



UNIVERSITY OF  
**KING'S**  
COLLEGE • HALIFAX

# 2022/23 OPERATING BUDGET

- Approved June 23, 2022

## **Introduction:**

This document describes the University of King's College (King's) 2022/23 operating budget. The development of a budget for King's is a collective effort requiring contributions from and consultations with many different people, committees, programs, departments, forums, and processes. The preparation of the operating budget is the responsibility of the President and the Bursar with the advice of the Budget Advisory Committee (BAC) and support of the Director of Finance.

The BAC is the primary vehicle through which the Bursar and the President, and therefore the Finance, Audit & Risk Committee (FAR) and the Board of Governors through them, receive advice from the community on the budget. The role of the BAC is to provide advice on the overall design of the budget and on all its major elements and choices. The BAC is to give advice on issues or options, or budgetary strategy brought to it by the administration or by others, and to identify and provide input on approaches, strategies, options, or choices that it identifies through its own deliberations. All proposed choices of significance relating to both expenditures and revenues are to be presented to the BAC in a way that enables the BAC to provide informed advice on the choices and alternative choices or courses of action. It is critical that the BAC be provided with the information, analysis, and explanation on the issues on which its advice is sought - or on which it decides to provide advice - that will allow the BAC the time it requires to fully explore the issues and to formulate its considered advice. Another critical role for the BAC is to scrutinize and to provide its advice on the rationale for and the defensibility of the budget submissions received from academic programs and administrative departments. The BAC also plays a critical role in recommending changes to student academic, auxiliary, and ancillary fees based on analysis and information provided by the Bursar's Office.

The BAC has met 11 times since October 2021. In addition to the regularly scheduled quarterly meetings, the FAR Committee also scheduled one-hour monthly meetings as required to allow for timely input and guidance throughout the budget preparation process.

The President and Bursar, with the Registrar, consulted with the incoming and outgoing members of the King's Students' Union (KSU) Executive on proposed changes to student tuition and fees for 2022/23 at a meeting on March 11.

The 2022/23 operating budget includes the academic, administrative, and ancillary activities of the university funded from the operating fund. This means that revenues, expenses, and cash flow items associated with the other university funds, such as the restricted and capital funds, are not part of the operating budget.

The operating budget is developed using departmental revenue and expense submissions supplemented by calculations of faculty and staff salaries and benefits. This total by department or spending category represents the cost of the activities in that area which is matched with the resources available in the operating budget to fund the activities. Departmental operating budgets have been permanently reduced by \$1.25 million over a six-year period beginning in fiscal year 2014/15. The last \$250,000 of these reductions were removed from the 2019/20 operating budget as part of the continuing Expenditure Reduction, Control and Reallocation Plan (described below). These reductions, and a substantial permanent increase in the university's provincial operating grant in 2018/19, have played a crucial role in restoring King's to a sustainable balanced budget

situation. The focus of the budget is on balancing cash flow in the operating fund (i.e., non-negative cash flow). Cash flow from operations (the excess of revenues over expenses) must also fund certain financing and investing activities including, but not limited to, long-term debt principal repayments; the purchase of furniture, equipment, and library books; and expenditures of a capital nature funded by operations.

### **2021/22 Recap:**

On April 21, 2021, King's announced to its community that teaching and learning, and communal life in general, would once again be largely in person in the fall. King's was committed to transitioning back to in-person teaching and learning and campus life while continuing to make the health and safety of everyone the overriding priority. Many conversations and consultations occurred, including between King's and Dalhousie, on the measures that needed to be taken to ensure in-person learning and operations happened safely.

The return to college life was safely achieved by following all Public Health requirements and King's own safety protocols. This included a combination of these and other kinds of measures: wearing of masks in most indoor settings (including classrooms) and the encouragement of mask wearing elsewhere; continuing self-assessment for COVID-19 symptoms by everyone; maintaining contact tracing measures and processes; ongoing improvement of ventilation systems and procedures; and ongoing efforts to encourage the following of personal safety measures by everyone. The continuation of some level of working from home, where that was feasible and desired, itself provided a measure of protection. Most meetings were kept online.

In late August, King's adopted the Campus Check system, along with Dalhousie, and all students, staff and faculty were required to submit proof of double vaccination and/or twice weekly testing. The Campus Check system was in effect throughout the entirety of the Fall and Winter semesters and confirmed extraordinarily high vaccination levels among members of the King's and Dalhousie communities. It has now been discontinued.

While most in-person summer programming did not occur once again in 2021 (i.e., the study abroad course and Conference Services), King's had healthy registrations in online summer course offerings for a second year.

With another quiet spring/summer in 2021, Facilities Management had contractors perform some work on the Alexandra Hall dormers and gutters, gymnasium gutters, and they completed the remaining repointing of the Tri-Bay residence building. These projects were financed by an Infrastructure Renewal grant provided by the Province of Nova Scotia in March of 2020.

The fall semester began in typical 'pre-pandemic' fashion for the most part. Most classes were held in-person with a few planned online classes. The Foundation Year Program (FYP) lectures were held in-person and were also recorded for those students who were unable to participate in-person or who chose to take the program remotely. There was one virtual tutorial group for those students. Residences and Prince Hall (dining hall) were open to full capacity except for a small number of rooms that were reserved for self-isolation purposes.

Despite a successful and safe fall semester, the COVID-19 situation changed significantly in early to mid-December. The Omicron variant led to the cancellation of in-person examinations at Dalhousie and therefore at King's. This was not however a factor for King's upper year courses as

exams had either been done earlier or no examinations had been scheduled during the official exam period. FYP oral examinations had already been completed by that point.

In mid-December, Dalhousie and King's announced they were modifying the approach to the start of the winter semester. The winter semester was transitioned temporarily to online instruction until January 28. On January 31, King's and Dalhousie allowed for a return to in-person teaching; however, some courses remained online. While Dalhousie delayed the reopening of residences until the end of January, King's made the decision to open residences on January 4, as previously planned, so that the social, academic, and mental health benefits of living in community could be maintained and continued while teaching and learning was online. This was an especially important decision given the fragile and vulnerable condition of many in the final weeks of the fall term.

In terms of enrolment, King's had eight more students than anticipated in the 2021/22 budget in the fall semester including five more FYP students (220 rather than 215). Total headcount on October 15 was 966 compared with a budget of 958. Among the 966 students were 55 international students which is the largest number of international students King's has had in 23 years (the farthest the system will go back for reporting purposes) and likely ever had. The budget anticipated 42 international students.

The Omicron variant slightly impacted winter retention rates in King's undergraduate programs. While winter retention rates have historically been 96% on average, King's experienced a 94% retention rate in 2022. Some full-time students became part-time students in the winter semester taking a smaller course load. The number of part-time students increased to 56 in the winter from 41 in the fall and the number of full-time students decreased from 925 in the fall to 854 in the winter for a total headcount of 910 (compared with 922 in the budget).

With respect to residence occupancy, there were 21 more beds occupied on move-in day than anticipated (238 versus 217) in the 2021/22 budget. Several students delayed their return to residences on campus after the holiday break and there were a larger than anticipated number of withdrawals (12 in the fall and 11 in the winter for a total of 23 as compared with six in the fall and six in the winter for a total of 12 in the budget) largely due to the Omicron variant.

Since 2020/21, King's has had a separate budget line called the "COVID-19 Emergency Response Fund". An amount of \$842,000 was included in the 2021/22 budget and \$818,000 was spent - \$514,000 on COVID contract salaries (contract positions that were hired during the pandemic and continued to have an ongoing need in 2021/22); \$191,000 on expenditures for safety and campus preparedness; and \$113,000 on expenditures related to online instruction, marketing, and other expenditures. King's received a one-time mental health grant of \$25,000 to offset these expenditures. These funds were used to supplement the cost of a Student Support Advisor contract position. Refer to Schedule 2 at the end of this document for more details.

Since 2020/21, King's has had a separate budget line called "Unallocated Anticipated Reductions in Spending". Given the considerable uncertainty surrounding the 2020/21 academic year and, to a lesser extent, the 2021/22 academic year due to the pandemic, King's anticipated reductions in spending that were largely dependent upon Public Health directives and travel restrictions. These reductions occurred due to the closure of facilities; the inability to hold large events and gatherings; and the inability to travel. An amount of \$200,000 was factored into the 2021/22

budget (with actual reductions realized of \$261,000) while an amount of \$721,000 was factored into the 2020/21 budget (with actual reductions realized of \$863,000).

King's budgeted for an operating cash surplus of \$263,000 for 2021/22 after applying the prior year surplus of \$1.142 million (which was largely the result of deferring \$800,000 in principal payments on long-term debt and the receipt of a provincial grant of \$1.3 million for COVID-related expenditures). King's ended the year with an operating cash surplus of \$437,000, an improvement of \$174,000 over the budget projection. This was largely due to higher residence occupancy, lower COVID-19 spending and more reductions in spending due to the pandemic.

### **2022/23 Planning and Fiscal Context:**

Although the pandemic continues, we are assuming we will soon be operating in a context that does not include precautions and requirements made mandatory by public health orders. This raises questions about how universities will operate in the 2022/23 academic year. In the meantime, King's celebrated the classes of 2020 and 2021 on campus and "offline" on May 6 and the 2022 Encaenia celebrations took place on May 25, 26, and 27.

The provisional budget for 2022/23 brought before the Board of Governors in March reflected an anticipated operating cash surplus of \$156,000. The budget included an enrolment headcount of 981 (including 225 FYP students), full residency occupancy, and the application of the prior year surplus of \$347,000 (as per the third quarter forecast for 2021/22).

The final budget for 2022/23 presented in this document is now anticipating a reduced operating cash surplus of \$82,000 after factoring in the carryover of the actual prior year surplus of \$437,000. In the absence of this carryover, King's would have an operating cash deficit of \$355,000. As described in the sections that follow, first year enrolment looks very promising for fall ***with applications, offers, and deposits exceeding levels in each of the previous seven years.*** The budget now includes an enrolment headcount of just under 1,000 (including 240 FYP students).

Residences are expected to be full and there is a waitlist.

Departments and programs were permitted to increase their operating budgets by 1% after years of reduced and flat budgets.

There will continue to be some COVID-19-related expenditures incurred in 2022/23 but there is no longer a COVID-19 Emergency Response Fund budget line. Instead, these costs have been allocated and segregated within the department and program budgets they are expected to most closely align with. Most of these costs relate to COVID contract positions originally created during the pandemic. They will continue in 2022/23 based on the ongoing need and vital nature of these positions. They have been allocated to departments and programs based on the reporting relationships of the positions. The continuation of these costs beyond 2022/23 will be reassessed during the next budget cycle. It has however become apparent that many of these positions make crucial contributions to the university's ongoing work and success and that the university's work was hindered prior to them being added to the staff compliment.

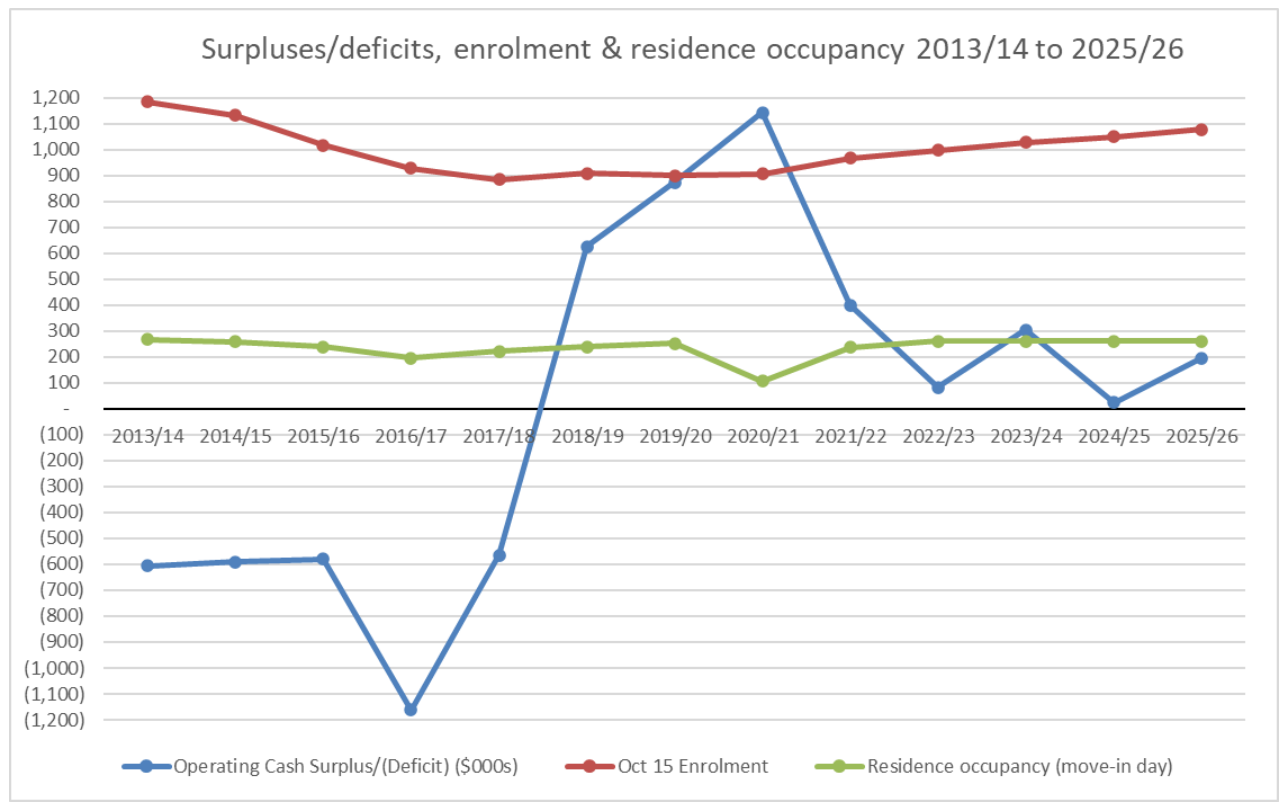
The 2022/23 budget does not anticipate any amount of spending reductions related to the pandemic that were experienced in both 2021/22 and 2020/21. In fact, the opposite is true. Given

that inflation rates in Canada are at an all-time 31-year high (6.8% in April 2022), it is very likely that the 1% authorized increase in department and program operating expenditures will be insufficient. Rather than increasing individual department and program budgets further, a contingency of \$100,000 has been factored into the budget at a central level which will be allocated as needed to departments and programs in the forecast as the year progresses. This is approximately 1% of the university’s total non-salary budget.

