

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

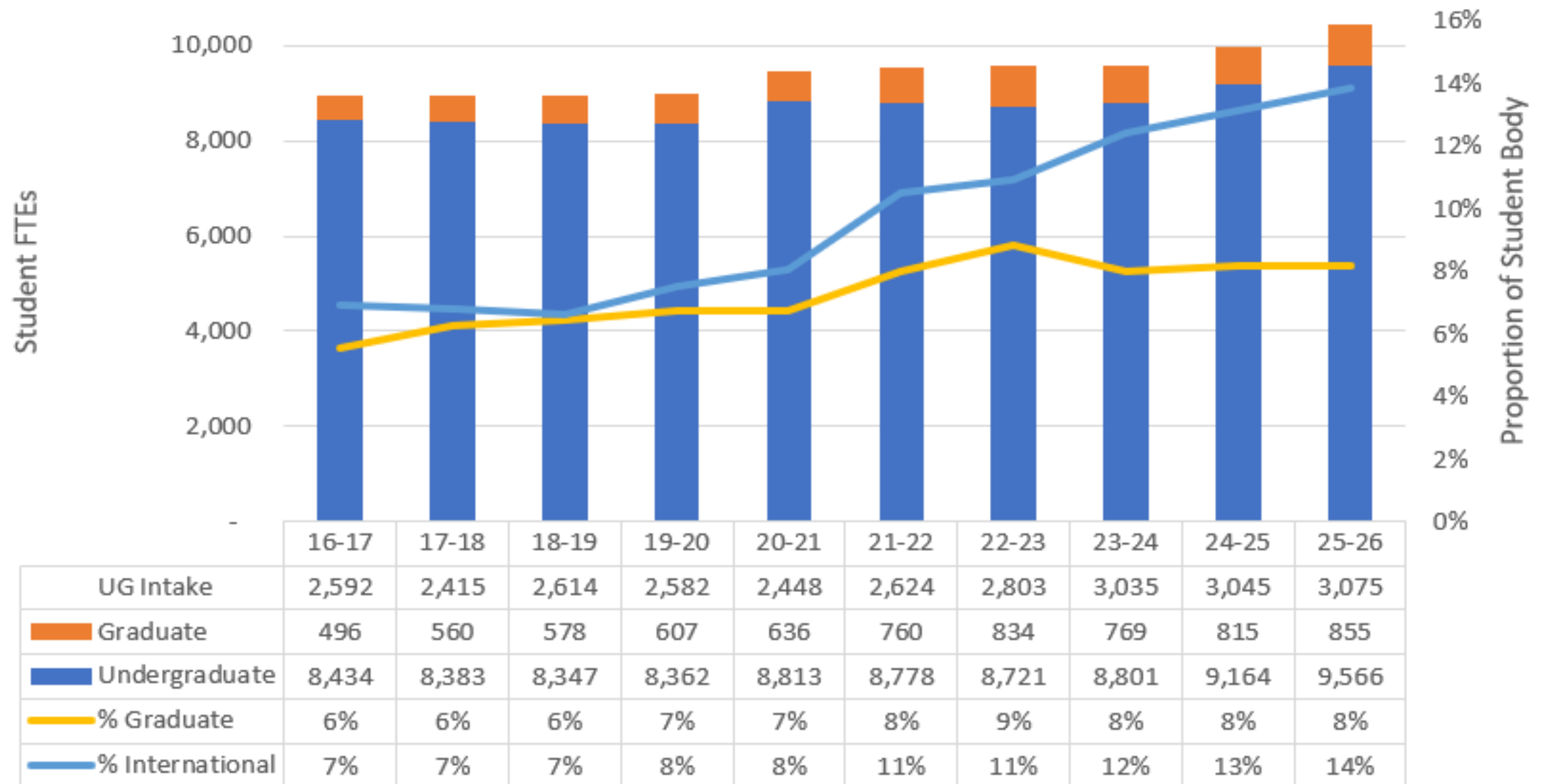
- Consolidated operating budget is prepared on a “modified-cash” basis, v/s the year-end published financial statements that are prepared on a GAAP (Generally Accepted Accounting Principles) basis and include items not in the budget, e.g.
 - amortization on capital assets and grants
 - externally funded 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

