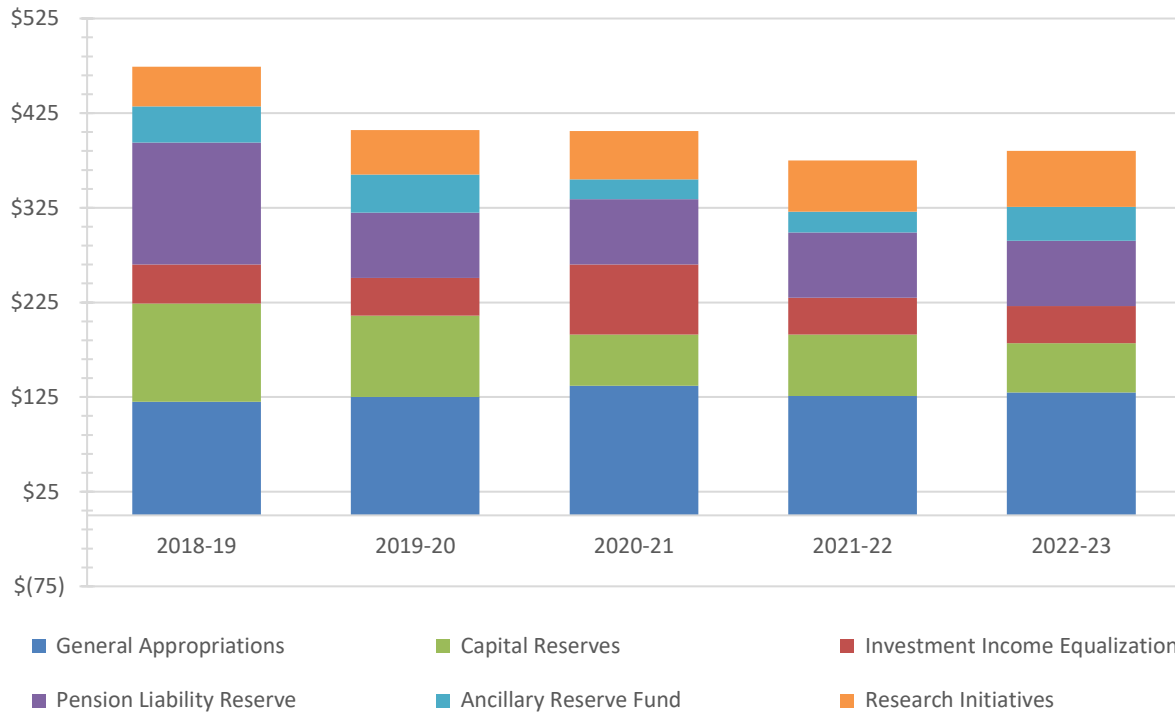


The university's net assets increased by \$26.6 million to \$1,174.9 million. This increase reflects the \$13.8 million shortfall in revenues over expenses, offset by \$13.4 million in endowment investment growth and a \$26.9 million positive adjustment for employee future benefits. Investment in Capital Assets remained relatively unchanged, as additions of \$39.5 million for projects such as the new student residence, the Engineering Design Centre, deferred maintenance, and normal equipment requirements were offset by amortization costs. Endowed net assets were \$361.4 million on April 30, 2023, after income distributions of \$14.4 million. Most income distributions were to support student initiatives.

A substantial part of the university’s net assets are internal reserves and are shown on the Consolidated Statement of Financial Position as internally restricted assets. The chart below shows the change in these reserves over the last five years, with the largest change

being associated with the planned drawdown of operating reserves for capital and renovation projects, and the increase in the reserves for research initiatives and ancillary operations. The current balance of internally restricted net assets is \$443 million.

### Internally Restricted Net Assets





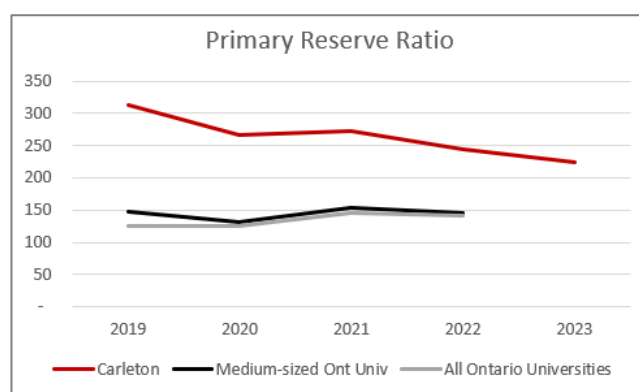
## FINANCIAL HEALTH

The Ministry of Colleges and Universities and Carleton University recognize that financial sustainability is critical to ensure a healthy post-secondary education system. To that end, certain system-wide financial metrics have been developed and are being tracked as part of the government SMA framework. Keeping in mind

that there will always be volatility due to how investment gains and losses impact results, and the strategic use of reserves, these financial metrics demonstrate that Carleton is in good financial health, and well positioned to address strategic opportunities and external funding disruption. Below we compare our metrics with our counterparts.

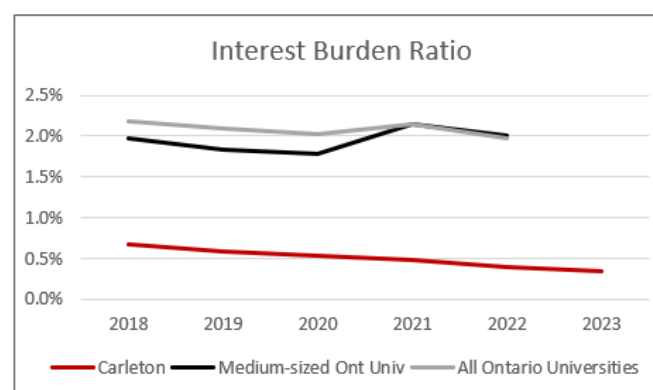
### Primary Reserve Ratio

The 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 it might operate using only its existing available financial resources. A higher number is desirable.