Phase 1 of the Alexandra Hall accessibility project is underway and is scheduled for completion before the students arrive in the fall. This phase entails landscaping and reconstructing the exterior entrance, installing a new elevator, and renovating a number of bedrooms and washrooms to make them accessible. Subsequent phases would increase the number of accessible bedrooms and washrooms. To finance phase 1 of this project, King’s is obtaining a \$4.9 million loan at a forward fixed interest rate of 3.71%. This is described later under “Long-Term Debt”.

After a two-year hiatus, Conference Services is once again operational. The season was off to a busy start with full occupancy in the residences on many occasions. The level of accommodations is limited this year however due to the unavailability of the Alexandra Hall residence. In terms of other summer programming, the study abroad course in Europe has been deferred once again until next year. Summer online course offerings have even stronger enrolments than last year which had very healthy enrolment.

King’s returned to financial stability in 2018/19 thanks to a \$2.2 million permanent increase in the provincial operating grant. King’s continues to have stable finances all while navigating the pandemic. Enrolment is on the rebound and residences are full. See below for a graphical depiction of King’s surpluses/deficits, enrolment, and residence occupancy from 2013/14 through 2025/26. It includes actual results to 2021/22 and budget/projections for 2022/23 - 2025/26.



### **Academic Planning for 2022/23:**

As was the case in 2021/22, most classes will be held in-person with a few planned online classes (not due to COVID). The Foundation Year Program (FYP) lectures will be held in-person and will also be recorded for those students who are unable to participate in-person or who choose to take the program remotely. There will once again be one virtual tutorial group for those students.

### **Enrolment Projections for 2022/23:**

Throughout the admission cycle for 2022/23, King's gained a significant increase in its applicant pool. The May 15 deposit deadline shows a commensurate increase in the numbers of applicants who have confirmed their intent to attend in the fall by making their admissions deposits. There has been growth in the number of students who have applied to FYP, undeclared students who have applied to do their first year as a King's student but will do most of their courses at Dalhousie, and in most Journalism programs. ***The growth surpasses the previous seven admissions cycles in each area of applications, offers, and deposits.***

Based on the Registrar's enrolment projection model, a FYP enrolment of between 225 and 255 FYP students on October 15, 2022 is expected, as compared to a FYP class of 189 on October 15, 2017. The model projects an additional 35 first year students who will not be doing FYP (undeclared students), the same number as in 2021/22. This projection is based on the three-year average that excluded 2020/21 as it was an anomalous year. The Registrar's Office is continuing to see returns in its key multi-year recruitment strategy of:

- Increased marketing presence
- Sustained recruitment presence in Ontario
- Increased financial awards
- Range and depth of changes at King's ranging from residence improvements to the changes to the student experience focusing on inclusivity, care, and increased opportunities (such as new academic and experiential learning opportunities)
- Continued emphasis on exceptional academic experience (particularly through the pandemic)
- Streamlined narrative and focus on the Dalhousie/King's relationship

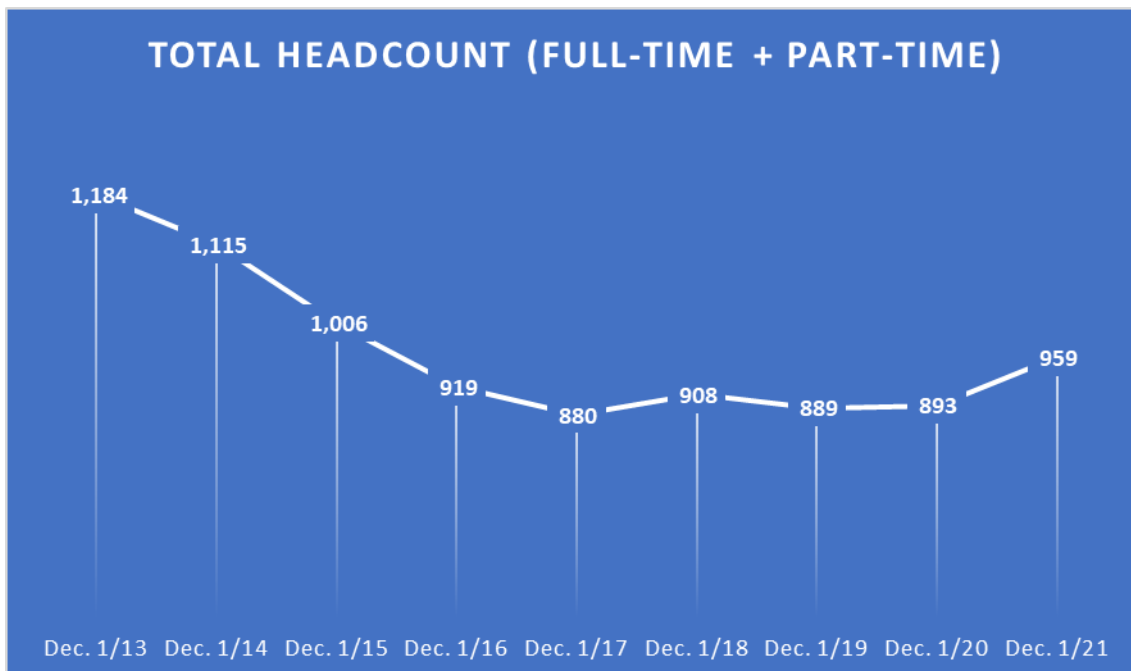
Because the vast majority of those who have made their deposits are from outside the province, the Registrar's Office is particularly attuned to the impact housing challenges (both on and off campus) may pose for students and how this may impact enrolment. The Registrar's Office continues to work closely with the Dean of Students and her team to provide applicants with housing information.

While there was a smaller entering class in 2020/21, King's has seen strong student retention increases that, when combined with the larger incoming classes for both 2021/22 and 2022/23, should offset fewer students moving from second into third year. Registration for all students will be occurring by mid-June; there will be a much better indication of student plans at that time. Registration in June was a change for returning students last year which introduces an element of uncertainty about overall enrolment which was not applicable in years prior to 2021/22.

## Enrolment Trends

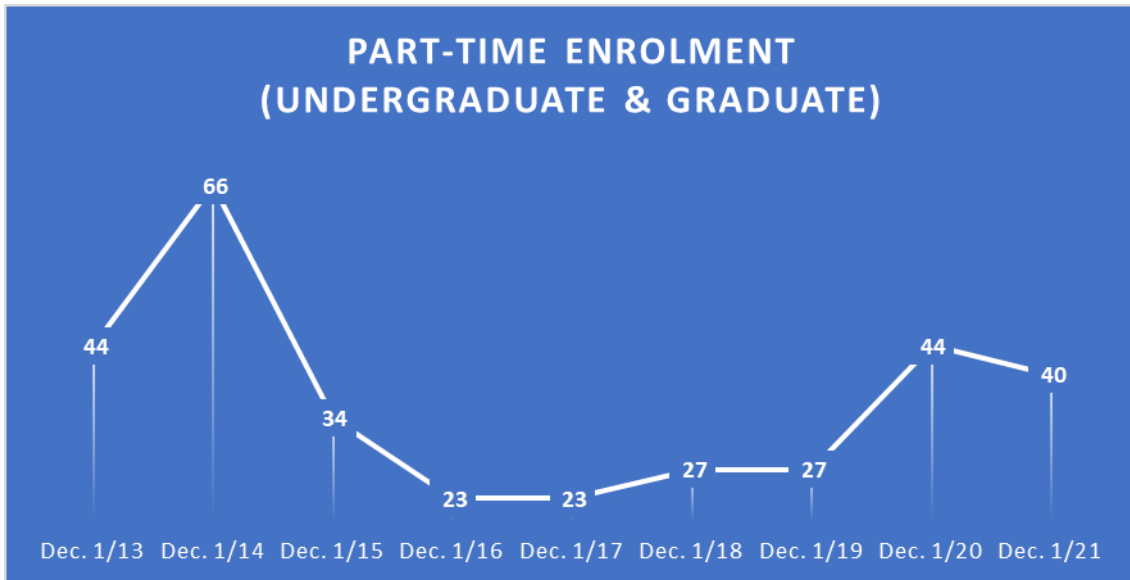
Enrolment and residence occupancy are the primary drivers of operating revenue generating 51% of total university operating revenues (excluding the size of the annual provincial operating grant which is also impacted by enrolment). As of December 1, 2021, total headcount (full-time and part-time, undergraduate and graduate) at King's was 959, an increase of 7.4% over the previous year. Enrolment has not been this high since before 2016. Fortunately, the impact of the pandemic on overall enrolment was not as drastic as anticipated in the 2020/21 budget. There was a dip in FYP enrolment as will be shown in a graph that follows; however, the gains made in upper year retention rates (now >80% compared to between 60% and 70% previously) from first year into second year in the previous several years have reduced the impact of the pandemic on overall enrolment.

The total headcount anticipated in the 2022/23 budget is 997 (as of October 15) which is higher than in the previous six years (and just shy of enrolment on December 1, 2015), and a 4.0% increase from 2021/22. The budget utilizes enrolment as of October 15 for financial reasons since this is after the add/drop date deadline for fall.

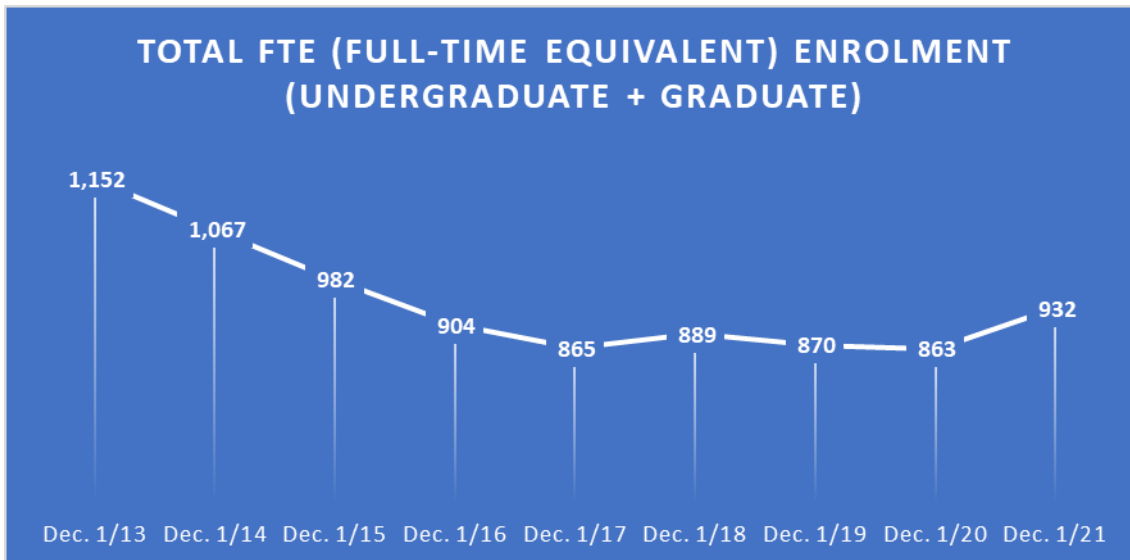


What is not evident from the graph above is that although total headcount on December 1, 2020 was higher than on December 1, 2019, the number of part-time students on December 1, 2020 was 63% higher than on December 1, 2019, meaning that a larger number of students took a smaller course load during the pandemic - 4.9% of the total headcount in 2020/21 were part-timers as compared with 3.0% in 2019/20. While not quite as high as in 2020/21, the percentage of part-timers of total headcount in 2021/22 was 4.2% indicating that course loads are still not quite as high as pre-pandemic levels. The 2022/23 budget assumes 4.0% of total headcount are part-timers. Refer to the graph below for the actual number of part-time students.

