



**FINANCIAL REPORT
TO THE BOARD OF GOVERNORS**

2021-2022

Table of Contents

Management Discussion and Analysis

1. FINANCIAL HIGHLIGHTS OF THE YEAR.....	I
2. OPERATING ENVIRONMENT	II
3. USING THE FINANCIAL REPORT	IV
4. AUDITED FINANCIAL STATEMENTS	V
5. SYSTEM-WIDE FINANCIAL METRICS	VIII
6. CAPITAL INVESTMENTS AND FACILITY RENEWAL.....	IX
7. CONCLUSION	IX

1. Financial Review

1.1 GENERAL OPERATING FUND – SCHEDULE 1	1
1.2 ANCILLARY OPERATIONS – SCHEDULE 2	2
1.3 STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)	3

2. Internal Statement of Operations

2.1 OPERATING INCOME.....	3
2.1.1 GOVERNMENT OPERATING GRANTS	4
2.1.2 TUITION FEES - CREDIT PROGRAMS	4
2.1.3 MISCELLANEOUS INCOME.....	5
2.1.4 INVESTMENT INCOME	6
2.1.5 DEPARTMENTAL INCOME	6
2.2 OPERATING EXPENDITURES, TRANSFERS, AND APPROPRIATIONS	7
2.2.1 OPERATING EXPENDITURES AND TRANSFERS	7
2.2.2 APPROPRIATIONS.....	9
2.2.3 OPERATING RESULTS.....	11
2.2.4 ACCUMULATED SURPLUS	12
2.3 ANCILLARY OPERATIONS - OPERATING RESULTS AND FUND BALANCES.....	12
2.4 OTHER INCOME AND EXPENDITURES	13
2.4.1 PLANT INCOME AND EXPENSES	13
2.4.2 RESEARCH FUNDING AND EXPENDITURES.....	14
2.5 RECONCILIATION OF OPERATING RESULTS	15

3. Consolidated Statement of Financial Position (Balance Sheet)

3.1	SOURCE AND APPLICATION OF UNIVERSITY RESOURCES	18
3.2	SOURCE OF RESOURCES	19
3.2.1	ACCOUNTS PAYABLE	19
3.2.2	DEFERRED REVENUE	19
3.2.3	CURRENT PORTION OF LONG-TERM DEBT	20
3.2.4	ACCRUED LEAVE	20
3.2.5	EMPLOYEE FUTURE BENEFITS LIABILITY	20
3.2.6	LONG-TERM DEBT	21
3.2.7	NET ASSETS, PROVIDING A SOURCE OF RESOURCES	21
3.3	APPLICATION OF RESOURCES	23
3.3.1	CASH AND SHORT-TERM INVESTMENTS	23
3.3.2	ACCOUNTS RECEIVABLE	23
3.3.3	PREPAID EXPENSES	24
3.3.4	CURRENT PORTION OF NET INVESTMENT IN LEASE	24
3.3.5	NET INVESTMENT IN LEASE	25
3.3.6	INVESTMENTS	25
3.3.7	CAPITAL ASSETS, INVESTMENT IN CAPITAL ASSETS, DEFERRED CAPITAL CONTRIBUTIONS	26
3.3.8	ART COLLECTION, INVESTMENT IN COLLECTION	27
3.3.9	NET ASSETS, REQUIRING AN APPLICATION OF FUNDS	27
	GENERAL OPERATING FUND – COMPARISON TO BUDGET	SCHEDULE 1
	CARLETON UNIVERSITY ANCILLARY OPERATIONS	SCHEDULE 2

FINANCIAL HIGHLIGHTS OF THE YEAR

The 2021-22 Financial Report to the Board of Governors is hereby submitted. 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

Fiscal year 2021-22 saw the partial return to campus after an unprecedented operational challenge in the prior year with the impact of the global pandemic. The university offered a mix of online and in-person courses, and resumed normal residence operations. As compared to the fall of 2020, where 4,094 courses were offered exclusively online, the fall of 2021 saw 1,327 courses offered in-person and 3,189 offered either online or in a hybrid setting.

From a financial performance point of view, the university's general operating budget fared quite well. While tuition revenue was slightly below budget due to the flow-through effect of a prior year decline in first-year, full-time enrolment and higher graduation rates, first year intake was up 2.0%. Fee revenues were \$3.9 million less than budget, with domestic tuition fees continuing to be frozen at 2019-2020 levels, after a 10% decrease in that same year.

The investment markets continue to ebb and flow, with the university experiencing a minor decline in equity markets after a strong rebound in 2020-2021. Operating investment revenue still resulted in a \$1 million positive variance, as compared to budget, but was \$31.7 million less than the previous year (\$42.7 million).

Overall, the ancillary units had favourable results in 2021-2022 as compared to 2020-2021, as the university community began to return to campus. Collectively, they contributed \$1.2 million in annual surplus, with Housing, Conference and Dining, Physical Recreation and Athletics, and Health and Counselling Services all showing positive results. Parking Services and The Print Shop continue to be most affected by the reduced presence on campus but will return to profitable operations by 2023-24.

The financial results, in accordance with Canadian accounting standards for non-profit organizations, indicates a deficit on a consolidated basis of \$17.8 million, as

compared to a \$39.1 million surplus in 2020-21. This consolidated deficit is the result of the planned use of reserves to fund additional expenditures, including \$11.2 million of deferred maintenance and renovations, as well as a \$6.6 million decrease in general appropriations (i.e. balances carried forward).

Research funding received continues to be strong, with \$92.5 million received in 2021-22 compared to the record setting \$99.7 million in the previous year. Actual research expenditures of \$83.9 million for sponsored research in 2021-22 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 \$809.1 million in operating cash and marketable securities, compared to \$603.8 million one year earlier. This increase is due to the proceeds from the university's inaugural bond issuance for \$220 million.

During the year, \$43.7 million was invested in capital assets, which saw the opening of the Sprott School of Business' Nicol Building and the near completion of the Engineering Design Centre. Construction of the new student residence resumed after being paused last year due to Covid-19. The university also continues to address its deferred maintenance backlog, with \$31.5 million spent on renovating facilities, \$10.5 million more than the previous year.

Unrestricted net assets almost exclusively represents the liability associated with employee future benefits. The non-pension future benefit liability has increased only slightly by \$4.9 million to \$166.4 million, however the main increase in this liability is due to changes in the equity markets that reduced the pension asset, on an accounting basis, by \$28.6 million to \$53.9 million as at April 30, 2022.

Internally restricted net asset, at \$443.2 million, represent reserves available to faculties and departments, as well as specific centrally established reserves, including reserves for capital expenditures, and future pension liabilities.

The endowment fund assets also saw a slight decrease year over year of \$9.7 million, due to unrealized investment losses.

Overall, the university's assets, and combined liabilities and net assets grew by \$200.4 million to \$1.93 billion.

OPERATING ENVIRONMENT

Full-time equivalent (FTE) students attending Carleton during 2021-22 totalled 28,619. While overall undergraduate levels were down slightly from the prior year, new first year students were up 2% and overall graduate FTEs were up almost 5%.

Enrolment patterns during the pandemic, including 2021-22, have been different than historical patterns. Notably, there have been more enrolments during the summer months of 2020 and 2021, and more undergraduate students enrolled on a part-time basis, both adding to annual FTE figures. Additionally, convocations increased considerably this past year, with a more than 9% increase in convocations in 2021 compared to 2020.

The existing provincial tuition fee framework, which froze domestic fees at 2019-20 rates, remained unchanged for 2021-22. This, coupled with overall lower domestic undergraduate FTEs, resulted in tuition revenue falling short of budget by \$3.9 million.

In August 2020, Carleton and MCU signed the next 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/ 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, the first three years of SMA3 saw funding decoupled from the performance metrics, and the Ministry will assess 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 has been paused, and overall funding rates have not changed, overall grant income is