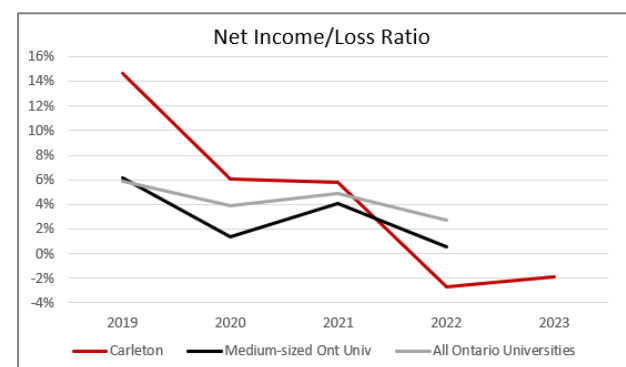
### Interest Burden Ratio

The interest burden ratio is a measure of debt affordability. It compares the cost of servicing the university's debt to the total expenses. A lower percentage is desirable and the university 2023 ratio of 0.3% is well below the sector average and MCU's suggested medium-risk threshold of 2%.



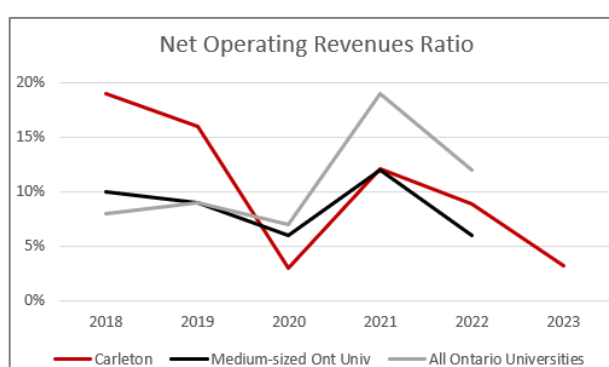
### Net Income/Loss Ratio

The net income/loss ratio is an indication of the extent an institution's revenues contribute to its net assets. The objective of this metric is to identify trends in net earnings and should be viewed in conjunction with the primary reserve ratio. In Carleton's case, the period of large positive ratios followed by some negative years demonstrates our reinvestment of resources into strategic initiatives.



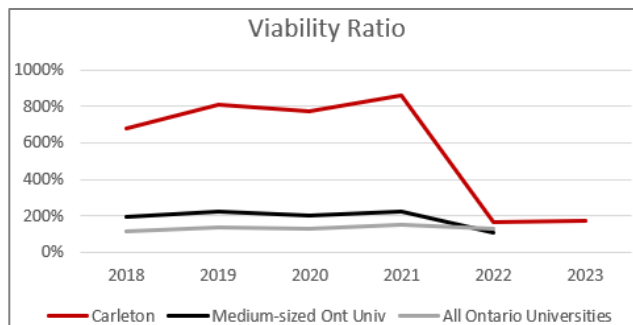
### Net Operating Revenues Ratio

The net operating revenues ratio is a financial performance metric that indicates the extent to which an institution can generating positive cashflows. Positive ratios are an indication of strong financial health, while ongoing negative ratios are an indication of financial pressures. A positive ratio is desirable.



### Viability Ratio

The viability ratio provides a measure of an institution’s financial health as it indicates the funds on hand that can be used to settle long-term debt immediately, should they be required to. A higher percentage is desirable. The drop in 2022 reflects our \$220 million debenture issuance, but still resulted in a 2023 ratio of 171%, and was above the recent sector average.



## CAPITAL INVESTMENTS AND FACILITY RENEWAL

Carleton continues to invest in renewing the campus infrastructure and fund new projects to meet the growing needs of its community. Our most recent report on deferred maintenance estimated its value at \$81 million for non-ancillary buildings and another \$45 million for general campus infrastructure.

During 2022-23, the university spent \$31.3 million on various non-capital renovation and infrastructure projects, including projects addressing the campus-wide deferred maintenance issue. Other major non-

capital projects included the continued implementation of Carleton’s Transportation Plan.

Major capital projects underway this year totaled \$39.5 million and include the new student residence, building improvements to Dunton Tower, Southam Hall and MacOdrum Library, and the completion of the Engineering Design Centre.

The follow table outlines the capital additions for the year:

Capital Asset Additions (\$000)	2023	2022
Building projects, construction in progress	22,441	28,668
Equipment and furnishings	15,609	13,497
Other asset additions	1,496	1,547
	39,546	43,712

## USING THIS FINANCIAL REPORT

As noted earlier, the annual Financial Report needs to be read in conjunction with the associated Audited Financial Statements.

The accumulated balances for the operating, ancillary and plant funds described in the Financial Report match those shown in the Audited Financial Statements - Consolidated Statement of Changes in Net Assets. However, the financial information related to operating results is presented on a separate basis from the financial statements - Consolidated Statement of Operations. This complementary basis of reporting provides management with information needed to support operating decisions and assess financial performance against budgets approved by the Board of Governors. The significant differences between information provided in the Financial Report and the Consolidated Statement of Operations relates to the treatment of capital expenditures, internal appropriations, and contributions to the university's endowment funds.

For capital acquisitions, the university internally accounts for the expenditures on a cash basis, as this provides a better link between funding sources and budgets. However, under generally accepted accounting principles, the audited financial statements include only the calculated amortization expense for capital assets, based on the expected life of the asset.

Appropriations represent commitments that are internally recognized as charges against the current operating results in the Financial Report, whereas they are excluded from expenditures in the Consolidated Statement of Operations (income statement) and instead

are shown as internally restricted assets on the Consolidated Statement of Financial Position (balance sheet). Internally restricted assets cover specific reserves for future commitments such as pension, capital projects, ongoing research initiatives, or carry-forward budget balances available for future purposes. This is seen as an effective institutional policy in the management of financial resources, as it allows managers to plan expenditures over a period that extends beyond the fiscal year.

Internal matching contributions to any endowment (externally restricted or Board designated) are not included as expenditures in the Consolidated Statement of Operations, but as direct increases to endowed net assets offset by decreases to unrestricted net assets. For internal purposes, and as reported in the Financial Report, the university considers these as expenditures. Similarly, income or losses on Board designated endowments are not included in the Financial Report's operating results but are on the Consolidated Statement of Operations.

A reconciliation of the Financial Report internal operating results to the audited Consolidated Statement of Operations is shown below.

Section 4 of this report provides further details on the differences between the audited Consolidated Statement of Operations and the Financial Report. In addition, Schedule 1 of the Financial Report provides specific financial analysis of operating income and expenses as compared to the 2022-23 operating budget approved by the Board of Governors.