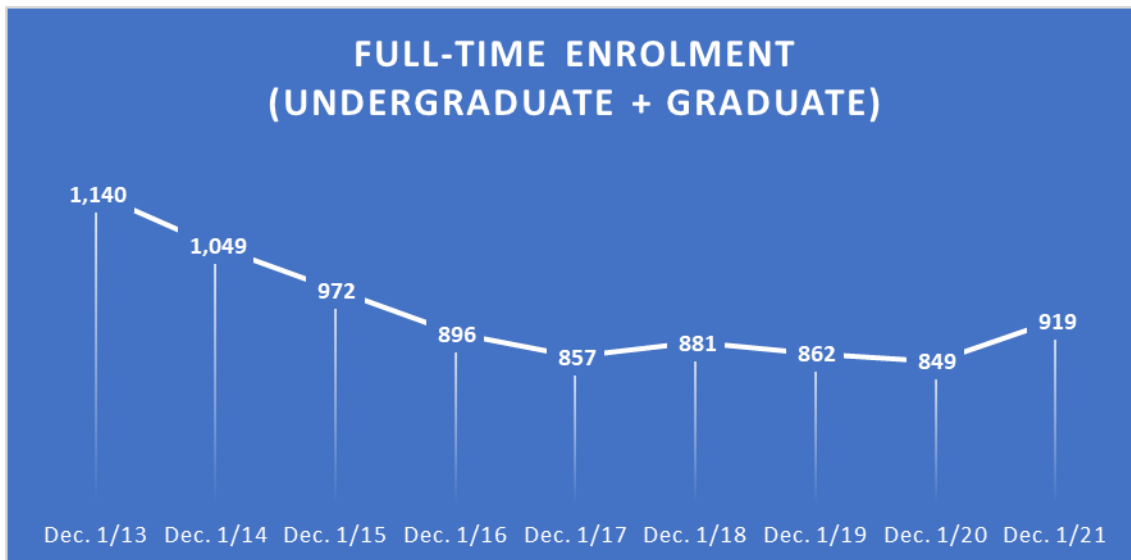




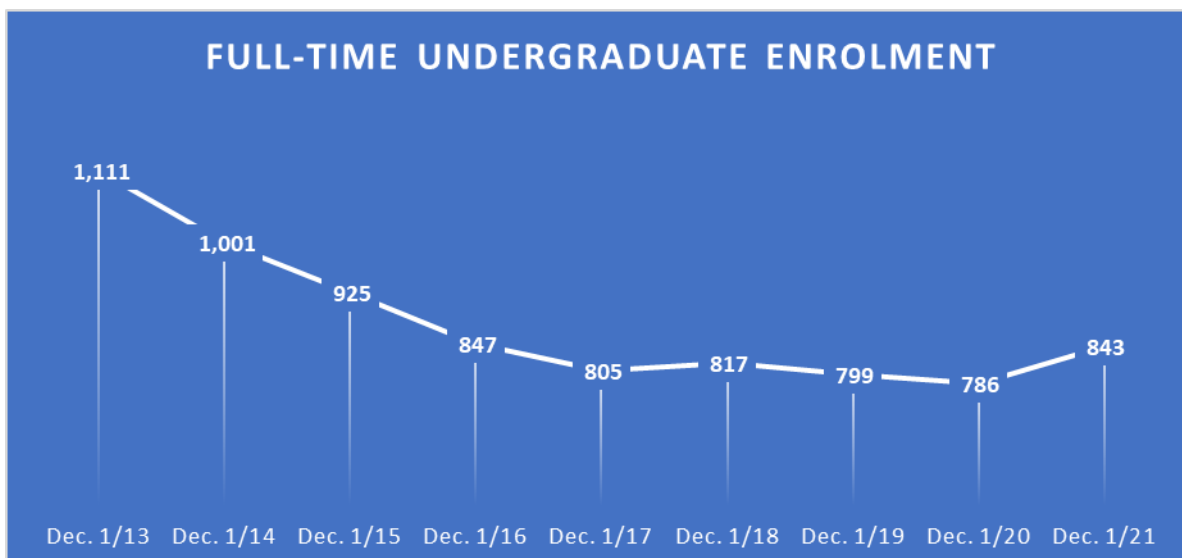
The following graph presents a better depiction of this by converting the number of part-time students into full-time equivalent (FTE) students. As shown in the graph, the number of FTEs at King’s has been relatively stable from 2017/18 through 2020/21 with a bump in 2021/22. The number of FTEs anticipated in the 2022/23 budget is 970, an increase of 4.1% over the previous year.



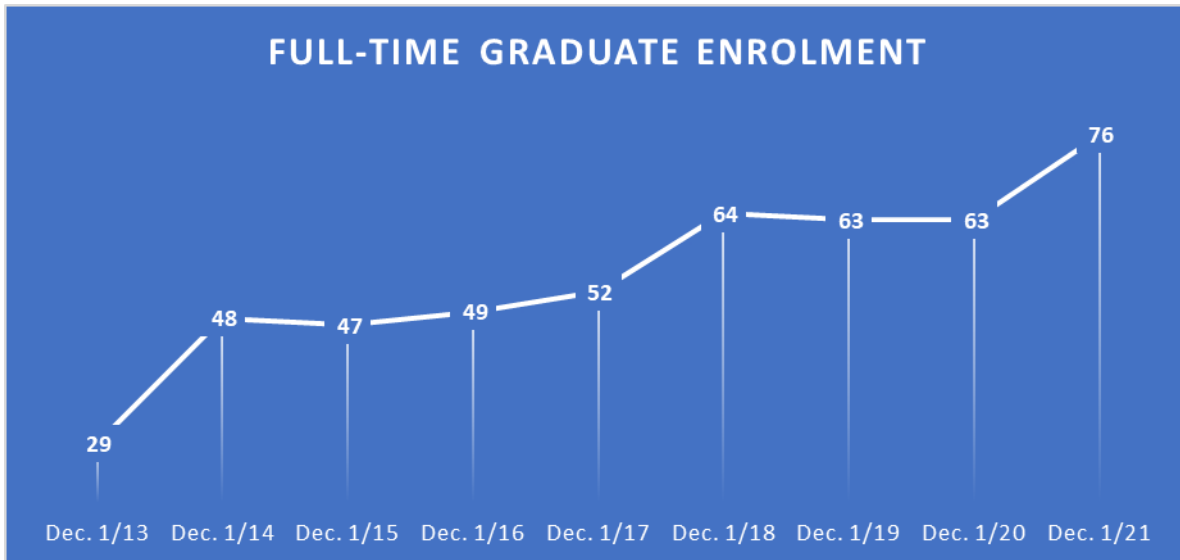
The graph on the following page shows total full-time enrolment for both undergraduate and graduate programs. Enrolment was 919 on December 1, 2021, an increase of 8.2% over the previous year and the highest it has been since December 1, 2015. The number of full-time students for all programs anticipated in the 2022/23 budget is 957, an increase of 4.1% over the previous year.



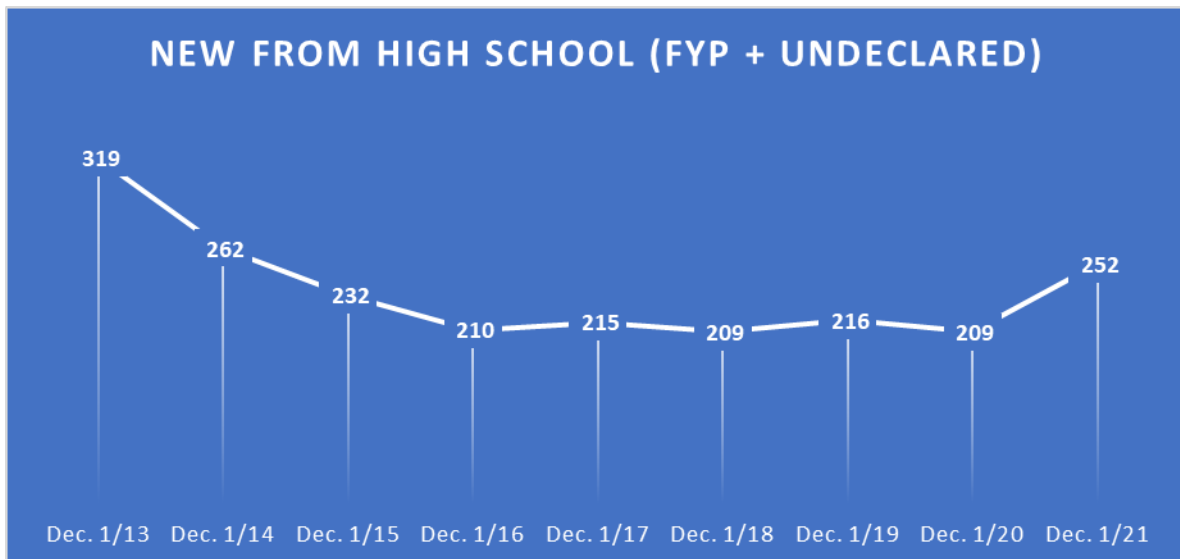
Breaking out full-time undergraduate enrolment in the graph that follows, undergraduate enrolment was 843 on December 1, 2021, an increase of 7.3% over the previous year and just shy of enrolment on December 1, 2016. The number of full-time undergraduate students anticipated in the 2022/23 budget is 865, an increase of 2.6% over the previous year.



Graduate enrolment continues to be a good news story, particularly for the MFA program, which has seen significant growth since its inception in 2013/14 (which reflects only the first year of the two-year program). Enrolment in this program reached a high of 62 in 2021/22 and is expected to reach 72 in 2022/23. The Master of Journalism (MJ) program underwent an external review in 2016/17 and was restructured with program changes taking effect in 2020/21. Enrolment immediately prior to the restructure was only four. Enrolment reached 15 in 2021/22 and is expected to be 20 in 2022/23.

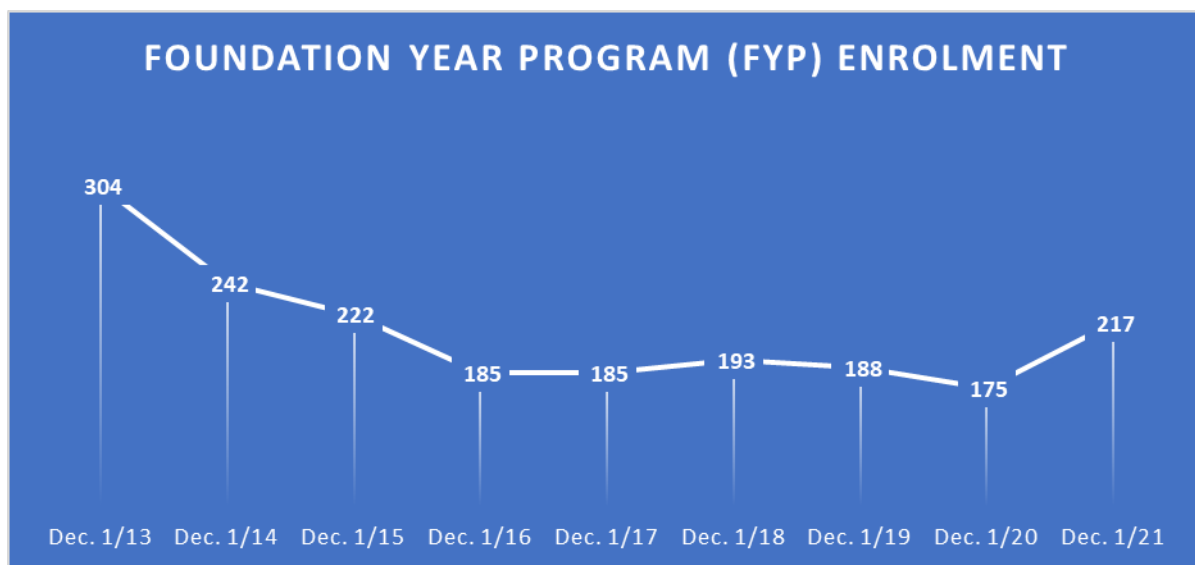


When considering first year enrolment, it is important to consider undeclared students in addition to FYP students. First year enrolment on December 1, 2021 was 252, an increase of 20.6% over the previous year and the highest it has been since December 1, 2014. Undeclared student enrolment has been increasing steadily in recent years (35 on December 1, 2021, 34 on December 1, 2020, 28 on December 1, 2019, and 16 on December 1, 2018). While many undeclared students take most of their classes at Dalhousie, they do contribute to enrolment in King's upper year programs in addition to often living in residence. The 2022/23 budget anticipates 275 new from high school students (FYP of 240 plus undeclared of 35), an overall increase of 9.1% over the previous year and the highest new from high school enrolment since the all-time high back on December 1, 2013 of 319.



Enrolment in FYP on December 1, 2021 was 217, an increase of 24% over the previous year. The year 2020/21 was however anomalous due to the pandemic. The impact of the lower FYP class will be felt for the next two budget years as students make their way through their respective four-year degrees. Fortunately, the impact of the reduction in FYP enrolment on overall undergraduate enrolment has been offset by strong and improving upper year retention rates. The 2022/23

budget anticipates a FYP class of 240, an increase of 10.6% over the previous year and just shy of FYP enrolment on December 1, 2014.



### **Residence Planning for 2022/23:**

King's is anticipating full residence occupancy in 2022/23 which is 260 beds (assuming the Dean's suite renovation creates an additional three beds – this is discussed further under "Student Residence Fees" in the revenue section and under "Residence and Other Student Services" in the expense section that follows later in this document). Due to the housing shortage and increasing rental costs in Nova Scotia, King's has received a larger number of applications, especially from upper year students, than is typically the case. The first round of room assignments has been made and there is now a waitlist, pending any further cancellations and/or deferrals.

