

2023-26 Draft Operating Budget:

Audit & Finance Committee

April 12, 2023

Lori Livingston, Provost and Vice-President, Academic
Sarah Cantrell, AVP Planning and Strategic Analysis
Brad MacIsaac, Vice-President Administration



Budget Accounting Summary

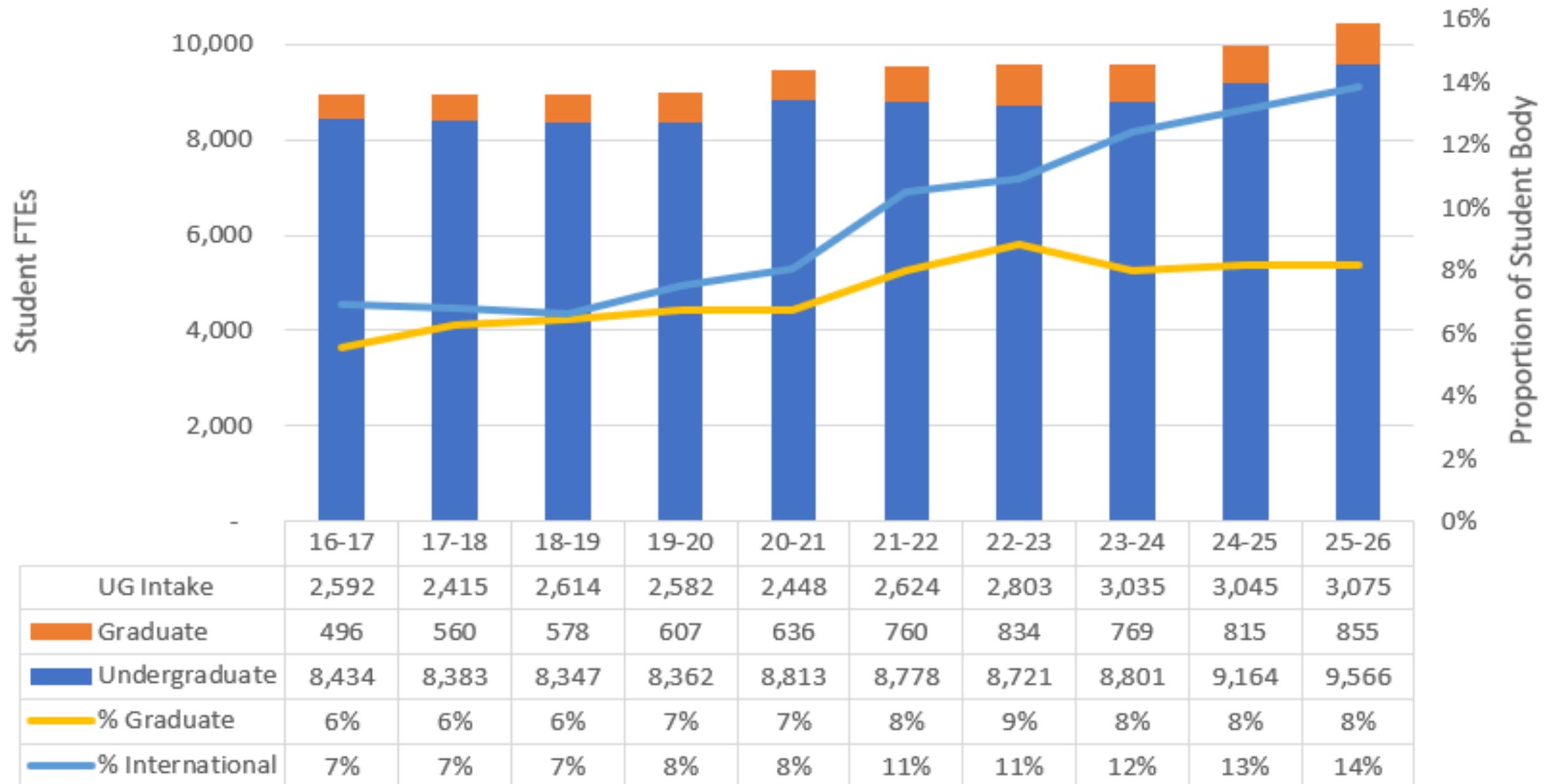
- Consolidated operating budget is prepared on a “modified-cash” basis, v/s the year-end published financial statements that are prepared on a GAAP (Generally Accepted Accounting Principles) basis and include items not in the budget, e.g.
 - amortization on capital assets and grants
 - externally funded research revenues and expenses (i.e. \$15.1M of acquired research funds and \$2.7M in donations).

- **MOTION:** Pursuant to the recommendation of management, that the Audit and Finance Committee recommends to the Board of Governors approval of the 2023-2024 budget and approval in principle of the budgetary projections for 2024-2025 and 2025-2026.

