Annual Budget Report

2023/2024

Board Approved March 24, 2023

2023/2024 BUDGET REPORT

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FOREWORD

This report is intended to provide a comprehensive review and summary of the process, consultations, and results of the Trent University 2023/2024 Budget for the Operating and Ancillary Funds.

Trent's administration has attempted to pursue a budget development process that enhances the degree of transparency, communication and input of all constituencies of the University community. This report captures the key elements and content of the development process, including consultation outcomes and specific impacts of budget decisions on the various academic, non-academic and ancillary units of the University.

It is our intention to produce a summary report annually, and circulate it widely, in order that the budget and underlying program activity of the University can be better understood and assessed.

Your comments and feedback are welcome.

Tariq Al-idrissi, Vice President, Finance and Administration
Cheryl Turk, Associate Vice President, Finance

EXECUTIVE SUMMARY

The budget planning process for fiscal 2023/2024 began in September 2023 with enrolment modelling and discussions with various groups in the University community regarding the current fiscal environment, the budget process, and timelines.

The current fiscal environment is one of high inflation, market volatility, lingering impacts of the prolonged pandemic, fixed operating funding and frozen domestic tuition rates. This environment makes it challenging to maintain sufficient strategic investments to address enrolment growth and other operating or inflationary pressures while continuing to provide quality programs and learning opportunities that are personal, purposeful and transformative.

Trent is planning for teaching and learning to continue primarily in-person at all Peterborough and Durham campuses for the foreseeable future, while the University expands online course options for students who wish to take some courses remotely.

For 2023/2024, Trent is conservatively anticipating total student enrolment (excluding post-graduate certificates at Durham commencing September 2023, which will be under a separate arrangement) to increase by 2.6% to 12,146 full-time equivalents (FTEs), an increase of 302 FTEs from 2022/2023. This represents an increase of nearly 45% from the 2016/2017 corridor mid-point used in the current Ministry funding model. By the end of this planning cycle, total enrolment is expected to reach 12,777 FTEs. However, under the current funding model, there is no mechanism to fund this planned enrolment growth.

Under the five-year Strategic Mandate Agreement (SMA3), which commenced with fiscal 2020/2021, total eligible funding for the University is fixed. The Ministry suspended at-risk funding for the first three years of the SMA3 due to the pandemic, but will recouple funding to labour market outcomes with 10% of total eligible funding tied to performance metrics in 2023/2024.

The current Tuition Fee Framework, which was recently extended to April 2024, mandates 2023/2024 tuition fees for domestic students continue to be frozen at 2019/2020 rates, which were reduced by 10% compared to 2018/2019 fees. Trent was successful in obtaining approval to increase domestic tuition fees by 7.5% in three programs through the Tuition Anomalies initiative. International fees are not regulated by the province. In an effort to grow international enrolment and remain competitive yet affordable, Trent's Board of Governors approved an increase in international tuition rates of 3% to 8% depending on the type of student and program.

With fixed Ministry funding and domestic tuition fees frozen, many universities including Trent, are adopting an enrolment growth strategy reliant on tuition-only revenue (net of related student financial aid and agency fees) and increased internationalization to offset inflationary pressures.

Based on the key planning assumptions, the preliminary 2023/2024 Operating Budget before making any new strategic investments or implementing new budget reduction strategies projected approximately $5.5 million available for strategic investments.

With limited funds available to address the enrolment growth on which the preliminary budget was predicated, budget owners were expected to manage within their existing departmental budgets. Budget owners who wished to propose new investments during the budget cycle were asked to identify budget reduction strategies to offset the strategic investment request, where possible.

All presentations and proposals were carefully reviewed by the President and Vice-Presidents. For new strategic investments, particular attention was given to current needs that addressed student enrolment growth and longer-term impact on the allocation of resources, as well as alignment with the University's strategic plans. For budget reduction proposals, they gave careful consideration to strategies that minimized the impact to students and to staff and did not compromise quality of programs and services.

The approved net new investments of $5.2 million for 2023/2024 focus on the following strategic priorities of the University:

- Maintaining financial sustainability by achieving a balanced operating budget, including contributions from ancillary services;
- Growing enrolment, with a particular emphasis on international students and expanding the Durham GTA campus;
- Building co-op and experiential learning opportunities for students;
- Maintaining or enhancing institutional capacity to support growth; and
- Enhancing student supports.

As a result of the approved net new strategic investments, the 2023/2024 Operating Budget is expected to be balanced with a nominal surplus of $356,000. This Operating Budget assumes a combined contribution from ancillary services of $2.3 million. Ancillary services are also expected to add $1.1 million to their reserves to be used for critical capital and infrastructure renewal.

This operating plan was approved by the Board of Governors on March 24, 2023.

Further details of the 2023/2024 budget process, major assumptions, budget strategies, new strategic investments, and projected financial position are provided in this report.

FISCAL ENVIRONMENT, BUDGET DEVELOPMENT PROCESS, AND TIMELINES

The comprehensive budget planning process for fiscal 2023/2024 began in September 2022 with discussions with various groups in the University community regarding the current fiscal environment, the budget process, and timelines. Through the Strategic Enrolment Management Committee and other working groups, various enrolment scenarios were modelled building on Fall 2022 then-projected enrolment.

Fiscal Environment

The current fiscal environment is highlighted by inflation and market volatility. A number of factors, including the Russian-Ukrainian war, the prolonged pandemic, climate change, labour shortages, and supply chain issues, have driven up inflation, which at the time of planning was at a level not seen in the past three decades. High inflation is driving up the cost of supplies while labour shortages are causing employee compensation to escalate. Supply chain issues are resulting in longer lead times and higher prices for supplies. The Bank of Canada increased interest rates over the past year in an effort to counter high inflation. Significant market volatility continues to impact investments, particularly for endowments and pension plan assets. Experts predict Canada will be entering a recession, although most expect it to be shallower and shorter in duration than the last recession. As a result, the University will need to plan for longer lead times and accommodate for escalations in existing salary and non-salary expenses and increases in the inflation provision, which will divert some resources that would otherwise be available for new investments.

While the restrictions implemented due to the pandemic declared in March 2020 are lessening, the University must continue to be cognizant of potential impacts. The University has fully reopened to in-person teaching and research while continuing to offer a variety of online courses or course components to students unable to or wishing not to attend in person. Most ancillary services are regaining their financial sustainability and starting to rebuild their critical reserves for capital and infrastructural renewal as on-campus activities resume at nearly pre-pandemic levels. However, delays and restrictions obtaining visa and work/study permits continue to be a challenge for international students wishing to study at Trent. In addition, the lasting effects of the pandemic are contributing to supply chain issues and labour shortages. On-going investments in enhanced cleaning and other measures remain in place to maintain a safe and healthy learning and work environment for our students, faculty, staff and community. The University continues to monitor and abide by all health and safety protocols and must be prepared to pivot should restrictions tighten once again.

On November 14, 2022, the provincial government released its 2022 Ontario Fall Economic Statement (the Statement), which largely focused on affordability for Ontario households while taking a targeted responsible approach to advance Ontario's plan to build. No new funding for the post-secondary sector was included in the Statement. The base funding outlined for colleges and universities was consistent with what was outlined in the provincial budget tabled earlier in 2022.

The Ontario government announced on March 2, 2023 the establishment of a Blue-Ribbon Panel to obtain advice and recommendations from experts for keeping the post-secondary education sector financially stable while developing a skilled workforce and promoting economic growth and innovation. The scope of the Blue-Ribbon Panel includes recommendations on a long-term tuition fee policy. In the interim, general domestic tuition fees for 2023/2024 will remain frozen at rates which were reduced by 10% in 2019/2020 and held constant at the lower rates since then.

On March 23, 2023, the Ontario Finance Minister delivered the provincial government's 2023 Spring Budget, called Building a Strong Ontario. The budget focused on addressing infrastructural needs to support Ontario's growing population, filling labour shortages (particularly in skilled trades and health care) and attracting investment in key industries. Investments in the post-secondary education sector were limited and aligned with the 2022 budget.

Trent signed its Strategic Mandate Agreement 2020-2025 (SMA3) with the Ministry in August 2020. The SMA3 fixes total operating funding for the duration of the five-year agreement and includes ten performance-based metrics focused on jobs and economic impact, two of which are institution-specific. These metrics and associated targets are reviewed and amended annually to support the continuous improvement approach by the Ministry. The original intent was to link operating funding to these metrics, commencing with 25% of total funding at-risk in 2020/2021, increasing 10% each year to 60% by 2024/2025. With the challenges of the global pandemic, the Ministry temporarily decoupled funding from these performance-based metrics for the first three years of SMA3. On March 24, 2023, the Ministry confirmed the activation of performance-based funding for year four of SMA3. The performance envelop will consist of 55% of 2023/2024 total funding with 10% of funding dependent on performance outcomes and the remaining 45% of funding based on data collection, evaluation and publication.