	2022-23	2021-22
Operating budget result, before appropriation of surplus	\$ 12.8 M	6.5 M
Decrease in operating appropriations	\$ (33.5 M)	(32.7 M)
Investment in capital assets	\$ (4.6 M)	(1.0 M)
Employee future benefits	\$ (8.6 M)	(5.7 M)
Internal contributions to endowment and sinking funds	\$ 5.8 M	4.1 M
Research surplus	\$ 4.4 M	4.0 M
Ancillary surplus	\$ 12.7 M	1.2 M
Plant (deficit)/surplus	\$ (4.2 M)	4.6 M
Other minor adjustments	\$ 1.4 M	1.2 M
Excess of revenue over expense per audited statements	\$ (13.8 M)	(\$17.8 M)

The Internal Statement of Operations, following this Management Discussion and Analysis section provides a more detailed analysis of the key revenue and expenditures that impact the university's consolidated results.

## CONCLUSION

Despite ongoing frozen domestic tuition fees and operating grants, and the enrolment challenges presented by lagging student visas and lingering Covid-19 effects, Carleton University continues to have a strong financial position within the Ontario university sector. Our commitment to planning while still adhering to conservative budget practices, enabled the university to offset large tuition deficits in the current year and still allocate strategic funds for new and expanding initiatives in 2023-2024.

Though the pandemic stalled the government's original plan to activate performance-based funding, MCU has announced it will reactivate the

performance-based metrics for 2023-2024, but it will have a slip-year impact on funding. As such, there will not be a performance-based impact on operating grants in 2023-2024. The university has been monitoring its progress closely in relation to the metrics impacting funding, and it has been surpassing targets. If performance continues in this manner, a moderate increase in operating grant funding could be expected.

With ancillary operations back on track, sufficient reserves, and remarkable growth in our research enterprise, Carleton University will continue to successfully meet the financial challenges ahead.

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Dr. Lorraine Dyke, PhD  
Vice-President (Finance & Administration)  
September 2023

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Angela Marcotte, CPA, CA  
Associate Vice-President (Financial Services)  
September 2023

## 1. INTERNAL STATEMENT OF OPERATIONS

The Consolidated Statement of Operations presented in the audited financial statements records income and expenses in accordance with Canadian accounting standards for not-for-profit organizations, as defined by the Chartered Professional Accountants (CPA) of Canada. These statements combined all the activities of the university into one statement, whereas the management and internal review of such activities are segregated into “funds”.

As management requires specific financial information for budgeting and monitoring purposes, operating income and expenses are accounted for differently for internal uses, as shown in Schedule 1 of this report.

These internal management statements provide a comparison of actual results to the 2022-23 operating budget, as approved by the Board of Governors. A reconciliation of internal management statements to the audited financial statements is provided in Section 4

Sections 1.1 and 1.2 below provide a review of Schedule 1 operating income and expense variances as compared to the approved 2022-23 operating budget. A similar review is provided in sections 2 and 3 for ancillary services, plant, and research activities.

### 1.1 Operating Income

Operating income totalled \$524,799,000 in 2022-23, compared to the opening budget of \$520,729,000 and previous year income of \$517,461,000. Total operating income was therefore \$4,070,000 (0.8%) above budget and \$7,338,000 (1.4%) above the previous year. If we excluded the additional \$6,993,000 in income restricted to specific expenditures such as student aid, accessibility, and Indigenous education and training, operating income was below budget by \$2,923,000.

	<i>2022-2023 Actual \$000</i>	<i>2022-2023 Budget \$000</i>	<i>Variance from Budget \$000</i>	<i>2021-2022 Actual \$000</i>
Revenues	524,799	520,729	4,070	517,461
Less: Items offset by expenditures (section 1.2.1)	(6,993)	-	(6,993)	(3,416)
Net Revenues	517,806	520,729	(2,923)	514,045

Each category of income is reviewed in more details below, with a summary provided in Schedule 1.

## 1.1.1 Government Operating Grants

Government operating grants of \$179,589,000 were \$5,135,000 (2.9%) above original budget, and \$4,116,000 (2.3%) above the previous year. A comparison to the budget is provided below:

	<i>2022-2023 Actual \$000</i>	<i>2022-2023 Budget \$000</i>	<i>Incr/(Decr) from Budget \$000</i>	<i>2021-2022 Actual \$000</i>
<u>Items Affecting the Operating Result</u>				
Core Operating Grant	85,910	85,929	(19)	104,033
Performance Funding	79,832	79,832	-	59,422
Research Overheads	5,292	5,292	-	5,508
Other government grants	1,962	1,999	(18)	2,003
Subtotal	173,015	173,052	(37)	170,966
<u>Items offset by expenses</u>				
Student Aid & Support Funds	2,761	-	2,761	2,242
Access for the Disabled	2,092	1,074	1,018	1,948
Other Government Grants	1,721	328	1,393	317
Subtotal	6,574	1,402	5,172	4,507
Total Government Grants	179,589	174,454	5,135	175,473

Omitting special purpose grants, the operating revenue from MCU was only \$37,000 below budget. Although the SMA3 funding is still decoupled from the assessment of metrics, the Ministry has been shifting the funding from the Core Operating Grant to the Performance Funding envelope.

## 1.1.2 Tuition Fees – Credit Programs

Tuition income totalled \$299,721,000 in 2022-2023, a decrease of \$15,279,000 (4.9%) from budget. Delays in government issued student visas, as well as lingering pandemic impacts on international enrolment account for 85% of this budget shortfall. Details of the decrease are as follows:

	<i>2022-2023 Actual \$000</i>	<i>2022-2023 Budget \$000</i>	<i>Incr/(Decr) from Budget \$000</i>	<i>2021-2022 Actual \$000</i>
<u>Items Affecting the Operating Result</u>				
Undergraduate - Domestic	155,395	158,800	(3,405)	160,909
Undergraduate - International	96,752	105,901	(9,149)	101,770
	252,147	264,701	(12,544)	262,679
Graduate - Domestic	21,934	22,199	(265)	22,683
Graduate - International	24,221	28,100	(3,879)	21,971
	46,155	50,299	(4,144)	44,654
Subtotal	298,302	315,000	(16,698)	307,333
<u>Items offset by expenses</u>				
Online MBA program	1,419	-	1,419	-
Total Tuition Fee Revenue	299,721	315,000	(15,279)	307,333