It's about finding the Balance

- Balancing the Budget
- Balancing multiple competing priorities
- Balancing the stories

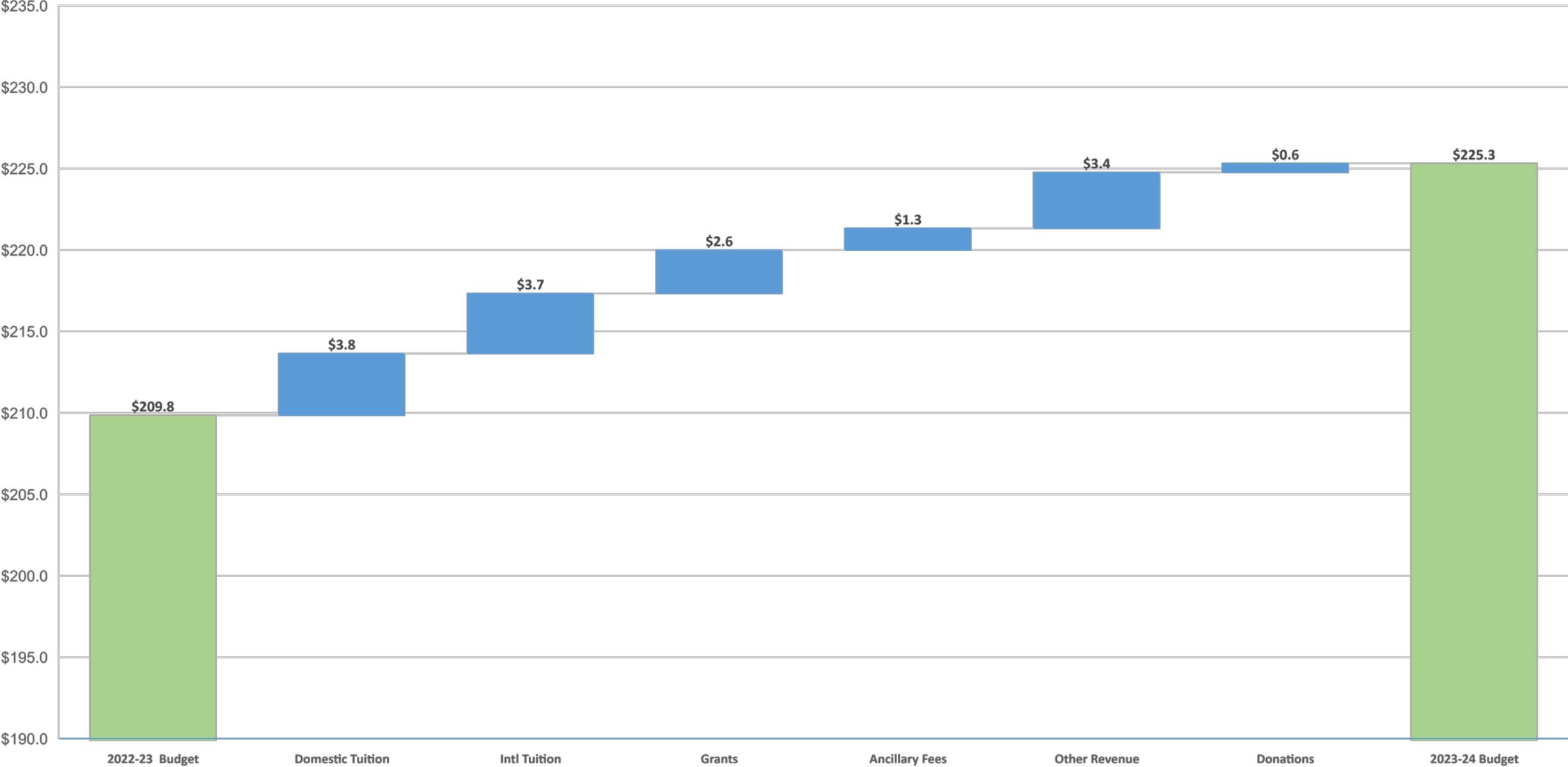
Forecasted Student Enrolment



2023 – 2024 Budget Summary

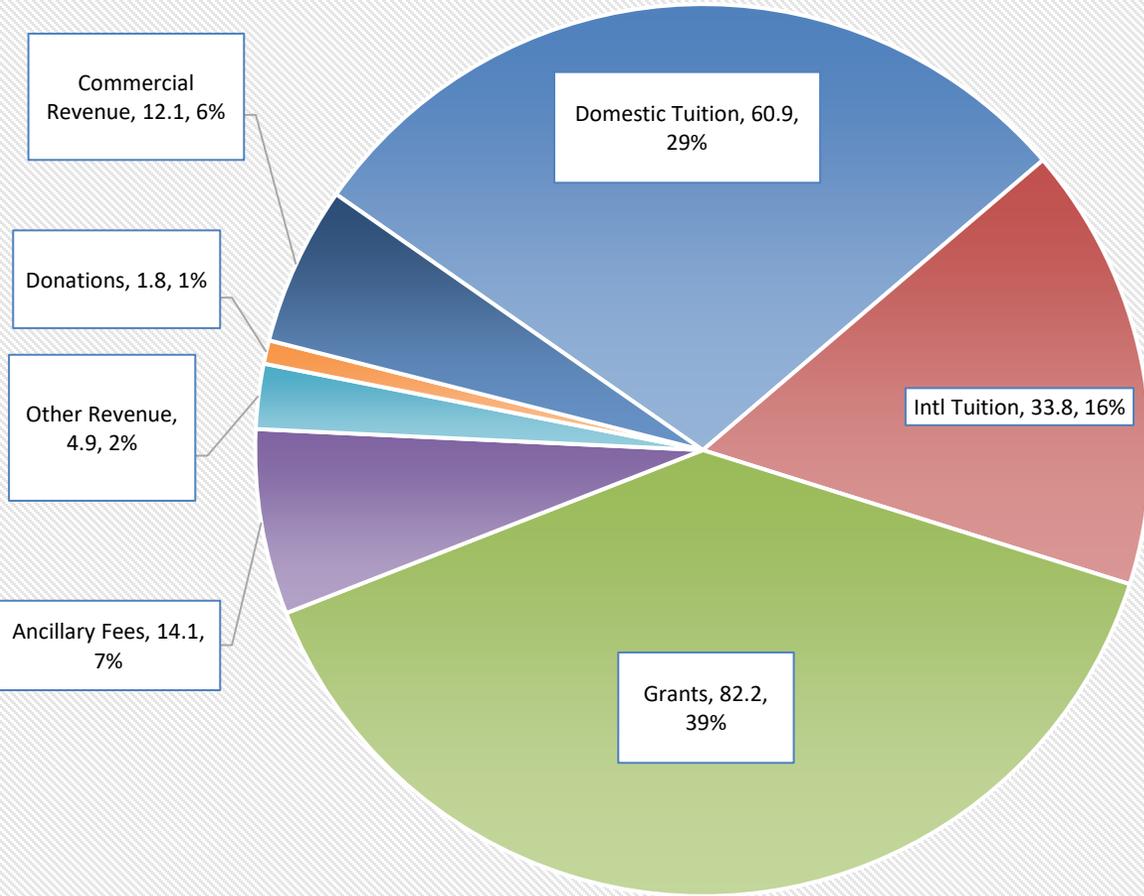
| | Operating Budget | Purchased Services | Operating-REV | Ancillary Fee Budget | Infrastructure Capital | Commercial Services | 2023 - 24 Proposed Budget | 2022 - 23 Approved Budget | Variance |
|--|---------------------|--------------------|--------------------|----------------------|------------------------|---------------------|---------------------------|---------------------------|--------------------|
| Revenues | | | | | | | | | |
| Operating Grants | 60,547 | - | - | - | 13,500 | - | 74,047 | 74,517 | (470) |
| Other Grants | 5,755 | - | 2,854 | 221 | 1,999 | - | 10,829 | 7,710 | 3,119 |
| Tuition | 93,175 | - | 8,584 | 450 | - | - | 102,209 | 94,719 | 7,490 |
| Student Ancillary Fees | 1,473 | 1,380 | 110 | 10,635 | 1,827 | - | 15,424 | 14,081 | 1,343 |
| Donations | 24 | - | 2,190 | 122 | - | 2 | 2,338 | 1,784 | 553 |
| Other Revenue | 4,516 | 185 | 9,725 | 114 | - | 5,930 | 20,469 | 17,035 | 3,434 |
| Total Operating Revenues | \$ 165,489 | \$ 1,565 | \$ 23,462 | \$ 11,542 | \$ 17,326 | \$ 5,932 | \$ 225,315 | \$ 209,847 | \$ 15,468 |
| Base Expenditures | | | | | | | | | |