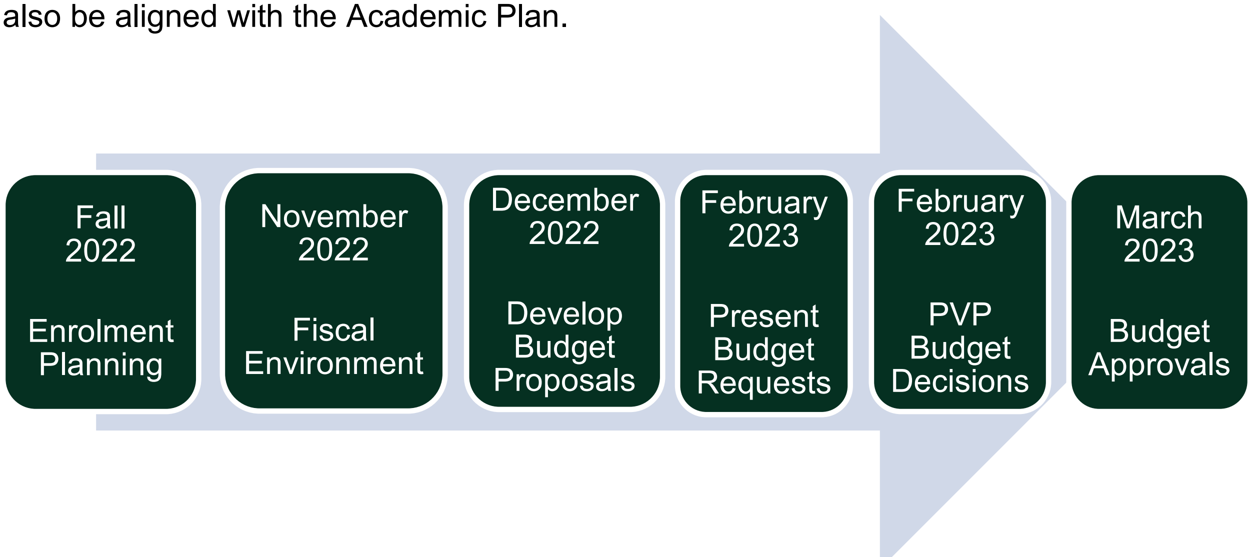
Operating in a fiscal environment of high inflation, market volatility, lingering impacts of the prolonged pandemic, fixed operating funding and frozen domestic tuition rates, it is challenging to achieve and maintain a balanced budget for this planning cycle while investing in strategic priorities. The University is more reliant on tuition-only enrolment growth strategies, international recruitment, and operating efficiencies. The Preliminary Base Budget projected limited funds available for additional strategic investments to address enrolment growth and other operating or inflationary pressures while continuing to provide quality programs and learning opportunities that are personal, purposeful and transformative.

Budget Development Process

For the 2023/2024 budget cycle, Trent continued multi-year budgeting at the budget developer level as a way to promote longer-term planning and more efficient use of critical resources required to address projected enrolment growth and to align with the University's strategic direction. Multi-year planning is key for Trent to strategically plan its economic recovery from the negative impacts of the pandemic and to obtain future sustainability. The fiscal years included in this planning cycle are:

- May 1, 2023 to April 30, 2024 (2023/2024);
- May 1, 2024 to April 30, 2025 (2024/2025); and
- May 1, 2025 to April 30, 2026 (2025/2026).

Budget owners were asked to prepare a three-year plan based on the current planning guidelines and assumptions. Proposals for the initial year (2023/2024) were provided at a more detailed level as decisions focused on year one of the plan. Plans for the second and third years offer an order of magnitude for planning purposes only. Multi-year plans are subject to annual review each fall to ensure the assumptions remain reasonable and/or up to date for additional known changes or new expectations. Such plans should also be aligned with the Academic Plan.



The budget process began in September 2022 as the University modelled enrolment projections for the next few years under various scenarios. The Enrolment Modelling Working Group, comprised of academic and administrative managers, undertook a comprehensive review of the prior year enrolment modelling and proposed revisions to the underlying assumptions and enrolment projections based on historical trending, changes in the current environment, new initiatives, new and/or expanding academic programs, international recruitment successes and challenges, and other known or anticipated factors. The recommended enrolment projections used for planning purposes were brought forward to the President and Vice Presidents Committee and the Strategic Enrolment Management Committee for review and approval.

Also in the Fall 2022, the University developed financial assumptions for budget planning purposes based on the current fiscal environment. Financial Services updated the prior year's base budget to reflect salary escalation, inflation and other known changes in staffing and other expenses. One-time budget adjustments, for example, time-limited investments or in-year budget reduction strategies, were removed. Revenues and associated student financial aid and other enrolment-related expenses were updated in alignment with the approved conservative enrolment projections.

Based on the key enrolment and financial planning assumptions described in more detail later in this document, the resulting Preliminary Base Budget indicated limited funds available for additional strategic investments to address enrolment growth on which the Preliminary Base Budget was predicated, or other operating pressures.

With this in mind, budget developers were expected to manage within their existing departmental budgets. Budget owners who wished to propose new investments during the budget cycle were asked to identify budget reduction strategies to offset the strategic investment request, where possible. For each new investment proposal, budget owners were required to identify the rationale supporting the investment and to indicate how such new investments would be accommodated within the departmental budget. Where this was not possible, they were asked to indicate the impact and risk associated with not proceeding with the proposed new investment initiative. For each reduction strategy identified, budget owners were requested to describe how the budget adjustments would be achieved. Budget owners were asked to describe the impact of the budget adjustment on the level and quality of service provided, and any potential negative impacts to students.

Budget developers received their updated departmental preliminary base budget, guidelines, and key planning assumptions, including multi-year enrolment projections, in November 2022. The budget packages also included a business case template to aid in the identification of proposed budget reduction strategies or recommended new strategic investments, as outlined above, and a budget presentation template. Finance provided support to budget owners, as needed, regarding the estimation of their in-year forecasts, separate identification of projected COVID-related costs for the current year, if any, and the development of their budget adjustment requests for the budget cycle.

During the week of February 6, 2023, budget owners presented details of their submitted proposals to the President and Vice-Presidents Committee (PVP) for their consideration. Each budget developer was required to include in their presentation: a high-level summary of their department's 2022/2023 in-year financial performance and forecast to year end, including their proposed use of any unspent budget where a surplus was anticipated or mitigating strategies if projecting a deficit; details and rationale for proposed budget reduction strategies and strategic investments for the three years in this planning cycle, including potential impacts; and a separate estimate of any on-going COVID-related costs for the current and next fiscal year.

Before deliberating on proposed new investments, PVP reviewed the preliminary enrolment projections to confirm the validity of the underlying assumptions based on February 1, 2023 final enrolment count and adjusted the enrolment targets and related net tuition revenue where appropriate. The Preliminary Base Budget was also adjusted to align with the collective agreements following the successful negotiations with the TUFA and OPSEU unions in December 2022 and January 2023, respectively. These updates provided a more accurate estimate of the funds available for new investments to address enrolment growth and other operating pressures.

PVP met following the presentations to discuss the requested strategies and determine recommendations. For strategic investments, particular attention was given to current needs that addressed student enrolment growth and longer-term impact on the allocation of resources as well as alignment with the University's strategic plans. For mitigating budget reduction proposals, they gave careful consideration to strategies that minimized the impact to students and did not compromise quality of programs and services.

Timelines

The table below sets out the timelines and consultative meetings held throughout the budget process.

Preliminary Enrolment and Financial Planning Discussions	
Enrolment Modelling Working Group	September 20, 26 and October 3, 2022
Strategic Enrolment Management Committee	October 19, 2022
President / Vice-Presidents Committee	October 11 to November 2, 2022
Fiscal Environment Consultations and Preliminary Budget Discussions	
TUFA Joint Committee	November 7, 2022
Colleges and Student Services Committee	November 9, 2022
Operating Managers Group	November 16, 2022
OPSEU Joint Committee	November 21, 2022
Administration Planning Group	November 24, 2022
Finance and Property Committee	November 25, 2022
Provost's Planning Group	November 29, 2022

Faculty Board	December 2, 2022
Board of Governors	December 9, 2022
Budget Preparation	
Guidelines and budget packages provided to Budget Owners	November 14, 2022
Budget submissions due to Financial Services	December 22, 2022
Compilation of submissions distributed to Vice Presidents	January 27, 2023
Presentations to President / Vice-Presidents Committee	February 6 to February 9, 2023
President / Vice-Presidents Committee	February 9, 2023
Draft Budget Update Discussions	
TUFA Joint Committee	March 7 and April 11, 2023
Faculty Board	March 17, 2023
Senate	March 21, 2023
OPSEU Joint Committee	March 28, 2023
Provost's Planning Group	April 11, 2023
Operating Managers Group	April 26, 2023
Budget Approvals	
Finance and Property Committee	March 9, 2023
Board of Governors	March 24, 2023

KEY BUDGET ASSUMPTIONS

The Operating and Ancillary Budgets are based on the following key assumptions, described in more detail in this section:

- Teaching and learning will continue primarily in-person at both Peterborough and Durham campuses for the foreseeable future, while the University expands online course options for students who wish to take some courses remotely;
- Enrolment growth in domestic and international students at both campuses;
- Fixed operating grants as there is no mechanism to fund enrolment growth, performance-based metrics will be met to retain at-risk funding, and Special Purpose grants are expected to continue at current levels;
- Tuition fees for all eligible domestic graduate and undergraduate programs will continue to be frozen at 2019/2020 rates, while international tuition rates will increase by 3% to 8% depending on the type of student and program;
- Student financial aid and scholarships expense is highly variable dependent primarily on student enrolment and entrance grades;
- Agency fees are variable dependent on international enrolment;
- Salaries and wages will increase based on collective agreements and progression through the salary grids; and
- Employee benefits, utilities costs and insurance premiums will increase in accordance with best estimates provided by the University's consultants.

In-Person Learning and On-Campus Activities

With provincial restrictions and health and safety protocols lessening, Trent is planning to continue to provide primarily in-person learning, including lectures, seminars, labs and placements, for the Fall and Winter academic terms for the foreseeable future. The University will continue to expand online course options to allow flexibility and to accommodate students who wish to take some courses remotely. Summer academic terms will remain primarily online as usual.

The University is also assuming on-campus activities will continue as normal for the budget cycle. Ancillary services, with some noted exceptions, are expected to make administrative overhead and/or surplus contributions to the Operating Budget at the greater of their 2022/2023 budget or pre-pandemic levels.