The 2021/22 residence budget anticipated a reduction in residence occupancy due to 20 beds that were set aside for isolation spaces, 11 beds for swing spaces, and a larger number of junior don beds than will be the case in 2022/23. The budget contemplated 217 beds occupied on move-in day but there were actually 238 beds occupied. To accommodate this, the self-isolation beds were reduced to 12 and the swing space beds were eliminated.

### **Investments in King's Future:**

In recent years, King's has made encouraging progress on a range of priorities and issues that are essential to King's longer-term future. They include: faculty renewal, including by creating five new faculty positions for diversity hiring; human resources; addressing sexualized violence; appointing full-time sexual health and safety, equity and student advising officers; advancing equity, diversity, accessibility and inclusion; enriching academic offerings; improving bursaries and scholarships; increasing student employment and ensuring it is helpful to students in their education and careers; improving student residences and other facilities; enhancing fundraising; enhancing supports to the Vice-President and academic programs; improving yield on King's recruitment activities; and securing the university's financial stability. Fortunately, the impact of the pandemic did not significantly affect our progress in these areas. We believe we can continue to make

progress in these areas and in other priority areas in the year to come and in the following years while maintaining and improving the university's financial stability. In 2022/23, the university will fill a new accessibility officer position and recently hired a Human Resources Manager.

### **Framework for Expenditure of Internally Restricted Funds:**

On June 21, 2018, the Board of Governors approved a three-year framework for the expenditure of internally restricted funds in measured ways by investing in recruitment-related activities to support the university's plan to return to a balanced budget situation primarily by increasing enrolment. This plan was described more fully in both the 2018/19 and 2019/20 budget documents. Investments from these funds have assisted the university in stabilizing first-year enrolment and in significantly improving upper year retention rates.

On March 7, 2019 the Board Executive passed a motion to remove the three-year timeline for the expenditure on scholarships, awards and bursaries and, instead, authorized an overall spending amount without respect to time. On October 3, 2019, the Board of Governors passed a motion to remove the three-year timeline for all other authorized categories of expenditure under this framework, including student employment; recruitment-related activities of the Registrar's Office and communications and marketing activities tied to recruitment of the Advancement Office; and funding for a number of initiatives including, but not limited to, an academic enrichment fund, the Humanities for Young People Program, Public Humanities and a staff development fund.

Prior to the establishment of the framework, expenditures from the internally restricted funds were approved in the budget on a year-by-year basis. While the framework remains in effect, anticipated expenditures from the internally restricted funds governed by the framework are no longer included in the budget as they are authorized by the Board's approval of the framework, as explained above.

The framework authorizes expenditures up to \$1,850,000 out of internally restricted funds, as follows:

- Up to \$800,000 in additional spending on scholarships, awards, and bursaries. To date, \$485,000 has been spent.
- Up to \$250,000 in additional spending on student employment. To date, \$129,000 has been spent.
- Up to \$300,000 in additional spending on recruitment-related activities of the Registrar's Office and communications and marketing activities tied to recruitment provided by the Advancement Office. To date, \$145,000 has been spent.
- Up to \$500,000 to establish or support initiatives including but not limited to an academic enrichment fund, the Humanities for Young People Program, Public Humanities, a Journalism camp for high school students, a choral music camp for high school students and a staff development fund. To date, \$65,000 has been spent, largely on staff development.

The university's internally restricted funds are held in three separate funds: the General Fund, the Bicentennial Fund and the Reserve Fund. The framework for spending from internally restricted

funds is structured to respect the specific purposes for which the Bicentennial Fund was created. The value of all three internally restricted funds on March 31, 2022 was as follows:

|                   | <b>Book Value</b>          | <b>Market Value</b>         |
|-------------------|----------------------------|-----------------------------|
| General Fund      | \$ 6,325,000               | \$ 6,915,000                |
| Bicentennial Fund | 1,951,000                  | 2,133,000                   |
| Reserve Fund      | <u>1,617,000</u>           | <u>1,768,000</u>            |
| <b>Total</b>      | <b><u>\$ 9,893,000</u></b> | <b><u>\$ 10,816,000</u></b> |

These funds are invested along with the endowed funds and generate returns and garner investment management fees. There is approximately \$31.5 million held as endowed funds with a market value of \$35.6 million.

### **Expenditure Reduction, Control and Reallocation Plan:**

At the Board of Governors meeting on March 28, 2019, the Board approved the following 10-point plan as the **ongoing [emphasis added]** Expenditure Reduction, Control and Reallocation Plan of the University of King’s College:

1. The Plan shall be known as the Expenditure Reduction, Control and Reallocation Plan (instead of the Expenditure Reduction Plan as originally mandated by the Board at its meeting of June 21, 2018).
2. Two Hundred and fifty-thousand dollars (\$250,000) in permanent expenditure reductions (in addition to the roughly \$1,000,000 in permanent expenditure reductions implemented in previous years) are to be implemented in the College’s operating budget for 2019/20.
3. Making further expenditure reduction, as determined to be necessary given the College’s evolving financial situation, will be a continuing part of the budget development process for 2020/21 and subsequent fiscal years.
4. Opportunities for further expenditure reduction (or avoidance) will consistently be fully considered in staffing decisions and in the management of human resources more broadly. Recent examples include:
  - a. The decision not to refill a communications position that became vacant in the Advancement Office;
  - b. The decision to eliminate the position of Manager in the Facilities Department;
  - c. The due diligence that was conducted by the President and the Bursar on the alternatives to replacing the Director of Facilities when the Director of Facilities gave notice that he was retiring; and
  - d. The direction which the President has given to the Bursar and the Human Resources Officer to suspend consideration of application for salary reclassifications.
5. Making progress (or lack of progress) on expenditure reduction, control and reallocation as determined to be necessary given the College’s evolving financial situation, will be one of the

factors to be considered in giving or withholding approval to proposals to increase the budgets of departments or academic programs or the overall expenditures of the College.

6. Subject to a determination of what is in the best interest of the College from an overall financial perspective, priority will be given in the use of budget surpluses (if any) to debt reduction or retirement where it will accelerate the reduction of operating revenues allocated to debt servicing and/or the retirement of debt and/or the reduction or avoidance of interest payments.
7. Within the context of continuing to increase the total funds available for scholarships and bursaries, priority will be given to reducing the proportion of student financial assistance (scholarships and bursaries) that is funded from the College's operating budget while increasing the proportion of student financial assistance that is funded by donors and/or investment income.
8. Creating fully or partially funded chairs (or professorships) that advance the College's academic mission for existing or new members of faculty will be a continuing budgetary and fundraising priority.
9. Maximizing the value obtained from the association with Dalhousie, specifically from the payments which the College makes to Dalhousie for courses taken at Dalhousie by King's students and for the student services available to King's students at or through Dalhousie, will be a continuing priority in the governance and administration of the College and in the management of the College's relationship with Dalhousie.
10. Consideration will continue to be given to how non-endowed internally restricted funds, and the income generated from them, can best be deployed to enable the College's sustainability, such as by considering how these funds, or some of them, could be used to reduce the percentage of student financial assistance that is financed by the operating budget or to enable the creation of funded chairs.

The Expenditure Reduction, Control and Reallocation Plan is appended to the annual budget memo that is distributed to department heads and program directors at the beginning of the budget cycle to remind them of its contents, particularly the bullet that states that further expenditure reductions, as determined to be necessary given the College's evolving financial situation, will continue to be part of the budget development process. It is also to remind them that making progress (or lack of progress) on expenditure reduction, control, and reallocation, as determined to be necessary given the College's evolving financial situation, will be one of the factors that will be considered in giving or withholding approval of proposals to increase their budgets.

#### **Additional Spending and Additional Future Spending in 2022/23 & 2023/24 - 2025/26:**

The budget for fiscal year 2019/20 was the first budget in many years where King's had the opportunity to increase spending in areas that are of importance to the mission of King's. The criticality of doing so in a careful and measured way to ensure that King's only added to the cost of operating the university in areas of greatest importance and potential value to King's mission, including as outlined in the mandate of the President, was stressed in the 2019/20 budget

document. The increased spending was included in the 2019/20 budget as well as the 2020/21 and 2021/22 budgets (with some slight modifications) and will continue to be included in future budgets including 2022/23.

The increased spending that was approved by the Board of Governors included the following:

1. **Sexualized Violence Awareness, Prevention and Response** – a full-time Sexual Health and Safety Officer (SHSO) (formerly named Sexualized Violence Prevention and Response Officer (SVPRO)) along with an operating budget to support the work of the SHSO. This position was hired in early August 2019.
2. **Funding for Increased Expenditure on Equity and Diversity Initiatives** – the 2019/20 budget included funding to improve King’s capacity to address equity and diversity issues. During 2019/20 it was decided that it would be in King’s best interests to hire a half-time Equity Officer. This position was hired in early April 2020 but was vacated in early November 2020. The 2020/21 budget included this half-time position along with an operating budget to support this work. It was decided to convert this position to a full-time permanent position from a half-time position. The new Equity Officer was hired on July 1, 2021.
3. **Assistant to the Vice-President, HYP, Other Initiatives** – the budget for 2019/20 included funding for a new position that would support the Vice-President (including on initiatives such as Public Humanities), the Directors (Coordinators) of Humanities for Young People (HYP), and other similar initiatives, as determined by the Vice-President in consultation with program directors and the President. Due to a late start in the hiring process, the position did not begin at King’s until early July 2020. The official title of this position is Assistant to the Vice-President and Public Humanities and Experiential Learning Coordinator (formerly Assistant to the Vice-President and Academic Projects Coordinator).
4. **Funding for new faculty positions** - In 2017, King’s established its first enhanced voluntary retirement program (EVRP) for faculty with the explicit purpose of creating faculty renewal opportunities. The importance of faculty renewal to increasing the diversity of the King’s community, to the integrity of existing programs and to the development of new programs has been recognized. Three faculty members participated in the first EVRP and all three left King’s on June 30, 2021 after completing 50% post-retirement contracts. One of the faculty members was a Carnegie professor who taught at Dalhousie, one was a Journalism professor and the other was a Contemporary Studies Program (CSP) professor.

At their June 18, 2020 meeting the Board of Governors approved a second EVRP which is five years in duration. The first EVRP was for two years (faculty could participate on July 1, 2018 or July 1, 2019). Under the second program, eligible faculty may participate beginning on July 1, 2021 or on July 1 of any of the following four years. Over the five-year period, 22 faculty members will eventually become eligible to participate. Two Journalism faculty members participated on July 1, 2021; a Journalism faculty member, a HOST faculty member and a Librarian will participate on July 1, 2022; and a FYP faculty member will participate July 1, 2023. Interest has been expressed by others for possible participation in a future year.

The 2019/20 operating budget included three years of projections that contemplated four new faculty diversity positions – two in fiscal year 2020/21 and one in each of 2021/22 and 2022/23. The hiring process for the first two positions (one in Journalism and one in FYP) was



approved to proceed over the 2019/20 academic year with an anticipated hire date of July 1, 2020. As a result of the pandemic, the hiring process was paused resulting in a one-year delay in the hire date (to July 1, 2021).

The 2019/20 operating budget document stated the following with respect to the new faculty positions:

“Incorporating funding for new positions into the provisional budgets for 2020/21 and subsequent fiscal years will not become final until the Board approves the budget for each of those individual fiscal years. Considerations the Board will take into account in deciding whether it will ultimately approve budgets for 2020/21, 2021/22 and 2022/23 that include funding for the new faculty positions provisionally incorporated into the budgets for those years in 2019/20 will include the following:

- a. Assurance that the positions will be filled in accordance with an overall academic plan and in ways that contribute to the renewal and diversity of the overall faculty complement;
- b. Satisfactory progress in enrolment growth; and
- c. Satisfactory progress in eliminating, reducing or avoiding a structural deficit through a combination of revenue growth and expenditure reduction, control and reallocation measures.”

A proposal was brought before the Board of Governors at the April 1, 2021 Board meeting regarding the third and fourth faculty diversity positions. The Board was presented with a provisional budget for 2021/22 that included projections for three additional years. The third and fourth faculty diversity positions were both included in the projection for fiscal year 2022/23 which brings the timing of the hires back in line with what was contemplated during the 2019/20 budget. The projections for all three years reflected a projected excess of revenue over expenditures (before debt repayment and capital funded by operations). The Board of Governors passed a resolution that determined the hiring of the next two faculty diversity positions to be financially viable and that the hiring process may proceed during the 2021/22 academic year to allow for a hire date of July 1, 2022.

The Planning and Priorities (P&P) Committee devised a process to fill the third and fourth positions whereby submissions from programs were evaluated by a subcommittee of P&P (with broad representation from across the university and chaired by a Joint Faculty member). A very thorough process of evaluation was followed involving extensive examination and advocacy for all files and a thorough consensual decision was arrived at by the group. The subcommittee recommended that Journalism and HOST (with 1/3 participation from CSP) be allotted the two available positions; however, given the diversity goals on the humanities side, the subcommittee recommended that a third position (fifth overall) contributing to the achievement of equity, diversity and inclusion (EDI) goals be explored immediately. The President endorsed this recommendation on the understanding that work on an academic plan for the College that gives priority to equity, diversity and inclusion begin in the near future and that there will be discussions about how faculty renewal, more generally, may further advance equity, diversity and inclusion. The Board of Governors approved the fifth position at its meeting of June 24, 2021.