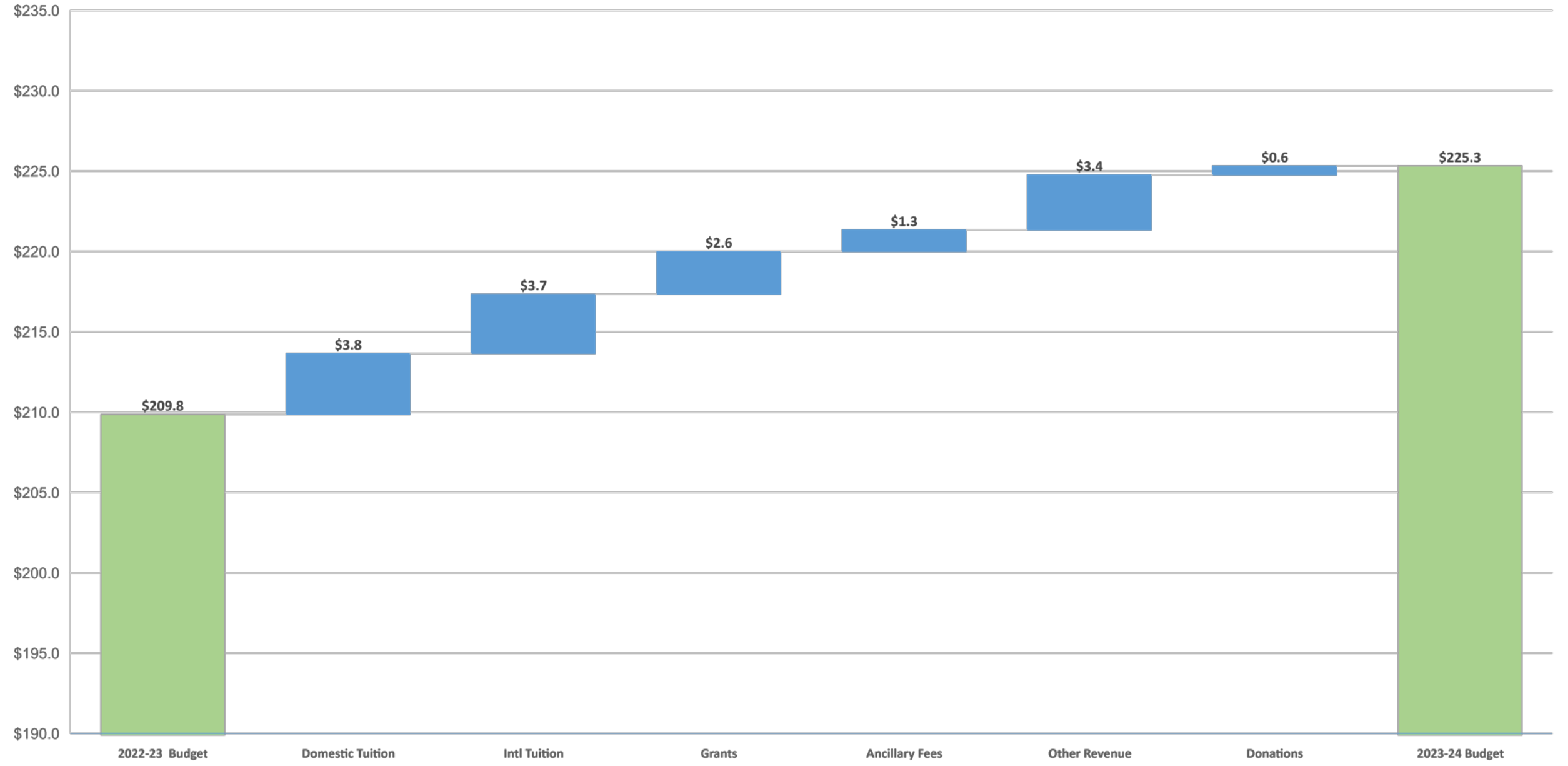
Forecasted Student Enrolment



2023 – 2024 Budget Summary

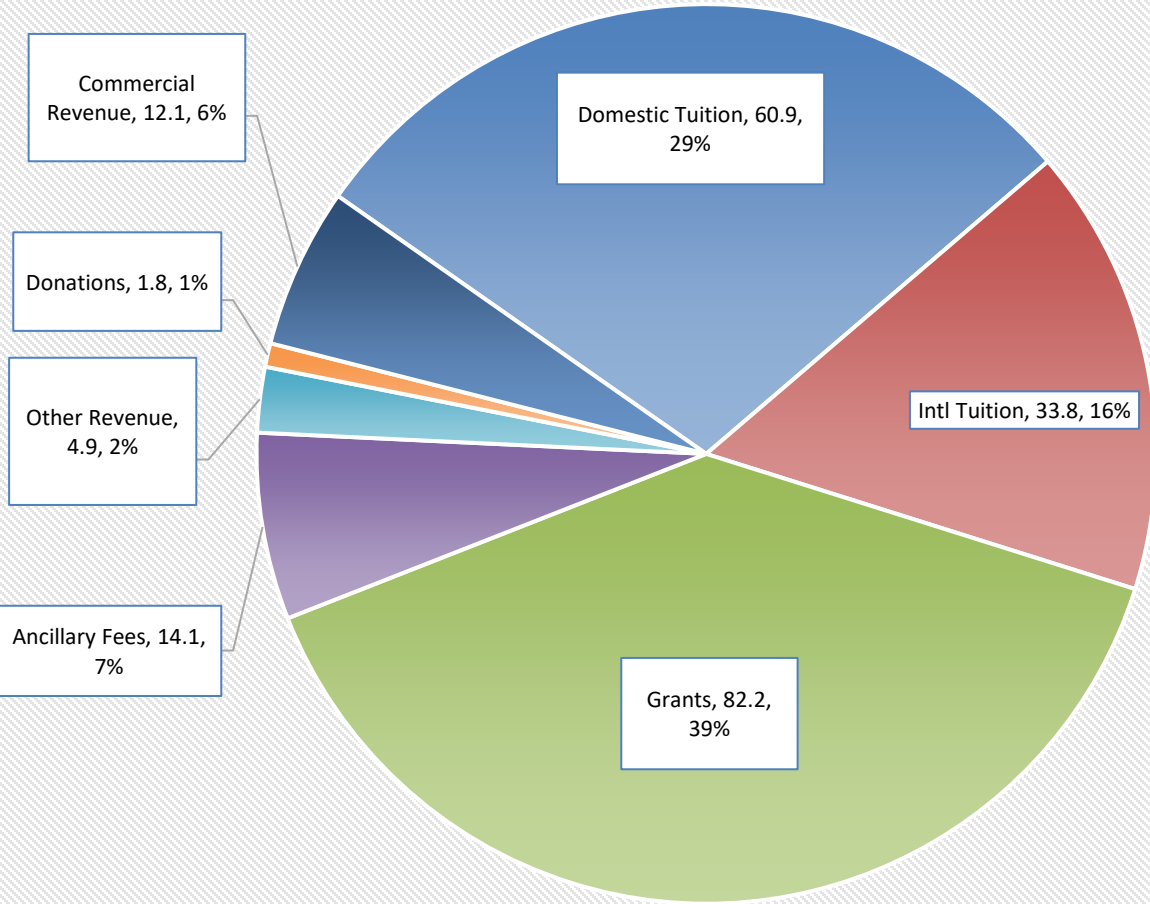
	Operating Budget	Purchased Services	Operating-REV	Ancillary Fee Budget	Infrastructure Capital	Commercial Services	2023 - 24 Proposed Budget	2022 - 23 Approved Budget	Variance
Revenues									
Operating Grants	60,547	-	-	-	13,500	-	74,047	74,517	(470)
Other Grants	5,755	-	2,854	221	1,999	-	10,829	7,710	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



