



UNBC UNIVERSITY OF
NORTHERN BRITISH COLUMBIA

Budget 2023-24 and Plan 2024-28

January 2023



Cover Photo Captions:

1. Staff and volunteers help students move in to UNBC's residences at the beginning of the semester.
2. UNBC campus cousins (from left) Jamie Quinn, Dayana Terlesky and Rachelle Foubert. Guided by the First Nations Centre, the Campus Cousins program is an opportunity for students to enhance their leadership skills as they influence the UNBC community in positive and culturally significant ways.
3. Graduates from the Northern Collaborative Baccalaureate Nursing Program celebrate with family and friends at the North Cariboo Community Campus in Quesnel.
4. Members of the Northern Medical Program Class of 2024 pose for a group photo.
5. Engineering students gain field experience working with surveying equipment at UNBC's Prince George campus.

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Traditional Territory Acknowledgement

Since time immemorial, Indigenous peoples have walked gently on the diverse traditional territories where the University of Northern British Columbia community is grateful to live, work, learn, and play. We are committed to building and nurturing relationships with Indigenous peoples, we acknowledge their traditional lands, and we thank them for their hospitality.

Our Prince George campus is situated on the unceded traditional territory of the Lheidli T'enneh First Nation. Our South-Central campus in Quesnel is situated on the unceded traditional territories of the Lhtako Dene Nation, Nazko First Nation, Lhoosk'uz Dené Nation, and Esdilagh First Nation. Our Northeast campus in Fort St. John is situated in Treaty 8 territory on the traditional lands of the Dane-zaa peoples of the Doig River First Nation, Blueberry River First Nation, and Halfway River First Nation. The Northwest campus in Terrace is situated on the unceded traditional Tsimshian territory of the Kitsumkalum First Nation and Kitselas First Nation. Our satellite campus in Prince Rupert is situated on the unceded traditional Tsimshian territory of the Lax Kw'alaams Band and Metlakatla First Nation.

In addition to these campus locations, UNBC has a federated agreement with the Wilp Wilxo'oskwhl Nisga'a Institute (WWNI). Established by the Nisga'a Lisims Government in 1993 and located in the Village of Gitwinksihlkw, WWNI is a fully accredited university-college serving all people in northwestern British Columbia.

Acronyms

\$	Canadian Dollar
A	Actual
B	Budget
B.C.	British Columbia
CAGR	Compound Annual Growth Rate
CUPE	Canadian Union of Public Employees
EDI	Equity, Diversity, and Inclusion
F	Forecast
FTE	Full-Time Equivalent
MBA	Master of Business Administration
P	Plan
RSF	Research Support Fund
SFU	Simon Fraser University
UBC	University of British Columbia
UBC-O	University of British Columbia – Okanagan Campus
UG	Undergraduate
UNBC	University of Northern British Columbia
UVic	University of Victoria
WWNI	Wilp Wilxo'oskwhl Nisga'a Institute

1.0 Executive Summary

Overall Context

Given the renewal of UNBC's strategic plan, revival of strategic enrolment management, review of Finance and Administrative Services, and the work-in-progress on digital infrastructure and data analytics, the year 2023-24 is considered transitional. During coming months, UNBC will need to demonstrate adaptability, flexibility, and nimbleness to continually align institutional resources to evolving priorities and strengthening functional capacity, systems, and tools.

Suboptimal domestic undergraduate enrolment remains the primary reason for UNBC's fiscal challenges. Therefore, it is critical to demonstrate concerted efforts and substantial progress towards achieving planned enrolment in coming years. Keeping the primary focus on increased enrolment through strategic enrolment management, comprising student and employee recruitment, retention, and success, the 2023-24 annual plan and budget aspires to increase institutional readiness to implement the new strategic plan through progressive deployment of functional capacity supported by data analytics and digital infrastructure.

Key priorities include recruitment, retention, innovation, and effectiveness supported through data analytics, infrastructure enhancement including digital infrastructure, and alignment of policies and governing framework to achieve inclusivity and human satisfaction and enhanced reputation.

Table 1: Overall Financial Summary

\$ in Millions	2023 B	2023 F	2024 P	2024 B	2025 P	2026 P	2027 P	2028 P
Revenues	100.04	100.64	103.27	105.89	109.36	113.16	117.83	119.79
Expenditures	94.48	92.20	98.07	101.33	103.34	105.24	107.15	109.08
Operating Margin	5.56	8.44	5.20	4.56	6.02	7.92	10.68	10.71
Capital and Transfers	6.70	6.70	7.46	6.96	7.72	7.72	7.72	7.72
General Operating Fund	(1.14)	1.74	(2.26)	(2.40)	(1.70)	0.20	2.96	2.99
Ancillary Services Fund	-	0.02	-	-	-	-	-	-
Other Funds	(5.60)	(9.45)	(4.85)	(5.50)	(4.85)	(4.85)	(4.85)	(4.85)
Adjustments	5.60	6.62	4.85	5.50	4.85	4.85	4.85	4.85
Consolidated Surplus/(Deficit)	(1.14)	(1.07)	(2.26)	(2.40)	(1.70)	0.20	2.96	2.99
Student FTE	2,828	2,755	2,915	3,280	3,560	3,840	4,155	4,265
Cost/Student FTE (\$) ¹	33,400	33,500	33,600	30,900	29,000	27,400	25,800	25,600
Ancillary Revenue/Student FTE (\$) ²	3,700	3,800	3,700	3,400	3,200	3,000	2,900	2,900
	A: Actual	B: Budget		F: Forecast		P: Plan		

2024 P represents the 2023-24 projections submitted as part of 2022-23 budget.

¹ Expenditures in the general operating fund divided by student FTE.

² Ancillary revenue divided by student FTE.

Table 2: Key Statistics: 2022-23 (affected by the COVID-19 pandemic)

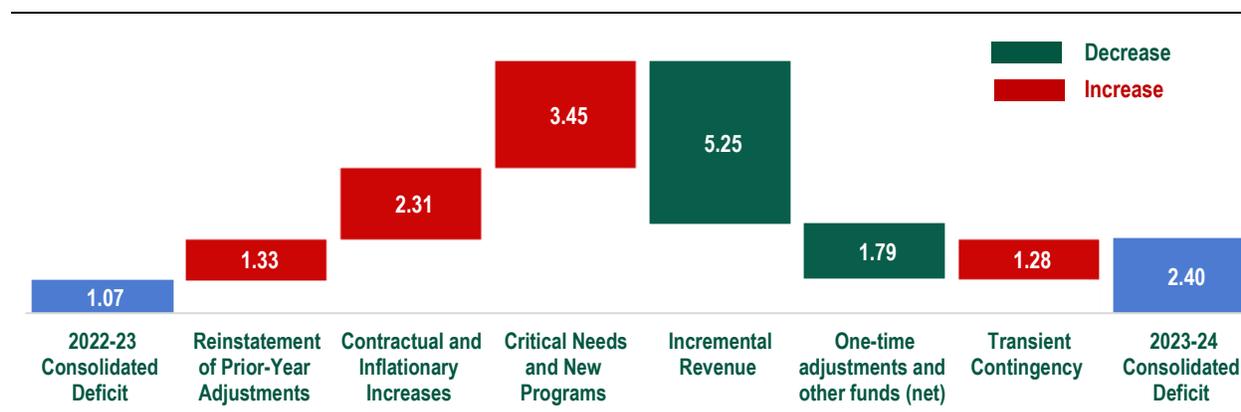
Enrolment	Ministry Target	Attainable Capacity (Note)	2022-23 Forecast	% Ministry Target	% Attainable Capacity
Domestic Undergraduate (UG)	3,267	2,950	1,952	60%	66%
International Undergraduate	n/a	450	243	n/a	54%
Graduate	485	600	560	115%	93%
Total Enrolment	3,752	4,000	2,755	67%	69%
Comparative Statistics			Canada	B.C.	UNBC
% self-declared female students			56%	56%	64%
% self-declared Indigenous students			5%	7%	14%
% of UNBC graduates remain in Northern B.C.			-	-	66%
Housing occupancy %			-	-	95%

Note: Attainable capacity is based on the historical peak of domestic undergraduate enrolment plus recently funded additional seats, supplemented with 15% graduate and 13% international undergraduate students. UNBC anticipates reaching the attainable capacity in 2026-27.