Tuition fees vary based on the discipline of study, as well as the residency status of the student. The 4.3% decrease in enrolment from the previous year is detailed below:

	<i>Enrolment (F.T.E.)</i>		<i>Increase/Decrease</i>	
	<i>2022-2023</i>	<i>2021-2022</i>	<i>#</i>	<i>%</i>
Undergraduate - Domestic	19,617	20,648	(1,031)	-5.0%
Undergraduate - International	2,734	2,986	(252)	-8.5%
	22,351	23,634	(1,283)	-5.4%
Graduate - Domestic	3,732	3,796	(64)	-1.7%
Graduate - International	1,292	1,189	103	8.7%
	5,024	4,985	39	0.8%
<b>Total</b>	<b>27,375</b>	<b>28,619</b>	<b>(1,244)</b>	<b>-4.3%</b>

The decrease in overall tuition revenue is a result of lingering pandemic impacts on the number of undergraduate students and the frozen domestic tuition fees. The summer 2022 enrolment figures softened to pre-pandemic levels, and international new student intake was heavily impacted by the government's delay in issuing student visas. Despite having international confirmation rates up 5% over the previous year, new international student numbers were down over 10%. With the visa backlog issue under control, and the return to in-person student recruitment, the university anticipates a positive trend in enrolment moving forward.

### 1.13 Miscellaneous Income

Miscellaneous income totaled \$14,398,000 in 2022-23, exceeding budget by \$1,345,000, and the previous year by \$294,000. Miscellaneous income consists mostly of non-tuition related administrative fees and charges, and recoveries from ancillary services, external parties, and certain non-credit operations. Details are as follows:

	<i>2022-2023</i> <i>Actual</i> <i>\$000</i>	<i>2022-2023</i> <i>Budget</i> <i>\$000</i>	<i>Incr/(Decr)</i> <i>from Budget</i> <i>\$000</i>	<i>2021-2022</i> <i>Actual</i> <i>\$000</i>
<u>Items affecting the operating result</u>				
Application and admission fees	3,366	2,825	541	3,407
Deferred payment and processing fees	2,936	2,912	24	3,029
Omnibus fee	1,189	1,225	(36)	1,199
Overhead charges	4,283	4,246	37	3,959
Facility rentals	901	776	125	810
Career Placement Services	301	305	(4)	304
Other miscellaneous	1,259	654	605	1,201
Subtotal	14,235	12,943	1,292	13,909
<u>Items offset by additional expenditures</u>				
Insurance proceeds	-	-	-	57
Other	163	110	53	138
Subtotal	163	110	53	195
<b>Total Miscellaneous Income</b>	<b>14,398</b>	<b>13,053</b>	<b>1,345</b>	<b>14,104</b>

## 1.14 Investment Income

Investment income amounted to \$22,550,000 in 2022-23, above budget by \$12,550,000 and \$11,572,000 above the previous year. The increase in investment returns relates to stronger performance of equity markets this past year, and higher interest rates on guaranteed investment certificates.

	<i>2022-2023 Actual \$000</i>	<i>2022-2023 Budget \$000</i>	<i>Incr/(Decr) from Budget \$000</i>	<i>2021-2022 Actual \$000</i>
Investment income - realized	18,495	9,507	8,988	36,096
Unrealized gains/(losses)	3,639	-	3,639	(25,561)
Internal interest and endowment revenue	1,252	1,243	9	1,278
Investment management fees	(836)	(750)	(86)	(835)
Total Investment Income	22,550	10,000	12,550	10,978

To mitigate the risks associated with market returns fluctuation, the Finance Committee approved the creation of an Investment Income Equalization Fund in 2017-18. Investment returns in excess or below budgeted investment income are appropriated to/from this fund. Previously, as of April 2021, the reserve stood at \$74.3 million. With the approval of the Board, the reserve was capped at \$39 million in March 2022, with the \$35.3 million excess redistributed to the capital reserve. As the reserve still stands at \$39 million, the \$12,550,000 earned in excess of budget in the current year will not be added to the reserve but will form part of the overall surplus appropriation for future strategic purposes.

## 1.15 Departmental Income

Departmental income relates to sales, rentals and fees that are under the responsibility of departmental managers. Generally, any shortfalls in income as compared to budget must be matched by a corresponding decrease in expenditures in the department concerned, while any income in excess of budget is available for additional expenditure. Variations in departmental income should not therefore generally affect the overall operating results of the university.

During the year, departmental income totaled \$8,541,000 and exceeded the original budget by \$319,000. This was comprised of \$349,000 of income that was used to support additional expenditures, while a shortfall of \$30,000 in central benefit recoveries affected the operating results.



## 1.2 Operating Expenditures, Transfers, and Appropriations

The Operating Fund expenditures and transfers, before appropriations, totalled \$545,581,000 in 2022-23, and were \$24,852,000 (4.8%) above the opening budget, and \$1,936,000 more than the previous year. Including the net return of additional prior year appropriations of \$20,782,000, expenditures exceeded budget by \$4,070,000.

A breakdown of the expense variances to budget are shown below.

### 1.2.1 Operating Expenditures and Transfers

Expenses and Transfers above the original budget are calculated as follows:

	<u>\$000</u>
Actual operating expenditures and transfers	545,581
Opening operating budget	<u>520,729</u>
Expenditures above budget	<u>24,852</u>

The items making up the \$24,852,000 increase in expenditures and transfers were:

	<u>\$000</u>	<u>\$000</u>
a) Salary Increases		
Current year cost	7,848	
Less: Contingency in opening budget	8,175	
Additional cost/(savings)		<u>(327)</u>
b) Mid-Year Allocations		
Total allocations	3,070	
Less: Opening contingency	3,002	
Additional cost/(savings)		<u>68</u>
c) Enrolment Incentive		
Current year cost	(1,317)	
Less: Opening contingency	1,324	
Additional cost/(savings)		<u>(2,641)</u>
d) Bond Financing		
Current year cost	1,159	
Less: Opening contingency	5,729	
Additional cost/(savings)		<u>(4,570)</u>
d) Other Contingencies		
Current year cost	288	
Less: Opening contingency	5,190	
Net		<u>(4,902)</u>
Total additional contingency costs/(savings)		<u>(12,372)</u>