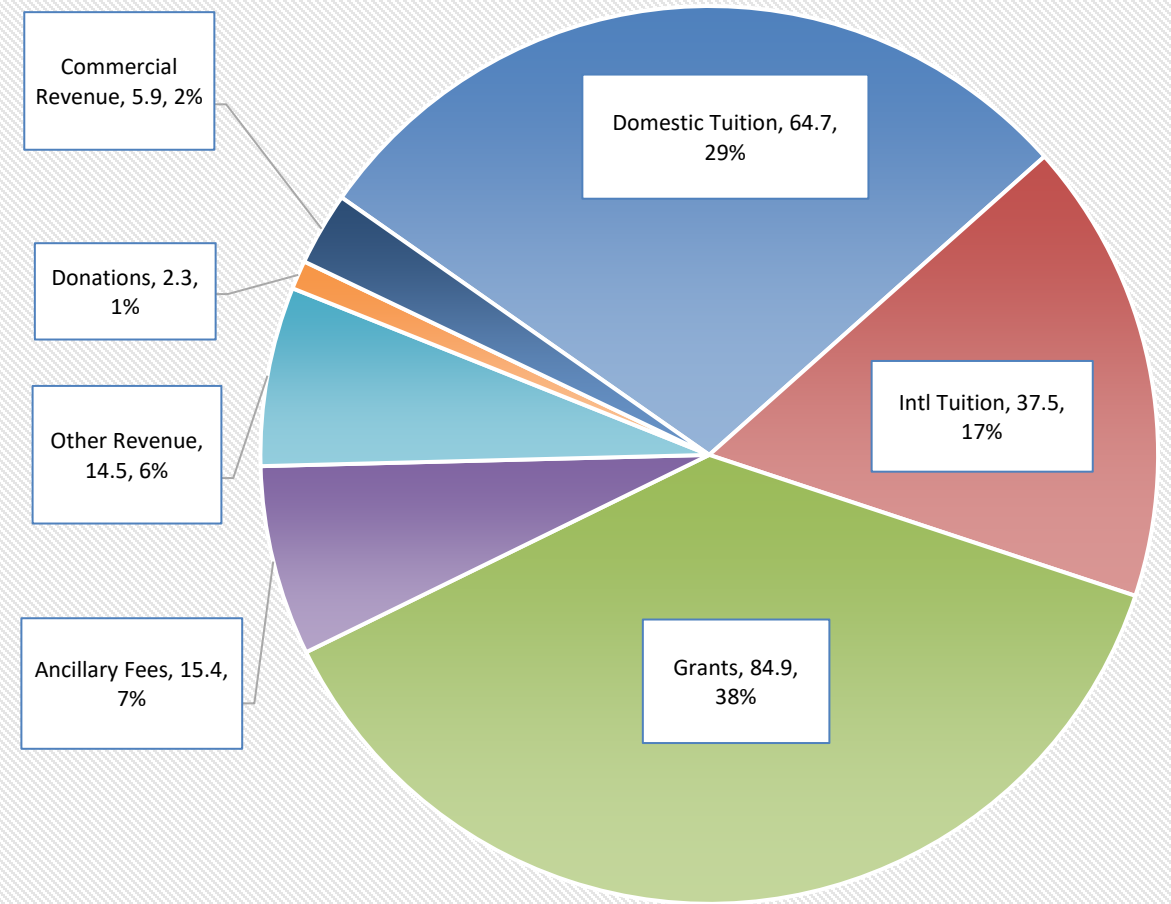
Revenue Summary

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