The 2022-23 combined forecast for general operating and ancillary services funds is \$109.3M with a consolidated deficit of \$1.1M, which is in line with the originally approved budget deficit. The proposed 2023-24 combined budget is \$119.5M with a consolidated deficit of \$2.4M that includes a contingency provision of \$1.3M. The deficit is subject to approval by the province and once approved, will be financed by general reserves. The impact of the COVID-19 pandemic, particularly lower enrolment, continues to exacerbate the financial challenges; however, the key principles for UNBC planning and budgeting remain consistent, which include the following:

- Invest in the core mission aligned with strategic priorities focusing on student and employee success, digital infrastructure, and data analytics.
- Achieve operational effectiveness, efficiency, and collective excellence.
- Systematically address financial sustainability.

Figure 1: Reconciliation of the 2023-24 Consolidated Deficit (\$ in Millions)



The transitional budget while enhancing organizational readiness, functional capacity, systems and digital infrastructure, will continue to focus on key priorities and contribute to (a) progressively increased enrolment and enhanced student experience and success; (b) increasingly inclusive people development and employee success, (c) systematically improved multi-year integrated planning that supports strategic growth and stability, (d) progressively improved optimization and digital transformation, (e) enhanced UNBC brand, transparency, and accountability, and (f) increased financial stability.

2.0 Financial Overview

Table 3: Overall Financial Summary

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Revenues	97.23	100.04	100.64	105.89	109.36	113.16	117.83	119.79
Expenditures	88.47	94.48	92.20	101.33	103.34	105.24	107.15	109.08
Operating Margin	8.76	5.56	8.44	4.56	6.02	7.92	10.68	10.71
Capital and Transfers	5.76	6.70	6.70	6.96	7.72	7.72	7.72	7.72
General Operating Fund	3.00	(1.14)	1.74	(2.40)	(1.70)	0.20	2.96	2.99
Ancillary Services Fund	(0.07)	-	0.02	-	-	-	-	-
Other Funds	1.63	(5.60)	(9.45)	(5.50)	(4.85)	(4.85)	(4.85)	(4.85)
Adjustments	(2.91)	5.60	6.62	5.50	4.85	4.85	4.85	4.85
Consolidated Surplus/(Deficit)	1.65	(1.14)	(1.07)	(2.40)	(1.70)	0.20	2.96	2.99
	A: Actual	B: Budget		F: Forecast			P: Plan	

The 2022-23 combined forecast for general operating and ancillary services funds is \$109.3M with a consolidated deficit of \$1.1M, which is in line with the originally approved budget deficit. Given uncertainties and rapidly changing circumstances, a conservative basis has been adopted for the forecast and actual financial results may vary. It is anticipated that the lower domestic undergraduate and MBA program FTE may result in an estimated revenue loss of up to \$1.6M for 2022-23, which will potentially be funded through projected higher international tuition. The higher operating margin, primarily due to lower employee costs is partly offset by anticipated higher utilization of other funds and adjustments.

The proposed 2023-24 combined budget is \$119.5M with a consolidated deficit of \$2.4M. The deficit is subject to approval by the province and once approved, will be financed by general reserves. The budgeted enrolment targets for 2023-24 are ambitious and aspire to sustain better international undergraduate FTE achieved in 2022-23 and substantially increase domestic undergraduate FTE to minimize the gap between existing suboptimal enrolment and attainable enrolment capacity. Given the transitional budget and to mitigate the risks of potential lower enrolment or additional resources required for deploying functional capacity and systems, a contingency provision of \$1.3M has been included in the budget.

Pre-COVID (2012-20) Compound Annual Growth Rate (CAGR) was 1.8% for revenues and 2.6% for expenditures resulting in a negative 6% CAGR for operating margin. Operating margin represents a gap between operating revenues and expenditures. An annual operating margin of ~\$7M is required for capital and transfers to avoid a consolidated deficit.

Suboptimal undergraduate enrolment remains the primary reason for UNBC's ongoing fiscal challenges as UNBC is not able to optimally utilize its available infrastructure and resources. Therefore, it is pivotal to focus on accelerated attainable enrolment growth, and a holistic and encircling student experience supplemented by the UNBC brand in scholarship and research to achieve enrolment targets for financial stability and growth. The projected CAGR (2023-28) based on accelerated attainable enrolment growth is 2.9% for revenues and 2.8% for expenditures resulting in a 4% CAGR for operating margin.

Table 4: Reconciliation of Consolidated Operating Deficit

\$ in Millions	2023-24	2024-25	2025-26	2026-27	2027-28
Prior year operating (deficit)	(1.07)	(2.40)	(1.70)	0.20	2.96
Restatement of prior year one-time adjustments	(1.33)	(0.51)	-	-	-
Restated operating (deficit)	(2.40)	(2.91)	(1.70)	0.20	2.96
Incremental general operating revenue (Note)	5.25	3.47	3.80	4.67	1.96
Incremental expenditures (Table 4.1)	(5.76)	(2.26)	(1.90)	(1.91)	(1.93)
Updated operating (deficit)	(2.91)	(1.70)	0.20	2.96	2.99
One-time adjustments and other funds (net)	1.79	-	-	-	-
Transient contingency	(1.28)	-	-	-	-
Budgeted operating (deficit) / surplus	(2.40)	(1.70)	0.20	2.96	2.99

Note: Primarily represents projected increase in tuition revenue based on accelerated attainable enrolment growth and annual increase in tuition and student fees.

Table 4.1: Incremental Expenditures

\$ in Millions	2023-24	2024-25	2025-26	2026-27	2027-28
Faculty: career development increments and promotions	0.94	0.94	0.94	0.94	0.94
Non-faculty employees	0.28	0.25	0.25	0.25	0.25
Other increases or reduction of vacancy factor	0.45	0.39	-	-	-
Contractual compensation increases	1.67	1.58	1.19	1.19	1.19
Functional capacity for critical needs	1.14	-	-	-	-
Student success and academic programs	0.61	-	-	-	-
Digital infrastructure	0.75	-	-	-	-
Other strategic priorities, critical needs, and new programs	0.95	0.20	0.20	0.20	0.20
Strategic initiatives and priorities	3.45	0.20	0.20	0.20	0.20
Inflationary increases	0.64	0.48	0.51	0.52	0.54
Incremental Expenditures	5.76	2.26	1.90	1.91	1.93

Given the transitional year, additional strategic initiatives based on critical needs requiring one-time funding may be approved during the year that could be financed through general reserves. For the expenditures financed through general reserves, UNBC will require equivalent additional revenues or lower expenditures to avoid consolidated deficit given the balanced-budget rule for public post-secondary institutions in B.C. or manage the consolidated deficit within the level approved by the province, as applicable.

3.0 Key Assumptions

3.1 Enrolment

Enrolment continues to be a challenge, particularly as UNBC transitions to post-COVID emerging normal. Despite growth in Ministry targets and recently funded additional seats, domestic undergraduate enrolment has declined by an average 1.4% annually resulting in a 19% decline between 2008 and 2022. The annual average domestic undergraduate FTE during that period has been 2,200, whereas the historical highest domestic undergraduate FTE was 2,608 in 2003-04. In the last few years, the domestic undergraduate enrolment has remained below average.