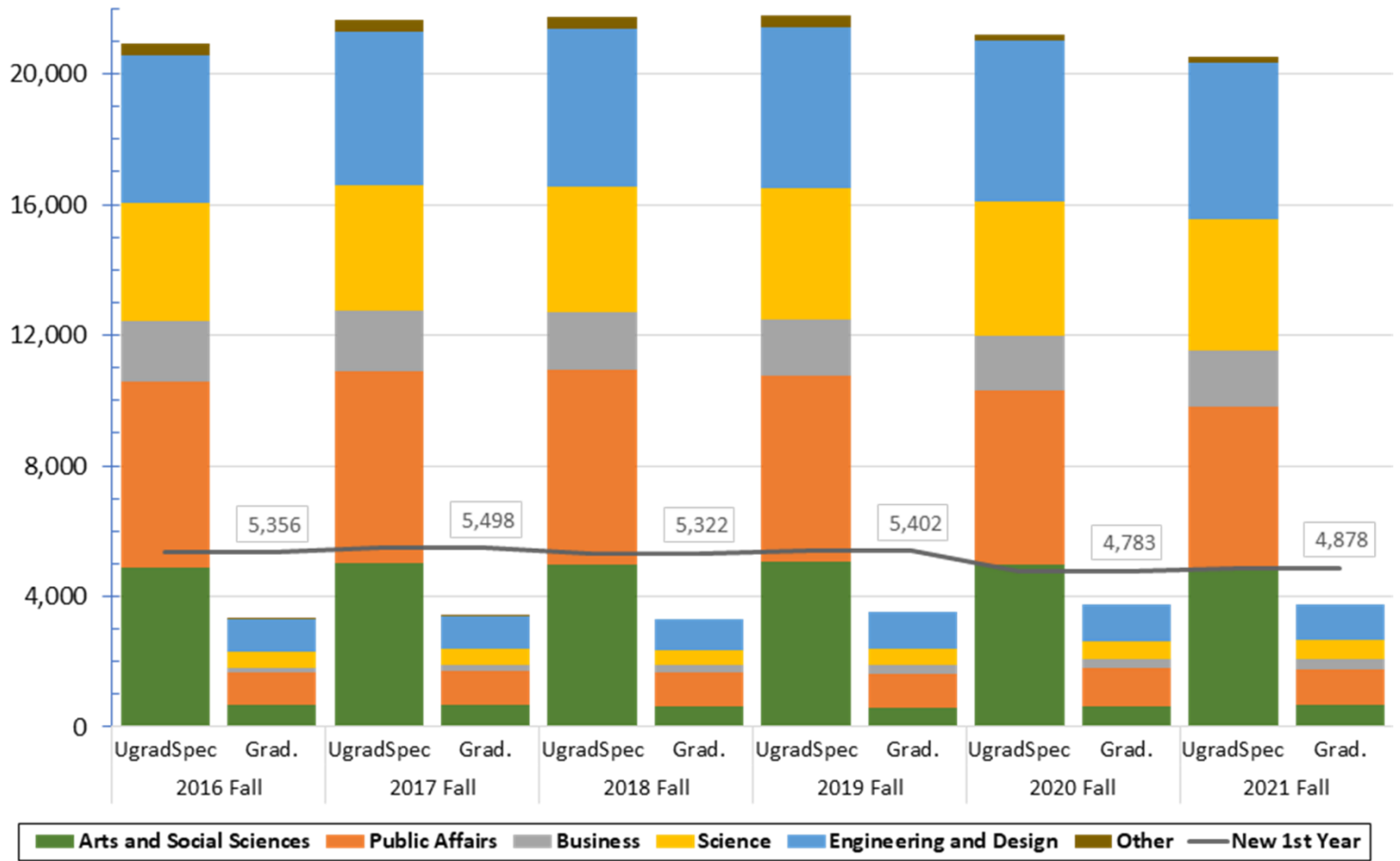
still affected by the Ministry's International Student Recovery (ISR) clawback and the requirement to defer restricted grants until the corresponding expenditures are made. As such, government funding at \$175.5 million was only slightly down from the \$175.9 million in 2020-21.

The other key regulatory provision still affecting Carleton's operations in 2021-22 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 successfully negotiated settlements with the following unions:

- CUPE 2424, Carleton University Support Staff Association
- CUASA, Carleton University Academic Staff Association
- CUPE 910, Operational and Maintenance Staff
- CUPE 3778, Central Heating Plant Staff
- OPSEU 404, Campus Safety Services Staff

It remains that COVID-19 has had the most pervasive impact on the operations of the university. Carleton continued to apply the appropriate health and safety measures to protect students, staff, and visitors. As we adapted to the pandemic, and carefully brought our community back to the campus, the university continued to provide exceptional service throughout the 2021-22 fiscal year. Although the financial effects of COVID-19 were minimal for the core instructional operations, the university's ancillary units continue to be impacted by the reduced presence on campus. Healthy reserves in both the general and ancillary operations allowed Carleton to weather this unprecedented situation and the capacity to be able to face financial pressures in 2022-23, should they arise. Management continues to work closely with its key stakeholders to ensure the safety of students, staff, and visitors, and the financial sustainability of the university.

Undergraduate and Graduate Enrolment by Faculty - Fall Full-time - 2016-2021



Office of Institutional Research and Planning - June 2022

USING THIS FINANCIAL REPORT

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

Section 2.5 of the Financial 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 2021-22 operating budget approved by the Board of Governors.

	2021-22	2020-21
Excess of revenue over expense (per audited statements)	\$ (17.8 M)	39.1 M
Net change in investment in capital assets	\$ 1.0 M	(33.9 M)
Decrease/(Increase) in internal appropriations	\$ 14.0 M	(13.4 M)
Internal contributions to endowment	\$ (2.6 M)	(3.4 M)
Employee future benefit expense net of cash payment	\$ 5.7 M	12.9M
Other items*	\$ (0.3 M)	(1.3 M)
Excess of expense over revenue per Financial Report	\$ <u>nil</u>	<u>nil</u>
Accumulated surplus	\$ nil	nil

*Other items include the treatment of unrestricted endowment earnings/losses

AUDITED CONSOLIDATED FINANCIAL STATEMENTS

The audited Statement of Operations combines all activities of the university (general operating, ancillary, research, capital, 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 2021-22 Operating Budget.

As shown in the Consolidated Financial Statements, the university experienced a shortfall in revenue over expenses of \$17.8 million in 2021-22. This deficit reflects timing differences in the recognition of operating expenses and appropriations, as previously described.

The university’s consolidated revenue of \$667.2 million decreased \$4.4 million (0.7%) from the previous year, while consolidated expenses increased \$52.5 million to \$684.9 million (8.3%).

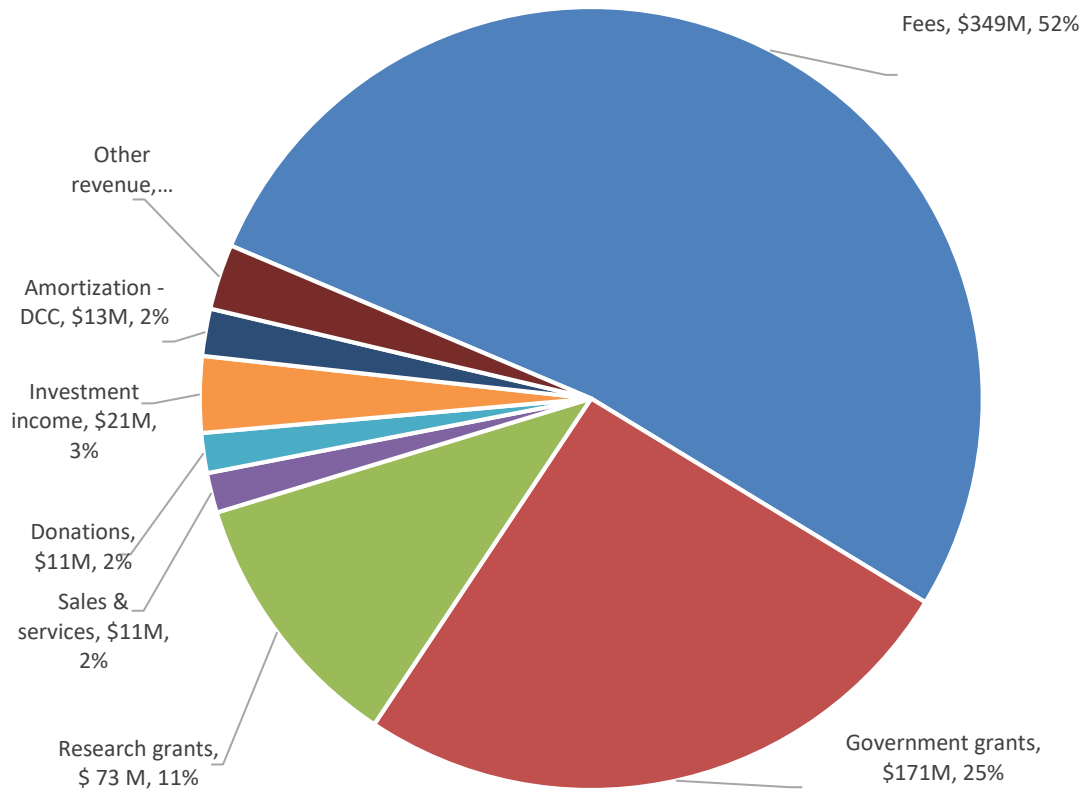
The main contributor to the lower revenue was the softening of the investment markets, decreasing investment income by \$30.7 million, offset by an overall increase in tuition revenue of \$13.2 million.

Research grants and contracts recognized in the financial statements totalled \$73.4 million, while deferred research revenues climbed \$8.7 million to \$69.9 million, reflecting the success of Carleton’s efforts to expand research activities.

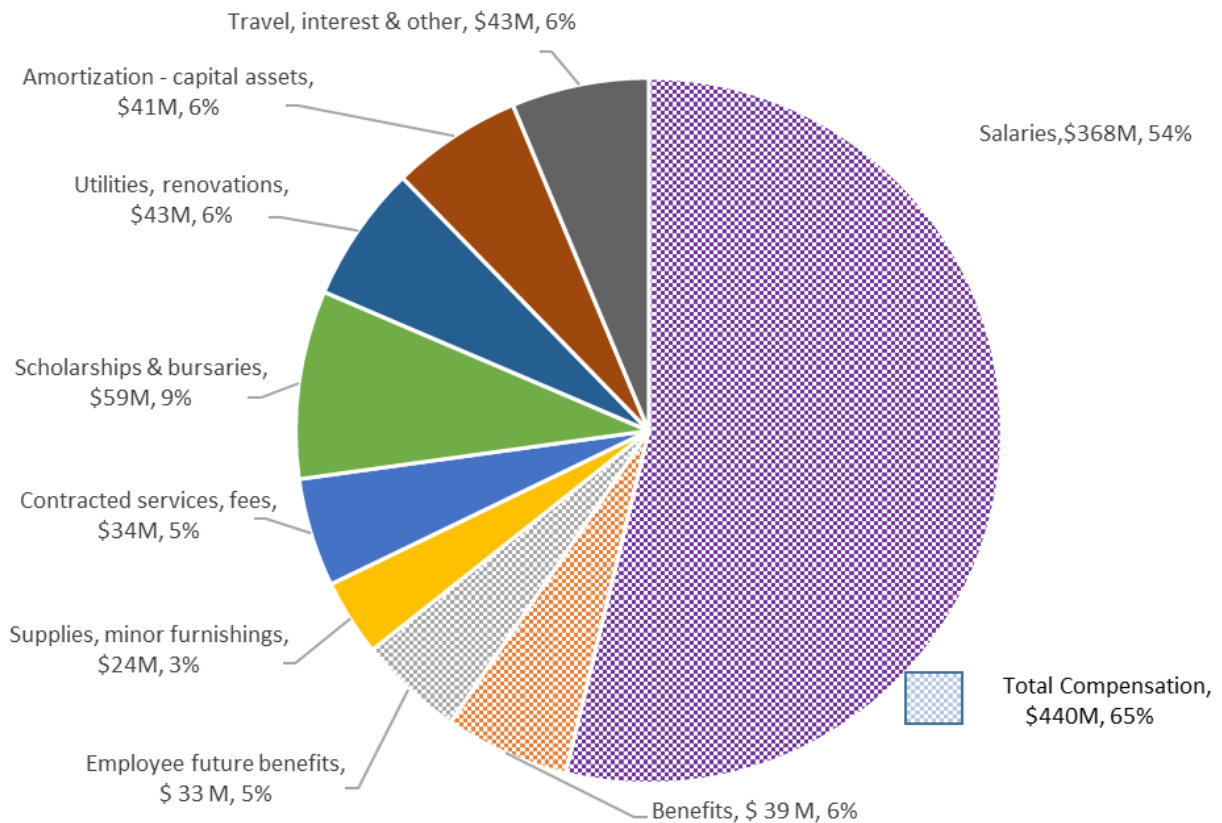
Salaries and benefits, at \$440.1 million, form the largest part of the university’s consolidated expenditures, accounting for 65% of total expenses. This represents an increase of \$17.9 million (4.2%) over 2020-21.