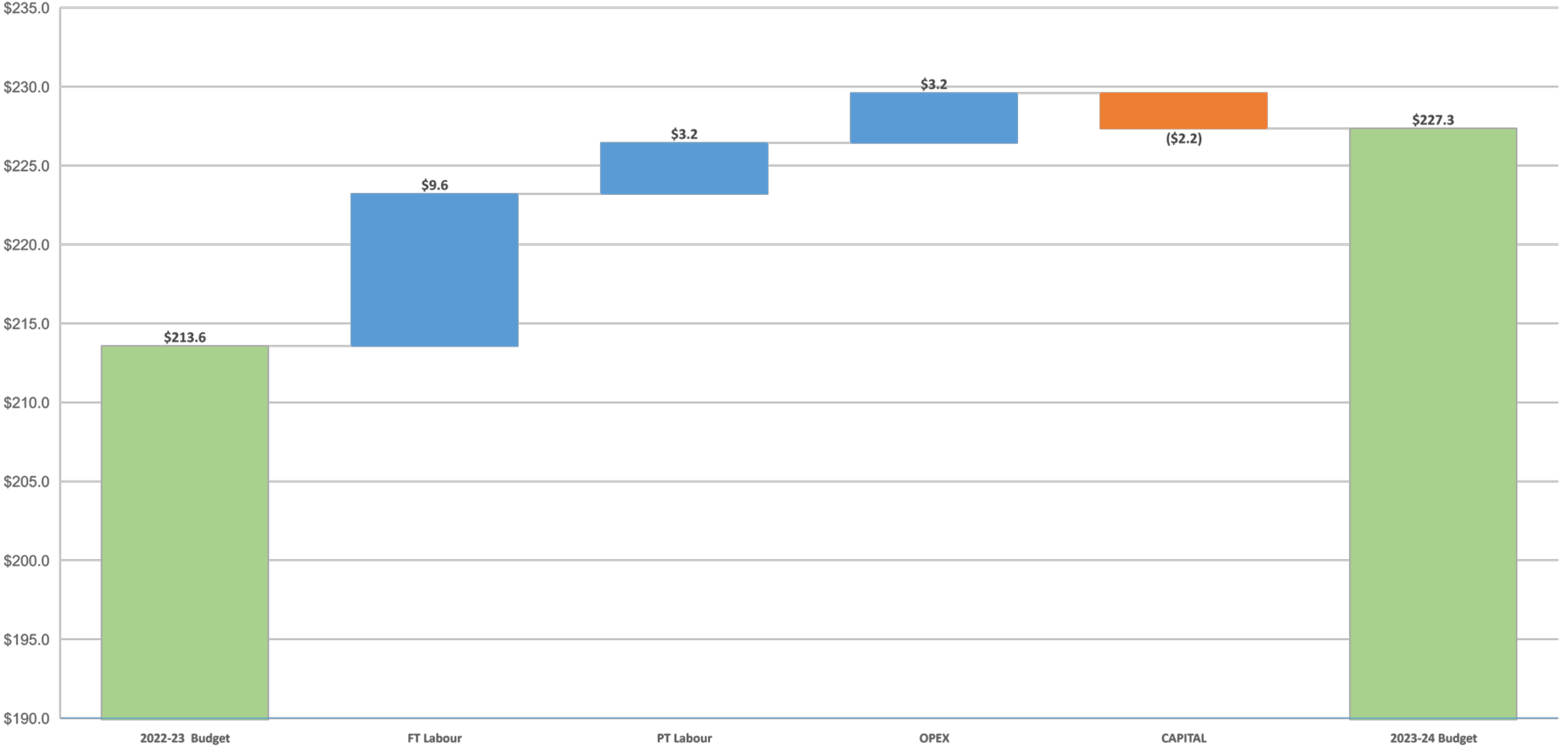
Total 22/23 Revenue: \$209.9M

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