The University is committed to following and adjusting to any guidelines that may be required to keep the University communities safe. Incremental COVID-19 investments required to continue supporting students, faculty and staff for in-person learning and on-campus activities are anticipated to be minimal in the near future. Any such costs will be separately reported and funded from the remaining appropriation set aside at April 30, 2022. Therefore, these expenses are excluded from the Operating Budget.

Enrolment

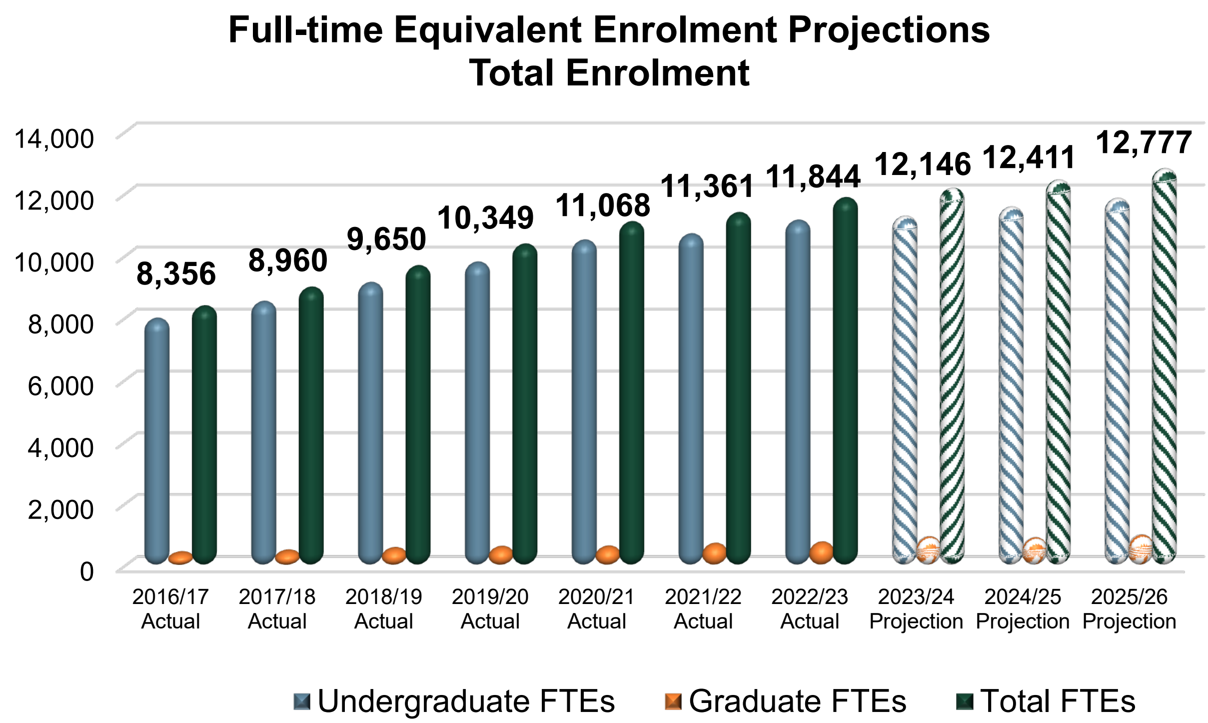
The key driver in the University's planning is student enrolment as this generates the majority of the University's operating revenue through tuition fees (which represent over 65% of operating revenue) and is a key determinant in enrolment-based provincial operating grants. Resources required for academic programming are determined by the number and types of students. Other university operations and support services, as well as ancillary services, are significantly influenced by the student population.

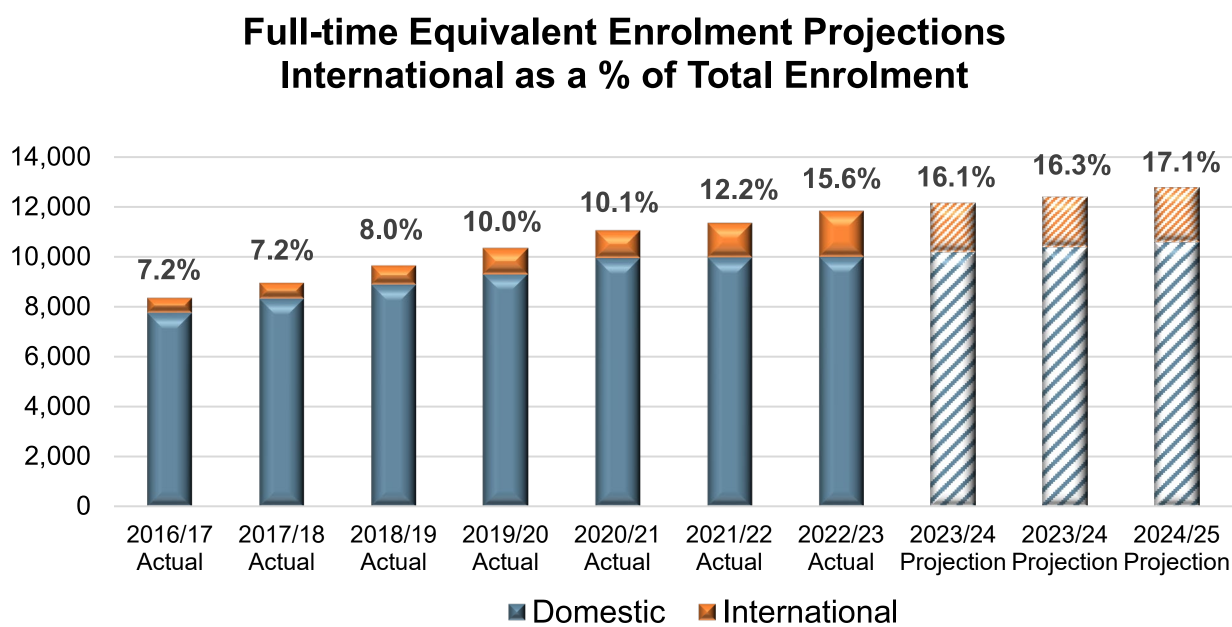
With the prevailing uncertainties caused by the current fiscal environment, enrolment projections are based on a conservative approach for this budget cycle. This approach will allow the University to plan sufficient resources and address capacity challenges related to growing enrolment while ensuring the budget is flexible to respond to unmet enrolment targets should there be any.

The three-year enrolment projections used for budget planning build on the 2022/2023 enrolment, which increased by 4.3% from the prior year to 11,844 full-time equivalents (FTEs), and are based on the following assumptions:

- Undergraduate domestic intake will increase in a controlled manner at both campuses. Trent anticipates domestic intake at the Peterborough campus will increase relative to Fall 2022 by approximately 1.0% each year. Much of the projected growth is anticipated in Durham, with domestic intake at that campus expected to increase by approximately 4.7%, 4.5% and 1.0% in Fall 2023, 2024 and 2025 respectively;
- Undergraduate international intake at the Peterborough campus will grow by 31.0%, 23.7% and 0.5% while Durham campus will grow by 43.1%, 30.1% and 1.0% in Fall 2023, 2024 and 2025 respectively as concerted efforts are made to grow total international enrolment from 15.6% currently to 17.1% of total Trent enrolment by Fall 2026;
- Nursing, Bachelor of Education, and Upper-Year Social Work intake will be held constant at current 2022 levels or capped enrolment;
- Continuation rates will be based on the average of the last four full years – two pre-pandemic years as well as the high rates of 2020 and the lower rates of 2021;
- Graduate enrolment for select high-demand programs will continue to increase while enrolment in all other graduate programs will continue to be stable, resulting in an increase in total graduate enrolment over the next three years of 31.5%; and
- Post-graduate certificates will continue to grow at both campuses. Targeted growth at the Peterborough campus will include the introduction of new programs in Social Sciences. All post-graduate certificates at Durham will be part of a new arrangement commencing in Fall 2023 and are therefore excluded from this Operating Budget as of September 2023.

Overall, Trent is projecting total student enrolment will increase 2.6% to 12,146 FTEs in 2023/2024, an increase of 302 FTEs from 2022/2023. This represents an increase of over 45.0% from the 2016/2017 corridor mid-point used in the current Ministry funding model. By the end of this planning cycle, total enrolment is expected to reach 12,777 FTEs.





Government Grants

The Strategic Mandate Agreement (SMA3) signed August 2020 is a five-year agreement commencing with fiscal 2020/2021. Total eligible funding for the University will be fixed during the SMA3 based on the sum of the 2018/2019 Core Operating Grant, the Performance-Based Differentiation Grant and Special Purpose Grants. The initial intent was to link funding to labour market outcomes with 25% of total eligible funding tied to performance outcomes in 2020/2021, growing by 10% each year until 60% of total eligible funding is performance-based in 2024/2025.

The 2018/2019 Core Operating Grant uses an enrolment corridor mechanism with 2016/2017 eligible (primarily domestic) undergraduate and graduate enrolment as the base year for the mid-point adjusted slightly for 2018/2019 graduate growth. For all universities, the enrolment corridor has a range of +/- 3% from this corridor midpoint. There is no mechanism within the current funding formula to fund enrolment growth.

Performance-based funding is linked to ten metrics, six of which will be aligned with priorities in skills and job outcomes, and four metrics related to economic and community impacts. The University established its own institutional strength/focus metric and institution-specific economic impact metric; the remaining eight metrics were pre-determined by the Ministry. The University is measured each year against its own targets based on historical performance. The Ministry's approach is to set targets that promote continuous improvement; therefore, the targets and bands of tolerance are recalculated by the Ministry each year. The University had the flexibility to weight the metrics that best reflect its differentiated strategic goals. These weightings identify the portion of performance-based funding at risk for each metric if the University does not perform within the established band of tolerance. The University has the opportunity during the term of SMA3 to adjust the assigned weightings.