	<u>\$000</u>	<u>\$000</u>
Overspent (unspent) balances not appropriated:		
e) Utilities	1,644	
f) Benefits	(2,842)	
g) Contracted Services	(2,095)	
h) Other minor balances	(24)	
Subtotal		(3,318)
Expenditures funded by additional income:		
Government grant (section 1.1.1)	5,172	
Tuition income (section 1.1.2)	1,419	
Miscellaneous fees & income (section 1.1.3)	53	
Investment income (section 1.1.4)	-	
Departmental income (section 1.1.5)	349	
		6,993
2021-22 unspent budget returned to units	175,031	
2022-23 unspent budget appropriated from units	(141,483)	
Net spending of appropriations (section 1.2.2)		33,548
Total expenditures and transfers above budget		24,852

Notes:

- a) Salary Increases: The cost of salary and benefit increases for 2022-23 were under budget by \$327,000.
- b) Mid-Year Allocations: Allocations from the mid-year contingency fund totalled \$3,070,000 in 2022-23, as compared to the budget of \$3,002,000. The allocations include:

Allocations from the Mid-Year Contingency Fund:

	<u>\$000</u>
Teaching & Learning Services	1,646
Labour relations compliance	846
Community-based Indigenous BSW	260
Sprott Online MBA	203
Other	115
Total allocations	3,070
Opening contingency	3,002
Allocation in excess of budget	(68)

The Provost's Budget Working Group, co-chaired by the Provost and the Vice-President (Finance and Administration), manages the Mid-Year Contingency Fund.

- c) Enrolment Incentive Plan: The Enrolment-Linked Budget Allocation (ELBA) was initiated in 2010-11 whereby faculties receive 40% of the net revenue from enrolment growth in their area. In 2022-23, \$2,641,000 set aside for this purpose was not required.

- d) Bond Financing: In June 2021, the university issued a \$220 million, forty-year debenture which requires interest-only payments during that time. In accordance with the university's Capital Debt policy, annual contributions to a sinking fund must also be made to accumulate sufficient funds to retire the principal due at the end of 40 years. Contributions to both the interest and sinking fund are shared proportionately between the operating and ancillary funds. During the year, the operating fund contributions of \$5,729,000 toward both interest and sinking fund payments, which were fully budgeted for, were offset by \$4,570,000 of short-term investment income earned from unallocated bond proceeds, generating a savings against this budget.
- e) Other Contingencies: Included here are annual amounts set aside for pending positions, international recruiting agent fees, and revenue sharing estimates for special programs. Total allocations related to these annual items amounted to \$288,000. The opening budget also included a provision for future needs. As noted below, this provision was appropriated for future use.
- f) Utilities: The increased costs are attributed to higher than expected co-generation facility downtime and higher than anticipated natural gas prices. In addition, water costs are higher due to a failed water meter on campus, resulting in inconsistent billing, which will be challenged in the upcoming year.
- g) Benefits: Savings were achieved in the current year as result of a health benefits premium holiday and a reduction in pension payments due to the positive July 2021 pension valuation.
- h) Contracted services: During the pandemic, externally contracted cleaning was increased to support students and staff returning to campus. With the elimination of pandemic protocols, these costs have returned to pre-pandemic levels.

## 1.22 Appropriations

Appropriations, also known as internally restricted net assets, represent commitments that are recognized as charges against the operating results in the current year, although the expenditure has not yet taken place. The commitment can either be to an outside supplier (i.e., an outstanding encumbrance may exist based on a purchase order which has not yet been fulfilled), or an internal commitment to a departmental manager that budgetary balances available in the current year can be used for specific projects in the future.

Generally, unspent budgetary balances are carried forward into the next year. This is seen as an effective institutional policy as it allows managers to plan expenditures over a period that extends beyond the fiscal year and deters any potentially wasteful spending towards the year-end that may arise if budgetary funds were no longer available.

The net decrease in the general operations appropriated fund balance for the year is as follows:

	<u>\$000</u>
Returned to units from 2021-22 appropriated fund balance	(175,031)
Unspent budget from units appropriated to fund balance 2022-23	<u>141,483</u>
Net appropriations utilized by units	(33,548)
New appropriation of surplus	<u>12,766</u>
Total decrease in appropriated fund balance	<u>(20,782)</u>

Details of the returned and new appropriations are as follows:

	<i>Returned</i> \$000	<i>Appropriated</i> \$000	<i>Difference</i> \$000
RPC			
Faculties	60,572	64,053	3,481
Academic Administration	3,771	2,639	(1,132)
Students and Enrolment	9,823	7,788	(2,035)
Library	3,559	2,779	(780)
President	2,993	2,212	(781)
Research and International	2,216	1,920	(296)
Finance and Administration	13,149	8,434	(4,715)
Computing infrastructure	5,454	5,552	98
Renovations	44,833	37,064	(7,769)
Advancement	6,480	3,806	(2,674)
Student Support	5,636	3,307	(2,329)
Pending commitments	3,444	1,679	(1,765)
Self-insurance fund	200	250	50
Capital reserves	12,901		(12,901)
Subtotal	175,031	141,483	(33,548)
New appropriations	-	12,766	12,766
	175,031	154,249	(20,782)

New appropriations represent allocations of unspent funds to reserves, over and above those included in the original budget. For 2022-23, new appropriations total \$12,766,000 as detailed below:

	<i>\$000</i>
Strategic Initiatives	12,766
	12,766

In addition, \$180,925,000 of prior year appropriated funds were not returned during 2022-23, as the planned or possible expenditures will occur in future fiscal years.

	<i>\$000</i>
Capital reserves	52,373
Pension liability reserve	69,212
Investment income equalization fund	39,000
Strategic Initiatives fund	19,920
Future project commitments	322
Self-insurance fund	99
Total appropriations not returned	180,925

Current commitments against the capital reserve include \$3 million for the campus transportation strategy. The balance will be used in tandem with the \$220 million of bond proceeds received in July 2021 for future capital projects which may include a Wellness Hub.

While the pension fund is currently fully funded on an actuarial basis, the plan remains top of mind for the university when assessing future risks. On an accounting basis, the plan improved from a \$53.9 million asset position as of April 30, 2022, net of obligations, to an increased asset position of \$71.8 million at April 30, 2023, as a result of the market's impact on the assets backing the pension plan. Given the market's ability to impact the position of the pension plan, the university continues to hold \$69.2 million reserved for pension obligations.