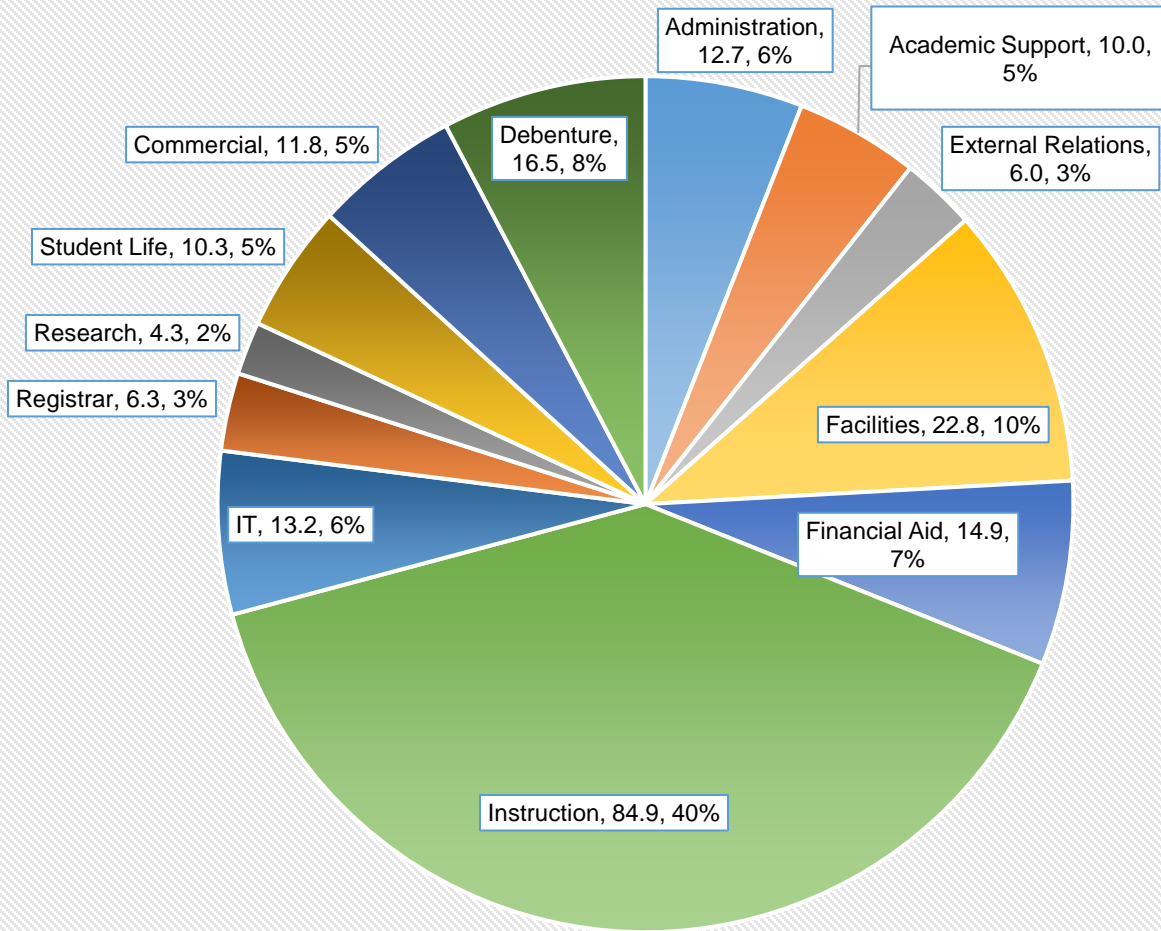
Total 23/24 Revenue: \$225.3M

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