The following charts illustrate the sources of consolidated revenue and expenditures for 2021-22.

2021-22 Consolidated Revenue: \$667 million



2021-22 Consolidated Expenses: \$684 million



The university's net assets decreased by \$58.2 million to \$1,148.3 million. This decrease reflects the \$17.8 million shortfall in revenues over expenses, \$9.7 million in endowment investment losses net of contributions, as well as the \$28.8 million negative adjustment for employee future benefits.

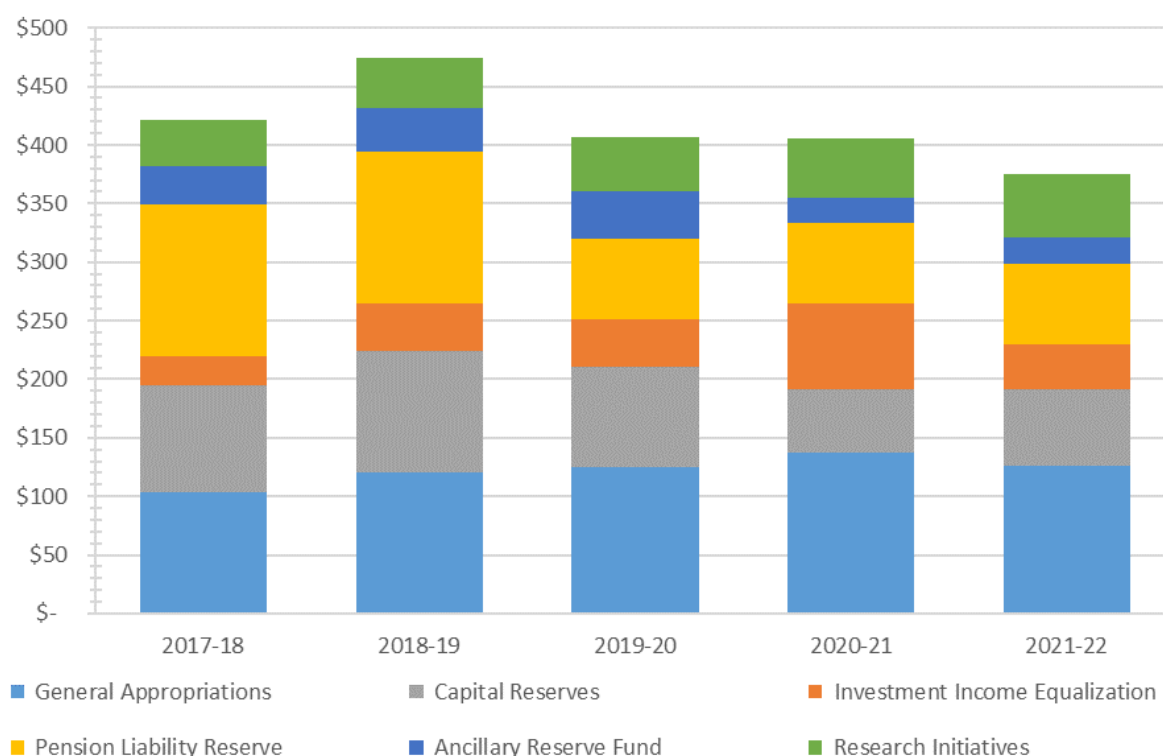
Additional investments in capital assets of \$43.7 million included major projects such as the Nicol Building, the Engineering Design Centre, a multi-year building modernization program (deferred maintenance), and normal equipment requirements.

Endowed net assets were \$343.3 million on April 30, 2022, after income distributions of \$13.6 million. The majority of endowment distributions were to support student initiatives including scholarships and bursaries.

Donation revenue recognized during the year amounted to \$11.3 million. In addition, direct donor contributions to endowment funds totalled \$6.1 million. Contributions from donors form a vital part of the university's annual operations and help finance student activities and financial aid.

Internal reserves are shown in 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 drawdown of capital and ancillary reserves and the decrease in the investment income equalization reserve during 2021-22 as a result of transfer of \$35.3M to the capital reserve.

Internally Restricted Assets



More details on the balances within the Consolidated Statement of Financial Position can be found in section 3 of the Financial Report.

The ministry and the 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. These financial metrics, shown below, demonstrate that Carleton is in good financial health, and well positioned to address strategic opportunities and external funding disruption.

System-Wide Financial Metrics*

	2019-20	2020-21	2020-21 (Sector Average)
Net Income/Loss Ratio (Profitability Indicator)	6.0%	5.8%	4.9%
Primary Reserve Ratio (days) (Ability to operate using unrestricted reserves)	266	272	145
Viability Ratio (Ability to cover long-term debt using unrestricted assets)	7.7	8.6	1.4
Interest Rate Burden Ratio (Proportion of total expenses to cover Interest payments)	0.5%	0.5%	2.0%

* Source: Council of Ontario Financial Officers (COFO), March 2022

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. During 2021-22, the university spent \$31.5 million on various renovation and infrastructure projects, including projects addressing campus-wide deferred maintenance and continued implementation of Carleton's Transportation Plan.

Major capital projects underway this year include the completion of the Sprott School of Business Nicol Building (\$65.1 million), and the near completion of the Engineering Design Centre (\$11.0 million). As well, construction of the new student residence (\$90.0 million) moved forward in 2021-22 after being put on pause in the prior year.

CONCLUSION

After the most operationally challenging year in 2020-21, the fiscal year 2021-22 saw the beginnings of a return to campus life emerge. Residences were once again filled with students, labs and classrooms occupied, and faculty and staff resumed their work on campus.

The operating results were mostly on target, allowing the university to earmark an in-year provision for future strategic purposes.

While still challenged, the ancillary operations improved significantly this year with the partial return to in-person learning. Housing, Dining, Athletics and Health & Counselling Services all returned to surplus operations. The other units continue to operate at a loss, but in most cases, there are reserves set aside to absorb these results.

The university continues to manage the impact of COVID-19 and currently has a detailed return to campus plan for fall 2022. Barring any subsequent waves of the pandemic, it is hoped that a return to normalcy is in the not too distant future.

While the pandemic has stalled the government's plan to activate performance-based funding until at least 2022-23, the university must follow its progress closely in relation to the metrics identified as those that will dictate funding changes.

The university's balance sheet remains strong, with high levels of cash and equivalents, internally restricted funds (i.e. reserves). While some of the financial sustainability metrics that are tracked in the SMA process are less favourable for Carleton when comparing 2020-21 to 2019-20, they remain strong relative to the average of all Ontario universities.

Dr. Lorraine Dyke, PhD
Vice-President (Finance & Administration)
September 2022

Tim Sullivan, BA, CPA, CGA
Assistant Vice-President, Financial Services
September 2022

Consolidated Financial Review

1.1 General Operating Fund

The net 2021-22 results for the Operating Fund (section 2.2.3), showed a surplus of \$6.4 million compared to the break-even opening budget. The operating surplus came mostly from not having to spend the strategic provision built into the 2021-22 operating budget to deal with possible economic uncertainties. The surplus will continue to be held for strategic purposes in future years.

Schedule 1 provides a comparison of the General Operating Fund actual results to the opening budget.

As previously indicated, the basis of reporting for the university's Operating Fund is different from the audited Consolidated Statement of Operations. One of the area of difference includes the treatment of internal appropriations, which are recognized as charges against the current operating results. Section 2.2.2 provides details of the change in appropriated balance from the prior year, which amounted to a decrease of \$26.2 million. Schedule 1 reports this change as an adjustment to total operating expenditures. The major item affecting the decrease in appropriations for 2021-22 relates to the planned draw on capital reserves.

Total operating income exceeded budget by \$0.7 million. The favourable variance to budget came about from additional government grants (\$1.3M), miscellaneous fees (\$2.4M), and investment income (\$1.0), offset by unfavourable variances in tuition and departmental income (\$4.0M). Of the additional operating income received, \$3.4 million was specifically designated to be spent on student aid, accessibility and Indigenous education and training.

Section 2.2.3 provides further details on the operating income budget variances

Operating expenses were higher than budget by \$0.7 million, including the \$3.4 million in directed expenditures noted above. Areas of favourable spending include enrolment incentives, benefits, and utilities. Section 2.2.1 provides further details.