### 1.3 Operating Results

As noted in section 1 above, net actual results show revenues, which equal expenditures and appropriations. The increases in income and expenses have been reviewed in detail. Many of the items are offsetting, in that additional income was directed to specific areas of expense. In the analysis below, we have excluded these offsetting items to provide a variance analysis against the mid-year projections, for the major categories.

Final Operating Budget Results vs Projection

	<i>Actual</i>	<i>Projected</i>	
	<i>Incr/Decr</i>	<i>Incr/Decr</i>	<i>Variance</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
<b>Income Variations</b>			
Government grants (section 1.1.1)	(37)	-	(37)
Tuition fees (section 1.1.2)	(16,698)	(14,500)	(2,198)
Miscellaneous income (section 1.1.3)	1,292	-	1,292
Investment income (section 1.1.4)	12,550	6,300	6,250
Departmental income (section 1.1.5)	(30)	-	(30)
<b>Total income variations</b>	<b>(2,923)</b>	<b>(8,200)</b>	<b>5,277</b>
<b>Expenditure Variations</b>			
Expenditures less than contingencies (sec 1.2.1)	12,372	2,800	9,572
Expenditures less/(more) than allocations (sec 1.2.1)	3,317	9,100	(5,783)
<b>Total expenditure variations</b>	<b>15,689</b>	<b>11,900</b>	<b>3,789</b>
<b>Change in results</b>	<b>12,766</b>	<b>3,700</b>	<b>9,066</b>
New appropriation of surplus (section 1.2.2)	(12,766)	(3,700)	(9,066)
<b>Net change in results</b>	<b>-</b>	<b>-</b>	<b>-</b>
Original surplus included in budget	-	-	-
<b>Total change in accumulated surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>

### 1.4 Accumulated Unrestricted Surplus

The prior year's accumulated operating surplus was \$nil and therefore remains unchanged. The university continues its practice of appropriating unrestricted operating surplus and holding them in Internally Restricted Net Assets for future strategic future purposes.

## 2. Ancillary Operations - Operating Result and Fund Balance

Schedule 2 of this report details the 2022-23 operations of each ancillary as compared to the opening budget. Overall, the ancillary results can be summarized as follows:

	<i>2022-23 Actual \$000</i>	<i>2022-23 Budget \$000</i>	<i>2021-22 Actual \$000</i>
Revenue and internal recoveries	67,578	64,252	49,174
Expenses and transfers	39,068	45,355	24,718
Surplus (deficit) from operating activity	28,510	18,897	24,456
Major renovations and capital debt	15,799	21,657	23,260
Surplus (deficit) for the year	12,711	(2,760)	1,196

As noted in the financial highlights, ancillary revenue and internal recoveries exceeded budget and returned to pre-pandemic levels. Expenses and transfers were under budget due to lower than anticipated spending on deferred maintenance, decreased utility costs, and a transfer of \$3.5M from general operations for deferred maintenance funding.

Ancillary operations ended the year with a combined surplus of \$12.7 million compared to a budgeted deficit of \$2.8 million. The surplus can primarily be attributed to improved revenues and less expenditures incurred on major renovations.

All individual ancillary units have successfully eliminated any accumulated deficits developed during the pandemic, apart from Parking Services and The Print Shop. The combined surplus for all ancillaries totalled \$12.7 million for 2022-23, resulting in a total accumulated surplus of \$35.8 million as of April 30, 2023.

The change in the fund balances are as follows:

	<i>Balance at April 2023 \$000</i>	<i>Balance at April 2022 \$000</i>	<i>Variance \$000</i>
Accumulated Surplus - Unrestricted	-	677	(677)
Accumulated Surplus - Internally Restricted	35,782	22,394	13,388
	35,782	23,071	12,711

### 3. Other Income and Expenditures

As explained in section 1 above, the 2022-23 audited financial statements include all the activities of the university which, for management purposes, are segregated into separate funds. The following sections highlight the more significant non-operating activities from the Consolidated Statement of Operations.

#### 3.1 Capital Investments, Plant Income and Expenses

The accounting for investments in capital assets is one of the major differences in how the university accounts for expenditures internally, versus those in the audited financial statements. Included here is a high-level view of capital investments, as well as operating results for the non-capital portion of renovation projects, known as plant income and expenses.

Since 2008, to accommodate enrolment growth, the university has invested over \$585 million in major capital projects, including several new buildings. In addition to investing in new facilities, the university has had to address a considerable backlog of deferred maintenance projects to maintain existing buildings in acceptable condition. In the current year alone, \$20 million was spent on building modernization and maintenance projects.

The plant income and expenses included here represent non-capital and renovation projects, which are specifically funded from external sources, as well as those non-capital expenditures being funded from operations (e.g. general, ancillary, research) over a period of time.

The following summarizes the Plant income and expenses for 2022-23:

	<i>2022-2023</i> <i>Actual</i> <i>\$000</i>	<i>2021-2022</i> <i>Actual</i> <i>\$000</i>	<i>Increase</i> <i>(Decrease)</i> <i>\$000</i>
Income and Transfers			
Government grants, other income	1,829	329	1,500
Transfers from/(to) operating & ancillary	(2,089)	5,024	(7,113)
Net income	(260)	5,353	(5,613)
Expenses			
Additions	3,951	706	3,245
Surplus (deficit)	(4,211)	4,647	(8,857)
Opening fund balance	4,647	-	4,647
Closing fund balance	436	4,647	(4,211)

During the year, a net of \$2,089,000 in advanced funding was returned to the operating fund for postponed projects, while \$3,951,000 in expenditures was incurred for externally funded, non-capital projects. As of April 30, 2023, \$436,000 of internal funding received in advance of expenditures remained.

## 3.2 Research Funding and Expenditures

The table below provides a summary of externally sponsored and internally funded research activity.

Externally sponsored research funding is considered restricted revenue and is not recognized as revenue on the audited financial statements until matching expenditures are made. Funding received but not spent during the year is shown as deferred revenue. Internally funded research revenue does not have external restrictions placed on it and is recognized as revenue when received. Unspent funds at year-end are shown as internally restricted balances on the financial statements.