Due to the number of faculty hires, it was decided by Program Directors and the Vice-President that a phased approach to the hiring would be followed with the third faculty diversity position (in Journalism) to be hired in fiscal year 2022/23 (June 1, 2022) and the fourth and fifth faculty diversity positions to be hired in 2023/24 (July 1, 2023).

As a result of interest expressed in the EVRP by Journalism faculty members (four to date), Journalism will be hiring a tenure track faculty member in 2022/23 (June 1, 2022) in addition to filling another faculty diversity position. The projections for 2023/24 and 2024/25 each include an additional Journalism faculty hire as a result of retirements.

**Spending related to new positions included in the 2022/23 budget are as follows:**

- 1. Accessibility Officer** – the budget for 2022/23 includes funding for a new full-time Accessibility Officer position along with a modest operating budget. After much hard work in every corner of the university and following wide-spread consultations, King’s submitted its first Accessibility Plan to the Nova Scotia Accessibility Directorate as required on April 1, 2022. This work was accomplished by an Accessibility Advisory Committee along with two Accessibility Working Groups – the Education Working Group and Non-Academic Working Group (comprising the following five areas: goods and services; communication and information; built environment; transportation; and employment). The role of Accessibility Officer is currently performed by the Director of Facilities Management in addition to his other responsibilities including the Safety Officer role. Among many important responsibilities, the Accessibility Officer will increase awareness and understanding and will help make King’s a diverse, inclusive, and welcoming community for all. They will support students, staff, faculty, and all members of the King’s community who live with disabilities. They will play a leadership role in guiding King’s implementation of and adherence to the Nova Scotia *Accessibility Act* and will monitor compliance with the Act, accessibility standards and the university’s accessibility plan. The anticipated start date for this position is September 1, 2022.
- 2. Human Resources Manager** – the budget for 2022/23 includes funding for a new full-time Human Resources (HR) Manager along with a modest operating budget. This position was filled on May 2, 2022. For the past six years, the human resources function was added to the role of the Payroll and Benefits Officer (now referred to as the Human Resources and Compensation Officer). Human resources is a broad area with many responsibilities - more than can be reasonably addressed in a part-time capacity.

King’s engaged the services of an HR consultant in May of 2021 to develop an HR plan and a framework for priority HR initiatives. HR priority areas were identified and ranked in order of importance (through a survey of the senior administrative team and a staff survey). The short-term initiatives included a job evaluation program (clarity of role), a performance guidance program (feedback and expectations, staff development), a total compensation review (salary and benefits), and an HR staffing plan (i.e., Human Resources Manager recruitment). Longer-term initiatives include the drafting of HR policies and procedures; the establishment of a benefits/wellness committee; the creation of a fair hiring process and training all hiring managers on that process; the creation of an orientation session (King’s structure, culture, key HR policies); the establishment of a mentorship program (collaboration with Equity Office), and recognizing employee long service.

The Human Resources Manager will provide leadership and direction for human resources at King's. They will work closely with senior leaders to understand and support their objectives, aligning with the President's mandate to maintain and improve the quality of King's as a workplace that is collegial and supportive of professional development and fulfillment and is committed to the health, safety, and wellness of faculty and staff and all members of the King's Community. They will provide expertise in developing and implementing the prioritized HR initiatives as set out above. They will be responsible for the delivery and facilitation of HR initiatives and programs.

### **Proposals Made Before BAC for 2022/23**

The BAC received seven requests for additional spending from programs and departments totalling **\$290,000** in 2022/23. All requests have been incorporated into the budget. Refer to the individual program and department expense budgets under the expense section for additional details. All new spending is reflected in Schedule 3.

- **Journalism** requested the hire of three one-year limited term appointments (LTAs) to cover a retirement, a faculty member participating in the EVRP, a sabbatical and a new director's course release. They would be hired on July 1, 2022. This would result in a reduction in the PRO (persons retained from outside/individual course instructor) budget of \$45,000. They also requested a tenure track faculty hire to replace a retirement (as noted above). Due to the number of hires, it was later determined that Journalism would only be able to hire two LTAs and the reduction in the PRO budget would not be as much as indicated earlier (now \$25,000). Since one of the LTAs will be covering 50% of the workload of an EVRP faculty member, 50% of the cost of that LTA will be covered by the internally restricted funds (\$40,000). The net cost of this proposal is **\$91,000**.
- In 2021/22, **Journalism** requested a one-year administrative clerk contract position to assist with the Journalism School administrative functions which have grown substantially over the years as new programs have been added. Journalism has requested that this position become permanent in 2022/23 due to the administrative demands of the school. The cost of this proposal is **\$51,000** (full year). It was included in the prior year budget as a contract.
- **Journalism** requested **\$13,000** for The Signal website for brand discovery as a lead-up to a site refresh. The Signal, launched in 2015, is now getting old. It needs a revamp in terms of design, security, and functionality. This would be a two-year project with the first stage being a brand discovery in 2022/23 and the second stage being the coding work in early 2023/24. An estimate for this work is \$13,000 in 2022/23 and, for the follow-up work in 2023/24, an estimate of \$26,000 was provided. Work done during the branding strategy phase will inform decisions around cost for the construction of the new website.
- **Athletics** requested an increase in their budget due to costs beyond their control (described under Athletics in the expense section) as well as for a strength and conditioning coach. For the past 10 years student athletes and coaches have asked for access to strength and conditioning expertise. The benefits of having professional expertise from a strength and conditioning coach are as follows:
  - Student athlete safety

- Injury prevention
- Improved performance
- Proper in-season and out of season training programs
- Keeping on par with other schools

Many larger maritime universities have a full-time strength and conditioning coach on staff. Athletics did not ask for this. Rather they would like to have dedicated funds to hire a professional to design, implement and evaluate programs specific to each team and their sport. Some universities of comparable size to King's have strength and conditioning coaches that operate on a part-time and basis and are available to all their teams. The cost of this proposal is **\$11,000**.

- The **Registrar's Office** requested an increase in their marketing budget of **\$40,000**. King's has made tremendous progress in recruitment over the last few years by focusing on an adaptable blend of tactical recruitment efforts and a robust marketing and communications strategy. While funds have been assigned to support the ongoing needs for digital media advertising, we must continuously generate new and appealing content to attract the fractured attention of an over-crowded competitive market. The speed that marketing trends change in our target demographic means that it is expected that we will need to rely on external consultants to advise us on and support us in creating content that keeps King's relevant and top-of-mind for potential students and their influencers. The Registrar's Office would like to build a stable base amount to fund this work over the coming years. The goal is to create stability in our market presence that will allow us to continue to reach our enrolment goals. The funds authorized by the Board of Governors from the internally restricted funds for recruitment-related activities and communications and marketing activities tied to recruitment is likely to be extinguished during 2022/23 to finance a joint digital recruitment campaign to tell the King's and Dalhousie story which is set to launch on June 6. Dalhousie will also be contributing to this campaign. The internally restricted funds have been relied upon to support online marketing efforts prior to the pandemic. A permanent increase of \$75,000 has been incorporated into the projections beginning in 2023/24 after the internally restricted funds are extinguished.
- The **Registrar's Office** would like to implement a digital records process - **\$20,000** (one-time ask). Admissions processing at King's remains paper based. This has posed many challenges during the pandemic with COVID restrictions and working remotely and on campus. Paper student files contain personal information which also creates institutional risk. The ability to make timely offers of admission is impacted by manual processes. As part of the CONSUP (Council of Nova Scotia University Presidents) initiative, A Shared Vision, with support of the Nova Scotia Government, it is hoped that provincial universities will be able to implement the MyCreds portal to simplify the admissions process for prospective students. For King's to be able to participate, we must first digitize our admissions process.
- **Residence** - the Dean of Students brought a proposal before the BAC called "Revitalizing Student Support, Residence, and Ancillary Services at the University of King's College". The proposal aims to improve supports to all students and create administrative efficiencies. The net cost of the proposal is **\$64,000**. The proposal is described in more detail in the expense section under "Residence and Other Student Services".

## Other New Spending in 2022/23

Schedule 3 includes other spending that has been incorporated into the 2022/23 budget. These include:

- **Funding for Indigenous students** – the 2022/23 budget includes tuition waivers (or other kinds of funding) for up to three Indigenous students per year enrolled in any of the university’s three Journalism degrees. **\$30,000** has been included in 2022/23 with an additional \$30,000 each year until 2025/26 when there could be up to 12 students receiving waivers or other kinds of funding (across the university’s three Journalism degree programs). In 2021/22 King’s established tuition waivers for students formerly in the foster care system (two per year for the duration of a four-year year undergraduate degree (\$20,000 in 2021/22 increasing to \$80,000 by the fourth year - **\$40,000** has been included in the 2022/23 budget).
- **Bursaries** for international students (based on financial need) to assist with the increase in the international differential fee - **\$90,000**. This is explained under “Student Academic Fees” in the Major Assumptions section below.
- After years of flat budgets, 1% has been added to the operating budgets (non-salary) of individual departments and programs - **\$22,000**.
- **Insurance** – a new insurance policy was obtained at a cost of **\$20,000**.
- **President’s Office** – costs related to the Chancellor’s installation were removed (**\$15,000**) and replaced with **\$30,000** for celebrations for the classes of 2020 and 2021 that were held on May 6, 2022 (one-time cost).
- **President’s Office** – King’s will be co-hosting the USS (Universities Studying Slavery) conference in October 2023 with Dalhousie. An amount of **\$10,000** has been included in the 2022/23 budget for pre-conference costs and another \$15,000 in 2023/24.
- **Registrar’s Office** – an increase of **\$6,000** for a web-based fully accessible calendar subscription (refer to the “Registrar’s Office” in the expense section for additional information).
- **Athletics** – **\$20,000** has been added to the Athletics budget due to the location of tournament travel (varies from year-to-year) and the cost of facility rentals (beyond control).
- **Advancement Office** – an increase of **\$5,000** due to Raiser’s Edge (fundraising software built specifically for non-profit organizations) platform change (beyond control).
- **Sexual Health and Safety Office (SHSO)** – an estimate of **\$20,000** has been added to address the recommendations included in the interim report of the independent review (one-time cost). The SHSO operating budget has been permanently increased by **\$5,000** to be consistent with the Equity Office budget.
- **Academic computing budget** – an increase of **\$6,000** related to the cost of Apple computers as compared with PCs. The academic computing budget is the central budget for all faculty computer purchases (the total budget is \$27,000).

- **MFA in Fiction** – incremental onboarding costs of **\$70,000** have been included in the 2022/23 budget (\$10,000 for website and marketing costs), a half-time administrative support position (August 1, 2022) and a new Director (January 1, 2023). The program will be accepting students in the 2023/24 academic year. The proposal includes anticipated enrolment of 15 in 2023/24 (first year cohort), 35 in 2024/25 (first year and second year cohorts) and 45 by 2025/26. The projections include cost estimates that were included in the MFA in Fiction proposal. A revenue shortfall is anticipated in the first three years: \$70,000 in 2022/23 (no students), \$114,000 in 2023/24 (15 students) and \$75,000 in 2024/25 (35 students). The program is anticipated to break even in 2025/26 and generate a profit after that (\$85,000 in 2026/27 and \$177,000 in 2027/28). These net amounts have been included in Schedule 3 for 2022/23 through 2025/26.
- A limited term appointment (LTA) has been hired in the **Contemporary Studies Program (CSP)** for four years to cover the remaining term of the Vice-President. This was not required in the first year as a winter sabbatical had been planned before her appointment - **\$81,000**.
- A limited term appointment (LTA) for 2021/22 sabbatical coverage in the **History of Science and Technology (HOST)** program (one year beginning July 1, 2021 with possibility of one year extension) has been extended due to a faculty member participating in the EVRP and a sabbatical - \$82,000 minus 50% cost covered by internally restricted funds (for the EVRP) = **\$41,000**.
- **General administration** – **\$5,000** has been added to the central information technology budget for website security services. This cost was offset by savings in other areas so has not been included as a separate line in Schedule 3.

### **Other New Spending in Future Years**

Schedule 3 includes other spending that has been incorporated into the three future years of projections. They include:

- **President's Office** – the President's term ends on June 30, 2026. Presidential search costs of **\$40,000** have been included in each of 2024/25 and 2025/26.
- **Advancement Office** – website redesign including accessibility enhancements (assumed in 2024/25) - **\$150,000** (one-time).
- **Scholarships, awards, and bursaries** – there is currently \$315,000 remaining out of an authorized \$800,000 from the internally restricted funds. The anticipated spend is \$150,000 per year for annual renewable scholarships. This would leave \$15,000 remaining for 2024/25, requiring an additional **\$135,000** to be added to the operating budget in 2024/25 if King's wishes to continue awarding scholarships at this level. The impact in 2025/26 and beyond would be the full **\$150,000**.