Additional contingency savings	\$ (8.1) million
Unspent balances	\$ (1.0) million
Directed expenditures	\$ 3.4 million
New appropriations	<u>\$ 6.4 million</u>
Expenditures in excess of budget	\$ 0.7 million

New appropriations of \$6.4 million were recognized at year-end and are included as charges against the current year's operations and therefore reduce the net operating results.

1.2 Ancillary Operations

Ancillaries are expected to generate sufficient revenue from user fees and external sources to cover the cost of providing services to the university community. Ancillaries are also expected to generate sufficient annual operating surpluses to be held in reserve for future capital expenditures, service expansion, and addressing any deferred maintenance requirements.

In 2021-22, total ancillary revenues amounted to \$49.2 million, as compared to the budget of \$54.9 million. As the majority of ancillary services are offered in-person, the smaller on-campus population had an impact on the amount of ancillary services offered and the associated revenues. Both Housing and Dining Services ended the fiscal year with a surplus, in part due to a contribution from the Operating Fund towards their deferred maintenance expenditures. Residence occupancy increased from 30% to 85% in 2021-22, while Dining Service operations were limited outside the residence precinct. Recreation and Athletics was also able to earn a small surplus this year despite reduced offerings of its summer programs. Parking Services and The Print Shop were most negatively impacted by the smaller campus presence and both reported a deficit this year.

Expenditures for 2021-22 totalled \$48.0 million, as compared to budget of \$66.4 million. The majority of the savings can be attributed to corresponding lower operating costs associated with the COVID-19 pandemic. The remainder of the cost reductions as compared to budget can be attributed to a \$4 million transfer from operating for deferred maintenance costs.

The combined surplus for all ancillaries totalled \$1.2 million for 2021-22, resulting in a total accumulated surplus of \$23.1 million as at April 30, 2022.

Additional information for ancillary operations is provided in section 2.3 and a summary of financial results is presented on Schedule 2 at the end of this report.

1.3 Statement of Financial Position (Balance Sheet)

Cash and cash equivalents, and marketable securities increased by \$205.3 million in 2021-22, which is due mainly to the \$220 million debenture issuance and a long term debt increase of \$215.4 million.

The overall change in internally restricted assets resulted in a decrease of \$18.6 million. This was mostly comprised of draws on general operating and capital reserves of \$26.2 million. The \$24.1 million net draw on the capital reserve was to fund several projects including the Campus Transportation Strategy, the Nicol Building and ancillary deferred maintenance projects. This decrease was offset by a \$4.0 million addition to internal research reserves, a \$1.2 million increase to ancillary general reserves, and \$1.5 million that was set aside to establish a sinking fund for the debenture repayment.

Investments in capital assets made during the year totalled \$43.7 million. These investments relate to equipment and building improvements across campus, as well as new builds such as the Faculty of Engineering and Design's two new buildings and the new student residence.

2. 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 provides a comparison of actual results to the 2021-22 operating budget, as approved by the Board of Governors. A reconciliation of internal management statements to the audited financial statements is provided in section 2.5.

Sections 2.1 and 2.2 below provide a review of Schedule 1 operating income and expense variances as compared to the approved 2021-22 operating budget. A similar review is provided in sections 2.3 and 2.4 for ancillary services, plant, and research activities.

2.1 Operating Income

Operating income totalled \$517,461,000 in 2021-22, compared to the opening budget of \$516,747,000 and previous year income of \$548,020,000. Total operating income was therefore \$714,000 (0.1%) above budget and \$30,559,000 (5.6%) below the previous year. If we excluded additional income restricted to specific expenditures such as student aid, accessibility, and Indigenous education and training, operating income was below budget by \$2,702,000.

	<i>2021-2022 Actual \$000</i>	<i>2021-2022 Budget \$000</i>	<i>Variance from Budget \$000</i>	<i>2020-2021 Actual \$000</i>
Revenues	517,461	516,747	714	548,020
Less: Items offset by expenditures (section 2.2.1)	3,416	-	3,416	3,902
Net Revenues	514,045	516,747	(2,702)	544,118

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

2.1.1 Government Operating Grants

Government operating grants of \$175,473,000 were \$1,347,000 (0.8%) above original budget, and \$474,000 (0.3%) less than the previous year. A comparison to the budget is provided below:

	2021-2022 <i>Actual</i> \$000	2021-2022 <i>Budget</i> \$000	<i>Incr/(Decr)</i> <i>from Budget</i> \$000	2020-2021 <i>Actual</i> \$000
<u>Items Affecting the Operating Result</u>				
Core Operating Grant	104,033	103,763	203	121,752
Performance Funding	59,422	61,998	(2,576)	42,623
Research Overheads	5,508	5,292	216	5,292
Other government grants	2,003	1,999	4	1,997
Subtotal	170,966	173,052	(2,086)	171,664
<u>Items offset by expenses</u>				
Student Aid & Support Funds	2,242	-	2,242	2,604
Access for the Disabled	1,948	1,074	874	1,387
Other Government Grants	317	-	317	292
Subtotal	4,507	1,074	3,433	4,283
Total Government Grants	175,473	174,126	1,347	175,947

Omitting special purpose grants, the operating revenue from the Ministry of Colleges and Universities (MCU) was \$2,086,000 below budget. Though MCU has delayed the implementation of performance-based funding adjustments, it continues to redistribute more of the grant funding from the core to the performance envelope, beginning each April for the following year. The shortfall in this category is a result of more performance grant being deferred this April, in comparison to the amount deferred last April, and recognized in May.

2.1.2 Tuition Fees – Credit Programs

Tuition income totalled \$307,333,000 in 2021-2022. This represents an decrease of \$3,867,000 (1.2%) from budget, and \$1,995,000 (0.6%) less than the previous year. Details of the decrease are as follows:

	2021-2022 <i>Actual</i> \$000	2021-2022 <i>Budget</i> \$000	<i>Incr/(Decr)</i> <i>from Budget</i> \$000	2020-2021 <i>Actual</i> \$000
Undergraduate - Domestic	160,909	162,100	(1,191)	166,752
Undergraduate - International	101,770	111,301	(9,531)	102,472
	262,679	273,401	(10,722)	269,224
Graduate - Domestic	22,683	21,999	684	22,190
Graduate - International	21,971	15,800	6,171	17,914
	44,654	37,799	6,855	40,104
Total Tuition Fee Revenue	307,333	311,200	(3,867)	309,328

Tuition fees vary based on the discipline of study, as well as the residency status of the student. The 0.6% decrease in enrolment from the previous year is detailed below:

	<i>Enrolment (F.T.E.)</i>		<i>Increase/Decrease</i>	
	<i>2021-2022</i>	<i>2020-2021</i>	<i>#</i>	<i>%</i>
Undergraduate - Domestic	20,648	21,564	(916)	-4.2%
Undergraduate - International	2,986	3,206	(220)	-6.9%
	23,634	24,770	(1,136)	-4.6%
Graduate - Domestic	3,796	3,752	44	1.2%
Graduate - International	1,189	1,000	189	18.9%
	4,985	4,752	233	4.9%
Total	28,619	29,522	(903)	-3.1%

The decrease in overall tuition revenue is a result of continued pandemic impacts on the number of undergraduate students and the frozen domestic tuition fees. The combination of strong summer enrolment in 2020, resulting in expedited graduation rates, and an 11% drop first-year students in the prior year, has resulted in an overall lower number of undergraduate students. The fall of 2021 did see an increase of 2% in first-year intake, and international graduate enrolment continues to climb, which has helped to offset these factors.

2.1.3 Miscellaneous Income

Miscellaneous income totaled \$14,104,000 in 2021-22, exceeding budget by \$2,378,000, and the previous year by \$1,571,000. 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>2021-2022 Actual</i>	<i>2021-2022 Budget</i>	<i>Incr/(Decr) from Budget</i>	<i>2020-2021 Actual</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
<u>Items affecting the operating result</u>				
Application and admission fees	3,407	2,825	582	3,231
Deferred payment and processing fees	3,029	2,213	816	1,904
Omnibus fee	1,199	1,125	74	1,343
Overhead charges	3,959	3,718	241	3,616
Facility rentals	810	776	34	816
Career Placement Services	304	305	(1)	309
Other miscellaneous	1,201	659	542	1,091
Subtotal	13,909	11,621	2,288	12,309
<u>Items offset by additional expenditures</u>				
Insurance proceeds	57	-	57	201
Other	138	105	33	23
Subtotal	195	105	90	224
Total Miscellaneous Income	14,104	11,726	2,378	12,533

2.1.4 Investment Income

Investment income amounted to \$10,978,000 in 2021-22, above budget by \$978,000 and \$31,734,000 less than the previous year. The fluctuation in investment returns relates to the rebound in the equity markets in 2021, followed by the soften of markets in March and April 2022.

	2021-2022 <i>Actual</i>	2021-2022 <i>Budget</i>	<i>Incr/(Decr)</i> <i>from Budget</i>	2020-2021 <i>Actual</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
Investment income - realized	36,096	9,484	26,612	13,674
Unrealized gains/(losses)	(25,561)	-	(25,561)	28,473
Internal interest and endowment revenue	1,278	1,266	12	1,298
Investment management fees	(835)	(750)	(85)	(733)
Total Investment Income	10,978	10,000	978	42,712

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. At 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 \$978,000 earned in excess of budget in the current year will form part of the overall surplus appropriation for future strategic purposes.

2.1.5 Departmental Income

Departmental income relates to sales and rentals 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.