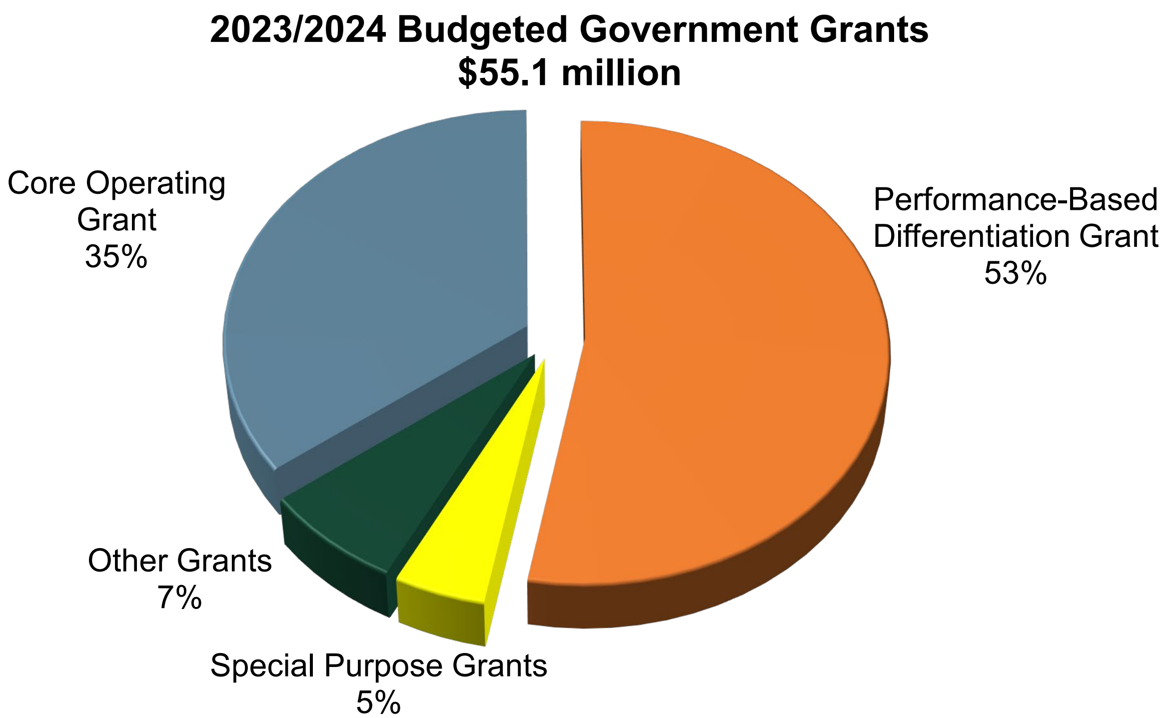
Due to the significant financial impact of the on-going COVID pandemic, the Ministry suspended the coupling of funding to performance-based metrics for the first three years of the SMA3, meaning there were no adjustments to institutional funding based on performance in the SMA3 metrics for 2020/2021, 2021/2022 or 2022/2023. That said, the Ministry continued its annual evaluation and calculated the theoretical funding impacts of underachievement and reallocation based on the results of performance against these metrics to provide institutions with the impact on their grant had it been tied to funding in all three years. Trent performed well against its performance metrics in all three years.

Commencing with 2023/2024, the Ministry will recouple funding with the performance metrics. Funding from the enrolment envelope will be moved over to the differentiation envelope such that the differentiation envelope is 55% of the total operating grant in 2023/2024 as originally intended. The amount of funding tied to performance metrics will be 10% in 2023/2024 with the remaining 45% flowing to the institution based on data collection, evaluation and publication. The Ministry has deferred its decision on the funding linked to performance metrics for the fifth year of the SMA3 pending the outcome of the Blue-Ribbon panel established in March 2023.

Special Purpose Grants are separate grants aligned with Ministry priorities and are subject to specific accountabilities and processes. These grants are not necessarily dependent on enrolment and may change from year to year.

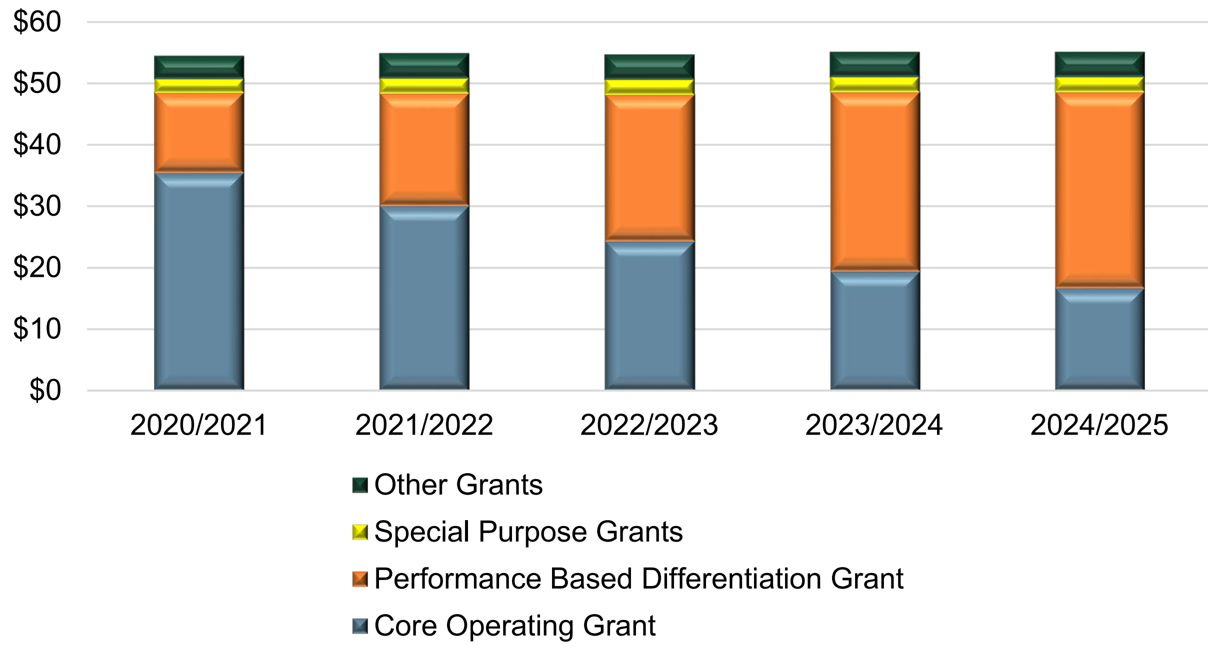
For planning purposes, government grant revenue is based on the following assumptions:

- While the University is planning enrolment well above the established corridor, Trent has assumed enrolment growth will not be funded;
- The University expects to meet all of its required targets throughout this budget cycle thereby avoiding any recovery of government performance-based funding;
- Special purpose grants have been adjusted based on known changes at the time of planning and otherwise assumed constant; and
- Other grants assumed in this budget are comprised of the Collaborative Nursing grant with Fleming College and the Research Support grant.



While total government grants have remained relatively constant, the following chart depicts the shift from the enrolment-based Core Operating Grant to the performance-based Differentiation Grant, which is at risk if performance metrics are not met, over the five years of the SMA3.

Budgeted Government Grants under SMA3 (in millions)



Note, the Ministry-required International Student Recovery fee of $750 per FTE for all international students is offset against the Core Operating Grant in the charts above. International enrolment is not funded through government operating grants but the recovery fee, last updated by the Ministry in 2021/2022, is taken into the calculation of the University's total funding for purposes of determining the Performance-Based Differentiation Grant. As the number of international students increases so too does the amount of the recovery fee.

Tuition Fees

With fixed Ministry funding, many universities including Trent have adopted an enrolment growth strategy reliant on tuition-only revenue and increased internationalization to offset inflationary pressures.

The Tuition Fee Framework is governed by the provincial government and monitored through the annual Tuition Fee Compliance report. On March 2, 2023, consistent with the University's prior assumptions, the Ministry announced a continuation of its existing tuition fee policy which stipulates that tuition fees for all publicly funded programs for all years of study for funding-eligible (primarily domestic) undergraduate and graduate students will remain frozen for the 2023/2024 academic year. This announcement marks the fourth year of tuition fees held at 2019/2020 tuition rates, which were mandated to be 10% less than 2018/2019 fees. The University is assuming this freeze will remain in effect for the budget cycle. Enrolment growth will partially mitigate lost revenue as a result of the mandated tuition reduction and subsequent freezes.

Commencing in 2021/2022, the Ministry's Tuition Fee Framework gives institutions the flexibility to increase tuition rates for domestic out-of-province students in all years of study. The University plans to continue applying a 5% increase to these fees, the maximum allowed under the Framework for 2023/2024, in each year of this planning cycle. The increase to domestic out-of-province fees does not generate material revenue for the University.

New with the March 2023 announcement is the Ministry's consideration of tuition adjustments for certain programs with lower-than-sector-average tuition rates for comparable programs, referred to by the Ministry as Tuition Anomalies. Trent, like most Ontario universities, submitted an application for three programs, the maximum allowed, where domestic tuition rates were more than 15% lower than the sector average. Trent's application received Ministry approval after the Board approved the 2023/2024 budget. Therefore, the increase in tuition revenue from Tuition Anomalies adjustments, which will be immaterial in the initial year, has not been included in this budget.