Table 5: UNBC Enrolment Summary

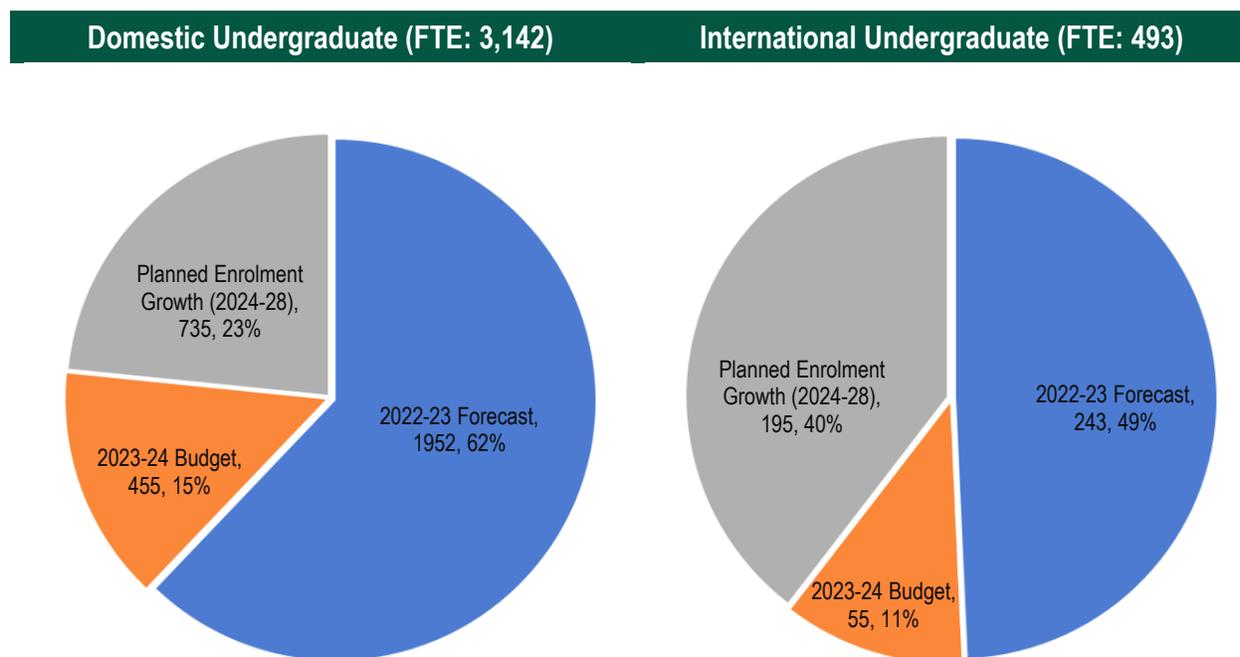
	2019	2020	2021	2022	2023 B	2023 F	2024	2025	2026	2027	2028
Domestic UG	2,237	2,194	2,093	2,001	2,048	1,952	2,407	2,627	2,842	3,057	3,142
International UG	149	227	215	207	207	243	298	348	403	483	493
MBA Program	52	62	62	70	75	65	80	85	90	95	95
Graduate Programs	449	436	444	491	498	495	495	500	505	520	535
Total	2,887	2,919	2,814	2,769	2,828	2,755	3,280	3,560	3,840	4,155	4,265
Ministry Target	3,429	3,505	3,575	3,663	3,752	3,752	3,752	3,752	3,752	3,752	3,752
% Achieved	80%	77%	73%	70%	70%	67%	75%	80%	86%	92%	95%

The annualized 2022-23 forecast as compared to budget target is 5% lower for domestic undergraduate FTE, 13% lower for Master of Business Administration (MBA) FTE, and 17% higher for international undergraduate FTE. It is anticipated that the enrolment will increase over time through strategic enrolment management and focussing on student and employee recruitment, retention, and success.

Table 6: Projected Growth Analysis

Student FTE	Incremental Annual Increases					Growth Projections Cumulative Increases (2024-28)			Growth Projections (Pre-COVID) Cumulative Increases (2020-28)		
	2024	2025	2026	2027	2028	FTE	%	CAGR	FTE	%	CAGR
Domestic UG	455	220	215	215	85	1,190	61%	10%	964	44%	5%
International UG	55	50	55	80	10	250	103%	15%	255	107%	10%
Graduate Programs	15	10	10	20	15	70	13%	2%	127	25%	3%
Total	525	280	280	315	110	1,510	55%	9%	1,346	46%	35%

Figure 2: Planned Enrolment Projection



The average direct cost to recruit one student at UNBC ranges from \$1,500 to \$1,800 comprising \$700 to \$800 per domestic student and \$8,000 to \$10,000 per international student. Given the historical attrition rate from registration to Year 3, the average actual cost for recruiting students transitioning to Year 3 ranges from \$3,000 to \$3,500.

Table 7: Student Recruitment Summary

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Average
Undergraduate											
Applicants	2,509	2,154	2,210	2,721	3,050	2,646	2,588	2,540	2,360	2,889	2,570
Conversion %	73%	76%	72%	72%	73%	70%	67%	65%	72%	70%	1,820 (71%)
Yield %	54%	51%	54%	51%	45%	52%	52%	52%	43%	38%	890 (49%)
Graduate											
Applicants	548	672	1,005	751	1,216	1,374	1,792	2,639	1,006	1,171	1,220
Conversion %	52%	42%	19%	36%	24%	22%	13%	13%	43%	31%	300 (25%)
Yield %	63%	69%	66%	69%	68%	64%	66%	67%	47%	52%	185 (62%)

Conversion % represents admission offers divided by number of applicants

Yield % represents actual registration divided by number of admission offers

There has been an increase in undergraduate applications and a marginal decline in conversion and yield %. For graduate student recruitment, the number of applications has remained stable with a decline in conversion and marginal increase in yield %. The reason for lower conversion % for graduate applications is UNBC's inability to offer admissions due to limited seats and thesis-based programs.

3.2 Revenues

Table 8: Revenues

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Provincial Operating Grant	58.57	60.92	60.92	60.99	60.99	60.99	60.99	60.99
Tuition and Student Fees	21.53	22.67	22.64	27.69	31.16	34.96	39.63	41.59
Other Grants	14.05	12.80	13.43	13.39	13.39	13.39	13.39	13.39
Other Income	3.08	3.65	3.65	3.82	3.82	3.82	3.82	3.82
Total	97.23	100.04	100.64	105.89	109.36	113.16	117.83	119.79

3.2.1 Provincial Operating Grant

The Provincial operating grant represents 87% for students and program funding, including 9% for engineering and technology, and 13% for mandate adjustments. Funding projections are maintained at the existing level and may be adjusted based on future approval of any new program(s) or mandate increases. Future funding may also be affected by the post-secondary funding review initiated by the Ministry in 2022-23. The Provincial operating grant currently represents 60% of UNBC's total revenues as compared to 40% at other post-secondary institutions in B.C. and 33% in Ontario.

3.2.2 Tuition and Student Fees

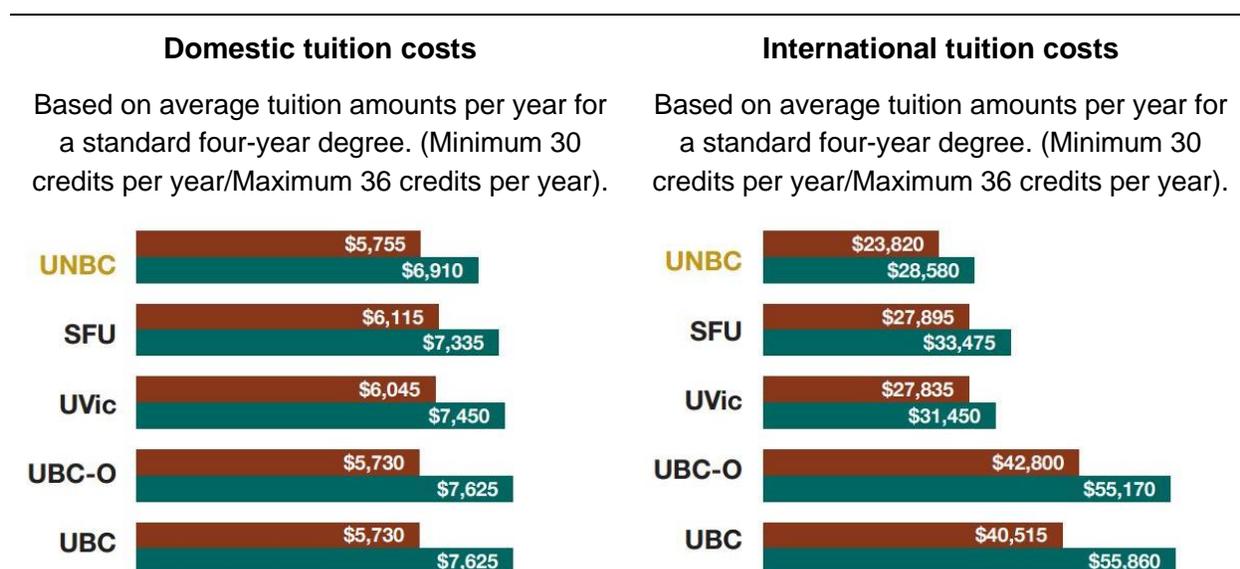
The provincial government introduced the tuition limit policy in 2005. In 2007, the policy was extended to include institutional and program mandatory fees. Public post-secondary institutions are expected to ensure programs and courses are affordable and accessible for students. In accordance with applicable legislation, post-secondary boards are responsible for setting, determining, and collecting tuition and mandatory fees within the tuition limit policy.