The following items are included in departmental income:

	2021-2022 <i>Actual</i>	2021-2022 <i>Budget</i>	<i>Incr/(Decr)</i> <i>From Budget</i>	2020-2021 <i>Actual</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
<u>Items offset by additional expenditures</u>				
Co-op and Career Services	3,848	3,407	441	3,182
Facilities	2,045	2,119	(74)	425
Centre for Initiatives in Education	923	939	(16)	690
Alumni and external contributions	640	597	43	134
Student Work Placement Program	555	555	-	1,427
Student Experience Office	319	763	(444)	265
Other	1,243	1,315	(72)	1,377
Total Department Income	9,573	9,695	(122)	7,500

22 Operating Expenditures, Transfers, and Appropriations

The Operating Fund expenditures and transfers, before appropriations, totalled \$543,645,000 in 2021-22, and were \$26,898,000 (5.2%) above the opening budget, and \$23,350,000 (4.5%) more than the previous year. Including the net return of additional prior year appropriations of \$26,184,000, expenditures exceeded budget by \$714,000.

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

22.1 Operating Expenditures and Transfers

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

	<u>\$000</u>
Actual operating expenditures and transfers	543,645
Opening budget	<u>516,747</u>
Expenditures above budget	<u>26,898</u>

The items making up the \$26,898,000 increase in expenditures and transfers were:

	<u>\$000</u>	<u>\$000</u>
a) Salary Increases		
Current year cost	7,596	
Less: Contingency in opening budget	<u>6,532</u>	
Additional cost/(savings)		1,064
b) Mid-Year Allocations		
Total allocations	4,498	
Less: Opening contingency	<u>3,642</u>	
Additional cost/(savings)		856
c) Enrolment Incentive		
Current year cost	3,673	
Less: Opening contingency	<u>6,349</u>	
Additional cost/(savings)		(2,676)
d) Bond Financing		
Current year cost	3,797	
Less: Opening contingency	<u>3,500</u>	
Additional cost/(savings)		297
d) Other Contingencies		
Current year cost	799	
Less: Opening contingency	<u>8,467</u>	
Net		(7,668)
Total additional contingency costs/(savings)		<u>(8,127)</u>

	<u>\$000</u>	<u>\$000</u>
Overspent (unspent) balances not appropriated:		
e) Utilities	(1,150)	
f) Student support	776	
g) Benefits	(1,476)	
h) Interfund transfers	692	
i) Other minor balances	158	
Subtotal		(1,000)
Expenditures funded by additional income:		
Government grant (section 2.1.1)	3,433	
Tuition income (section 2.1.2)	-	
Miscellaneous fees & income (section 2.1.3)	90	
Investment income (section 2.1.4)	-	
Departmental income (section 2.1.5)	(106)	
		3,417
Expenditures funded by returned appropriations	194,310	
Total appropriations in 2021-2022	168,126	
Net return of appropriations (section 2.2.2)	26,184	
Add: New appropriations (section 2.2.2)	6,424	
		32,608
Total expenditures and transfers above budget		26,898

Notes:

- a) Salary Increases: The cost of salary and benefit increases for 2021-22 exceeded budget by \$1,064,000.
- b) Mid-Year Allocations: Allocations from the mid-year contingency fund totalled \$4,498,000 in 2021-22, as compared to the budget of \$3,642,000. The allocations includes:

Allocations from the Mid-Year Contingency Fund:

	<u>\$000</u>
Teaching & Learning Services	2,479
Labour relations compliance	870
Garage safety fencing	428
Sprott Kanata North program	205
Sprott Online MBA	100
Other	241
Total allocations	4,498
Opening contingency	3,642
Allocation in excess of budget	(856)

The Provost's Budget Working Group, chaired by the Provost, 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 2021-22, \$2,676,000 of the total \$6,349,000 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 period. 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 principle 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 contributed \$3,797,000 toward both interest and sinking fund payments.
- 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 \$799,000. Given the economic uncertainty over the last two years, the opening budget also included a provision for future needs. As noted below, this provision was appropriated for future use.
- f) Utilities: The university continues to benefit from hydro rebates relating to its student residences, along with conservative budgeting and savings from multi-year energy conservation projects.
- g) Student support: Additional student support was provided to assist students during this unprecedented time.
- h) Benefits: Savings were achieved in the current year as new hires had start dates later than what was anticipated in the opening budget.
- i) Interfund transfers: Additional costs in excess of budget were incurred due to the funding of accrued leave.

222 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 appropriations for the year is as follows:

	<u>\$000</u>
Returned from 2020-21 appropriated fund balance	194,310
Appropriated to fund balance 2021-22	168,126
Decrease in appropriated fund balance	<u>(26,184)</u>

Details of the returned and new appropriations are as follows:

	<i>Returned</i>	<i>Appropriated</i>	<i>Difference</i>
	<i>\$000</i>	<i>\$000</i>	<i>\$000</i>
RPC			
Faculties	65,058	60,608	(4,450)
Academic Administration	2,795	3,771	976
Students and Enrolment	8,791	9,823	1,032
Library	1,773	3,559	1,786
President	2,905	2,993	88
Research and International	4,665	2,216	(2,449)
Finance and Administration	17,283	13,149	(4,134)
Computing infrastructure	4,253	5,454	1,201
Renovations	37,688	44,833	7,145
Advancement	9,301	6,480	(2,821)
Student Support	4,613	5,636	1,023
Pending commitments	11,099	3,180	(7,919)
Self-insurance fund	12	-	(12)
Capital reserves	24,074	-	(24,074)
Subtotal	194,310	161,702	(32,608)
New allocations	-	6,424	6,424
Total	194,310	168,126	(26,184)

New allocations represent appropriations of unspent funds over and above those included in the original budget. For 2021-22, new allocations total \$6,424,000 as detailed below:

	<i>\$000</i>
Strategic Initiatives	6,424
	6,424

In addition, \$187,843,000 of prior year appropriated funds were not returned during 2021-22, as the planned or possible expenditures will occur in future fiscal years.

	<i>\$000</i>
Capital reserves	65,274
Pension liability reserve	69,212
Investment income equalization fund	39,000
Strategic Initiatives fund	13,492
Future project commitments	767
Self-insurance fund	98
Total appropriations not returned	187,843

Current commitments against the capital reserve include \$4 million for ancillary deferred maintenance, \$5 million for the campus transportation strategy, and \$10 million for the new student residence. 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 the Wellness Hub, and the Sustainability Research Centre.

While the pension fund is currently fully funded on an actuarial basis, the plan still remains top of mind for the university when assessing future risks. As noted below in section 3.2.5, on an accounting basis, the plan decreased from a \$82.5 million asset position as at April 30, 2021, to an reduced asset position of \$53.9 million at April 30, 2022, 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.

223 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.

Changes in Accumulated Surplus 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>
Income Variations			
Government grants (section 2.1.1)	(2,086)	-	(2,086)
Tuition fees (section 2.1.2)	(3,867)	(4,000)	133
Miscellaneous income (section 2.1.3)	2,288	1,000	1,288
Investment income (section 2.1.4)	978	-	978
Departmental income (section 2.1.5)	(16)	-	(16)
Total income variations	(2,703)	(3,000)	297
Expenditure Variations			
Expenditures less than contingencies (sec 2.2.1)	8,127	6,000	2,127
Expenditures less/(more) than allocations (sec 2.2.1)	1,000	(3,000)	4,000
Total expenditure variations	9,127	3,000	6,127
Change in results	6,424	-	6,424
New appropriations (section 2.2.2)	(6,424)	-	(6,424)
Net change in results	-	-	-
Original surplus included in budget	-	-	-
Total change in accumulated surplus	-	-	-

22.4 Accumulated Surplus

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

23 Ancillary Operations - Operating Result and Fund Balance

Schedule 2 of this report, details the 2021-22 operations of the ancillaries as compared to the opening budget. Overall the ancillary results can be summarized as follows:

	<i>2021-22 Actual \$000</i>	<i>2021-22 Budget \$000</i>	<i>2020-21 Actual \$000</i>
Revenue and internal recoveries	49,174	54,928	25,725
Expenses and transfers	32,707	43,287	35,170
Surplus (deficit) from operating activity	16,467	11,641	(9,445)
Major renovations and capital debt	15,271	23,112	9,446
Surplus (deficit) for the year	1,196	(11,471)	(18,891)

- As outlined in section 1.2, revenue and internal recoveries and expenses and transfers were both under budget as a result of the ongoing pandemic.
- Ancillary operations ended the year with a combined surplus of \$1.2 million compared to a budgeted deficit of \$11.5 million. The surplus can be attributed primarily to less expenditures incurred on major renovations than anticipated.
- While the pandemic continued to impact ancillary options in 2021-22, the increase in on-campus activity allowed many of the ancillary units to begin their financial recovery. Housing, Residence Life and Conference Services incurred a \$2.7 million surplus, Dining Services incurred a \$0.3 million surplus, Physical Recreation & Athletics incurred a \$2.1 million surplus, and Health and Counselling Services incurred a \$0.8 million surplus. The remainder of the ancillary units incurred deficits during the year.

The change in the fund balances are as follows:

	<i>Balance at April 2022 \$000</i>	<i>Balance at April 2021 \$000</i>	<i>Variance \$000</i>
Accumulated Surplus - Unrestricted	677	680	(3)
Accumulated Surplus - Internally Restricted	22,394	21,195	1,199
	23,071	21,875	1,196

24 Other Income and Expenditures

As explained in section 2 above, the 2021-22 audited financial statements include all the activities of the university which used to be segregated into separate funds. The following sections highlight the more significant non-operating activities from the Consolidated Statement of Operations.

24.1 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, in order to accommodate enrolment growth, the university has invested over \$545 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, \$34 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 2021-22:

	<i>2021-2022</i> <i>Actual</i> <i>\$000</i>	<i>2020-2021</i> <i>Actual</i> <i>\$000</i>	<i>Increase</i> <i>(Decrease)</i> <i>\$000</i>
Income and Transfers			
Government grants, other income	329	2,073	(1,744)
Transfers to/from operating & ancillary	5,024	624	4,400
Net income	5,353	2,697	2,656
Expenses			
Additions	706	2,269	(1,563)
Surplus (deficit)	4,647	428	4,219
Opening fund balance	-	(428)	428
Closing fund balance	4,647	-	4,647

During the year, \$4,647,000 of internal funding was received in advance of expenditures incurred at April 30, 2022.