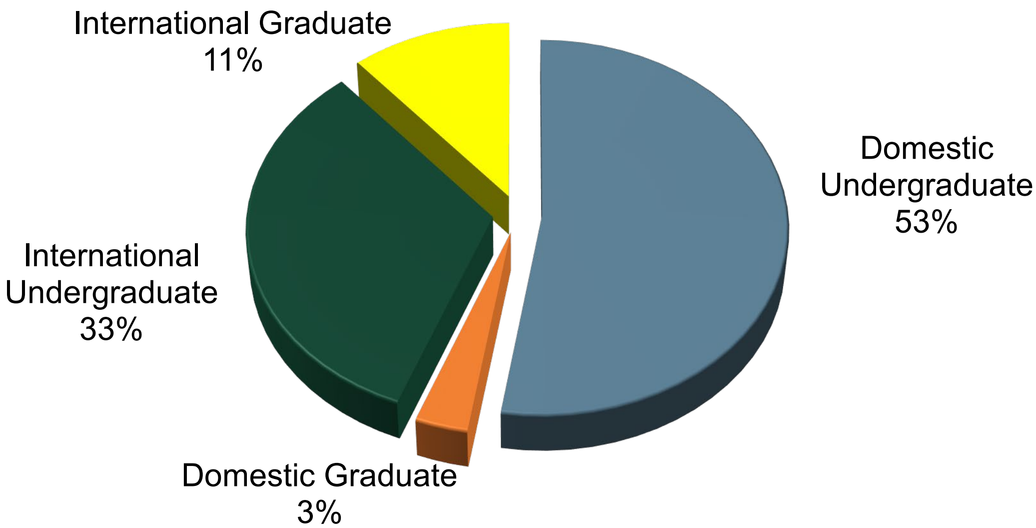
International fees are not regulated by the province and are subject to Board approval. There is a need to balance student affordability with perceived quality and reputation of academic programs in order to attract international students.

Based on a comparison of 2022/2023 international tuition rates in the Business and Arts programs category, Trent University's international undergraduate tuition fees for degree programs are currently fourth lowest in Ontario. In March 2023, in an effort to grow international enrolment and remain competitive, Trent's Board of Governors approved the same increases to international undergraduate fees for 2023/2024 as implemented in 2021/2022 and 2022/2023: 8% for incoming students (2023, 2022 and 2021 cohorts) and 5% for continuing students (pre-2021 cohort). These increases have been applied to each year of this budget cycle.

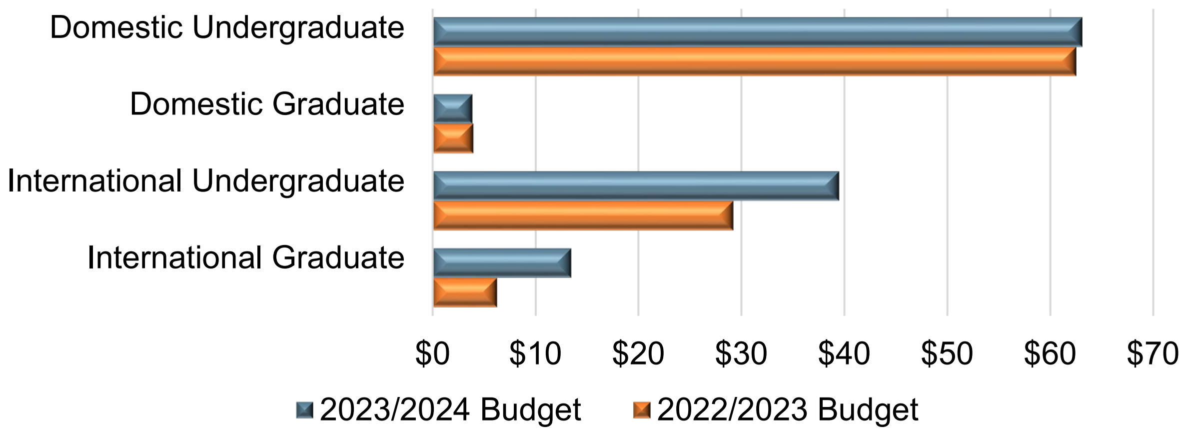
International rates for certificate programs were adjusted downward in 2021/2022 to be more comparable to market rates as the University strives to grow certificate programs and meet its internationalization objective. In alignment with last year's strategy, these program fees are assumed to increase by 5% each year of the planning cycle.

International fees for graduate programs are highly calibrated with market rates as the programs and fees were more recently established. Therefore, the Board of Governors approved an increase to 2023/2024 international graduate fees of 3% for research-based programs and 5% for professional programs to remain comparable to prevailing market rates. These increases have been applied to each year of this budget cycle.

2023/2024 Budgeted Tuition Fees Revenue
$120.0 million

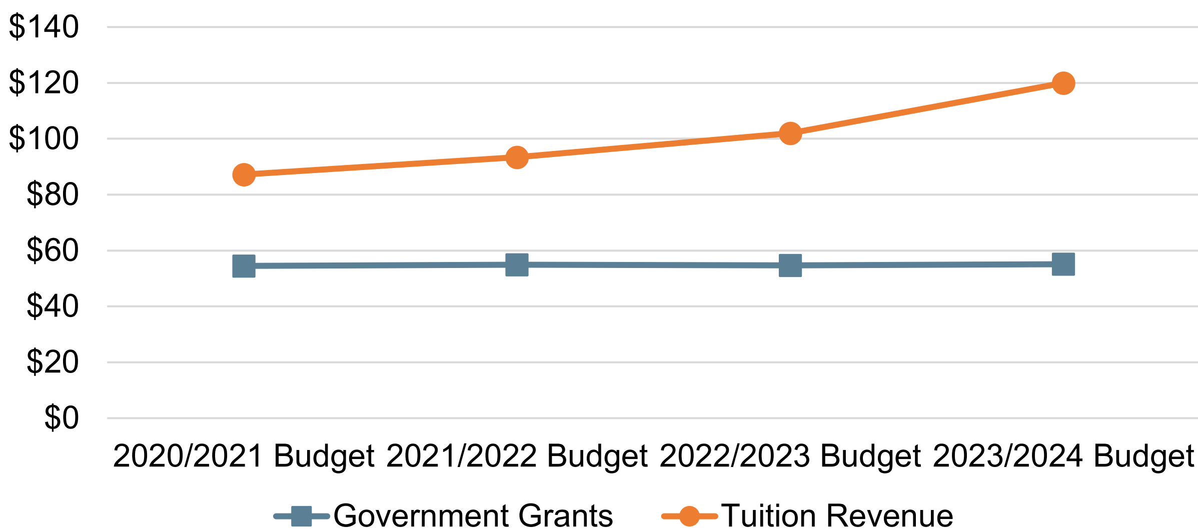


2023/2024 Budgeted Tuition Fees Revenue Compared to 2022/2023 Budget (in millions)



With fixed funding over the last few years, the following chart depicts the University's increasing reliance on tuition-only revenue from enrolment growth. Since 2020/2021, the first year of the SMA3, budgeted tuition revenue has grown 37.7% while government funding has remained relatively constant. Budgeted tuition revenue now represents 66.9% of total budgeted operating revenue, up from 60.5% of total budgeted operating revenue in 2020/2021.

Budgeted Government Grants and Tuition Revenue (in millions)



Student Financial Aid and Scholarships

Student aid and scholarship expense is a highly variable cost dependent primarily on student enrolment and the academic qualifications (entrance grades) of the student body. As enrolment grows, so too does this expense. The University has historically provided a high level of student aid relative to comparator universities, consistently standing at or near the top of university rankings in the percentage of its operating budget expended on scholarships and bursaries. Trent was once again #1 in Ontario for scholarships and bursaries in Maclean's University Rankings 2023 – Primarily Undergraduate category.

The Ministry requires universities to reserve a portion of additional revenue resulting from tuition fee increases to eligible domestic students to ensure that institutions can meet Student Access Guarantee requirements for need-based student aid and to provide other forms of assistance to students in need. For the purposes of budget planning for all three years in this budget cycle, tuition set-aside is estimated at 6.0% of tuition fee revenue for eligible domestic undergraduate and graduate students. For international undergraduate students, the University will also set aside an additional 2% of international undergraduate tuition fees revenue in each of the three years of this budget cycle for additional resources to support international students.

Based on a historical analysis, undergraduate domestic and international scholarship costs are anticipated to be approximately $579 per FTE. In addition, undergraduate international scholarships and fee waivers are estimated to be 4.8% of undergraduate international tuition revenue based on the average of the last three years. These rates are used to estimate undergraduate scholarship expense for each of the three years in this budget cycle.

Graduate scholarship expense varies significantly, depending on the program. For research and thesis-based graduate programs, the University estimates expenses for graduate scholarships, research fellowships and awards are approximately 27.2% of the related tuition revenue. This estimated rate applies to both domestic and international graduate students. In addition, graduate international fee waivers and bursaries for international graduate students in research and thesis-based programs are estimated at 41.6% of international graduate tuition revenue. Both of these rates, which are based on the average of the last three years, are used for planning purposes throughout this budget cycle.

Salaries and Benefits

Across-the-board compensation increases for all union employee groups are based on collective agreements, as well as progression through salary grids. Bill 124, introduced in November 2019 to limit salary increases to 1% for a three-year moderation period commencing on the expiry of pre-existing agreements, was struck down November 2022. Therefore, Bill 124 constraints were not applicable to the recently negotiated settlements. As a result, salary rate increases including merit and step increases range from 5.5% to 6.0%, depending on the employee group.

At the time of planning, the collective agreements for all union employee groups were settled. Trent University Faculty Association (TUFA), representing full-time faculty and professional librarians, and Ontario Public Service Employees Union (OPSEU), representing all non-academic employees, except supervisors and persons above the rank of supervisor, are settled to June 30, 2025. The collective agreement for Canadian Union of Public Employees Unit 1 (CUPE1), representing part-time employees engaged in teaching, demonstrating, tutoring, or marking in the academic programs (except registered students), is settled to August 31, 2023. The collective agreement for Canadian Union of Public Employees Unit 2 (CUPE2), which represents all employees registered as students who are regularly employed for not more than 24 hours per week as Teaching Assistants, Academic Assistants, Markers, Proctors, Lab Demonstrators, or Lab Advisors in the academic programs, is settled to August 31, 2024. Salary escalations for years beyond existing contracts but within this budget cycle are assumed at rates consistent with the increases negotiated in the last year of each settled agreement.