| FT Labour | (99,366) | (6,730) | (4,889) | (5,875) | - | (1,215) | (118,075) | (115,326) | (2,749) |
| PT Labour | (11,447) | (211) | (4,338) | (1,265) | - | (293) | (17,554) | (16,697) | (857) |
| OPEX | (27,624) | (7,213) | (13,888) | (2,253) | (16,501) | (3,946) | (71,424) | (70,896) | (528) |
| CAPITAL | (104) | - | (9) | (113) | (3,826) | - | (4,051) | (2,977) | (1,074) |
| Approved Base Expenditures | (138,541) | (14,154) | (23,123) | (9,506) | (20,327) | (5,454) | (211,105) | (205,896) | (5,209) |
| Base Asks | (5,769) | (825) | (501) | (487) | - | 80 | (7,501) | - | (7,501) |
| OTO Asks | (5,768) | - | (359) | (2,092) | - | (13) | (8,232) | (1,818) | (6,413) |
| Capital OTO Asks | (390) | (250) | (163) | (573) | - | - | (1,376) | (6,784) | 5,408 |
| OTO Savings | 842 | 40 | - | (15) | - | - | 867 | 922 | (55) |
| Total Net New Asks | (11,085) | (1,036) | (1,022) | (3,167) | - | 68 | (16,242) | (7,680) | (8,562) |
| Total Expenditures | \$ (149,626) | \$ (15,190) | \$ (24,145) | \$ (12,673) | \$ (20,327) | \$ (5,386) | \$ (227,346) | \$ (213,576) | \$ (13,770) |
| Total CY Budget Surplus/(Deficit) | 15,863 | (13,625) | (683) | (1,131) | (3,001) | 545 | (2,031) | (3,729) | 1,698 |
| Funded through PY restricted reserves | 750 | - | - | 1,281 | - | - | 2,031 | 4,782 | (2,751) |
| Total Budget Surplus/(Deficit) | \$ 16,613 | \$ (13,625) | \$ (683) | \$ 150 | \$ (3,001) | \$ 545 | \$ - | \$ 1,053 | \$ (1,053) |