### **Schedules to the Budget:**

To assist in the analysis of the 2022/23 budget the following schedules are attached:

- **Schedule 1** - compares the 2022/23 budget for operating fund revenue, expenses, and other cash-related items to the 2021/22 operating fund budget and 2021/22 operating fund actual results. It also provides projections for fiscal years 2023/24 through 2025/26.
- **Schedule 2** - provides a breakdown of expenditures in the COVID-19 Emergency Response Fund for 2021/22 and the budgeted breakdown for 2022/23. It also provides projections for fiscal years 2023/24 through 2025/26. Note that there is no separate COVID-19 Emergency Response Fund line item in the budget for 2022/23. These costs have all been reflected in the respective department/program budgets. This schedule is provided for information only.
- **Schedule 3** - provides details of additional spending included in the 2022/23 budget and projections.
- **Schedule 4** - provides a comparison of revenues and expenses by department for 2022/23.
- **Schedule 5** - provides a reconciliation between departmental expenses in the 2021/22 operating fund budget to the departmental expenses included in the 2022/23 operating fund budget.

### **Operating Budget Summary:**

Schedule 1 and the table below shows that King’s is budgeting for an operating cash surplus of \$82,000 for 2022/23. There is an excess of revenue over expenses of \$594,000 before applying debt repayment, capital funded by operations and internally restricted funds, which turns this excess into a shortfall of \$355,000. King’s will carry forward the entire operating cash surplus of \$437,000 from 2021/22 to help finance the 2022/23 budget shortfall that King’s would otherwise be facing. The end result is an operating cash surplus of \$82,000 for 2022/23. Refer to the section below “Use of Prior Year Surplus to Reduce Deficit” for additional information.

Schedule 1 also shows projections for the next three years. Enrolment for these years reflect headcounts that exceed 1,000 and include the MFA in Fiction program enrolment beginning in fiscal year 2023/24 (enrolment of 15 in 2023/24, 35 in 2024/25 and 45 in 2025/26). The enrolment and residence occupancy assumptions for each year are shown at the top of Schedule 1 for ease of reference. Enrolment is as of October 15 (to reflect fall withdrawals) while residence occupancy is as of move-in day.

As shown in Schedule 1, two of the three years of projections reflect an operating cash surplus after debt repayment and capital funded by operations. Fiscal year 2024/25 is impacted by two one-time budget items (presidential search and website redesign – total cost of \$190,000). In the absence of these items, there would be an operating cash surplus. If the prior year operating cash surplus is carried forward, it will more than cover the shortfall. There are sufficient funds in both 2023/24 and 2025/26, after applying the operating cash surpluses of the prior years, to begin repaying the funds borrowed from the internally restricted funds which were utilized to repay the deficit financing loan. This is not the case for 2024/25 however due to the one-time budget items noted earlier. Refer to “Long-Term Debt” below for additional information.

Preparing multi-year projections gives the Board of Governors the opportunity when it is considering the budget for 2022/23 that includes new spending to see not only the implications of

that new spending on budgets in subsequent years but also the additional new spending that is provisionally contemplated for the budgets of those subsequent years.

|   | <b>Approved Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|------------------------------------|---------------------------|---------------------------|
| Revenue   | \$ 21,915,000                      | \$ 21,860,000             | \$ 23,772,000             |
| Expenses  | 21,540,000                         | 21,652,000                | 23,178,000                |
| <b>Excess (deficiency) of revenue over expenditures</b> | <b>\$ 375,000</b>                  | <b>\$ 208,000</b>         | <b>\$ 594,000</b>         |
| Debt repayment  | \$ (934,000)                       | \$ (934,000)              | \$ (691,000)              |
| Capital expenditures funded by operations               | (320,000)                          | (389,000)                 | (338,000)                 |
| Internally restricted operating funds - in budget*      | -                                  | -                         | 80,000                    |
| Internally restricted operating funds - not in budget*  | -                                  | 410,000                   | -                         |
| Use of prior year surplus to reduce deficit             | 1,142,000                          | 1,142,000                 | 437,000                   |
| <b>Cash deficit from financing &amp; investing</b>      | <b>\$ (112,000)</b>                | <b>\$ 229,000</b>         | <b>\$ (512,000)</b>       |
| <b>Net cash excess (deficit)</b>                        | <b>\$ 263,000</b>                  | <b>\$ 437,000</b>         | <b>\$ 82,000</b>          |

\*Refer to "Use of Internally Restricted Funds" on page 27.

#### **Long-Term Debt:**

King's long-term debt consists of six debt facilities:

1. 2012/13 - \$5.3 million loan, 3.09% interest rate (swap), 20-year maturity, to consolidate existing debt. \$3.53 million is owing on March 31, 2022.
2. 2015/16 - \$1.5 million loan, 3.23% interest rate (swap), 20-year maturity, to finance a soffit, gutter, window and chimney project for the Arts and Administration (A&A) building (including the attached Bay residences). \$1.16 million is owing on March 31, 2022.
3. 2016/17 - \$1.9 million loan, 2.63% interest rate (swap), 20-year maturity, to finance the North Pole Bay residence renovation project. \$1.48 million is owing on March 31, 2022.
4. 2017/18 - \$2.035 million loan, 3.64% interest rate (swap), 20-year maturity, to finance the 2017/18 capital budget (including the \$1.375 million energy efficiency and sustainability project and \$660,000 for water infiltration projects). \$1.76 million is owing on March 31, 2022.
5. 2017/18 - \$2.6 million loan, 3.25% interest rate (swap), seven-year maturity, interest only for the first two years with principal to be repaid over the remaining five years, to finance the 2016/17 (actual) and 2017/18 (budgeted) operating cash deficits. \$1.99 million is owing on March 31, 2022.\*
6. 2020/21 – bridge financing facility to bridge the gap between the cost and donations received for the Chapel Bay, Middle Bay and Radical Bay (i.e., the Tri-Bays) residence renovation project



and to finance the capital campaign. The balance of this facility on March 31, 2022 was \$416,000 (which is available to a maximum amount of \$1.2 million). An additional \$11,000 in donations have been received since the last payment was made; therefore, the fundraising gap is now \$405,000. The loan requires interest only monthly payments, at prime less 0.25%, with principal to be repaid in full five years from the final drawdown date.

King's negotiated with its lender in 2020/21 to defer principal payments on the first five long-term debt issues to assist with potential cash flow issues arising from the pandemic, Principal payments for the two debt issues with the largest principal payments were deferred for 12 months, while principal payments for the remaining three debt issues were deferred for six months. The deferral freed up \$823,000 in cash in 2020/21. In fiscal year 2020/21, King's also negotiated with its lender to permanently increase the operating line of credit limit from \$1.0 million to \$1.5 million to further assist with possible cash flow issues. The balance of the line of credit was nil on March 31, 2022.

\*In December 2021, the Board of Governors approved financing for the Alexandra Hall accessibility project (phase 1). This entails repaying the \$2.6 million deficit financing loan early with a loan from the internally restricted funds (which has \$557,000 in annual debt servicing costs) and obtaining a new debt facility in the amount of \$4.9 million to finance the Alexandra Hall accessibility project (which will have \$348,000 in annual debt servicing costs). In order to forward fix the interest rate on the \$4.9 million loan before interest rates started rising, the interest rate swap on the deficit financing loan was broken in early February 2022 and the swap breakage cost (roughly 0.05%) was blended into the forward fixed rate bringing the all-in rate to 3.71% on the new loan. The deficit financing loan will be repaid in early August by borrowing from the internally restricted funds. The new \$4.9 million loan will be obtained in mid-August. Approximately \$120,000 in cash flow savings (\$209,000 in annual debt servicing costs minus \$89,000 in reduced investment income due to the withdrawal from the internally restricted funds) will be used to repay the funds borrowed from the internally restricted funds to extinguish the deficit financing loan, providing there is a sufficient operating cash surplus for the year. Schedule 1 reflects a payment of \$120,000 beginning in fiscal year 2023/24. A lesser payment is shown for 2024/25 as the operating cash surplus is less than \$120,000.

A summary of the long-term debt position follows (the repayment of the deficit financing loan and the new loan are reflected in the 2022/23 budget column):

|                          | <b>Actual<br/>2018/19</b> | <b>Actual<br/>2019/20</b> | <b>Actual<br/>2020/21</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Loans - opening balance  | \$ 11,982,000             | \$ 11,548,000             | \$ 10,981,000             | \$ 11,291,000             | \$ 10,334,000             |
| Principal payments made  | (434,000)                 | (567,000)                 | (129,000)                 | (957,000)                 | (2,557,000)               |
| Additional funds         | -                         | -                         | 439,000                   | -                         | 4,900,000                 |
| <b>Loans outstanding</b> | <b>\$ 11,548,000</b>      | <b>\$ 10,981,000</b>      | <b>\$ 11,291,000</b>      | <b>\$ 10,334,000</b>      | <b>\$ 12,677,000</b>      |

### **Capital Expenditures Funded by Operations:**

The operating budget includes items funded from operating cash flow such as major repairs that qualify as capital additions to the buildings (not funded by long-term debt or capital contributions) as well as the purchase of other fixed assets such as books, computers, equipment and furniture. A summary of budgeted capital expenditures for the coming year is presented below:

|  | <b>Approved</b>   |                   |                   |
|--|-------------------|-------------------|-------------------|
|  | <b>Budget</b>     | <b>Actual</b>     | <b>Budget</b>     |
|  | <b>2021/22</b>    | <b>2021/22</b>    | <b>2022/23</b>    |
| Library books                                    | \$ 36,000         | \$ 34,000         | \$ 36,000         |
| Furniture, computers & equipment capitalized     | 62,000            | 141,000           | 78,000            |
| Athletics equipment                              | 10,000            | 14,000            | 10,000            |
| COVID-19 equipment capitalized                   | -                 | 56,000            | -                 |
| Facilities alterations & renovations capitalized | 212,000           | 144,000           | 214,000           |
| <b>Capital expenditures funded by operations</b> | <b>\$ 320,000</b> | <b>\$ 389,000</b> | <b>\$ 338,000</b> |

The 2022/23 budget remains essentially the same as the 2021/22 budget with the exception of furniture, computers & equipment. A projector for Alumni Hall was supposed to be delivered in 2021/22 but was delayed until 2022/23 (\$10,000) and the academic computer budget was increased due to the cost of Apple computers compared with PCs (\$6,000). The facilities alterations & renovations capitalized budget was adjusted for the authorized 1% increase.

The actual results for 2021/22 include \$56,000 in COVID-19 equipment capitalized. This \$56,000 is included in the overall amount expended on COVID-19 expenditures of \$818,000 in 2021/22. The equipment capitalized includes computers (with a value in excess of \$1,500) and audio-visual equipment as well as mobile ventilation units (for enhanced ventilation during the pandemic).

The actual amount of furniture, computers & equipment capitalized for 2021/22 includes computers, a computer lab replacement in journalism, audio-visual equipment, facilities-related equipment, kitchen equipment and residence furniture. While it appears this category was overspent, it is not the case. Funds were used from departmental operating budgets to cover the cost. As shown in the expense section that follows later in this document, many departments were underspent in their operating expenditures for 2021/22.

The actual amount of facilities alterations and renovations capitalized for 2021/22 was lower than budget as the bulk of the work performed was for repairs and maintenance that was not capital in nature. This is reflected in the "Facilities Management" section that follows later in this document where it appears they exceeded budget on other expenditures. Only two large capital projects were undertaken in 2021/22 which were funded by a provincial grant and are described in the following paragraph.

In March 2020, King's received one-time restricted funding in the amount of \$453,000 from the Province of Nova Scotia, through the Department of Labour and Advanced Education (which is now the Department of Advanced Education), to be used to address deferred maintenance on current infrastructure. Due to the pandemic, these funds were not expended in fiscal year

2020/21 and King's received permission to defer the work to 2021/22. Since this is a restricted grant, it has not been included in the operating budget for 2021/22 nor have the related expenditures. This grant was used to complete the Tri-Bay residence repointing, to repair dormers and gutters on Alexandra Hall, gutters on the gymnasium and for technology infrastructure upgrades.

**Use of Internally Restricted Funds:**

|  | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--|--|---------------------------|---------------------------|
| <b>Use of reserve funds formerly approved by Board</b>               |  |                           |                           |
| Capital preparedness*  | \$ -                                   | \$ 5,000                  | \$ -                      |
| Enhanced voluntary retirement program (EVRP) coverage                | -                                      | 29,000                    | 80,000                    |
| <b>Total use of reserve funds</b>                                    | <b>\$ -</b>                            | <b>\$ 34,000</b>          | <b>\$ 80,000</b>          |
| <b>Framework for expenditure of internally restricted funds</b>      |  |                           |                           |
| Staff development fund   | \$ -                                   | \$ 56,000                 | \$ -                      |
| Student employment fund  | -                                      | 46,000                    | -                         |
| Scholarships, awards and bursaries                                   | -                                      | 241,000                   | -                         |
| Recruitment and marketing/communications re: recruitment             | -                                      | 33,000                    | -                         |
| <b>Total Framework expenditures from internally restricted funds</b> | <b>\$ -</b>                            | <b>\$ 376,000</b>         | <b>\$ -</b>               |
| <b>Use of internally restricted operating funds</b>                  | <b>\$ -</b>                            | <b>\$ 410,000</b>         | <b>\$ 80,000</b>          |

\*King's was authorized by resolution passed by the Board of Governors in June 2017 (amended in December 2017) to expend up to \$300,000 from the internally restricted funds to enable King's to:

- Plan and ready itself for a residence renovation to be completed in 2018-19 or a later year in accordance with the Campus Master Plan;
- Plan for the consolidation and reconfiguration of the Journalism School in accordance with the Campus Master Plan, including the assessment of the feasibility of reconfiguring space and making consequential renovations in the A&A Building; and
- Determine the work necessary to satisfy the accessibility requirements stemming from the recently passed *Accessibility Act*.