Benefit costs vary by collective agreement and employee. Benefit rates used for planning purposes, including health, dental, and long-term disability benefits, are expected to increase in 2023/2024 by 7.5% to 25.0% depending on the type of benefit in accordance with estimates provided by the University's benefits consultant.

Pension Costs

Effective January 1, 2022, the TUFA Pension Plan previously sponsored by the University was converted to the University Pension Plan (UPP), a multi-employer jointly sponsored pension plan for the sector. On that date, the assets and liabilities for the TUFA Plan were transferred to the UPP, the accrual of benefits and contributions under the UPP commenced, and the TUFA Plan was terminated. The budget estimates the University's normal cost at 10.83% of related payroll for the three years of this budget cycle. In addition, the budget maintains a provision for any actuarial gains or losses relative to Trent's assets that may be incurred over the next few years as specified in the Transfer Agreement. Solvency special payments were eliminated and the standby letter of credit previously used to address these payments expired on January 1, 2022.

The Staff Pension Plan is a registered pension plan for OPSEU and exempt staff which remains sponsored by the University at this time. The most recent actuarial valuation was performed and filed at July 1, 2022, with the next filed valuation required in three years. The University's normal cost is estimated at 10.30% of payroll throughout this planning cycle. For budgeting purposes, annual going concern special payments and Pension Benefit Guarantee Fund payments are estimated at $1.5 million. The University has permission to use a standby letter of credit to address annual special solvency payments until this pension plan can transition to a jointly sponsored pension plan. Therefore, this budget does not include a provision for special solvency payments.

In February 2023, the OPSEU collective agreement for three years effective July 1, 2022 was ratified. This collective agreement includes OPSEU consent on behalf of its active members to transition the Staff Pension Plan to the UPP with a target conversion date of

January 1, 2025. The conversion has also been approved by the UPP Joint Sponsors and the UPP. Trent administration is actively working on the requirements to complete the transition, which include a formal consent/non-objection process from active and non-active members, including Exempt staff, and applications and approvals from the Financial Services Regulatory Authority of Ontario.

The Supplementary Retirement Agreement, which provides top-up benefits, continues to be maintained by the University. The budget anticipates annual benefit payments of $1.76 million will be required from Trent as the plan assets are depleted.

Other Non-Salary Expenses

Growing international enrolment is a strategic priority for the University. As a result, Trent's reliance on agents used to recruit international students is expected to increase. Agency commission fees are highly dependent on the international enrolment and tuition revenue they bring to the University. The Operating Budget includes a provision for these fees of 2.8% of international undergraduate and graduate tuition revenue for degree-seeking and professional programs and 15% of undergraduate international tuition revenue for certificate programs.

Utility costs have recently escalated significantly. Based on estimates provided by the University's energy consultants at the time of planning, the budget projects electricity and natural gas expenses will increase by 5% and 32%, respectively. A number of initiatives to reduce energy consumption have been implemented under the Energy Performance Contract. Savings related the agreement will be used towards financing the project until fully paid in May 2031. Therefore, these savings will not be available to contribute to the Budget during this planning cycle.

Insurance premiums are expected to increase by as much as 9% for property and liability coverage based on discussions with Trent's insurance carriers. Such increases are reflective of the current fiscal environment.

With growing student enrolment and more challenging financial pressures faced by students, the University has budgeted a provision for bad debts of 1.08% of all tuition revenue based on prior year experience.

Certain non-salary expenses are subject to inflation, which has been estimated at 4% throughout this budget cycle to reflect the current economic environment and the Bank of Canada's efforts to bring inflation under control by 2024.

Under the current fiscal environment, interest earned on short-term investments and cash deposits has been significantly impacted. For budget planning purposes, the University has assumed higher-than-pre-pandemic interest rates will gradually decline over the next year as inflation returns to more normal targets.

In February 2017, Trent University refinanced its existing amortizing loans with non-amortizing debentures in order to provide the University with access to additional capital, to improve the overall flexibility in the Budget, and to reduce the effective cost of capital. The Board of Governors established an internally-administered sinking fund with annual contributions to ensure sufficient funds are available from which to repay 100% of the principal of the debentures at maturity, February 17, 2057. The Budget assumes that the total interest payments and annual contributions to the sinking fund are the same as the interest and principal payments before the debt refinancing was completed.

Other base budget adjustments were made to reflect current experience or known changes. New on-going investments approved in 2022/2023 have been annualized in this budget, while one-time non-recurring investments have been removed, where appropriate.

BUDGET STRATEGIES

Based on the key planning assumptions, the preliminary 2023/2024 Operating Budget before making any new strategic investments or implementing new budget reduction strategies projected approximately $5.5 million available.

This projection was heavily reliant on enrolment growth and increased internationalization to generate incremental revenue. With fixed Ministry funding and tuition rates for eligible (primarily domestic) students, many universities including Trent are implementing strategies to grow international enrolment, creating more competition and adding more operating pressures to provide the needed supports for this student population. The preliminary budget left limited funds available for additional strategic investments to address enrolment growth or other operating pressures.

Given the limited funds available, budget owners were asked to prioritize new investment requests that align with the following priorities of the University while minimizing any negative impact to students and without compromising the quality of programs and services:

- Address enrolment growth, both domestic and international;
- Generate additional net revenue for the University;
- Mitigate risk;
- Maintain or improve service;
- Maintain or enhance institutional capacity;
- Build co-op and experiential learning opportunities;
- Ensure compliance with current legislation or health and safety protocols;
- Reduce existing costs;
- Enable the avoidance of future costs; and/or
- Achieve operating efficiencies.

Net New Strategic Investments

The approved net new investments for 2023/2024 focus on the following strategic priorities of the University:

- **Maintaining Financial Sustainability** – It is imperative the University maintain a balanced operating budget to ensure financial sustainability for the future. Especially in the current fiscal environment, strong financial health is required in order to continue the academic vision and mission of Trent, including the provision of quality academic programs and student experience, while addressing increasing operating pressures.

- **Growing Enrolment**, with a particular emphasis on internationalization and expanding the Durham GTA campus – The Operating Budget is predicated on growing enrolment and strategically increasing the international student population to generate additional revenue in light of fixed government grants and frozen domestic tuition rates. Much of the anticipated enrolment growth is expected to be at the Durham GTA campus. To achieve this objective, investments in international recruitment strategies are necessary. The development of new or expanding existing academic programs, with corresponding investments in faculty and academic and administrative supports, are required to continue to attract students to the University. It is important to make appropriate investments in programs and services to support this continued growth and maintain the student experience.

- **Building Co-op and Experiential Learning** – One opportunity to attract more students and provide an enhanced student experience is to create new co-op opportunities. The University will invest in new and expanding programs that offer more experiential learning opportunities for students and resources to assist with placement coordination.

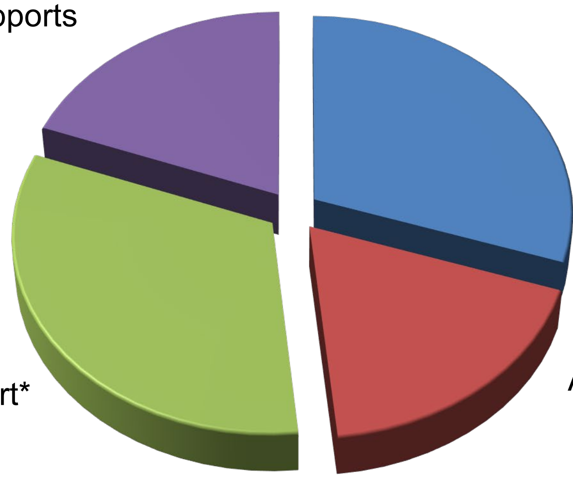
- **Maintaining or Enhancing Institutional Capacity** – As the student population continues to increase, it is imperative to invest in areas of enrolment growth. The goal is to maintain or enhance the University's capacity by ensuring appropriate levels of teaching and learning resources, providing required student, faculty and staff supports, and improving physical space needs. Instructional staff planning is also part of this objective, including replacement of planned retirements and/or resignations.

- **Enhancing Student Supports** – Students are facing increasing challenges in the current fiscal environment, such as financial pressures, obtaining study permits, locating affordable housing, and mental health. The University will make further investment in resources that support the growing student population, including additional student financial aid (scholarships, bursaries, waivers, etc.), academic and other advisors, and other supports.

A summary of the approved net new strategic investments of $5.2 million is provided in the table below. Approximately 48% of the new investments are resources directly for academic or academic support. The strategic investments are after offsetting savings from planned retirements and resignations.