Other post-secondary institutions including research and teaching universities in B.C. have increased tuition fees for international undergraduate students at a higher rate as compared to domestic students. One of the reasons is that international students' education is not subsidized by the government. UNBC implemented the higher % increase for the first time in 2021 to support academic and research excellence and student success. UNBC's tuition rates are in the lower quartile as compared to other comparable post-secondary institutions in B.C.

The UNBC Board of Governors approved a tuition fee schedule for 2023-24 at the 17 November 2022 meeting that represents a 2% increase for all domestic students and those international students who began their studies prior to September 2021, and a 4% increase for international undergraduate students who joined UNBC after 31 August 2021. The average impact of increase for eight months based on a full-time course load of 30 credits per year is expected to be:

⇒ Domestic undergraduate students: \$14/month; international undergraduate students commenced prior to September 2021: \$50/month to \$57/month, and international undergraduate students commenced in September 2021: \$119/month.

Figure 3: Domestic and International Tuition Comparison



Minimum / Maximum

Annual tuition costs are compared to other B.C. Research Universities, accounting for first-, third-, and fourth-year tuition amounts. Maximum and Minimum tuition costs depend upon factors such as total credit count per year and any program fee differentials applied.

Table 9: Tuition and Student Fees

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
REVENUE CLASSIFICATION								
Domestic Undergraduate	11.12	12.16	11.17	14.10	15.64	17.31	19.07	20.07
Domestic Graduate	1.74	1.90	1.35	1.73	1.90	2.07	2.24	2.28
Sub-Total Domestic	12.86	14.06	12.52	15.83	17.54	19.38	21.31	22.35
International Undergraduate	4.58	4.53	5.69	7.08	8.46	10.04	12.36	12.97
International Graduate	0.81	0.56	1.60	1.63	1.69	1.75	1.81	1.88
Sub-Total International	5.39	5.09	7.29	8.71	10.15	11.79	14.17	14.85
MBA Program	1.56	1.83	1.13	1.15	1.25	1.35	1.46	1.58
Other Fees	1.72	1.69	1.70	2.00	2.22	2.44	2.69	2.81
Total	21.53	22.67	22.64	27.69	31.16	34.96	39.63	41.59
PROGRAM CLASSIFICATION								
Undergraduate Programs	15.70	16.69	16.86	21.18	24.10	27.35	31.43	33.04
Graduate Programs	2.55	2.46	2.95	3.36	3.59	3.82	4.05	4.16
MBA Program	1.56	1.83	1.13	1.15	1.25	1.35	1.46	1.58
Other Fees	1.72	1.69	1.70	2.00	2.22	2.44	2.69	2.81
Total	21.53	22.67	22.64	27.69	31.16	34.96	39.63	41.59

Tuition and student fees represent 22% of total revenues as compared to 50% at other post-secondary institutions in B.C. and 46% in Canada. Tuition from international students represents 32% of total tuition and undergraduate programs represents 74% of total tuition. Historical (2019-23) CAGR for tuition and student fees was 3.2% and projected CAGR (2023-28) is 10.7% based on accelerated attainable enrolment growth and annual increases. As part of achieving attainable enrolment capacity, the projected ratio for tuition and student fees is 35% of total revenues, with international student tuition representing 36% of total tuition.

3.2.3 Other Grants

These comprise the Federal Research Support Fund, grants from other universities, particularly University of British Columbia for the Division of Medical Sciences, and Provincial one-time and capital grants. These continue to be projected at a steady level.

Table 10: Other Grants

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Provincial Capital and One-Time	3.32	2.04	2.04	2.04	2.04	2.04	2.04	2.04
Federal: Research Support Fund	2.73	2.51	2.51	2.52	2.52	2.52	2.52	2.52
Grants from Other Universities	8.00	8.25	8.88	8.83	8.83	8.83	8.83	8.83
Total	14.05	12.80	13.43	13.39	13.39	13.39	13.39	13.39

3.2.4 Other Income

Other income includes interest income, direct and overhead cost recovery, rental, and miscellaneous income. These continue to be projected at a steady level, except for 2021-22 that was affected by the COVID-19 pandemic.

Table 11: Other Income

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Interest Income	0.08	0.64	0.64	0.64	0.64	0.64	0.64	0.64
Sales and Services	1.33	1.24	1.24	1.11	1.11	1.11	1.11	1.11
Miscellaneous Income	0.26	0.06	0.06	0.33	0.33	0.33	0.33	0.33
Internal Overhead Recovery	1.19	1.43	1.43	1.46	1.46	1.46	1.46	1.46
Other Cost Recovery	0.22	0.28	0.28	0.28	0.28	0.28	0.28	0.28
Total	3.08	3.65	3.65	3.82	3.82	3.82	3.82	3.82

3.3 Expenditures

The 2022-23 forecast for expenditures in the general operating fund is \$92.2M, which is \$2.28M (2%) lower than the budget comprising employee costs by \$1.99M (3%) and other expenditures by \$0.29M (1%).

Budgeted expenditures for 2023-24 in the general operating fund are \$101.33M, which is \$6.85M (7%) higher than the 2022-23 budget and \$9.13M (10%) higher than the 2022-23 forecast. The projected CAGR (2023-28) for expenditures in the general operating fund is 2.8% as compared to the historical (2019-23) CAGR of 3.3%. Employee costs represent 75% of total expenditures in the general operating fund.

Table 12: Expenditures

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Employee Costs	68.90	72.09	70.10	76.07	77.93	79.12	80.31	81.50
Operating Expenditures	19.57	22.39	22.10	25.26	25.41	26.12	26.84	27.58
General Operating Fund	88.47	94.48	92.20	101.33	103.34	105.24	107.15	109.08
Ancillary Services Fund	9.08	10.34	10.40	11.22	11.37	11.69	12.00	12.31
Capital and Transfers	5.76	6.70	6.70	6.96	7.72	7.72	7.72	7.72
Combined Total	103.31	111.52	109.30	119.51	122.43	124.65	126.87	129.11

Table 13: Expenditures: Functional Classification

\$ in Millions	2024 B	2025 P	2026 P	2027 P	2028 P	%
Governance and Executive (Note 1)	1.17	1.19	1.20	1.21	1.22	1%
Community and Outreach (Note 2)	1.93	1.96	1.97	1.98	1.99	2%
Academic Programs (Note 3)	53.42	55.27	56.72	58.16	59.61	46%
Academic Services (Note 4)	7.25	7.38	7.43	7.48	7.53	6%
Student Services (Note 5)	10.31	10.50	10.59	10.68	10.77	8%
Research and Innovation (Note 6)	2.93	2.98	3.01	3.04	3.07	2%
Information Technology Services **	6.00	6.10	6.15	6.20	6.26	5%
Administrative Services (Note 7)	5.30	5.40	5.43	5.46	5.51	4%
Facilities & Capital Planning **	8.14	8.28	8.36	8.44	8.52	6%
Ancillary Services	11.22	11.37	11.69	12.00	12.31	10%
Central Unallocated Costs (Note 8) **	11.83	11.99	12.09	12.21	12.31	10%
Sub-Total University Operations	42.49	43.14	43.72	44.31	44.91	35%
Total	119.51	122.43	124.65	126.87	129.11	100%

Note 1: Office of the President and Vice-Chancellor and University Governance.