Total Revenue (\$M) Trending: FY22-23 v FY23-24



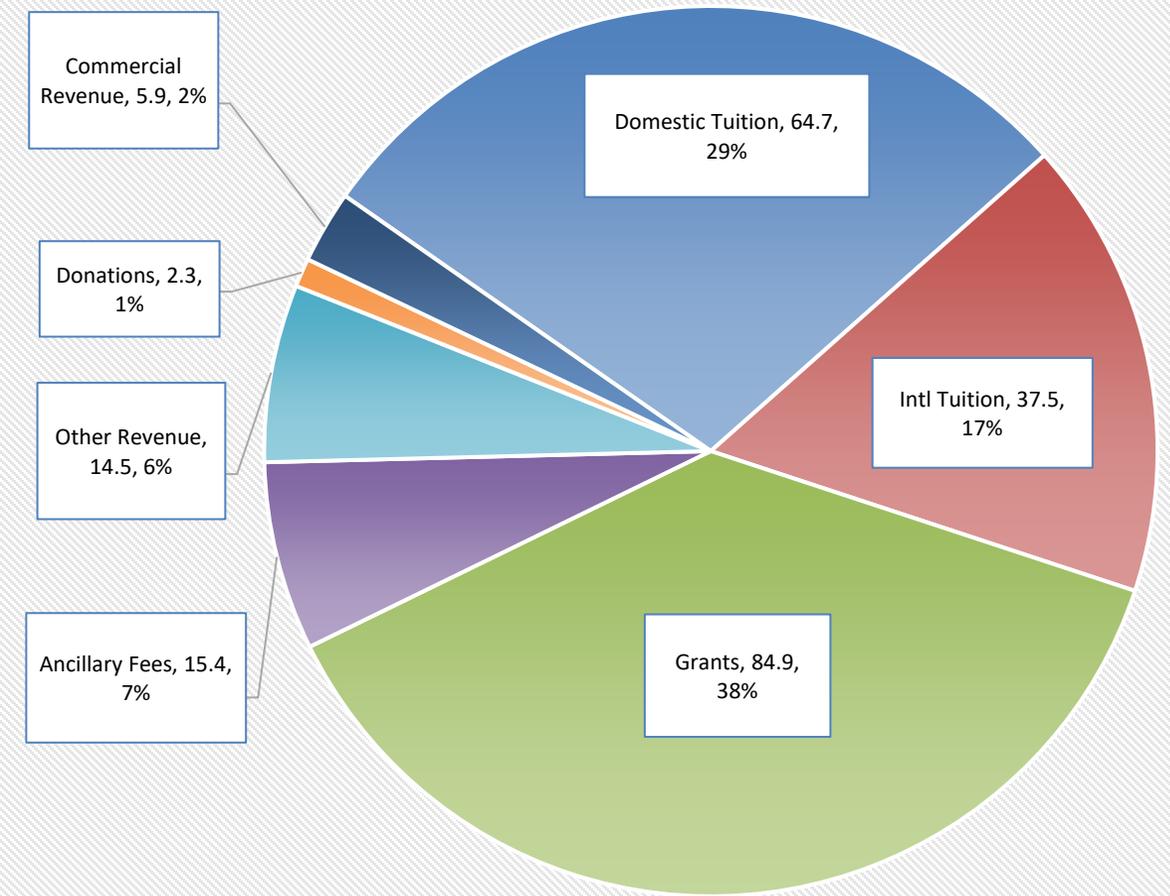
Revenue Summary

Operating Revenue (\$M) by Source 2022-23 Budget