2023/2024 Strategic Investment (in thousands)	On-going Investment	One-time Investment	Total Investment
Academic resources and supports in Sciences; Offset by savings due to retirements/resignations	$1,261 ($ 966)		$ 295
Academic resources and supports in Humanities and Social Sciences; Offset by savings due to retirements/resignations	$1,337 ($1,317)		$ 20
Academic resources and supports in Durham GTA	$1,156		$1,156
Investment in Nursing and Education programs; Offset by savings due to retirements/resignations	$ 59 ($ 74)	$ 182	$ 167
Graduate studies resources (excluding student supports)	$ 163		$ 163
Supports to enhance on-line learning	$ 81		$ 81
Resources to grow co-op and experiential learning opportunities	$ 83		$ 83
Increase in library acquisitions	$ 200		$ 200
Student supports, including grad teaching assistants, financial aid, academic and other advisors, and communications	$1,095		$1,095
Investment in information technology, including service desk and cybersecurity	$ 450	$ 91	$ 541
Investment in facilities management, security and Trent Lands and Nature Areas Plan	$ 515	$ 45	$ 560
Recruitment and external relations supports	$ 267		$ 267
Resources to enhance quality assurance and library supports	$ 125	$ 42	$ 167
Supports for human resources, student affairs, finance, and University Secretary	$ 211	$ 169	$ 380
Total Net New Strategic Investments	**$4,646**	**$ 529**	**$5,175**

2023/2024 Net New Strategic Investments
(after offsetting savings from retirements/resignations)

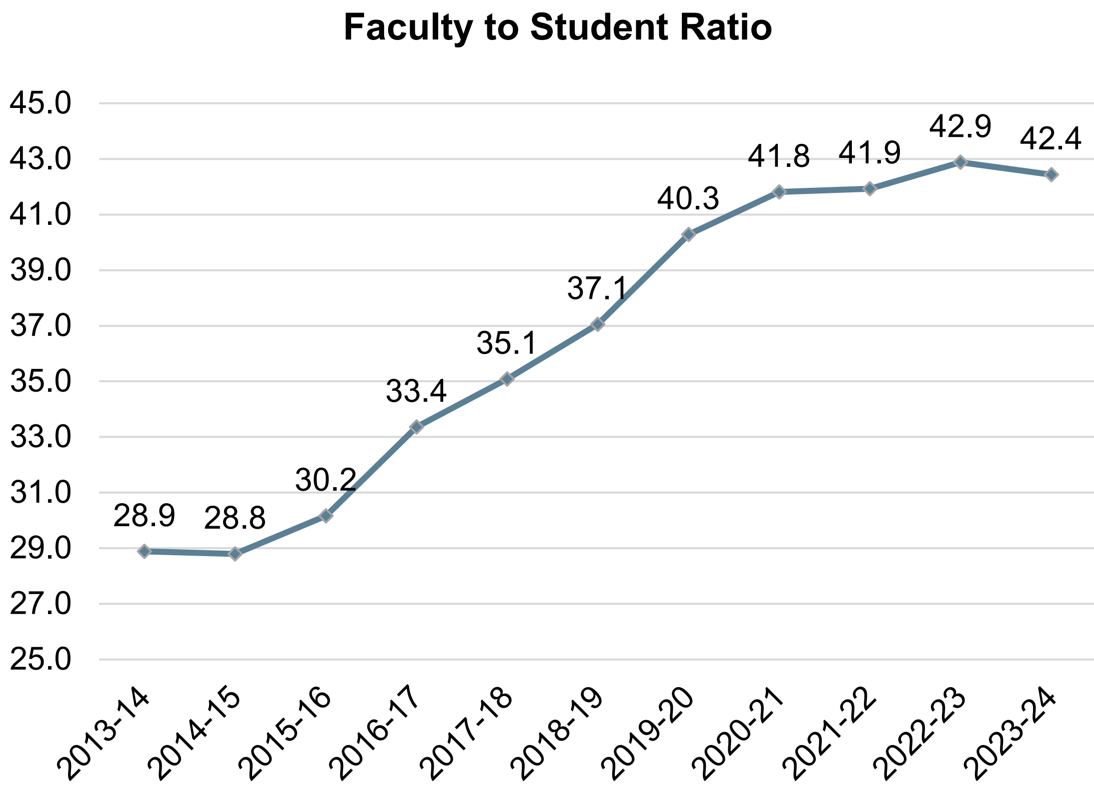


*Admin and Support investments are comprised of: 29% for Information Technology, 31% for Facilities Management and Trent Lands and Nature Areas Plan, and 40% for other

Also included in this Operating Budget are 15 net new faculty appointments to address capacity and growing enrolment and to replace planned retirements and resignations. It is important to note that these appointments will be strategically placed where there is the most need, which may not necessarily be an exact replacement of the retirement or resignation.

	Tenure Track Positions (TT)	Limited Term Appointments (LTA)	Total Faculty
Retirements/ Resignations	-12.0		-12.0
Replacements	+11.0	+2.0	+13.0
Conversions from LTA to TT	+5.5	-5.5	
New Positions to address enrolment growth	+7.0	+7.0	+14.0
Net New Faculty Positions	**+11.5**	**+3.5**	**+15.0**

One of the challenges of the 2023/2024 Operating Budget is to maintain the student to faculty ratio within the constrained fiscal environment as student enrolment continues to increase. The above faculty investments will help ensure this ratio remains stable.



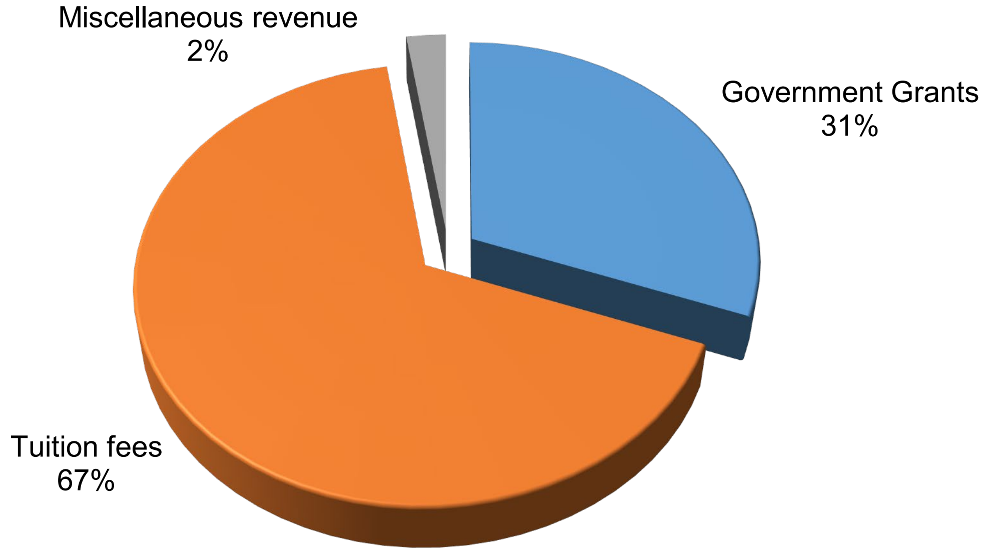
2023/2024 OPERATING BUDGET

As a result of the approved net new strategic investments, the 2023/2024 Operating Budget is expected to be balanced with a nominal surplus. This operating plan was approved by the Board of Governors on March 24, 2023.

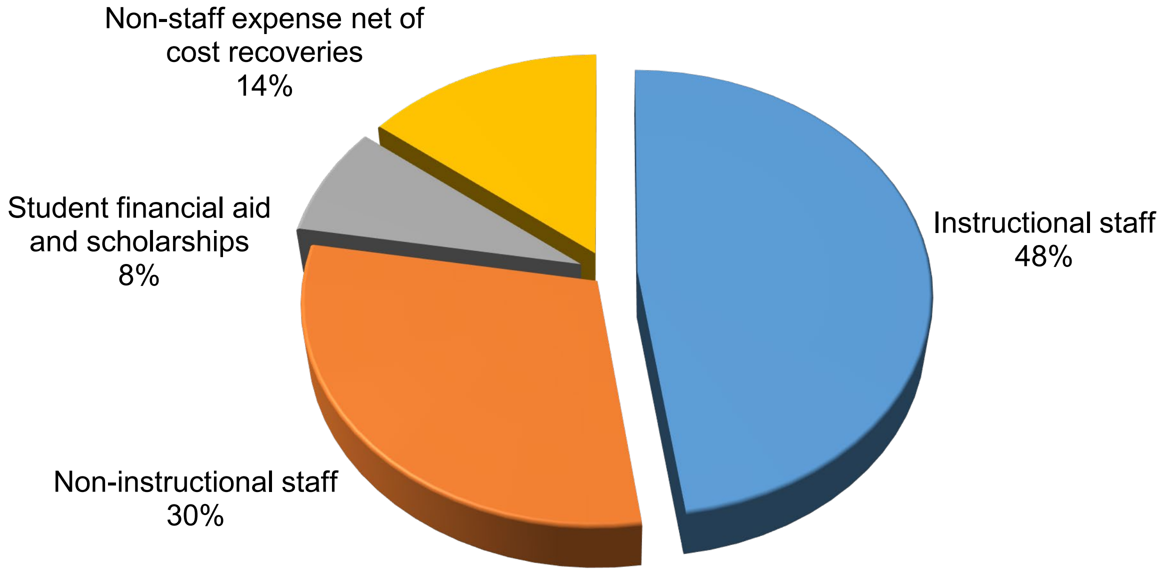
(in thousands)	2022/2023 Projection*	2023/2024 Budget	Change	
Government grants	$ 55,204	$ 55,064	$ (140)	-0.3%
Tuition fees	$ 111,312	$119,969	$ 8,657	7.8%
Miscellaneous revenue	$ 3,131	$ 4,364	$ 1,233	39.4%
TOTAL REVENUE	**$169,647**	**$179,397**	**$ 9,750**	**5.7%**
Instructional staff	$ 78,634	$ 85,462	$ 6,828	8.7%
Non-instructional staff	$ 49,999	$ 53,545	$ 3,546	7.1%
Student financial aid	$ 13,051	$ 14,186	$ 1,135	8.7%
Non-staff expense	$ 30,989	$ 36,921	$ 5,932	19.1%
Sub-total	$172,673	$190,114	$ 17,441	10.1%
Cost recoveries	$ (9,986)	$(11,116)	$ (1,130)	11.3%
TOTAL NET EXPENSE	**$162,687**	**$178,998**	**$ 16,311**	**10.0%**
NET REVENUE	$ 6,960	$ 399	$ (6,561)	
Change in internally restricted	$ (78)	$ (43)	$ 35	
ANNUAL EXCESS REVENUE OVER EXPENSE	**$ 6,882**	**$ 356**	**$(6,526)**	

*2022/2023 Projection at time of Board approval in March 2023. This projection is subject to year-end adjustments including carry forward requests related to unspent departmental funds and university appropriations, as approved.