Note 2: Communications, marketing, website, alumni relations, EDI, and Indigenous Initiatives.

Note 3: Five Faculties, Division of Medical Sciences, and Council of Deans.

Note 4: Office of the Vice President, Academic & Provost, Centre for Teaching and Learning, Geoffrey R. Weller Library, and Collaborative Campus Support.

Note 5: Registrar's Office, Student Recruitment, International Office, Student Affairs, Student Health and Wellbeing, First Nations Centre, and Athletics and Recreation.

Note 6: Office of Research and Innovation, Research Facilities, and Laboratory Services.

Note 7: Office of the Vice President, Finance and Administration, Financial Services, Human Resources, Integrated Planning, and Safety and Security.

Note 8: Only represents unallocated centrally managed costs. The specific centrally managed allocation related to specific units is included in respective units, such as Geoffrey R. Weller Library, Information Technology, International Office, and Facilities and Capital Planning.

** These costs pertain to all university functions and are not primarily related to administration.

3.3.1 Employee Costs

Table 14: Employee Costs

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
General Operating Fund	68.90	72.09	70.10	76.07	77.93	79.12	80.31	81.50
Ancillary Services Fund	4.36	4.33	4.39	4.85	4.80	4.94	5.04	5.14
Total	73.26	76.42	74.49	80.92	82.73	84.06	85.35	86.64

The 2022-23 forecast for employee costs is \$74.49M, which is \$1.93M (3%) lower than the budget due to lower employee costs in general operating fund by \$1.99M (3%) partly offset by higher employee costs in ancillary services corresponding to the activity level by \$0.06M (1%). The lower than budgeted employee costs in general operating fund relate to (a) anticipated lower spending in salaries by \$1.14M (2%) primarily due to vacancies, staff turnover, and recruitment challenges, and (b) lower employee benefits' forecast of \$0.85M (7%).

Budgeted employee costs for 2023-24 are \$80.92M, which is \$4.5M (6%) higher than the 2022-23 budget and \$6.43M (9%) higher than the 2022-23 forecast. It comprises salaries (\$66.73M) and benefits (\$14.19M). The projected CAGR (2023-28) for employee costs without a general wage increase is 2.5% as compared to the historical (2019-23) CAGR of 3.3% that included approved general wage increases. Employee costs are funded through general operating fund (94%) and ancillary services fund (6%). It excludes costs for approximately 80 Academic Services staff that are generally appointed on term contracts and primarily funded through sponsored research.

The 2023-24 budgeted increase in general operating fund as compared to 2022-23 budget is \$3.98M (6%). This increase primarily relates to contractual compensation increases (\$1.22M), additional employee costs for strategic priorities and critical needs (\$1.75M), reduction in the budgeted vacancy factor (\$0.45M), and other changes including full-year impact of new hires and changes made during 2022-23 (\$0.56M).

The FTE count and employee costs for ancillary services are adjusted according to the activity level through re-deployment and other similar initiatives to manage the overall budget and operational expectations. Budgeted employee costs for bargaining units do not include possible increases that will be funded by corresponding increases in the provincial operating grant.

Table 15: Budgeted Employee FTE Count and Costs

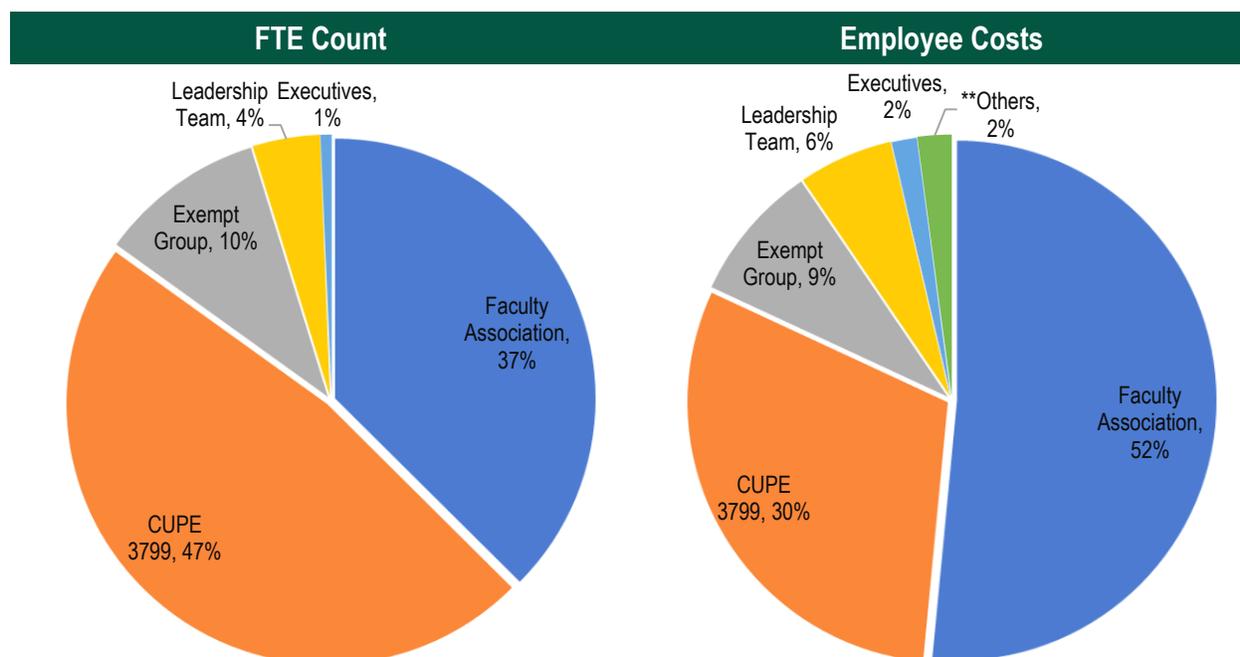
	FTE Count (Note)			Average Salary (\$)		Employee Costs (\$M)		
	2021-21	2022-23	2023-24	2022-23	2023-24	2022-23	2023-24	+/-
Faculty Association	237	247	251	124,400	126,100	40.41	41.57	3%
CUPE 3799	292	303	318	61,200	62,200	22.66	24.53	8%
Exempt Group	66	69	69	80,600	81,100	6.63	6.92	4%
Leadership Team	24	25	28	134,100	141,800	4.12	4.73	15%
Executives	4	4	4	224,000	237,500	1.21	1.27	5%
Sub-Total	623	648	670	91,100	94,500	75.03	79.02	5%
Teaching Assistants (CUPE 2278-03) and Student Employees						1.61	1.67	4%
Centrally Managed Allocation						1.76	1.76	0%
Vacancy Factor						(1.98)	(1.53)	-23%
Total						76.42	80.92	6%
General Operating Fund						72.09	76.07	6%
Ancillary Services Fund						4.33	4.85	12%

Note: The FTE count does not include the following term employees who were active in January 2023: sessional part-time instructors (154), CUPE 2278-03 (81), CUPE 3799 casual employees (66) and student employees (183).