The first bullet relates to the Tri-Bay residence renovation project which was completed in the spring/summer of 2020. The third bullet relates to the Alexandra Hall accessibility project. The first phase of the Alexandra Hall accessibility project is currently underway and is scheduled for completion before the arrival of students in the fall. This work will be conducted in phases as funding allows with the largest component being the installation of a new elevator (included in phase one).

The remainder of the \$300,000 in funding was extinguished in 2021/22. Additional work remains to be done to address the second bullet.

All expenditures related to the framework for expenditure of internally restricted funds are reflected under the applicable departmental and program expense budgets shown below.

The 2022/23 budget reflects funding to cover 50% of the cost of replacing two faculty members who have signed up for the EVRP program (one in HOST and one in Journalism). Faculty members are paid 100% of their salary for a 50% workload in the first year of the program (starting July 1, 2022). The budget includes 50% of the cost of two limited term appointments beginning July 1, 2022 until March 31, 2023. Additional funds covering April 1, 2023 to June 30, 2023 will come out of the funds in 2023/24. For 2021/22, \$29,000 in coverage was required for a faculty member in Journalism. At budget time, it was not certain if funds would be required for this coverage.

### **Use of Prior Year Surpluses to Reduce the Deficit:**

King's had operating cash surpluses since 2018/19 (the year the provincial operating grant was permanently increased by \$2.2 million). The surpluses for both 2018/19 and 2019/20 (less \$231,000 which was carried forward to 2020/21 – see below) were King's contribution to finance the Tri-Bay residence renovation project that occurred in the spring/summer of 2020.

The 2020/21 operating budget included the application of \$231,000 from the 2019/20 operating cash surplus to reduce the operating cash deficit projected in 2020/21. The rationale for this was the following:

- One quarter of winter 2020 residence fees were refunded to students in March 2020 due to vacating residence early because of the pandemic. Since April 2020 falls within the 2020/21 fiscal year (but falls within the 2019/20 academic year), residence revenue in 2020/21 was negatively impacted by \$201,000. This portion of the 2019/20 surplus was carried forward to apply against the reduced residence revenue in 2020/21.
- Students did not receive a refund of ancillary fees due to vacating residence early, including the athletics fee. King's contributed \$30,000 to the COVID-19 Student Emergency Relief Fund. It represents the portion of athletics fees students paid from the date King's closed the gym to reduce the risk of Coronavirus transmission to the end of the academic year. The fund was used to assist students whose financial ability to begin or continue their studies had been jeopardized by the pandemic in ways that were not addressed by other funding sources. Since the refund of athletics fees would have impacted the 2019/20 fiscal year, \$30,000 of the 2019/20 surplus was carried forward to apply against the additional expense in 2020/21.

The 2021/22 operating budget included the application of the full \$1.142 million operating cash surplus from 2020/21. The rationale behind the full prior year surplus carryover is the following:

- The Province provided King's with a \$1.3 million grant that more than covered the COVID-19 expenditures. The excess would be applied against the COVID-19 expenditures included in the 2021/22 operating budget (\$371,000).

- The remaining portion of the operating cash surplus (less \$30,000 to be explained in the next bullet) would be applied against the debt servicing costs included in the 2021/22 operating budget (\$741,000).

The operating cash surplus for 2020/21 would not exist but for this grant and the deferral of principal payments on long-term debt.

- King's would also top-up the COVID-19 Student Emergency Relief Fund with a \$30,000 contribution (the same contribution that was made in 2020/21).

The 2022/23 operating budget includes the application of the full \$437,000 operating cash surplus from 2021/22. This is needed to balance the budget. In the absence of this carryover, there would be an operating cash deficit of \$355,000.

### **Major Assumptions:**

- **Provincial Operating Grant** - increasing by 1% year-over-year for all years of the five-year MOU with the Province of Nova Scotia (2019/20 – 2023/24).
- **Student Academic Fees**
  - The student consultation meeting on proposed changes in tuition and fees for 2022/23 was held on March 11 with the incoming and outgoing members of the King's Students' Union (KSU) Executive.
  - There is a 3% cap on Nova Scotia undergraduate tuition rates and no cap on out-of-province undergraduate tuition rates, graduate tuition rates or international tuition rates.
  - Undergraduate arts and science tuition rates for fall and winter to increase by 3%. King's and Dalhousie offer joint degrees in arts and science and Dalhousie has approved a tuition increase of 3%.
  - For the past two years, on the recommendation of the Journalism Tuition Sub-Committee of BAC which was approved by the Board of Governors, all journalism programs (4-year Bachelor of Journalism Honours, 1-year Bachelor of Journalism and Master of Journalism (MJ) program) increased by 1%. A journalism tuition comparator analysis was updated for 2021/22 and it still shows a large variance between King's and its competitors for a four-year undergraduate journalism degree, despite one year of freezing tuition and two years of 1% increases. The BAC is recommending that King's continue with a 1% tuition increase for 2022/23. The BAC Journalism Tuition Sub-Committee will be reconvened in the fall of 2022 to re-examine journalism tuition and make recommendations for 2023/24 and beyond.
  - Master of Fine Arts (MFA) program tuition to increase by 2% (same as 2021/22 and 2020/21) as it seems the program has possibly reached the 'sweet spot' between cost and enrolment levels. This was supported by BAC.
  - International differential tuition rates to increase by 3% plus \$1,473 for students entering King's in the fall of 2019 or later (which is a 13% increase over the prior year). Students who entered Dalhousie or King's prior to the fall of 2019 will pay 3% more than they did in the prior year.

- An outcome of the student tuition and fee consultation meeting for 2021/22 was the request by the KSU for the formation of a sub-committee of BAC to address the International Differential fee more broadly and to make an informed recommendation for the 2022/23 budget. They had expressed concern about the decision made by Dalhousie's Board of Governors in April of 2019 to significantly increase international tuition for Dalhousie students over a four-year period beginning in the fall of 2019. This increase has been mirrored in the tuition that King's international students pay as King's and Dalhousie offer joint degrees in arts and science. The 2022/23 academic year is the fourth year of the four-year approved increase. The bursaries budget for 2021/22 included \$69,000 to provide all international students a bursary equivalent to the increase in the international differential fee in 2021/22. On the recommendation of the BAC sub-committee on International Tuition, 50% of the international differential fee increase for each of 2021/22 and 2022/23 (which equates to \$90,000 assuming 48 international students) be disbursed as bursaries to international students with financial need for the 2022/23 academic year. Refer to the "Scholarships, Awards & Bursaries and Other Support" section later in this document for additional details.
- **Student Ancillary Fees**
  - A listing of ancillary fees charged to King's students is provided in the revenue section that follows.
  - Per the MOU with the Province, increases in auxiliary and ancillary fees cannot exceed the increases in the costs of providing the services or goods provided.
  - For the sixth year in a row (i.e., since 2016/17), in an effort to reduce the gap (which will be \$373 for 2022/23) in fees charged by King's to King's students in comparison to the fees charged by Dalhousie to Dalhousie students, there will be no increase in the student ancillary fees charged by King's in 2022/23 with the exception of the MFA mentor fee.
  - The MFA mentor fee increase is based on anticipated increases in Canada's consumer price index (CPI). There was no increase in 2021/22 as the cumulative CPI increase from program inception (2013/14) to July 1, 2020 was 11% and mentor fee increases over that same time period equated to 13%. It was assumed at that time that the CPI increase between July 1, 2020 and July 1, 2021 would be 2% so the MFA mentor fee remained the same for 2021/22. The CPI increase for July 1, 2021 was actually 3.7% which was 1.7% higher than anticipated. In February, just ahead of the student tuition and fee consultation, BAC agreed that the CPI for July 1, 2022 would likely be similar to what it was for the previous July (however, given current circumstances, it is likely to be higher but the difference, if any, can be caught up next year). For this reason, BAC has recommended an increase of 5% in the MFA mentor fee for 2022/23 (1.7% to catch up from the previous year plus another 3.3% anticipated for July 1, 2022). This fee flows directly from the students to the mentors.
  - King's students pay Dalhousie's health service fee (i.e., wellness fee) and facility renewal recreation fee directly to Dalhousie. Dalhousie has increased the health service fee by 3% and is keeping the facility renewal recreation fee flat once again. King's students also pay a joint athletics fee and a joint facility renewal fee where a portion is kept by King's and a portion goes to Dalhousie. Dalhousie has increased both of these fees by 3% for 2022/23. As a result, the portion kept by King's decreases and the portion given to Dalhousie increases (in order to keep the overall fee flat).

- King's has resumed conversations with Dalhousie regarding modernizing and updating the MOU between King's and Dalhousie on financial transfers, which could lead to a modest decrease in the Dalhousie portion of the joint King's/Dalhousie fees charged to King's students. This has not been factored into King's fees for 2022/23 as an MOU has not yet been signed.
- **Student Residence Fees**
  - For 2021/22, residence room fees were modified to better reflect the size, condition and amenities of the residence rooms. This was the first change in room fees since 2016/17.
  - For consideration in setting the 2021/22 residence room fees, the Dean of Students brought forward a proposed new residence room fee structure that would result in the cost of some residence rooms increasing and others increasing. The most expensive room fee did not change (the ceiling price); however, the rooms below that were adjusted based on a \$249 differential to reflect differences in size, condition, and amenities. This new structure was relatively revenue neutral only bringing in an additional \$12,000 in residence fee revenue with full occupancy.
  - The Dean of Students brought a proposal before BAC in January 2022 called "Revitalizing Student Support, Residence, and Ancillary Services at the University of King's College". The proposal aims to improve supports to all students and create administrative efficiencies. The proposal is discussed in more detail in the "Residence & Other Student Support" section later in this document. To assist in financing the ongoing cost of this proposal (largely related to human resources), residence fees will increase by 3% per year for the next four years beginning with 2022/23. This increase will not apply to Cochran Bay at this time due to concerns raised over the condition of this residence and the timing of a possible renovation.
  - A per day residence rate of \$25 will also be in place for those students wishing to reside on campus when residences are typically closed (i.e., early arrivals to campus, staying on campus over holiday breaks, etc.) when the pandemic is considered to be over.
- **Meal Plan Fees**
  - Under the terms of the food service contract with Chartwells, daily meal plan fees for the fall will increase based on the all-inclusive Nova Scotia consumer price index (CPI) annual increase as of the previous December which was 4.8% (0.6% for 2021/22).
  - Daily meal plan fees will also be impacted by a \$0.40/hour increase in the Nova Scotia minimum wage rate on April 1, 2022 which will result in an additional increase of 0.24% (0.24% for 2021/22).
  - The sum of these two items will result in an increase in the 2021/22 daily meal plan fees of 5.04% (2.0% in the prior year).
  - The number of residence board days also affects meal plan prices. There were 221 residence board days in 2021/22 but there will be 218 residence board days in 2022/23 (Chartwells will provide food to students for three fewer days) which will decrease the overall meal plan fees for the year. In combination with an increase in the daily meal plan fees of 5.04%, this will result in an overall increase in meal plan fees for the year of 3.61% (3.88% in the prior year).

- **Enrolment**

- Total fall undergraduate and graduate headcount combined (part-time and full-time) is anticipated to increase by 4.1% relative to 2021/22 budgeted enrolment and by 3.2% relative to 2021/22 actual enrolment. The deposit deadline for 2022/23 has passed and enrolment for fall 2022 looks promising.
- Total fall undergraduate student enrolment headcount (part-time and full-time) is anticipated to increase by 2.8% relative to 2021/22 budgeted enrolment and by 1.8% relative to 2021/22 actual enrolment.
- After three years of steep declines, FYP enrolment was relatively stable for four years in a row (to 2019/20) but never reached 200. The pandemic caused that figure to dip slightly in 2020/21 but it regained momentum and reached 220 in 2021/22. For 2022/23 we are anticipating a FYP class of 240 (as of October 15, 2022) which is almost back to the 2014/15 FYP number of 247. This exceeds the FYP projection of 225 that was provided to the province when a permanent increase in the operating grant was requested (the middle case scenario and is not far from the best case scenario of 250).
- Graduate enrolment continues to be a good news story, particularly for the Master of Fine Arts (MFA) in Creative Non-Fiction program. Enrolment in this program reached a high of 62 in 2021/22 and is expected to reach 72 in 2022/23. The MFA in Fiction program will be accepting students for 2023/24 (15 anticipated in the first year). The Master of Journalism (MJ) program underwent an external review in 2016/17 and was restructured with program changes taking effect in 2020/21. Enrolment immediately prior to the restructure was only four. Enrolment reached 15 in 2021/22 and is anticipated to be 20 in 2022/23.
- Winter undergraduate enrolment was impacted by the Omicron variant. While the fall semester was relatively 'normal', the Omicron variant impacted the months of December and January. Classes moved to online instruction for the month of January and winter retention rates were lower than they have been historically (94% versus 96%). A number of full-time students became part-time students in the winter taking a smaller course load. Several students delayed their return to residence after the holiday break.