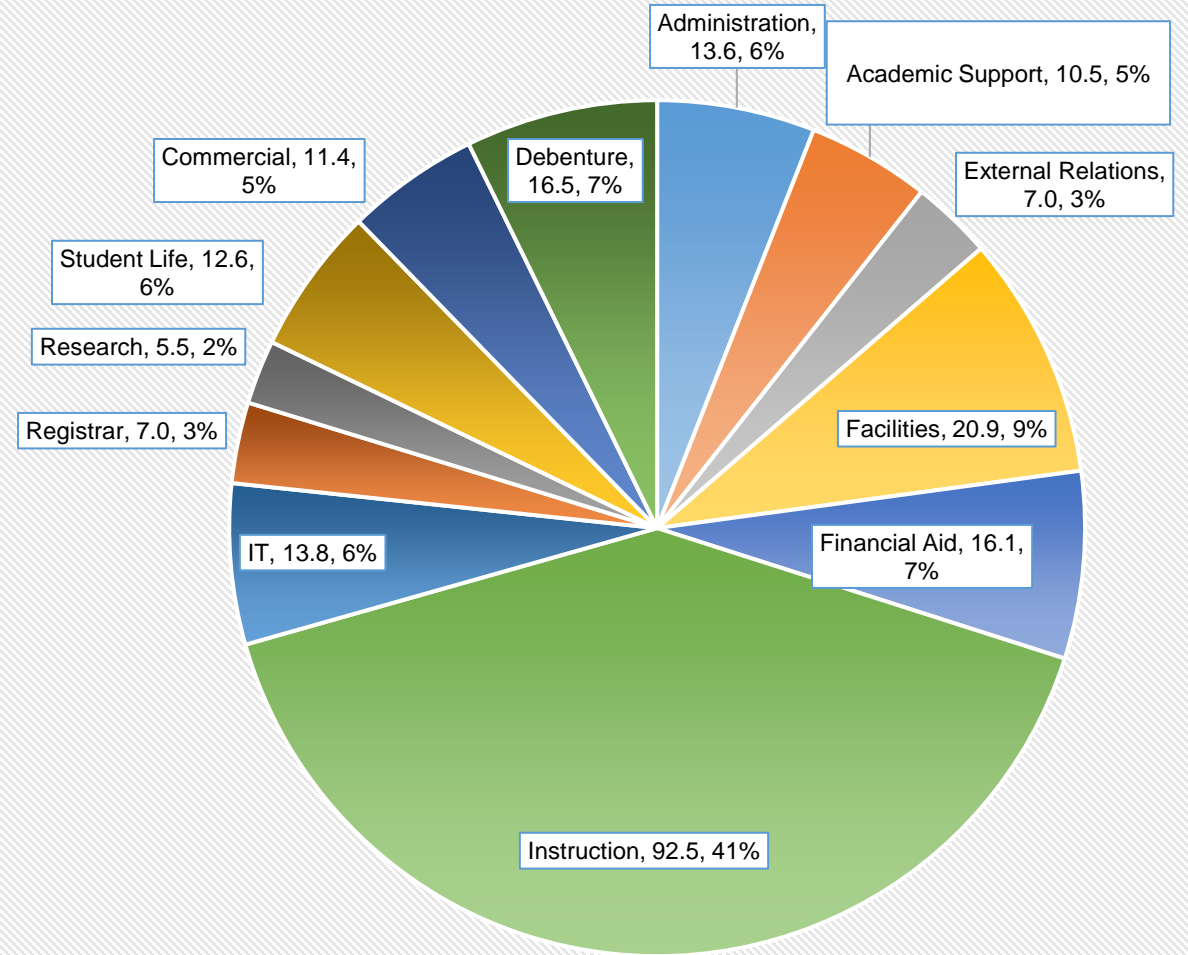
Total Operating Expenses by Functional Area