2.4.2 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 April 30, 2021 \$000</i>	<i>2021-22 Funding \$000</i>	<i>2021-22 Expenditure \$000</i>	<i>Balance April 30, 2022 \$000</i>
<u>Tri-Agency Sponsored Research</u>				
CIHR	3,527	2,793	3,121	3,199
NSERC	15,230	17,795	14,831	18,194
SSHRC	12,922	10,832	7,924	15,830
Canada Research Chairs	599	2,940	2,686	853
Research support fund	-	5,508	5,508	-
	32,278	39,868	34,070	38,076
<u>Canadian Governmental Agencies</u>				
National Defence	696	1,483	1,251	928
Canadian Heritage	1,198	1,876	1,406	1,668
Environment and Climate Change Canada	21	3,425	2,475	971
Other federal agencies	2,300	4,230	4,528	2,002
	4,215	11,014	9,660	5,569
<u>Other Sponsored Research</u>				
SNO and TRIUMF	-	10,848	10,848	-
CFI / Ontario Research Fund	6,431	3,973	4,700	5,704
Provincial, municipal governments	1,235	649	226	1,658
Businesses and foundations	13,770	20,543	20,128	14,185
Research partnership agreements	2,096	4,399	3,665	2,830
Other sponsored research	1,212	1,230	573	1,869
	24,744	41,642	40,140	26,246
<u>Total Sponsored Research</u>	61,237	92,524	83,870	69,891
Internally funded research	50,395	10,838	6,816	54,417
<u>Total Research</u>	111,632	103,362	90,686	124,308

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 decreased by \$7,137,000 (7.2%) from \$99,661,000 in 2020-21 to \$92,524,000 in 2021-22. Corresponding expenditures on these projects decreased by \$901,000 from \$84,771,000 to \$83,870,000. The sponsored research fund balance increased by \$14,890,000 from \$61,237,000 to \$69,891,000 as at April 30, 2022. This balance is included in deferred revenue.

Funding of internally restricted research projects was considerably higher in 2021-22 at \$10,838,000, compared to \$8,581,000 in 2020-21. Related expenditures were also higher, at \$6,816,000, compared to \$4,888,000 in the prior year, and resulted in the internally funded research balance increasing from \$50,395,000 to \$54,417,000.

25 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 result per Consolidated Statement of Operations	(17,794)
Adjustments:	
a) Net change in investment in capital assets	1,072
b) Decrease in operating appropriations (2.2.2)	26,184
c) Research surplus (internally restricted) increase (2.4.2)	(4,022)
d) Enterprise surplus (internally restricted) decrease	73
e) Scholarship surplus (internally restricted) increase	(5)
f) Professional Development (internally restricted) increase	(900)
g) Increase in unrestricted endowment	(331)
h) Employee future benefit expense net of cash payment	5,652
i) Internal contributions to restricted endowments	(2,566)
j) Sinking fund	(1,518)
k) Ancillary surplus (section 2.3)	(1,196)
l) Plant surplus (section 2.4.1)	(4,647)
Operating budget result	<u>-</u>

Notes:

- a) 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. During 2021-22 the following entries were made:

	<u>\$000</u>
Current year capital assets expenditures removed from expenses	(43,713)
Current year funding received for capital assets removed from revenues	7,851
Current year change in capital asset financing removed from expenses	<u>8,842</u>
	(27,020)
Addback calculated amounts:	
Amortization of capital asset expense	41,143
Amortization of capital asset funding	(13,051)
Difference	<u><u>1,072</u></u>

The \$1,072,000 difference represents the excess of the prescribed amounts shown in the Consolidated Statement of Operations over the net cash outlays (i.e. actual cash expenditures less the actual cash received). It is shown as an increase in Unrestricted Net Assets and an decrease in Investment in Capital Assets.

- b) Decrease in appropriations: Under Canadian accounting standards, appropriations are not accounted for within the Statement of Operations, but are shown as a change in internally restricted net assets on the Consolidated Statement of Changes in Net Assets.
- c) Research funds: As shown in section 2.4.2 above, internally restricted research balances increased by \$4,022,000 during 2021-22. As these funds are earmarked for the continuation of the research activity being funded, this \$4,022,000 (\$54,417,000 - \$50,395,000) is shown as an increase to the internally restricted amounts on the Consolidated Statement of Changes in Net Assets.
- d) Enterprise funds: As shown on the Consolidated Statement of Changes in Net Assets, enterprise balances have decreased by \$73,000 (\$4,722,000 - \$4,795,000) during 2021-22. As these funds had been earmarked for continuation of specific projects, this change is shown as a decrease to the internally restricted amounts on the Consolidated Statement of Changes in Net Assets.
- e) Scholarship funds: As shown on the Consolidated Statement of Changes in Net Assets, internally restricted scholarship balances have increased by \$5,000 during 2021-22. Although these scholarships do not have donor placed restrictions on them, the funds have been earmarked for student support in future years.
- f) Professional Development: As shown on the Consolidated Statement of Changes in Net Assets, we have an internally restricted balance for professional development funds earned by faculty members but not yet used.

g) Gain on unrestricted endowment: The undistributed portion of the gain on the unrestricted endowment is recognized as income in the unrestricted fund, thus increasing the surplus within the Consolidated Statement of Operations. However, as this amount does not actually impact the amount available for spending in the current year, it is not included in the operating fund results as reported on Schedule 1.

h) Employee future benefits: As explained in section 3.2.5, a liability for future benefits owing to employees must be recognized in the university's financial statements. Actuarial assumptions are used to calculate the accrual-based expense to be recognized in the statement of operations and the related contributions that must be removed. During 2021-22 the following entries were made:

	<u>\$000</u>
Employee future benefits, non-pension	16,392
Employee future pension benefits	16,771
Less: 2021-22 contributions removed from expenditure	<u>(27,511)</u>
Difference	<u>5,652</u>

i) Internally endowed amounts: Unrestricted contributions are recognized as revenue in the period in which they are received. When they are subsequently reallocated to the endowment fund, the transfer is 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.

j) Sinking fund: In June 2021, the university issued a \$220 million, 40-year debenture which requires interest-only payments during that time period. The university's Capital Debt policy requires that a sinking fund be established for non-amortizing debt, such that the entire principle amount may be repaid at the end of the 40-year term. The \$1,516,000 represents the 2021-22 contribution towards this sinking fund reserve. As at April 30, 2022, the balance in the sinking fund was \$1,516,000.

k) Ancillary surplus: As presented in section 2.3, the ancillary operations resulted in a surplus of \$1,196,000 in 2021-22.

l) Plant surplus: As presented in section 2.4.1, the plant fund for non-capital and renovation projects resulted in a surplus of \$4,647,000 in 2021-22.

3. CONSOLIDATED STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

The following notes and tables highlight relevant extracts from the Consolidated Statement of Financial Position of potential interest to the reader, with comparison to the previous year.

3.1 Source and Application of University Resources

The source and application of university resources at April 30, 2022 were as follows:

	2022 Actual \$000	2021 Actual \$000	Increase (Decrease) \$000
Sources			
Short-term liabilities:			
Accounts payable	52,871	52,792	79
Deferred revenue	139,925	126,210	13,715
Accrued leave	19,148	18,255	893
Current portion of long-term debt	4,582	4,323	259
Long-term liabilities:			
Employee future benefits	112,479	79,050	33,429
Long-term debt	270,402	54,984	215,418
Net assets:			
General operating fund	-	-	-
Ancillary, plant and collections funds	5,324	680	4,644
Endowment fund	343,266	353,014	(9,748)
Internally restricted funds	443,239	461,850	(18,611)
	791,829	747,779	(23,715)
Total – Sources	1,391,236	1,151,158	240,078
Applications			
Short-term assets:			
Cash, equivalents and marketable securities	809,055	603,764	205,291
Accounts receivable	31,946	33,110	(1,164)
Prepaid expenses	10,200	11,059	(859)
Current portion of net investment in lease	999	935	64
Long-term assets:			
Net investment in lease	4,742	5,741	(999)
Investments	347,122	351,648	(4,526)
Capital assets:			
Less: Investment in capital assets	(444,079)	(445,151)	1,072
Deferred capital contributions	(186,327)	(191,527)	5,200
Collections	24,909	24,909	-
Less: Investment in collections	(24,909)	(24,909)	-
Net assets:			
Employee future benefits	112,479	79,050	33,429
Total - Applications	1,391,236	1,151,158	240,078

3.2 Source of University Resources

3.2.1 Accounts Payable - \$52,871,000

The accounts payable as at April 30, 2022 comprised:

	2022	2021	Increase (Decrease)
	\$000	\$000	\$000
Due to suppliers	5,951	3,973	1,978
Construction accruals and holdbacks	7,707	14,829	(7,122)
Payroll taxes and pension	17,215	16,349	866
Amounts held on deposit	2,050	2,431	(381)
Other taxes payable	1,156	911	245
Other payables and accrued liabilities	18,792	14,299	4,493
Total	52,871	52,792	79

Amounts payable at April 30, 2022 remained relatively consistent year-over-year. The fluctuation in payroll amounts, suppliers and other payables is due to the timing of remittance and invoices received.

3.2.2 Deferred Revenue - \$139,925,000

Deferred revenue as at April 30, 2022 comprised:

	2022	2021	Increase (Decrease)
	\$000	\$000	\$000
a) Government grants	11,254	6,565	4,689
b) Research	69,891	61,237	8,654
c) Scholarships	7,228	6,464	764
d) Parker loans	1,170	1,228	(58)
e) Special purpose	25,364	21,155	4,209
f) Donated software	4,456	5,978	(1,522)
g) Summer student fees	11,893	14,205	(2,312)
h) Other items	8,669	9,378	(709)
Total	139,925	126,210	13,715

Notes:

- a) Deferred grant revenue relates mainly to unspent student aid grants (\$2,105,000), and performance funding (\$7,596,000) for the 2021-22 academic year.
- b) Research funds are the unexpended restricted grants and contracts to be spent in future years. The detailed composition of the balance is shown in section 2.4.2.
- c) Represents restricted scholarship accounts.