	<i>Balance</i> <i>April 30, 2022</i> <i>\$000</i>	<i>2022-23</i> <i>Funding</i> <i>\$000</i>	<i>2022-23</i> <i>Expenditure</i> <i>\$000</i>	<i>Balance</i> <i>April 30, 2023</i> <i>\$000</i>
<u>Tri-Agency Sponsored Research</u>				
CIHR	3,215	2,443	2,393	3,265
NSERC	18,608	21,294	19,454	20,448
SSHRC	16,253	19,216	17,867	17,602
	<u>38,076</u>	<u>42,953</u>	<u>39,714</u>	<u>41,315</u>
<u>Canadian Governmental Agencies</u>				
Natural Resources Canada	-	2,598	865	1,733
Environment and Climate Change Canada	971	2,030	2,923	78
Natural Research Council	1,593	1,877	1,979	1,491
Other federal agencies	3,005	6,948	6,009	3,944
	<u>5,569</u>	<u>13,453</u>	<u>11,776</u>	<u>7,246</u>
<u>Other Sponsored Research</u>				
SNO and TRIUMF	-	8,446	8,446	-
CFI / Ontario Research Fund	5,705	2,418	5,253	2,870
Provincial, municipal governments	2,358	4,029	3,448	2,939
Businesses and foundations	14,185	39,196	37,273	16,108
Research partnership agreements	2,830	4,286	4,138	2,978
Other sponsored research	1,168	1,285	508	1,945
	<u>26,246</u>	<u>59,660</u>	<u>59,066</u>	<u>26,840</u>
<u>Total Sponsored Research</u>	<u>69,891</u>	<u>116,066</u>	<u>110,556</u>	<u>75,401</u>
Internally funded research	54,417	9,711	5,327	58,801
<u>Total Research</u>	<u>124,308</u>	<u>125,777</u>	<u>115,883</u>	<u>134,202</u>



Notes:	Acronyms
CFI	Canadian Foundation for Innovation
CIHR	Canadian Institutes for Health Research
NRC	National Research Council
NSERC	Natural Science and Engineering Research Council
SNO	Sudbury Neutrino Observatory Institute
SSHRC	Social Science and Humanities Research Council
TRIUMF	National Laboratory for Particle and Nuclear Physics

Sponsored research funding received during the year increased by \$23,542,000 (25.4%) from \$92,524,000 in 2021-22 to \$116,066,000 in 2022-23. Corresponding expenditures on these projects increased by \$26,686,000 from \$83,870,000 to \$110,556,000. The sponsored research fund balance increased by \$5,510,000 from \$69,891,000 to \$75,401,000 as of April 30, 2023. This balance is included in deferred revenue.

Funding of internally restricted research projects was slightly lower in 2022-23 at \$9,711,000, compared to \$10,838,000 in 2021-22. Related expenditures were also lower, at \$5,303,000, compared to \$6,816,000 in the prior year, and resulted in the internally funded research balance increasing from \$54,417,000 to \$58,825,000.

#### 4. Reconciliation of Operating Results

The accumulated balances for the operating, ancillary and plant funds described in the previous sections match those shown on the Consolidated Statement of Changes in Net Assets. The operating results discussed above do not, however, match those shown on the Consolidated Statement of Operations. The following explains the differences in presentation:

	<u>\$000</u>
Operating budget result, before appropriation of surplus (section 1.3)	12,766
Adjustments:	
a) Decrease in operating appropriations (section 1.2.2)	(33,548)
b) Investment in capital assets	(4,549)
c) Employee future benefits	(8,576)
d) Internal contributions to endowments and sinking fund	5,788
e) Research surplus (internally restricted) increase (section 3.2)	4,384
f) Ancillary surplus (section 2)	12,711
g) Plant deficit (section 3.1)	(4,211)
i) Other minor adjustments	1,467
Operating results per audited consolidated financial statements	<u>(13,768)</u>

Notes:

- a) Decrease in appropriations: As noted in Section 1.2.2, there was a reduction of \$33,548,000 in internal reserves for the general operating budget, before the appropriation of the \$12,766,000 surplus. Under Canadian accounting standards, appropriations, or the use of reserves for budgetary purposes, are not accounted for within the audited Statement of Operations but are shown as a change in internally restricted net assets on the Consolidated Statement of Changes in Net Assets.

b) Net change in investment in capital assets: For the purposes of managing general operations, the university accounts for funds received for, and expended on the purchase of capital assets in the year the purchase is made. However, under Canadian accounting standards, the receipts and costs must be amortized over the life of asset (i.e. 10 to 40 years). The result of this is that expenditures incurred during the year for capital assets are removed from those shown in the statements of operations and a calculated amount for amortization expenditure is recognized. Similarly, any restricted funds received during the year for capital purchases are removed from revenues and brought into income over the life of the asset. The prescribed, calculated expenditure on our audited operating statement was \$4,549,000 higher than the actual net cash outlay during the year and included as an expense in our internal operating budget.

c) Employee future benefits: The liability for future benefits owing to employees must be accrued as service is rendered to earn that benefit. Legislation requires that pension obligations must be funded, however non-pension future benefits, such as health care, are generally handled on a 'pay as you go' basis in the university sector. For both pension and non-pension future benefits, actuarial assumptions are used to calculate the accrual-based expense that must be recognized in the statement of operations and the related contributions that have been paid must be removed. During 2022-23 the following entries were made:

	<i>\$000</i>
Employee future benefits, non-pension	16,525
Employee future pension benefits	19,695
Less: 2022-23 contributions removed from expenditure	(27,644)
Difference – calculated expense more than cash outlay	8,576

d) Internal contributions to endowments and sinking fund: Unrestricted contributions are recognized as revenue in the period in which they are received. When they are subsequently reallocated to the endowment fund or the sinking fund, the transfer is considered an expenditure within our internal operating budget. However, in our audited financial statements, these amounts are shown on the Statement of Changes in Net Assets as a reduction in unrestricted net assets, rather than as an expenditure within the Statement of Operations. Internal contributions to the endowment amounted to \$3,684,000 while \$2,104,000 was contributed towards the sinking fund. As per the university's Capital Debt policy, a sinking fund was established for the \$220 million, 40-year debenture issued in June 2021. As of April 30, 2023, the balance in the sinking fund was \$3,622,000.

e) Research funds: As shown in section 2.4.2 above, internally restricted research balances increased by \$4,384,000 during 2022-23. As these funds are earmarked for the continuation of the research activity being funded, this \$4,384,000 (\$58,801,000 - \$54,417,000) is shown as an increase to the internally restricted amounts on the Consolidated Statement of Changes in Net Assets.

f) Ancillary surplus: As presented in section 2, the ancillary operations resulted in a surplus of \$12,711,000 in 2022-23.

g) Plant deficit: As presented in section 3.1, the plant fund for non-capital and renovation projects resulted in a deficit of income over expenditures of \$4,211,000 in 2022-23.

h) Other minor adjustments: The audited Statement of Operations also includes the results of other university operations, such as entrepreneurial activities, that are not detailed in this report. The net surplus of those activities included in the audited financial statements is \$1,467,000.