The benefits represent an average of 22% of applicable salaries and include:

- a. Pension contribution (8%-10% with employee contribution of 3%-5%). Additional voluntary employee contributions up to a maximum statutory limit are allowed without a matching employer's contribution.
- b. Extended health and dental care (ranging from \$1,500 to \$3,200/employee per year depending upon family status and employee group), life insurance, accidental death, and dismemberment (AD&D). Employees also have an option to purchase and self-fund additional applicable coverage for themselves and their dependents. Long-term disability (LTD) premiums are paid by the employees.
- c. Employee and Family Assistance Program (EFAP).
- d. Statutory benefits include Employment Insurance (EI), Workers Compensation premiums, and Canada Pension Plan (CPP) contributions.
- e. Employer Health Tax \$0.9M @ 1.95% of applicable salaries.
- f. Tuition and housing waivers (\$0.6M), as applicable.

Figure 4: Employee FTE Count and Costs: Budget 2023-24



****Others** include CUPE 2278-03 and Student employees

Faculty Association

The FTE count increase primarily represents additional headcount budgeted for Engineering, Education, and Physiotherapy and Occupational Therapy programs.

Employee costs comprise salaries (\$35.65M) and benefits (\$5.92M). Salaries include full-time faculty, librarians, senior instructors, and senior lab instructors (\$29.1M) and part-time instructors (\$3.42M), market differential for 69 faculty positions (\$1.49M) and provision for specific groups of sessional instructors (\$0.49M), stipends for 45 faculty roles (\$0.59M), and provisions for leave replacement.

A budgeted increase of \$1.16M (3%) includes salary increases (\$0.99M) and a corresponding increase in benefits (\$0.17M). It primarily relates to the impact of new positions, full-year net impact of changes made during 2022-23 and estimated annual career development increments and promotions.

CUPE 3799

FTE count increase primarily represents additional staff positions to support student services and success (5), donor relations (2), Northern Medical Program (1), ancillary services (3), facilities management (1), reorganization of Information Technology Services (3) and externally funded research accounting (1). Employee costs comprise salaries (\$20.19M) and benefits (\$4.34M). A budgeted increase of \$1.87M (8%) includes an increase in salaries (\$1.52M) and a corresponding increase in benefits (\$0.35M). The budgeted increase primarily relates to new positions and the full-year impact of changes during 2022-23.

Exempt Group

Overall FTE count is consistent to prior year. Increased exempt FTE for student services and success, Office of the University Governance, and Human Resources is offset by decrease in exempt FTE in International Office, Information Technology Services, and position reclassifications. Employee costs comprise salaries (\$5.7M) and benefits (\$1.22M). A budgeted increase of \$0.29M (4%) includes an increase in salaries (\$0.22M) and a corresponding increase in benefits (\$0.07M). The budgeted increase primarily relates to the full-year impact of changes during 2022-23.

Leadership Team

Comprised of Deans, Associate Vice Presidents, Vice Provosts, and Directors. FTE count increase represents planned recruitment of Vice Provosts' and Director's positions envisaged as part of strategic priorities and critical needs. Employee costs include salaries (\$3.97M) and benefits (\$0.75M). Budgeted increase of \$0.61M (15%) include an increase in salaries (\$0.51M) and a corresponding increase in benefits (\$0.09M). The budgeted increase primarily relates to new position, the full-year impact of new appointments and changes during 2022-23, and incremental accrual of administrative leaves for Deans.

Executives

FTE count comprises, (a) President and Vice Chancellor, (b) Vice President, Academic & Provost, (c) Vice President, Research and Innovation, and (d) Vice President, Finance and Administration. Employee costs include salaries, stipends, and accrual of administrative leaves (\$1.04M) and benefits (\$0.23M). A budgeted increase of \$0.06M (5%) primarily relates to the full-year impact of changes in 2022-23 and the accrual of leaves for academic administrators.

Centrally Managed Allocations

These include (a) provision for maternity, parental and sick leaves as part of salaries, and (b) employer health tax and tuition waivers as part of benefits.

3.3.2 Operating Expenditures

Table 16: Operating Expenditures

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
General Operating Fund	19.57	22.39	22.10	25.26	25.41	26.12	26.84	27.58
Ancillary Services Fund	4.15	4.41	4.41	4.69	4.83	4.93	5.07	5.19
Total	23.72	26.80	26.51	29.95	30.24	31.05	31.91	32.77

Operating expenditures comprise operating supplies and expenses (46%), professional and contractual services (23%), property and upkeep (19%), student support (7%), travel costs (3%), and other costs (2%). The 2022-23 forecast for operating Expenditures is \$26.51M, which is \$0.29M (1%) lower than the budget.

Budgeted operating expenditures for 2023-24 are \$29.95M, which is \$3.15M (12%) higher than the 2022-23 budget and \$3.44M (13%) higher than the 2022-23 forecast. The increase relates to incremental expenditures for new programs (\$0.84M), provision for digital infrastructure (\$0.75M),

contingency (\$1.28M), and ancillary services fund (\$0.28M) in line with the budgeted activity level and corresponding revenue. The projected CAGR (2023-28) for operating expenditures under general operating fund is 3.8% as compared to historical (2019-23) CAGR of 3.3%.

3.3.3 Capital and Transfers

Table 17: Capital and Transfers – General Operating Fund

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Minor Capital	1.75	1.72	1.72	1.72	1.72	1.72	1.72	1.72
Transfers	4.01	4.98	4.98	5.24	6.00	6.00	6.00	6.00
General Operating Fund	5.76	6.70	6.70	6.96	7.72	7.72	7.72	7.72

Minor capital expenditures are projected at steady level. Budget and forward projections include:

- ⇒ Minor capital and routine capital expenditures.
- ⇒ Transfers to capital fund, professional development reserves, faculty start-up reserves, internal research funds, UNBC contribution to Northern Sport Centre, scholarships and bursaries, and specific purpose funds as per the approved initiatives.
- ⇒ Transfers are net of contributions received from sponsored research, endowment funds, Northern Medical Program, ancillary services fund, and specific purpose funds, as applicable.
- ⇒ Transfers also include the annual transfer for post-retirement benefits and medical service travel for eligible employee groups as per the collective agreements.

3.3.4 Other Funds and Adjustments

Table 18: Other Funds

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Research	3.64	(0.75)	3.70	(1.50)	(0.50)	(0.50)	(0.50)	(0.50)
Specific Purpose / Endowment	7.90	(1.10)	(1.15)	5.00	(0.60)	(0.60)	(0.60)	(0.60)
Capital	(9.91)	(3.75)	(12.00)	(9.00)	(3.75)	(3.75)	(3.75)	(3.75)
Total	1.63	(5.60)	(9.45)	(5.50)	(4.85)	(4.85)	(4.85)	(4.85)

Other funds and adjustments are accounted together for reconciliation purposes. Adjustments comprise changes required for the financial statements including capitalized expenditures, elimination of internal inter-fund transactions with neutral impact, deferred revenue, and restricted income. Other funds and adjustments are estimated based on historical trends and averages combined with new information. Since averages are used, there may be significant variances in the annual totals in any given year, due to timing of expenditures, unusual items, and other factors.

The anticipated higher utilization of other funds and adjustment for 2022-23, potentially related to (a) deferral of unspent portion of the revenue of Northern Medical Program (\$0.6M), (b) higher internally funded depreciation (\$0.8M), (c) higher non-capitalized expenses (\$0.5M) including online journals and databases due to inflationary and exchange rate fluctuations, and (d) higher than average expenditure trend in internally funded and non-restricted research and specific

purpose funds (\$0.9M). The spending pattern for these funds varies significantly during the year and from year to year.

3.3.5 Ancillary Services Fund

Ancillary (Business) services continues to advance a strong service excellence focus while adapting to rapidly changing circumstances, ongoing uncertainties, and fluctuating operations while managing the post-pandemic emerging normal. The key principle adopted by the unit is based on maintaining critical services and student experience, ongoing readiness to rebound, optimizing resources and expertise for future and new programs, striving for synergies, effectiveness, and service excellence and through professional development, growth, and deployment, as required.