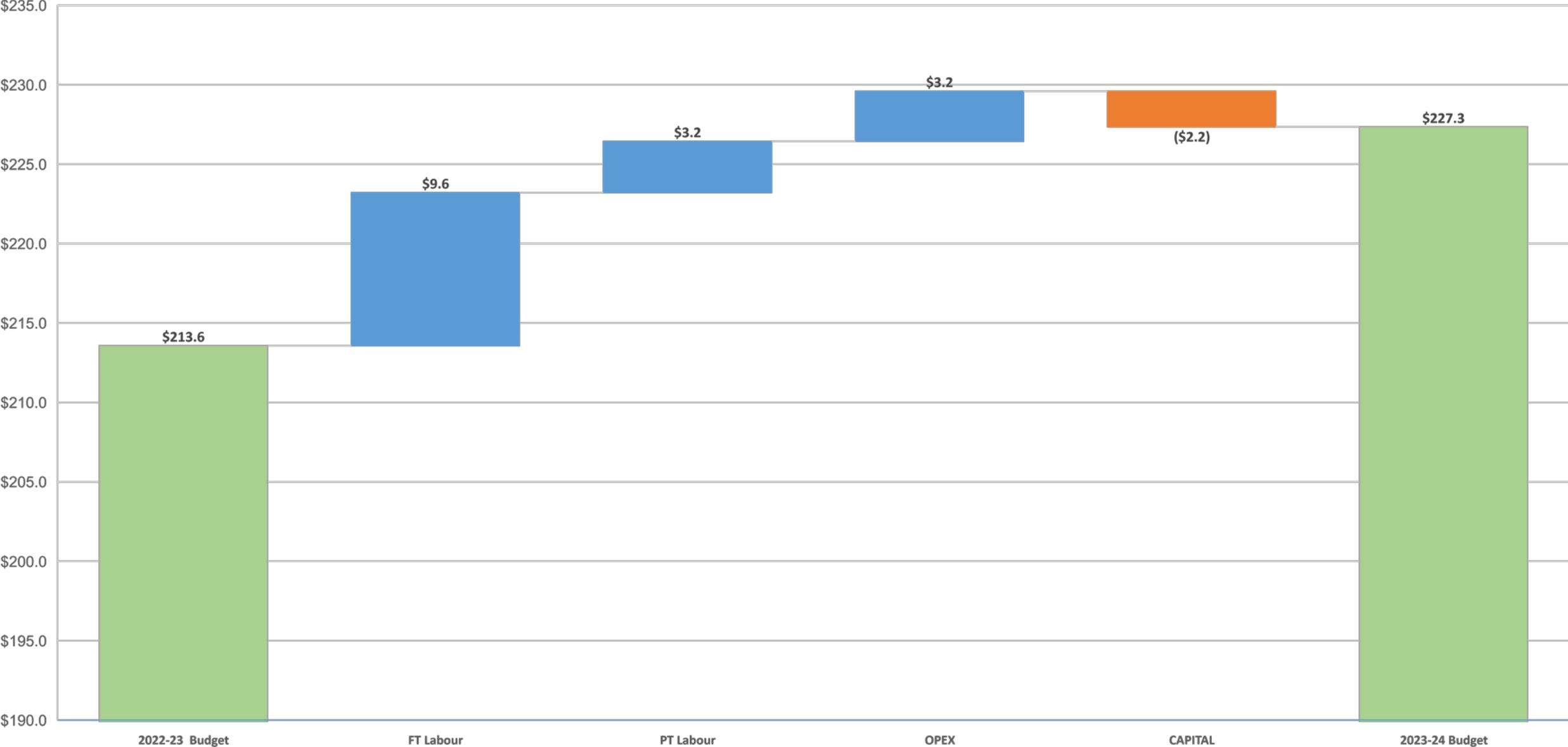
Total 22/23 Revenue: \$209.9M

Operating Revenue (\$M) by Source 2023-24 Budget



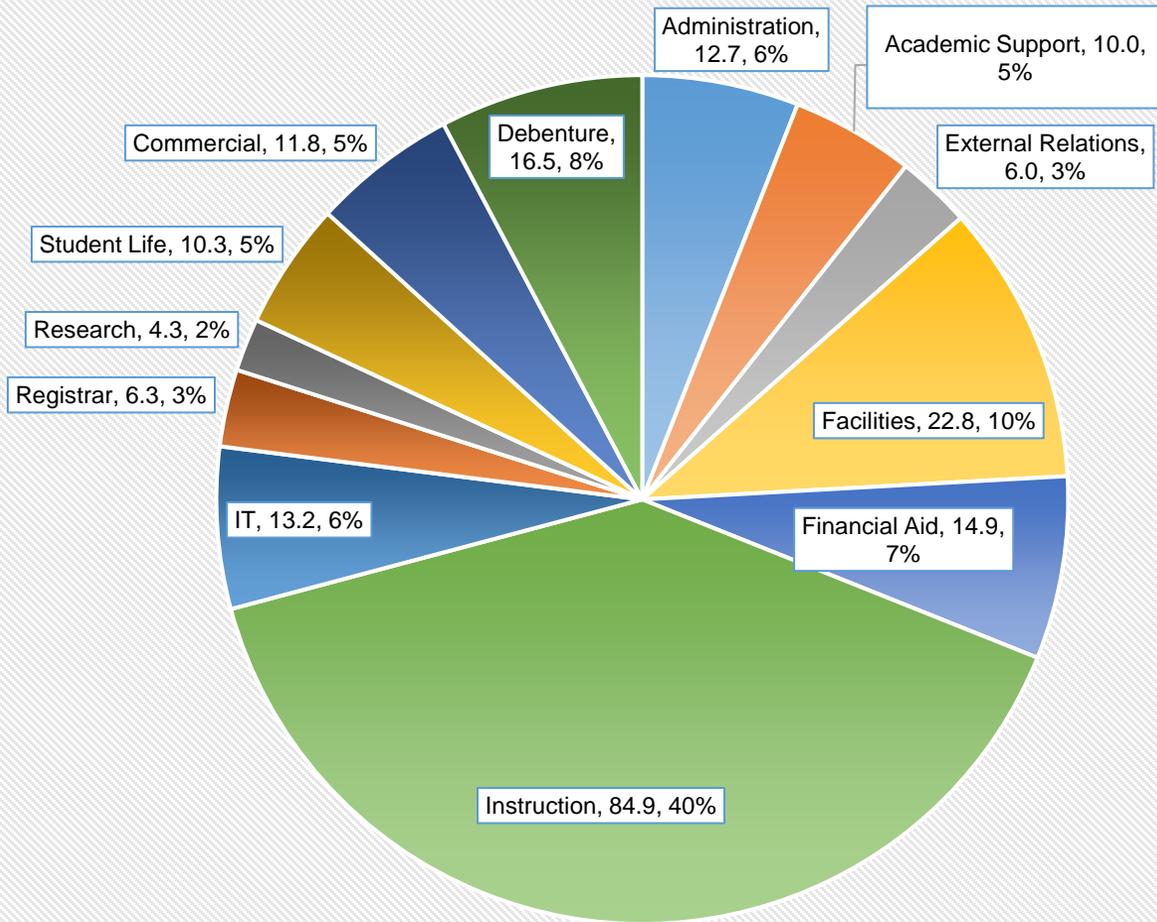