- d) Represents funds available to loan to students in need of financial aid.
- e) Special purpose is the unexpended portion of restricted donor gifts and other income.
- f) The \$4,456,000 represents the balance of gift-in-kind software license agreements received from IBM for research in the Data Science Institute.
- g) Summer student fees represent payments received prior to April 30 for courses held in the summer term.
- h) Other deferred revenue relates mainly to advance payments received for projects earmarked for future years, summer programs in the Recreation and Athletics operation, and a capital replacement fund held for the NWRC building.

3.2.3 Current Portion of Long-Term Debt - \$4,582,000

The current portion of long-term debt is defined as the amount coming due within the next fiscal year. This totalled \$4,582,000 as at April 30, 2022, an increase of \$259,000 over last year.

3.2.4 Accrued Leave - \$19,148,000

The \$19,148,000 compares to \$18,255,000 last year for an increase of \$893,000. The increase is reasonable given the slow return to normal holiday patterns during the last fiscal year due to the pandemic.

Canadian accounting standards require that accumulated but unpaid leave (annual and administrative) must be recognized as an expense and amount payable at each year-end. Consistent with other Ontario universities, Carleton has fully funded this accrued benefit, however the university's resource management policies are such that payments of accrued vacation are charged against existing departmental resources in the year the event occurs.

3.2.5 Employee Future Benefits Liability - \$112,479,000

The university accounts for its employees' future benefits under Section 3462/63 of the Chartered Professional Accountants of Canada Handbook. Under these recommendations, the university accrues its obligations under employee benefits plans as the employees render the services necessary to earn post-retirement and post-employment benefits. Prior to the adoption of these recommendations in 2001, the non-pension costs were recognized on a "pay as you go" basis. While this represents a large, unfunded obligation, the ongoing cash demands of these benefits remain unchanged and manageable. As such, the deficit created by this accounting policy change does not have a significant impact on the operations of the university. Refer to note 12 of the audited financial statements for further information.

With respect to pension benefits, the university must recognize the defined benefit liability or asset in its statement of financial position. This amount is the defined benefit obligation less the fair value of the assets. With the adoption of Handbook section 3462/3463, deferral and amortization of actuarial gains and losses, is no longer permitted for any future benefit obligation, which can lead to large swings in the liability or asset amount each year. Additional details are provided in note 12 of the audited financial statements.

This note shows that, on an accounting basis, the pension plan is in a surplus position of \$53,913,000, a decrease of \$28,556,000 from last year's surplus position of \$82,469,000, and is a result of the declining markets in the latter part of the fiscal year. The note also states that on an actuarially determined basis, a going-concern shortfall of \$59,277,000 and a hypothetical wind-up/solvency shortfall of \$120,998,000 existed as at July 1, 2019. As this actuarial determination relates more closely to actual and potential fund flows, the university uses this as its guide. Subsequent to July 1, 2019, the university made lump sum special payments totaling \$61,729,000 into the pension fund for the period from July 1, 2019 to March 31, 2020. As a result,

no university special payments are required for the period from April 2020 to June 2023. The pension plan is undergoing an actuarial valuation for funding purposes as of July 1, 2022, which will determine the minimum funding requirements commencing July 1, 2023.

In 2021-22, the non-pension employee future benefit obligation increased by \$4,873,000. This change in the unfunded obligation is due to the normal annual actuarial current service and financing costs.

3.2.6 Long-Term Debt - \$270,402,000

In June 2021, the university issued a 40-year bullet bond for \$220 million to support Carleton's capital program. At the time of offer, this program covered over \$360 million worth of projects, including a mix of ancillary, academic and research facilities.

The balance of the debt includes long-standing loans and mortgages payable and are described in note 10 of the audited financial statements.

3.2.7 Net Assets, providing a source of resources - \$791,829,000

The net assets that constitute a source of resources are:

	2021 \$000	2020 \$000	Increase (Decrease) \$000
Operating fund	-	-	-
Ancillary, plant and collections funds	5,324	680	4,644
Internally restricted funds	443,239	461,850	(18,611)
Endowment fund	343,266	353,014	(9,748)
Total	791,829	815,544	(23,715)

Notes:

- a) The internally restricted net assets as at April 30, 2022, consist of the following:

	\$000
Appropriated operating funds (section 2.2.2)	355,969
Appropriated ancillary funds (section 2.3)	22,394
Internally restricted research balances (section 2.4.2)	54,417
Enterprise funds	4,722
Scholarship funds	12
Professional Development	4,207
Sinking Fund	1,518
	443,239

b) An analysis of the Endowment Fund is as follows:

	<u>\$000</u>
Market Value at April 30, 2022	343,266
Market Value at April 30, 2021	353,014
	<u>(9,748)</u>

The \$9,748,000 decrease in the endowment fund is calculated as follows:

	<u>\$000</u>
Unrealized gain (loss) on investment	(34,977)
Gifts, bequests and other additions (per below)	8,678
Gain (loss) on sale of investments	26,112
Investment income	8,879
	<u>8,692</u>
Less: Distributed for endowed spending	(13,635)
Direct and indirect operating costs	(3,409)
Investment management fees	(1,396)
Change in nominal value	<u>(9,748)</u>

Additions to the endowment fund in 2021-22 included the following gifts and transfers:

	<u>\$000</u>
Carleton University transfers and matching contributions	2,566
Vignesh Sundaresan Fund	1,856
Joyce Family Fdn Bursaries for Indigenous Students	1,000
Michael Wallace Sprott School of Business Priority Fund	500
C.U. Engin. Students Equip Fund	208
Dunsmore Family Bursary	125
Garay Family Award	125
Kildonan Bursary	100
Other additions (<\$100,000)	2,198
Total additions	<u>8,678</u>

The realized investment returns on the endowment fund for the year, including gains on sale and direct investment income, amounted to \$34,991,000. The amount distributed towards endowed spending was \$13,635,000. In addition, \$1,396,000 was paid to investment managers during the year and \$3,409,000 in direct and indirect expenditures were charged to administer the fund 2021-2022.

A more complete analysis of the university's endowment investments is provided in the quarterly report to the Board on investment performance.

3.3 Application of University Resources

3.3.1 Cash and Short-Term Investments - \$809,055,000

The cash and short term investment balance at April 30, 2022 were as follows:

	2022 \$000	2021 \$000	Increase (Decrease) \$000
Cash balance	(1,834)	(3,450)	1,616
Cash equivalent investments	509,781	466,159	43,622
Marketable securities	301,108	141,055	160,053
Total	809,055	603,764	205,291

With a view to increase longer-term average returns on investments, the Investment Committee made a decision during the 2015-16 fiscal year to invest a portion of the university's cash balances in marketable securities. Using historical cash requirements as a guide, the Committee decided to invest \$100,000,000 in marketable securities, as this amount would most likely be in excess of short-term liquidity requirements. The current market value of the securities on hand at the end of the year was \$301,108,000 (2021 - \$141,055,000) and includes a large portion of the proceeds from the debenture noted above. As the projects, for which these funds were procured, are still in the initial stages, the balances will be drawn down over time.

3.3.2 Accounts Receivable - \$31,946,000

	2022 \$000	2021 \$000	Increase (Decrease) \$000
a) Student accounts	10,465	12,298	(1,833)
b) General accounts receivable	8,986	9,500	(514)
c) Research funds	10,284	8,993	1,291
d) HST/GST receivable	1,883	1,837	46
e) Other receivables	1,622	2,481	(859)
Sub-total	33,240	35,109	(1,869)
f) Less: Allowance for doubtful accounts	(1,294)	(1,999)	705
Total	31,946	33,110	(1,164)

Notes:

- a) Student accounts: These accounts include outstanding tuition fees, residence fees and other miscellaneous charges that have decreased by \$1.8 million. The \$10,465,000 represents 3.15% (2021 – 3.81%) of the total 2021-22 tuition, miscellaneous student and residence fees assessed.
- b) General accounts receivable: These amounts relate to services rendered by certain departments to external clients or to internal monies owed at year-end. The decrease in the current year is due mostly to the reimbursement of travel advances for trips that were cancelled due pandemic travel restrictions. The receivables are generally current.
- c) Research funds: The receivables consist of two different types of receivables: contract research and grants. The nature of contractual research is such that expenditures must be incurred before progress billings

can be made and income received. For grant-type research, most granting agencies make multi-year research awards with payment being spread over a specific period (usually three years). In many cases, however, the nature of the project is such that a greater proportion of the expenses must be incurred in the earlier periods of the grant. For the sake of continuity and given that research activities as a whole are in a net cash surplus position, the university allows reasonable advanced spending on multi-year research grants.

- d) HST/GST receivable: The balance typically represents the amount due from the government for the April HST/GST return.
- e) Other receivables: In addition to minor miscellaneous receivables, the balance includes amounts outstanding for student associations, union groups and services providers who use the university's services on a recovery basis.
- f) Allowance for doubtful accounts: The allowance includes \$1,265,000 for student fees, while the balance is for other overdue items.

3.3.3 Prepaid Expenses - \$10,200,000

Prepaid Expenses as at April 30, 2022 comprised:

	2022 \$000	2021 \$000	Increase (Decrease) \$000
Insurance	1,371	1,005	366
Licences	8,094	9,366	(1,272)
Other	735	688	47
Total	10,200	11,059	(859)

Prepaid expenses represent payments to third parties for services to be provided in future periods (e.g. insurance, licences), as well as any significant stock of materials for internal use (e.g. Facilities Management and Planning). The decrease in prepaid licences is due to the drawdown of a five-year software licence gift-in-kind received in 2021.