Key accomplishments for the year include (a) retail services strategic action plan and implementation of Bookware, (b) opening of Good Earth Coffeehouse, (c) robust customer service strategy, (d) active participation in Ministry of Post-Secondary Education and Future Skills Working Groups, (e) 40% B.C. food purchases (target: 30%), and (f) expanded reach of Continuing Studies through virtual delivery and exploring micro-credentials.

Future priorities and work-in-progress include (a) strategic plan for Housing and Hospitality Services, (b) strategic approach to Childcare expansion, (c) ongoing improvement of key performance indicators (KPIs), (d) financial accountability, and (e) best practices in Indigenization and Equity, Diversity, and Inclusion (EDI).

Table 19: Ancillary Services Fund

\$ in Millions	2022 A	2023 B	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Revenues	9.01	10.34	10.42	11.22	11.37	11.69	12.00	12.31
Employee Costs	4.36	4.33	4.39	4.85	4.80	4.94	5.04	5.14
Operating Expenditures	4.15	4.41	4.41	4.69	4.83	4.93	5.07	5.19
Expenditures	8.51	8.74	8.80	9.54	9.63	9.87	10.11	10.33
Minor Capital and Transfers	(0.37)	(0.13)	(0.13)	0.37	(0.10)	(0.10)	(0.13)	(0.12)
Gross Operating Results	0.87	1.73	1.75	1.31	1.84	1.92	2.02	2.10
Debt Servicing (Internal)	-	0.56	0.56	0.10	0.61	0.63	0.67	0.70
Contributions	0.94	1.17	1.17	1.21	1.23	1.29	1.35	1.40
Net Operating Results	(0.07)	(0.00)	0.02	-	-	-	-	-

Note: Gross Operating Result represents operating surplus/(deficit) before contribution and debt servicing and **Net Operating Result** comprises Gross Operating Result net of contribution and debt servicing.

The 2022-23 forecast for revenues is \$0.08M (1%) higher than the budget that is partly offset by increased expenditures of \$0.06M (1%) based on an increased level of activities. The budgeted gross operating result for 2023-24 is \$0.44M (25%) lower than the 2022-23 forecast primarily due to anticipated general wage and inflationary increases. The cost increases are partly offset by higher fee increases for housing and food services.

3.3.6 Cost per Student

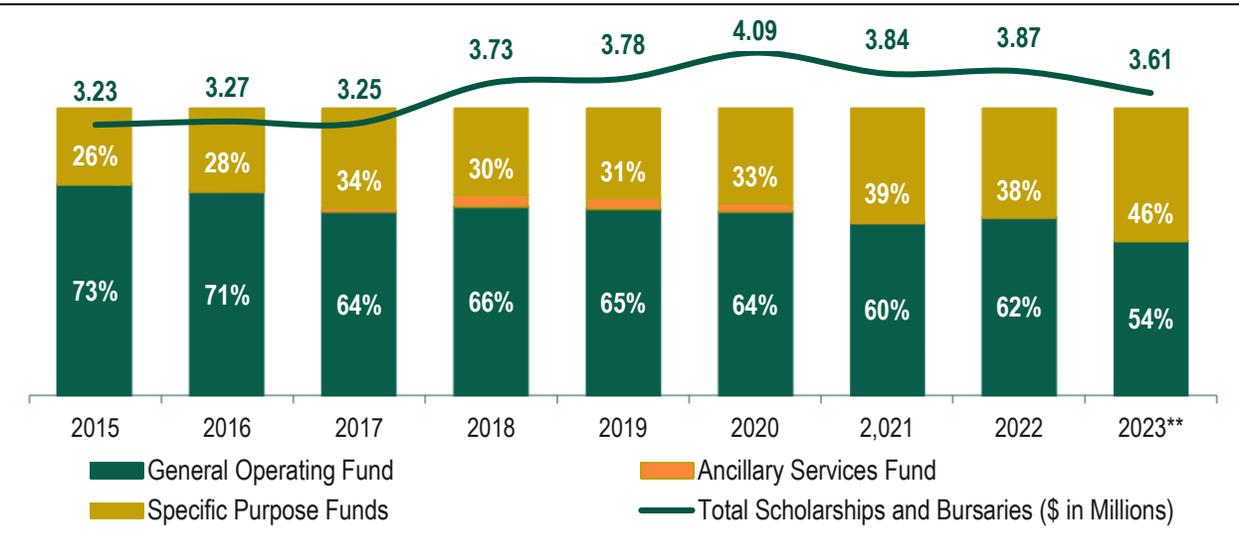
Table 20: Per-Student FTE Costs Analysis

	2023 F	2024 B	2025 P	2026 P	2027 P	2028 P
Faculty Costs	14,000	12,800	12,000	11,300	10,600	10,500
Other Employee Costs	11,400	10,400	9,800	9,300	8,700	8,600
Property and Upkeep	1,700	1,500	1,400	1,300	1,200	1,200
Other Operating Costs	6,400	6,200	5,800	5,500	5,300	5,300
Total Costs	33,500	30,900	29,000	27,400	25,800	25,600
Provincial grant	16,200	16,200	16,200	15,900	14,700	14,300
Average Tuition	8,900	8,400	8,800	9,100	9,500	9,800
Ancillary Revenue	400	400	300	300	300	300
Other Income and Grants	5,200	4,900	4,500	4,100	3,800	3,700
Total Revenues	30,700	29,900	29,800	29,400	28,300	28,100
Surplus / (Gap)	(2,800)	(1,000)	800	2,000	2,500	2,500

Due to suboptimal undergraduate enrolment UNBC does not fully utilize its available infrastructure and resources resulting in higher per-student costs. As UNBC achieves accelerated attainable enrolment, the cost per-student shows a decline due to optimization and economies of scale. The per-student Provincial grant is calculated by dividing the Provincial grant by the Ministry target or projected enrolment, whichever is higher. Given existing lower enrolment, the per-student Provincial grant is higher and partly offsets the consolidated deficit. The accelerated attainable growth projects a surplus budget by annually providing ~\$10M beyond 2026 for funding capital, transfers, and reserves that can finance strategic innovation and growth.

3.4 Scholarships and Bursaries

Figure 5: Scholarships and Bursaries



** April 2022 to December 2022

Scholarships and bursaries represent 20% of tuition revenue based on the previous four-year average. CAGR for Scholarships and Bursaries is 4% (*general operating fund: 1%; specific purpose funds: 8%*). Specific purpose funds comprise expendable funds, endowment distribution and sponsored research funds. Total disbursement from 1995 to 2022 is more than \$64M.

3.5 Endowment

Table 21: Annual Donations

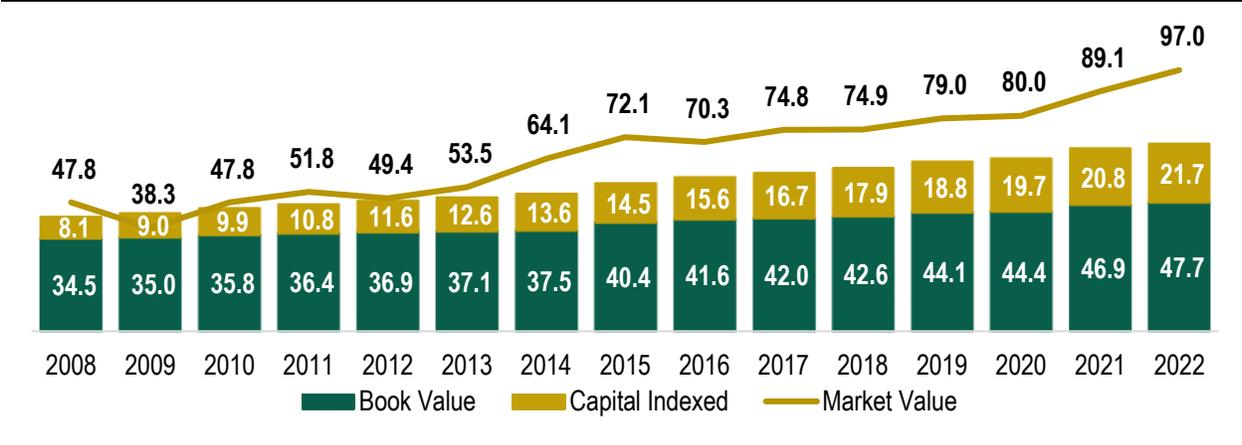
\$ in Millions	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	Avg	Median	2023*
Endowed	0.20	0.40	2.90	1.10	0.40	0.60	1.50	0.30	2.60	0.80	1.08	0.70	0.64
Expendable	1.10	1.50	1.30	1.10	1.50	1.60	0.80	1.00	1.20	0.76	1.19	1.15	0.71
Total	1.30	1.90	4.20	2.20	1.90	2.20	2.30	1.30	3.80	1.56	2.27	2.05	1.35