Total 23/24 Revenue: \$225.3M

Total Expense (\$M) Trending: FY22-23 v FY23-24



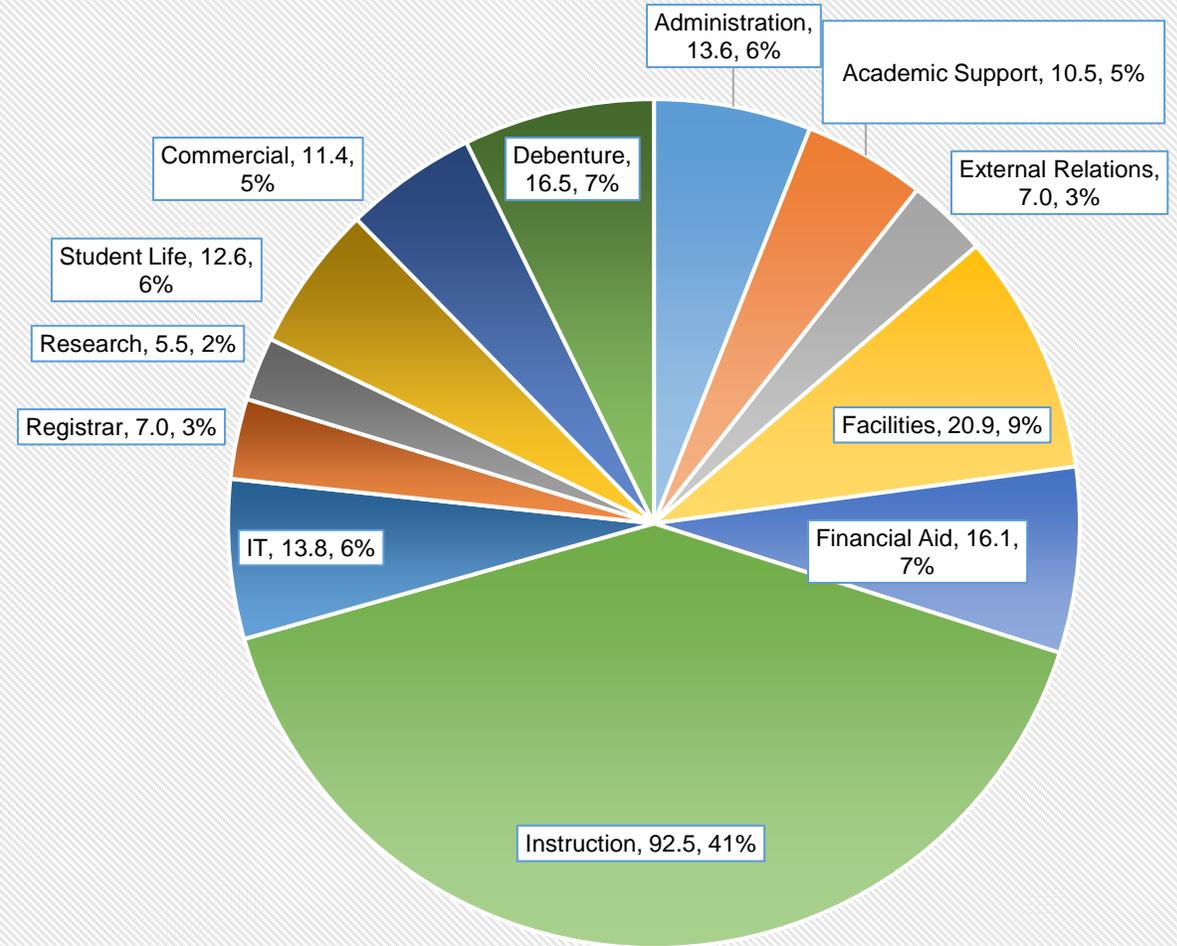
Total Operating Expenses by Functional Area