# General Operating Fund 2022-23

Schedule 1

## Income, Expenses and Accumulated Surplus Comparison To Budget (May 2022) and 2021-22 Actual

<b><u>INCOME</u></b>	2022-23	2022-23	Actual to Budget		2021-22	Actual to Prior	
	Actual	Budget	\$000's	%	Actual	Year	%
	\$000's	\$000's	\$000's	%	\$000's	\$000's	%
Government Grant	179,589	174,454	5,135	2.9	175,473	4,116	2.3
Tuition Fees	299,721	315,000	(15,279)	(4.9)	307,333	(7,612)	(2.5)
Miscellaneous Income	14,398	13,053	1,345	10.3	14,104	294	2.1
Investment Income	22,550	10,000	12,550	125.5	10,978	11,572	105.4
Departmental Income	8,541	8,222	319	3.9	9,573	(1,032)	(10.8)
<b>Total Operating Income</b>	<b>524,799</b>	<b>520,729</b>	<b>4,070</b>	<b>0.8</b>	<b>517,461</b>	<b>7,338</b>	<b>1.4</b>
<b><u>EXPENSES</u></b>							
Faculty of Arts & Social Sciences	63,874	65,842	(1,968)	(3.0)	58,743	5,131	8.7
Faculty of Public Affairs	43,842	45,517	(1,675)	(3.7)	40,026	3,816	9.5
Sprott School of Business	18,353	18,125	228	1.3	16,020	2,333	14.6
Faculty of Science	49,323	48,732	591	1.2	43,442	5,881	13.5
Faculty of Engineering and Design	49,636	48,687	949	1.9	44,021	5,615	12.8
Provost and Vice-President (Academic)	17,694	17,422	272	1.6	16,104	1,590	9.9
Vice-President (Students and Enrolment)	29,848	26,786	3,062	11.4	29,175	673	2.3
Library	11,348	11,629	(281)	(2.4)	9,978	1,370	13.7
Vice-President (Research and International)	5,398	4,069	1,329	32.7	5,686	(288)	(5.1)
Vice-President (Finance & Administration)	51,750	47,704	4,046	8.5	50,218	1,532	3.1
Advancement	6,031	5,497	534	9.7	5,660	371	6.6
President	6,102	5,320	782	14.7	4,907	1,195	24.4
University Budgets and Provisions	172,212	155,031	17,181	11.1	184,036	(11,824)	(6.4)
Interfund Transfers (net)	20,170	20,368	(197)	(1.0)	35,629	(15,459)	(43.4)
<b>Sub-Total Operating Expenses</b>	<b>545,581</b>	<b>520,729</b>	<b>24,852</b>	<b>(4.8)</b>	<b>543,645</b>	<b>1,936</b>	<b>0.4</b>
Net Appropriations, before appropriation of surplus	(33,548)	-	(33,548)	-	(32,608)	(904)	
Appropriation of surplus	12,766	-	12,766	-	6,424	6,342	
<b>Total Expenses</b>	<b>524,799</b>	<b>520,729</b>	<b>4,070</b>	<b>0.8</b>	<b>517,461</b>	<b>7,388</b>	<b>1.4</b>
<b>Increase/(Decrease) in Unrestricted Surplus</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	

Carleton University Ancillary Operations  
Income and Expenditure as Compared to Budget  
and Accumulated Operating Results as of April 30, 2023

Schedule 2

	2022-23 Actual			2022-23 Budget			Actual as Compared to Budget			Accumulated Surplus	
	<u>Income</u>	<u>Expenses and Transfers</u>	<u>Surplus (Deficit)</u>	<u>Income</u>	<u>Expenses and Transfers</u>	<u>Surplus (Deficit)</u>	<u>Income</u>	<u>Expenses and Transfers</u>	<u>Surplus (Deficit)</u>	<u>Opening</u>	<u>Closing</u>
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Housing, Residence Life & Conference Services	27,113	19,754	7,359	25,447	25,927	(480)	1,666	(6,173)	7,839	6,361	13,720
Dining Services	6,609	4,728	1,881	6,970	5,250	1,720	(361)	(522)	161	(58)	1,823
Physical Recreation & Athletics	16,287	13,798	2,489	14,630	17,023	(2,393)	1,657	(3,225)	4,882	13,537	16,026
Parking Services	4,995	5,186	(191)	5,347	6,828	(1,481)	(352)	(1,642)	1,290	(996)	(1,187)
Health & Counselling Services	4,351	4,051	300	3,835	4,123	(288)	516	(72)	588	1,650	1,950
The Print Shop	1,339	1,468	(129)	1,328	1,382	(54)	11	86	(75)	(1,461)	(1,590)
Campus Card	764	725	39	883	840	43	(119)	(115)	(4)	174	213
Ancillary Property Rentals	2,466	2,475	(9)	2,412	2,412	-	54	63	(9)	677	668
University Centre	1,815	1,139	676	1,774	1,774	-	41	(635)	676	2,308	2,984
Carleton Performance Centre	843	842	1	718	718	-	125	124	1	297	298
Bookstore	369	422	(53)	366	465	(99)	3	(43)	46	193	140
Ancillary Strategic Fund	627	279	348	542	270	272	85	9	76	389	737
<b>Total Ancillaries</b>	<b>67,578</b>	<b>54,867</b>	<b>12,711</b>	<b>64,252</b>	<b>67,012</b>	<b>(2,760)</b>	<b>3,326</b>	<b>(12,145)</b>	<b>15,471</b>	<b>23,071</b>	<b>35,782</b>
							Unappropriated fund balance			677	-
							Appropriated fund balance			22,394	35,782
										<u>23,071</u>	<u>35,782</u>