* April 2022 to December 2022 **Green** represents the highest level **Red** represents below Median

UNBC received \$2.3M in 2021 from the estate of a long-term donor, which was endowed 50% for the library fund and 50% for scholarships and bursaries. Endowed funds received in 2015 include \$2.25M for the B.C. Leadership Chair in Tall Wood and Hybrid Structures Engineering. Moreover, due to the elimination of the Office of University Advancement, transition, and reorganization of donor services as part of the Office of Research and Innovation, impact of COVID-19 pandemic, and other relevant reasons, the donations for 2021-22 were marginally lower.

Average annual donations have fluctuated over the years and requires a focused fundraising strategy and framework for strategic donor cultivation and revenue diversification that is current in progress. The annual return for the year ended 31 March 2022 was 9.9% and the historical average annual rate of return has been more than 7% with investment management fees of 0.5%.

Figure 6: Endowment Performance



The annual distribution is 4.5% including a 1% administration fee, which is based on a three-year rolling average market value. Historical annual distribution rates have been 5.5% from 1997 to 2008, 4% from 2008 to 2018 and 4.5% from 2018 onwards. The original administration fee of 0.5% was increased to 1% in 2018. The provisional endowment market value as of 31 December 2022 was \$100.6M.

Table 22: Summary of Endowed Funds (31 March 2022)

\$ in Millions	# of Funds	%	Value of Funds	%	Average per Fund
Student Awards	280	82%	32.61	34%	0.12
Northern Medical Program	38	11%	12.56	13%	0.33
Research and Faculty Support	12	4%	42.76	44%	3.56
Library Services	8	2%	3.88	4%	0.49
Program Support	4	1%	5.17	5%	1.29
Total	342	100%	96.98	100%	0.28

3.6 Research and Innovation

UNBC has six Canada Research Chairs (one tier 1 and five tier 2), one Industrial Research Chair, two B.C. Leadership Chairs, and five Endowed Chairs through four endowments. The overall scope for the Office of Research and Innovation comprises:

- a. Graduate programs and research support and coordination for sponsored research.
- b. Donor relations, development, youth programming and community engagement as transitioned from the Office of University Advancement.
- c. Research Centres:
 - ⇒ The Pacific Institute for Climate Solutions (PICS)
 - ⇒ Quesnel River Research Centre (QRRC)
 - ⇒ Centre for Technology Adoption for Aging in the North (CTAAN)
 - ⇒ TeejLab
- d. Research Services:
 - ⇒ High-Performance Computing (HPC)
 - ⇒ Enhanced Forestry Lab (EFL)
 - ⇒ Northern Analytical Laboratory Services (NALS)
- e. Research Institutes:
 - ⇒ National Collaborating Centre for Indigenous Health (NCCIH)
 - ⇒ Natural Resources & Environmental Studies Institute (NRESi)
 - ⇒ Community Development Institute (CDI)
 - ⇒ Health Research Institute (HRI)
 - ⇒ Northern FIRE (Feminist Institute for Research and Evaluation)
- f. Research Services:
 - ⇒ Research Data Centre (RDC)
 - ⇒ Northern Health Sciences Research Facility (NHSRF)
- g. Research Forests:
 - ⇒ John Prince Research Forest (JPRF)
 - ⇒ Aleza Lake Research Forest

The Research Ethics Board (REB) functions independently from the Office of the Vice President, Research and Innovation but is supported by the Office of Research and Innovation.

Table 23: Sponsored Research

\$ in Millions	2015	2016	2017	2018	2019	2020	2021	2022	2023*
Tri Council and CRC	3.17	2.73	2.24	2.46	3.83	4.02	4.91	5.06	3.52
Research Support Fund	1.24	1.15	1.08	1.04	2.33	2.94	3.21	2.73	1.89
Endowment	0.64	1.03	1.06	1.14	1.13	1.19	1.00	1.13	0.88
Others	6.96	3.65	6.41	5.11	6.88	6.63	7.42	9.70	8.40
Total	12.01	8.56	10.79	9.76	14.17	14.79	16.54	18.62	14.69

* April 2022 to December 2022 **Green** represents the highest level **Red** represents below Median

Tri-Council funding comprises funding from Natural Sciences and Engineering Research Council of Canada (NSERC), Social Sciences and Humanities Research Council (SSHRC) and Canadian Institutes of Health Research (CIHR); CRC: Canada Research Chair; RSF: Federally funded Research Support Fund. Others include B.C. Knowledge Development Fund, Canada Foundation for Innovation (CFI), Government, Foundations, and Industry sponsors.

The recent increase in the Research Support Fund (RSF) relates to funding routed through UNBC for the program implemented with B.C. Academic Health Science Network associated with Canada's Strategy for Patient-Oriented Research (SPOR), which is not available for UNBC activities. Annual RSF allocation for UNBC activities ranges from \$1M to \$1.5M.

The average annual cost of the Office of Research and Innovation including donor relations is \$3M/year, which represents ~16% of sponsored research.

3.7 Reserves and Accumulated Surpluses

Table 24: Reserves and Accumulated Surpluses (as per the audited financial statements)

\$ in Millions	31 March 2021	31 March 2022
Equity Reserve	51.51	50.23
Endowment (Note)	67.66	69.46
Restricted Reserves	4.38	5.17
General Reserves (Table 24.1)	24.92	27.06
Total Reserves and Accumulated Surpluses	148.47	151.92

Note: Includes indexed principal values and the deferred contribution of \$27.52M reported separately in the audited financial statements. Hence, the total endowment investment market value as of 31 March 2022 is \$96.98M; i.e., \$69.46M plus \$27.52M.

Table 24.1: General Reserves

\$ in Millions	31 March 2021	31 March 2022
General Reserve	3.52	3.52
Carryforwards	3.12	3.10
Equipment Replacement and Special Projects	16.47	18.80
Capital Reserve	8.94	9.13
Specific Purpose	6.13	5.60
Ancillary Services (Note)	(13.26)	(13.09)
General Reserves	24.92	27.06

Note: Represents the outstanding balance of internal housing renovation loan to ancillary services and cumulative operating deficit for ancillary services during COVID-19. The internal housing renovation loan is expected to be fully repaid by 2037.

Table 25: Projected Changes in General Reserves

\$ in Millions	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28
Opening balance	27.06	19.80	16.51	14.59	14.69	17.59
Estimated commitments/restrictions (Note 1)	(6.77)	(0.99)	(0.83)	(0.73)	(0.73)	(0.88)
Balance available for use	20.29	18.81	15.68	13.86	13.96	16.71
Ancillary Services deficit/repayment	0.58	0.10	0.61	0.63	0.67	0.70
General operating deficit	(1.07)	(2.40)	(1.70)	0.20	2.96	2.99
Balance available for future use	19.80	16.51	14.59	14.69	17.59	20.40
Primary Reserve Ratio (Note 2)	71 days	59 days	52 days	52 days	63 days	73 days

Note 1: Estimated at 25% of general reserves for 2022-23 and 5% of general reserves for 2023-24 onwards.

Note 2: The Primary Reserve Ratio has been calculated by comparing general reserves to total expenses and gives a picture as to how long the institution could function using its general reserves. The ratio for other comparator institutions ranged from a low of 53 days to a high of 294 days in 2020.