Operating Expense by Functional Area 2022-23 Budget



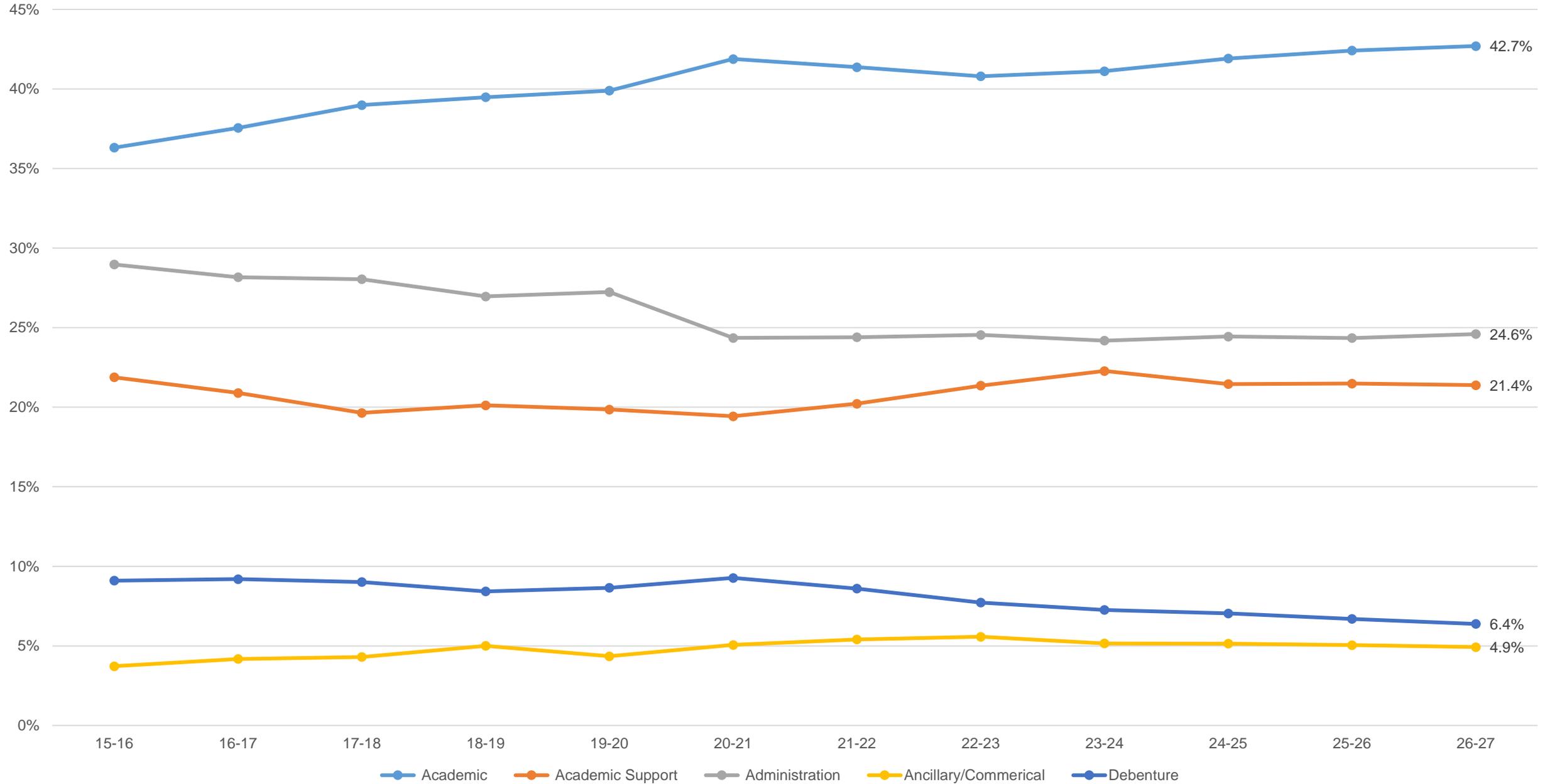
Total 22/23 Expenses: \$213.6M

Operating Expense by Functional Area 2023-24 Budget



Total 22/23 Expenses: \$227.3M

% of Total Budgeted Expenses by Functional Area



Examples of Investments by Strategic Priority

Learning Re-imagined/Tech with a Conscience

- **\$8.1M for Innovative Programming:**
- **\$4.5M for Differentiated Technology and Physical Space:**

Sticky Campus/Learning Re-imagined

- **\$1.2M for Student-Centric University:**
- **\$1.0M for Commitment to Mental Health and EDI Initiatives:**
- **\$1.1 for Strategic Enrolment Management and Branding:**

Partnerships

- **\$2M for Building Community/Partnerships to Support Learning and Opportunities and Discoveries through Research:**

Multi-year Budget 2023 - 2026

| | Budget | Budget | Budget | Budget | Budget |
|-------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| <i>FTEs</i> | 9,016 | 9,389 | 9,491 | 9,979 | 10,420 |
| Domestic Tuition | 61,390 | 60,875 | 64,670 | 67,517 | 70,185 |
| Intl Tuition | 21,561 | 33,844 | 37,539 | 44,515 | 51,086 |
| Grants | 80,972 | 82,227 | 84,876 | 85,365 | 85,789 |
| Ancillary Fees | 12,305 | 14,081 | 15,424 | 16,309 | 17,371 |
| Other Revenue | 4,945 | 4,940 | 14,539 | 14,025 | 14,586 |
| Donations | 960 | 1,784 | 2,336 | 2,359 | 2,383 |
| Commercial Revenue | 8,870 | 12,095 | 5,932 | 6,169 | 6,416 |