Breakdown of 2023/2024 Operating Revenue



Breakdown of 2023/2024 Operating Expenses



MULTI-YEAR PLANNING

In 2019, Trent resumed multi-year budgeting at the budget developer level as a way to promote longer-term planning and more efficient use of critical resources required to address projected enrolment growth and to align with the University's strategic direction. This multi-year planning continued for this budget cycle as it is key for Trent to strategically plan its economic recovery from the negative impacts of the pandemic and to obtain future sustainability.

Budget owners were asked to prepare a three-year plan based on the current planning guidelines and assumptions. Plans for the second and third years offer an order of magnitude for planning purposes only. Multi-year plans are subject to annual review each fall to ensure the assumptions remain reasonable and/or up to date for additional known changes or new expectations.

The major planning assumptions for years two and three remain consistent with the key budget assumptions for the 2023/2024 fiscal year, except as follows:

- The University anticipates the staff pension plan will convert to the University Pension Plan as of January 1, 2025, which will eliminate pension solvency payments and pension benefit guarantee payments from that date onward;
- The new arrangement for Durham post-graduate certificates and English as a Second Language programs will contribute net revenues to the Operating Plan starting May 1, 2024; and
- Interest rates for investment and interest income will drop back to 2.2%.

The high-level budget projections for 2024/2025 and 2025/2026 have also been adjusted for salary escalation and inflation estimates, annualization of the approved net new investments in 2023/2024, and the removal of one-time amounts no longer applicable.

These future-date projections do not include any additional strategic investments to address the enrolment growth on which these budgets are predicated.

With controlled enrolment growth and internationalization, Trent's financial health is expected to remain strong and improve over this budget cycle. This will allow strategic investments where required to maintain or enhance quality academic programming, research activities and student experiences.

(in thousands)	2023/2024 Budget	2024/2025* Projection	2025/2026* Projection
Government grants	$ 55,064	$ 55,069	$ 54,959
Tuition fees	$119,969	$127,267	$138,366
Miscellaneous revenue	$ 4,364	$ 6,132	$ 10,338
TOTAL REVENUE	**$179,397**	**$188,468**	**$203,663**
Instructional staff	$ 85,462	$ 90,185	$ 94,988
Non-instructional staff	$ 53,545	$ 56,361	$ 59,188
Student financial aid	$ 14,186	$ 14,866	$ 15,513
Non-staff expense	$ 36,921	$ 36,953	$ 38,171
Sub-total	$190,114	**$198,365**	**$207,860**
Cost recoveries	$(11,116)	$(11,233)	$(11,335)
TOTAL NET EXPENSE	**$178,998**	**$187,132**	**$196,525**
NET REVENUE	$ 399	$ 1,336	$ 7,138
Change in internally restricted	$ (43)	$ (43)	$ (43)
ANNUAL EXCESS REVENUE OVER EXPENSE	**$ 356**	**$ 1,293**	**$ 7,095**

*Projections do not include any additional strategic investments to address the enrolment growth on which these budgets are predicated.

2023/2024 ANCILLARY BUDGET

Ancillary departments also prepared budgets following the same budget planning principles set out for operating budget developers.

In accordance with the Board-approved ancillary fees protocol, the allowable inflationary increase in ancillary fees without approval from Colleges and Student Services Committee (CASSC) or a student referendum is the lessor of 3% or CPI. The applicable CPI at the time of budget planning was 6.9%. Fee increases between 3% and 20% require approval from CASSC while fee increases greater than 20% require a student referendum.

For 2023/2024, the following fee increases, which were reviewed by the relevant advisory committees and approved by CASSC (where necessary), have been factored into the Ancillary Services budgets:

- **Housing** – These fees are amenities based and include a laundry fee initiated in 2018/2019 to offset the capital costs of purchasing equipment. The average fee increase in Peterborough is 14.0% to align with comparable institutions. Durham residence fees will increase by 6.9% pursuant to a third-party agreement. To achieve the 95% occupancy target for Durham, a residence incentive will be provided with the estimated cost of $0.2 million covered by the Operating Fund.

- **Student Food Services** – The dining fees are comprised of a spending value, an overhead fee and a fee for orientation week meals. Any unused spending value carries forward to the next year. Traditional dining fees will increase by 9.3% and suite style plans will increase by 16.7%. Even with these increases, dining fees at Trent remain the lowest in the country.

- **Athletics and Colleges** – These fees will increase by 5.5%.

- **Parking** – These fees will increase by 3.0% and Trent will maintain a pay and display parking rate of $10 per visit.

- **TrentU Card** – A fee increase of 8.0% (less than $1) in 2023/2024 will be only the second increase in 18 years.

Ancillary Operations Funded Primarily from Student Fees

The departmental surpluses, if any, of ancillary operations funded primarily from student fees, including Housing, Student Food Services, Athletics, Colleges, Parking, Student Health, Orientation, Campus Card and Durham Transit Pass, are set aside at year end to fund future projects or initiatives of the respective departments to provide direct benefit to students. The exception is any surpluses generated by Athletics, which contribute directly to the Operating Fund to help offset the cost of prior capital expansion borne by the Operating Budget.

For 2023/2024, Athletics is anticipating a deficit of between $0.3 and $0.4 million as lower community memberships are anticipated post-pandemic. In addition, Student Food Services is anticipating a deficit of about $0.1 million stemming from its Traill operations. These expected deficits have been factored into the Operating Budget.

These ancillary services are typically charged an administration overhead fee of 6.62% to help offset the cost of administrative support provided from Operations. This year, the expected ancillary administrative overhead contribution to the Operating Budget is just over $2.3 million.

Ancillary Operations Contributing to the Operating Fund

The annual surplus of several ancillary operations, including English as a Second Language (ESL), Conferences/Catering, Ceilie/Pubs, Starbucks, Campus Print, and Campus, is transferred to the Operating Fund each year end. Note, the net surplus from Starbucks is shared 50/50 with Trent Central Student Association.

For 2023/2024, it is anticipated these ancillary operations will have a net surplus of between $0.3 and $0.4 million and will contribute nearly $0.1 million in administration overhead fees. These amounts have been factored into the Operating Budget.

Total Ancillary Operations Contribution to the Operating Fund

Overall, ancillary services are planning to contribute $2.3 million to the Operating Fund and are expected to transfer over $1.1 million to reserves in 2023/2024.

Ancillary Operations Funded Primarily from Student Fees

(in thousands)	Housing	Student Food Services	Athletics	Colleges	Parking	Other	Total
Revenue	$17,791	$ 9,924	$ 4,836	$ 2,951	$ 1,390	$ 3,275	$40,167
Expenses Staff Non-Staff	($ 4,108) ($11,947)	($ 280) ($ 9,034)	($2,965) ($2,021)	($ 1,737) ($ 1,009)	($ 404) ($ 647)	($1,234) ($1,855)	($10,728) ($26,513)
Surplus (Deficit) from Ancillary Operations	$ 1,736	$ 610	($ 150)	$ 205	$ 339	$ 186	$ 2,926
Administrative Overhead Contribution to Operating Fund	($1,176)	($ 492)	($ 204)	($ 195)	($ 92)	($ 150)	($ 2,309)
Transfer to Reserves	($ 560)	($ 221)		($ 10)	($ 247)	($ 36)	($ 1,074)
Surplus (Deficit) Transferred to Operating Fund	**$ 0**	**($ 103)**	**($ 354)**	**$ 0**	**$ 0**	**$ 0**	**($ 457)**

Ancillary Operations Contributing to the Operating Fund

(in thousands)	ESL Program	Conferences Catering	Ceilie / Pubs	Starbucks	Campus Print	Campus Store	Total
Revenue	$ 1,819	$ 712	$ 284	$ 1,222	$ 715	$ 325	$ 5,077
Expenses Staff Non-Staff	 ($ 1,116) ($ 550)	 ($ 409) ($ 297)	 ($ 206) ($ 106)	 ($ 389) ($ 745)	 ($ 341) ($ 314)	 ($ 42) ($ 19)	 ($ 2,503) ($ 2,031)
Surplus (Deficit) from Ancillary Operations	$ 153	$ 6	($ 28)	$ 88	$ 60	$ 264	$ 543
Administrative Overhead Contribution to Operating Fund		($ 47)			($ 48)		($ 95)
Transfer to Reserves/TCSA*	($ 38)			($ 44)	($ 12)		($ 94)
Surplus (Deficit) Transferred to Operating Fund	**$ 115**	**($ 41)**	**($ 28)**	**$ 44**	**$ 0**	**$ 264**	**$ 354**

Total Ancillary Operations Contribution to the Operating Fund

(in thousands)	Ancillary Services Funded Primarily by Students	Ancillary Services Contributing to the Operating Fund	Total
Revenue	$40,167	$ 5,077	$45,244
Expenses	($37,241)	($ 4,534)	($41,775)
Surplus (Deficit) from Ancillary Operations	$ 2,926	$ 543	$ 3,469
Administrative Overhead Contribution to the Operating Fund	($ 2,309)	($ 95)	($ 2,404)
Share of Surplus Transferred to TCSA		($ 44)	($ 44)
Transfer to Reserves	($ 1,074)	($ 50)	($ 1,124)
Surplus (Deficit) Transferred to Operating Fund	($ 457)	$ 354	($ 103)
Total Contributions to the Operating Fund re: Administrative Overhead + Surplus (Deficit)	**$ 1,852**	**$ 449**	**$ 2,301**