3.3.4 Current Portion of Net Investment in Lease - \$999,000

The current portion of net investment in lease is defined as the amount collectible within the next fiscal year. This totaled \$999,000 at April 30, 2022 and represents the non-financing income portion of the \$1,300,000 annual National Wildlife Research Centre (NWRC) lease payment. Further detail is provided in section 3.3.5 and in note 5 of the audited financial statements.

3.3.5 Net Investment in Lease - \$4,742,000

In 2002-03, Carleton University entered into an agreement with Environment Canada under which the university constructed the National Wildlife Research Centre (NWRC) building on its property, which was then leased to Environment Canada. The lease term is for 99 years starting May 1, 2002, and exceeds 75% of the estimated useful life of the building. Under the guidance of the CPA Canada Handbook, Part II, section 3065: Leases, this fact indicates that the NWRC lease should be accounted for as a direct-financing lease.

The accounting treatment for the direct-financing lease began in fiscal 2003 when the building became operational. The university removed the building's construction cost from capital assets and the difference between the cost of the capital asset and the long-term receivable for the future lease payments was recorded as unearned financing income and is presented as Net Investment in Lease on the consolidated financial statements.

The calculation of this amount is presented in detail in note 5 of the audited financial statements.

3.3.6 Investments - \$347,122,000

The nature of most investments has been detailed in preceding sections. They are summarized below:

	2022	2021	Increase (Decrease)
	\$000	\$000	\$000
Investments held for:			
Endowment	342,869	347,491	(4,622)
Parker Loan fund	1,308	1,379	(71)
NWRC capital reserve	1,009	1,025	(16)
Sprott Student fund	1,936	1,753	183
Total	347,122	351,648	(4,526)

As indicated in note 2(c) of the audited financial statements, all investments are shown at fair market value. Additional information on the investments can be found in note 4 of the audited financial statements.

3.3.7 Capital Assets: \$705,099,000

Investment in Capital Assets: \$444,079,000

Deferred Capital Contributions: \$186,327,000

The net value of capital assets as at April 30, 2022 comprised:

	2022 \$000	2021 \$000	Increase (Decrease) \$000
Capital Assets:			
Land and buildings	977,449	949,468	27,981
Co-Generation Plant	21,879	21,192	687
Equipment and furnishings	99,627	96,226	3,401
Computers and software	14,947	12,212	2,735
Automobile	664	407	257
Library	20,149	21,732	(1,583)
	1,134,715	1,101,237	33,478
Less: Accumulated depreciation	(429,616)	(398,708)	(30,908)
Net capital assets	705,099	702,529	2,570
Funding:			
Investment in capital assets	444,079	445,151	(1,072)
Deferred capital contributions	186,327	191,527	(5,200)
Total funding	630,406	636,678	(6,272)
Unfunded assets	74,693	65,851	8,842
Financed by:			
Loans payable	49,226	52,621	(3,395)
Other short-term borrowing	25,467	13,230	12,237
Total	74,693	65,851	8,842

The specific capital assets funded through financing are as follows:

	2022 \$000	2021 \$000	Increase (Decrease) \$000
External loan financing:			
Prescott residence	8,004	8,985	(981)
Leeds residence	6,025	7,183	(1,158)
Frontenac residence	11,098	11,481	(383)
Lennox & Addington residence	24,099	24,972	(873)
	49,226	52,621	(3,395)
Internal loan financing:			
P6/P7 Parking Garage	21,440	21,948	(508)
Housing and Food Services renovations	6,711	7,163	(452)
Ice Arena	2,497	3,046	(549)
Alumni Hall and Sports Centre	-	1,205	(1,205)
Field Bleachers	-	780	(780)
Building Fit-ups (funding in advance of expense)	(5,181)	(20,912)	15,731
	25,467	13,230	12,237
Financed assets	74,693	65,851	8,842

3.3.8 Art Collections: \$24,909,000

Investment in Collections: \$24,909,000

The net value of the art collection as at April 30, 2022:

	2022 \$000	2021 \$000	Increase (Decrease) \$000
Art Collection	24,909	24,909	-
Total	24,909	24,909	-

3.3.9 Net Assets, requiring an application of resources - \$112,479,000

The net assets classified as an application of resources include:

	2022 \$000	2021 \$000	Increase (Decrease) \$000
Provision for employee future benefits	112,479	79,050	33,429
Total	112,479	79,050	33,429

As discussed in section 3.2.5, this represents the unfunded balance of employee future benefits as at April 30, 2022.

Schedule 1

General Operating Fund 2021-22
Income, Expenses and Accumulated Surplus
Comparison To Budget (May 2021) and 2020-21 Actual

INCOME	2021-22 Actual	2021-22 Budget	Actual to Budget		2020-21 Actual	Actual to Prior Year	
	\$000's	\$000's	\$000's	%	\$000's	\$000's	%
Government Grant	175,473	174,126	1,347	0.8	175,947	(474)	(0.3)
Tuition Fees	307,333	311,200	(3,867)	(1.2)	309,328	(1,995)	(0.6)
Miscellaneous Income	14,104	11,726	2,378	20.3	12,533	1,571	12.5
Investment Income	10,978	10,000	978	9.8	42,712	(31,734)	(74.3)
Departmental Income	9,573	9,695	(122)	(1.3)	7,500	2,073	27.6
Total Operating Income	517,461	516,747	714	0.1	548,020	(30,559)	(5.6)
EXPENSES							
Faculty of Arts & Social Sciences	58,743	59,012	(269)	(0.5)	57,182	1,561	2.7
Faculty of Public Affairs	40,026	39,000	1,026	2.6	39,187	839	2.1
Sprott School of Business	16,020	15,515	505	3.3	14,061	1,959	13.9
Faculty of Science	43,442	41,361	2,081	5.0	40,187	3,255	8.1
Faculty of Engineering and Design	44,021	42,839	1,182	2.8	38,691	5,330	13.8
Provost and Vice-President (Academic)	16,104	17,382	(1,278)	(7.4)	16,573	(469)	(2.8)
Vice-President (Students and Enrolment)	29,175	29,853	(678)	(2.3)	25,585	3,590	14.0
Library	9,978	11,722	(1,744)	(14.9)	10,899	(921)	(8.5)
Vice-President (Research and International)	5,686	3,248	2,438	75.1	4,490	1,196	26.6
Vice-President (Finance & Administration)	50,218	57,744	(7,526)	(13.0)	50,914	(696)	(1.4)
Advancement	5,660	5,501	159	2.9	4,657	1,003	21.5
President	4,907	5,229	(322)	(6.2)	3,699	1,208	32.7
University Budgets and Provisions	184,036	154,281	29,755	19.3	154,762	29,274	18.9
Interfund Transfers (net)	35,629	34,060	1,569	4.6	59,408	(23,779)	(40.0)
Sub-Total Operating Expenses	543,645	516,747	26,898	5.2	520,295	23,350	4.5
Net Appropriations	(26,184)	-	(26,184)		27,725	(53,909)	
Total Expenses	517,461	516,747	714	0.1	548,020	(30,559)	(5.6)
Increase/(Decrease) in Surplus for the Year	-	-	-		-	-	
Opening Accumulated Surplus/(Deficit)	-	-	-		-	-	
Closing Accumulated Surplus/(Deficit)	-	-	-		-	-	

Carleton University Ancillary Operations
Income and Expenditure as Compared to Budget
and Accumulated Operating Results as at April 30, 2022

Schedule 2

	2021-22 Actual			2021-22 Budget			Actual as Compared to Budget			Accumulated Surplus	
	<u>Income</u>	Expenses and <u>Transfers</u>	Surplus (<u>Deficit</u>)	<u>Income</u>	Expenses and <u>Transfers</u>	Surplus (<u>Deficit</u>)	<u>Income</u>	Expenses and <u>Transfers</u>	Surplus (<u>Deficit</u>)	<u>Opening</u>	<u>Closing</u>
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
Housing, Residence Life & Conference Services	20,014	17,343	2,671	20,757	23,614	(2,857)	(743)	(6,271)	5,528	3,690	6,361
Dining Services	4,071	3,808	263	3,791	7,257	(3,466)	280	(3,449)	3,729	(321)	(58)
Physical Recreation & Athletics	12,090	9,991	2,099	11,704	13,550	(1,846)	386	(3,559)	3,945	11,438	13,537
Parking Services	2,149	4,101	(1,952)	5,059	8,438	(3,379)	(2,910)	(4,337)	1,427	956	(996)
Health & Counselling Services	3,937	3,165	772	4,444	4,581	(137)	(507)	(1,416)	909	878	1,650
The Print Shop	600	1,277	(677)	1,164	1,612	(448)	(564)	(335)	(229)	(784)	(1,461)
Campus Card	604	650	(46)	846	1,026	(180)	(242)	(376)	134	220	174
Ancillary Property Rentals	2,314	2,317	(3)	2,279	2,279	-	35	38	(3)	680	677
University Centre	1,738	1,917	(179)	1,737	1,737	-	1	180	(179)	2,487	2,308
Carleton Performance Centre	602	605	(3)	624	1,029	(405)	(22)	(424)	402	300	297
Bookstore	462	547	(85)	554	606	(52)	(92)	(59)	(33)	278	193
Ancillary Strategic Fund	591	2,255	(1,664)	1,969	670	1,299	(1,378)	1,585	(2,963)	2,053	389
Total Ancillaries	49,172	47,976	1,196	54,928	66,399	(11,471)	(5,756)	(18,423)	12,667	21,875	23,071
							Unappropriated fund balance			680	677
							Appropriated fund balance			21,195	22,394
										21,875	23,071