| Total Revenue | \$ 191,003 | \$ 209,847 | \$ 225,315 | \$ 236,258 | \$ 247,814 |
| FT Labour | 105,747 | 113,301 | 122,938 | 133,923 | 142,917 |
| PT Labour | 16,603 | 18,766 | 21,995 | 19,880 | 21,189 |
| OPEX | 64,943 | 71,749 | 74,902 | 76,941 | 78,247 |
| CAPITAL | 4,609 | 9,761 | 7,512 | 5,572 | 6,592 |
| Total Expenses | \$ 191,903 | \$ 213,576 | \$ 227,346 | \$ 236,316 | \$ 248,945 |
| <i>PY Reserve Utilization</i> | 900 | 4,782 | 2,031 | - | - |
| Net Surplus/(Deficit) | \$ - | \$ 1,053 | \$ - | \$ (58) | \$ (1,131) |

Budget Risk/ Risk Mitigation

- The annual risk registry outlines 12 strategic risks and 9 high level risks. When looking at the 2023-2024 budget a few highlights are:
 - **Stakeholder Relations – students. Uncertainty in achieving enrolment target**
 - **University community relations, campus experience, and culture**
 - **Stakeholder Relations – external**
 - **Physical/virtual infrastructure**
 - **Disruption from within the PSE sector**

MOTION

Based on a forecast using the best available information, and in line with A&F's direction to use a multi-year budget to enhance financial reporting controls, the following motion is proposed:

Pursuant to the recommendation of management, that the Audit and Finance Committee recommends to the Board of Governors approval of the 2023-2024 budget and approval in principle of the budgetary projections for 2024-2025 and 2025-2026.