Operating Expense by Functional Area 2022-23 Budget



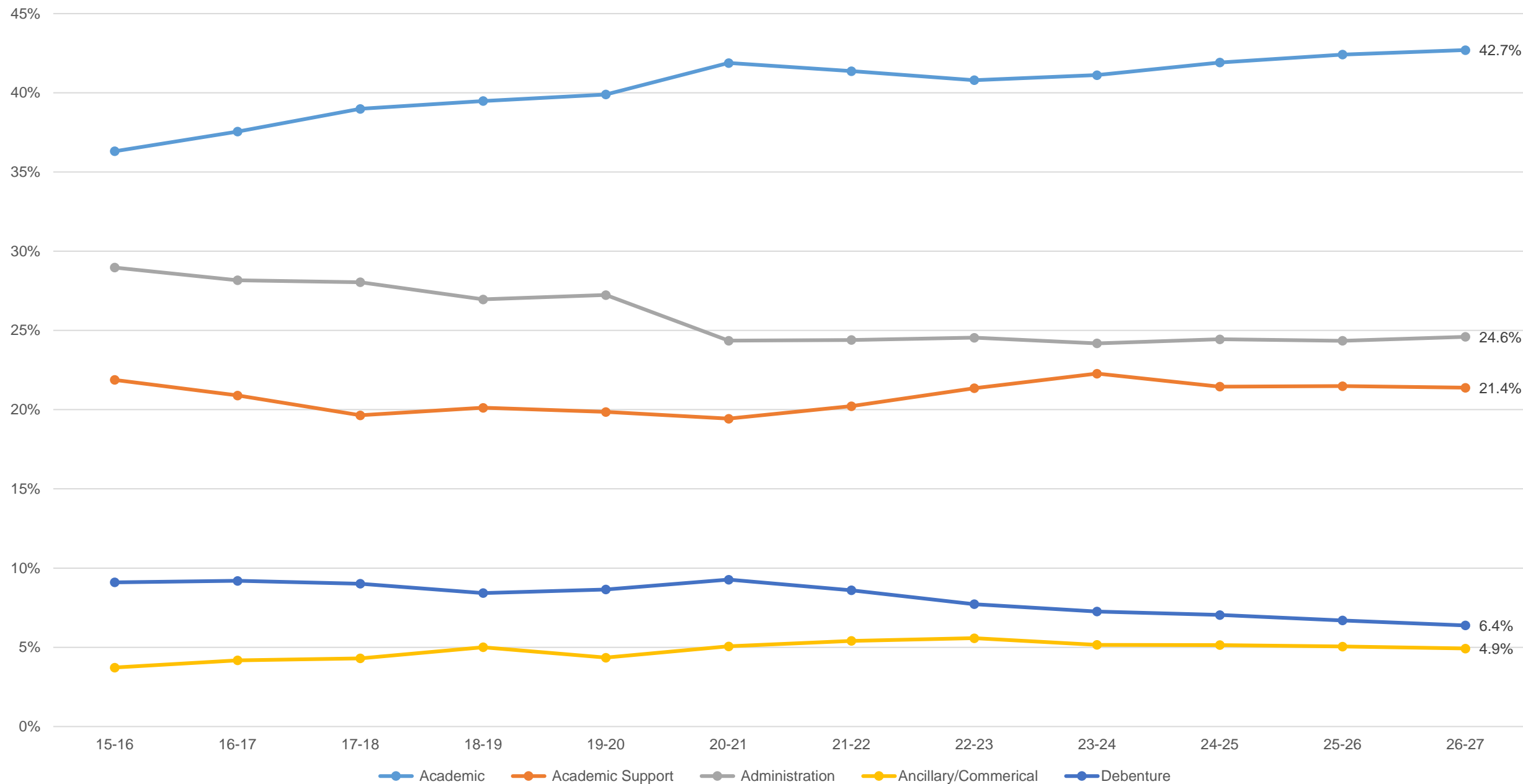
Total 22/23 Expenses: \$213.6M

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>	<i>900</i>	<i>4,782</i>	<i>2,031</i>	-	-
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.