**Enrolment (fall headcount as of October 15):**

|                            |               | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|----------------------------|---------------|--|---------------------------|---------------------------|
| <b>Fall</b>                | Undergraduate | 880                                    | 889                       | 905                       |
|                            | Graduate      | 78                                     | 77                        | 92                        |
|                            | <b>Total</b>  | <b>958</b>                             | <b>966</b>                | <b>997</b>                |
| <b>Winter</b>              | Undergraduate | 846                                    | 831                       | 868                       |
|                            | Graduate      | 77                                     | 79                        | 92                        |
|                            | <b>Total</b>  | <b>923</b>                             | <b>910</b>                | <b>960</b>                |
| <b>FYP included above:</b> |               |  |                           |                           |
| Fall                       |               | 215                                    | 220                       | 240                       |
| Winter                     |               | 208                                    | 211                       | 231                       |



## **REVENUE**

|                            | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|----------------------------|--|---------------------------|---------------------------|
| Provincial operating grant | \$ 8,437,000                           | \$ 8,437,000              | \$ 8,521,000              |
| Student academic fees      | 8,254,000                              | 8,286,000                 | 9,174,000                 |
| Student ancillary fees     | 934,000                                | 945,000                   | 1,022,000                 |
| Student residence fees     | 1,461,000                              | 1,564,000                 | 1,925,000                 |
| Continuing education       | 30,000                                 | 37,000                    | -                         |
| Investment income          | 1,829,000                              | 1,811,000                 | 2,019,000                 |
| Sale of goods and services | 186,000                                | 138,000                   | 176,000                   |
| Conference services        | 4,000                                  | 3,000                     | 150,000                   |
| Gifts                      | 670,000                                | 531,000                   | 700,000                   |
| Other grants               | 110,000                                | 108,000                   | 85,000                    |
| <b>Total revenue</b>       | <b>\$ 21,915,000</b>                   | <b>\$ 21,860,000</b>      | <b>\$ 23,772,000</b>      |

### **Provincial Operating Grant:**

An increase of \$84,000 from the 2021/22 budget and 2021/22 actual. This relates to the 1% annual increase as per the MOU.

### **Student Academic Fees:**

Tuition – an increase of \$920,000 compared to 2021/22 budget and \$888,000 compared to 2021/22 actual. These variances can be explained by the full-time equivalent (FTE) enrolment differences displayed in the table that follows (as of October 15) combined with a 3% tuition fee increase in arts and science, a 2% tuition fee increase in the MFA program, a 1% increase in all journalism programs and an increase in the international differential rate as described above under “Major Assumptions”. The smaller FYP class in 2020/21 will continue to impact enrolment in the upper year programs as this class makes its way through their four-year programs. King’s continues to have retention rates above 80% for students going from first to second year.

|  | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--|--|---------------------------|---------------------------|
| FYP (Foundation Year Program)                | 215                                    | 220                       | 240                       |
| BA (Bachelor of Arts)/BM (Bachelor of Music) | 464                                    | 446                       | 443                       |
| BSC (Bachelor of Science)                    | 99                                     | 119                       | 117                       |
| BJH (Bachelor of Journalism Honours)         | 51                                     | 62                        | 63                        |
| BJ (Bachelor of Journalism 1-year)           | 20                                     | 14                        | 15                        |
| MJ (Master of Journalism)                    | 13                                     | 15                        | 20                        |
| MFA (Master of Fine Arts)                    | 65                                     | 62                        | 72                        |
| <b>Total FTEs</b>                            | <b>927</b>                             | <b>938</b>                | <b>970</b>                |
| International FTE included above             | 42                                     | 55                        | 52                        |

Tuition dollars by program are shown in the table below:

|                                    | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|------------------------------------|--|---------------------------|---------------------------|
| Arts & Science                     | \$ 5,977,000                           | \$ 5,928,000              | \$ 6,448,000              |
| Journalism (4-year and 1-year BJ)  | 1,027,000                              | 1,014,000                 | 1,096,000                 |
| Master of Journalism (MJ)          | 93,000                                 | 102,000                   | 133,000                   |
| Master of Fine Arts (MFA)          | 557,000                                | 551,000                   | 639,000                   |
| International fees                 | 600,000                                | 691,000                   | 858,000                   |
| <b>Total student academic fees</b> | <b>\$ 8,254,000</b>                    | <b>\$ 8,286,000</b>       | <b>\$ 9,174,000</b>       |

Journalism tuition includes tuition from Dalhousie students (while enrolment above only includes King's registered students).

### **Student Ancillary Fees:**

Ancillary fees – an increase of \$88,000 compared to 2021/22 budget and \$77,000 compared to 2021/22 actual.

The table that follows breaks out the fees charged to all students (due to the low-residency nature of the MFA program, those students do not pay all the fees but a portion of the fees) and program-specific fees.

All fees are positively impacted by an increase in undergraduate enrolment (refer to the enrolment table under "Student Academic Fees" above).

There are no fee increases included in the 2021/22 budget with the exception of the MFA mentor fee. All increases in the table below are impacted by increased enrolment.

Humanities for Young People (HYP) was offered online in 2021/22 at no charge to participants. The amount shown for actual in 2021/22 relates to the excess of expenses over revenue from the 2019/20 year that was incorrectly deferred and was corrected in 2021/22. Normally, the profit from the HYP program is carried into the following year to assist with funding expenditures in the following year. There was no profit in 2019/20 and a deferral should not have been made.

Other administrative fees for 2021/22 includes \$70,000 in application fees for 2022/23 as compared with a budget of \$60,000. The budget for 2022/23 has been increased accordingly.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| <b><u>Fees applied to all students</u></b>                  |  |                           |                           |
| Facility renewal fee  | \$ 249,000                             | \$ 248,000                | \$ 259,000                |
| Athletic fee  | 235,000                                | 236,000                   | 245,000                   |
| College fee   | 65,000                                 | 64,000                    | 68,000                    |
| Administration fee  | 31,000                                 | 31,000                    | 32,000                    |
| <b><u>Program specific fees</u></b>                         |  |                           |                           |
| MFA mentor fee  | 218,000                                | 216,000                   | 259,000                   |
| FYP fee   | 64,000                                 | 65,000                    | 72,000                    |
| Humanities for Young People (HYP)                           | -                                      | (3,000)                   | -                         |
| <b><u>Other fees (application fees, forfeits, etc.)</u></b> |  |                           |                           |
| Other administrative fees                                   | 72,000                                 | 88,000                    | 87,000                    |
| <b>Total student ancillary fees</b>                         | <b>\$ 934,000</b>                      | <b>\$ 945,000</b>         | <b>\$ 1,022,000</b>       |

**Student Residence Fees:**

Residence revenue – an increase of \$464,000 from the 2021/22 budget and an increase of \$361,000 compared to 2021/22 actual.

The 2021/22 budget anticipated 217 beds would be occupied on move-in day. This was based on the number of deposits paid at budget time and conversations that were ongoing with other potential residents. The budget assumed 20 beds would be needed for self-isolation spaces, 13 for junior dons and 11 for swing spaces/student support spaces. The total number of beds shown in the table below for the 2021/22 budget should have been 260 (a reconciliation with the residence team was later performed and is reflected in the actual column).

The actual number of students in residence on move-in day in 2021/22 was 238 which was 21 more than anticipated. The number of beds kept for self-isolation spaces and swing/space student support was reduced to accommodate the larger number. The Omicron variant resulted in a larger number of withdrawals than anticipated.

King’s is expecting full occupancy in residence in 2022/23. Due to the housing shortage and increasing rental rates in the HRM, there are more upper year students wishing to reside on

campus and there is now a waitlist. With the Dean of Students relocating off campus vacating the Dean’s suite and the Alexandra Hall accessibility project underway, we are anticipating the potential conversion of the Dean’s suite into three additional beds and an Indigenous Student Centre. These three beds are assumed to be occupied in the 2022/23 budget since there is a wait list. As noted under “Major Assumptions”, residence room fees are increasing by 3% in 2022/23.

Also noted above under “Major assumptions”, meal plan fees for 2022/23 are increasing by 3.61% in accordance with the food service contract. King’s earns commission on a sliding scale based on the number of meal plans sold (220–239 = 8%, 240–259 = 11%, 260+ = 14%) including the deans, dons and junior dons. Since the number of students in residence (minus an allowance for withdrawals in each semester) plus the deans, dons and junior dons is anticipated to exceed 260 in the fall semester, meal plan commission at 14% has been included in the budget for fall with 11% for the winter term due to expected withdrawals. Meal plan commission earned in 2021/22 was 11% in the fall and 8% in the winter.

|  | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--|--|---------------------------|---------------------------|
| Total beds (conversion of Dean's suite into 3 beds in 2022/23) | 261                                    | 260                       | 263                       |
| Closed/unavailable beds*                                       | (44)                                   | (22)                      | (3)                       |
| Beds vacant on move-in day                                     | -                                      | -                         | -                         |
| Beds occupied on move-in day                                   | 217                                    | 238                       | 260                       |
| Withdrawals (full fall, half winter)                           | (9.0)                                  | (17.5)                    | (11.0)                    |
| <b>Total beds occupied (financial)</b>                         | <b>208.0</b>                           | <b>220.5</b>              | <b>249.0</b>              |
| <b>Total beds occupied end of academic year</b>                | <b>205.0</b>                           | <b>215.0</b>              | <b>244.0</b>              |
| Occupancy rate as a % of available beds (excl withdrawals)     | 100.0%                                 | 100.0%                    | 100.0%                    |
| Occupancy rate as a % of available beds (incl withdrawals)     | 95.9%                                  | 92.6%                     | 95.8%                     |

\*Closed/unavailable bed details:

|                                     |           |           |          |
|-------------------------------------|-----------|-----------|----------|
| Beds converted to junior don suites | 13        | 12        | 3        |
| Self-isolation spaces               | 20        | 10        | 0        |
| Swing space/student support         | 11        | 0         | 0        |
| <b>Closed/unavailable beds</b>      | <b>44</b> | <b>22</b> | <b>3</b> |

|                                     | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|-------------------------------------|--|---------------------------|---------------------------|
| Room fees                           | \$ 1,388,000                           | \$ 1,494,000              | \$ 1,786,000              |
| Meal plan commission                | 73,000                                 | 70,000                    | 139,000                   |
| <b>Total Student residence fees</b> | <b>\$ 1,461,000</b>                    | <b>\$ 1,564,000</b>       | <b>\$ 1,925,000</b>       |

Number of meal plans (fall/winter):

|                    |                |                |                |
|--------------------|----------------|----------------|----------------|
| Residence students | 211/205        | 233/220        | 254/244        |
| Dons               | 19/19          | 20/19          | 12/12          |
| <b>Total</b>       | <b>230/224</b> | <b>253/239</b> | <b>266/256</b> |

### **Other Revenue Assumptions:**

#### **Continuing Education:**

The MFA program began offering non-credit creative writing workshops in fiscal year 2019/20 and the program has been growing ever since. Due to the impending hire of a new Director of the MFA program in January 2023, the writing workshops are being deferred until the 2023/24 academic year.

#### **Investment Income:**

The endowment draw for each year is calculated as 4.75% (including a 0.75% administrative charge) on the average market value of the investment portfolio (including endowments and the internally restricted funds) for the previous three fiscal years as of March 31. Market values on March 31, 2020 took a dip because of the pandemic and will impact the draw until fiscal year 2019/20 is removed from the three-year average market value calculation (which will be in 2023/24). Fortunately, market values on both March 1, 2021 and March 31, 2022 exceeded cost and will have a favorable impact on the draw for 2022/23.

From late 2018/19 to 2021/22 King's had two investment managers – a value manager (managing approximately \$32 million) and an alternative investment manager (managing approximately \$14 million). The decision to invest with an alternative investment manager was the likelihood of earning higher investment returns (with higher investment fees). During 2022/23, King's underwent a rigorous request for proposals process for investment management services. King's alternative investment manager was the successful proponent and now manages King's entire investment portfolio (as of April 14, 2022).

The budgeted investment income for 2022/23 is higher than the prior year budget by \$190,000 and higher than the prior year actual by \$208,000. This is due to three variables:

- The higher market value multiplier as noted in the first paragraph.
- Investment income earned on the portfolio in 2021/22 was almost \$4 million which is more than double what is normally experienced. The budget assumed \$1.9 million would be

earned in 2021/22. This income increases the value of the portfolio which is used in the draw calculation for the following year (i.e., 2022/23).

- The draw taken on the Rogers Chair endowment in 2021/22 was only for 10 months as this faculty position was vacant in April and May of 2021. The 2022/23 assumes a draw for the full year.

### **Sale of Goods and Services:**

The 2022/23 sale of goods and services budget is lower than the 2021/22 budget by \$10,000 and higher than 2021/22 actuals by \$38,000.

Actuals for 2021/22 were \$48,000 lower than budget largely due to the retirement and resignations of the Chapel Music program staff on December 1, 2021. The budget included \$68,000 in concert revenue and no concerts were held. This was offset slightly by higher athletic rental income, parking revenue and other miscellaneous revenue.

The 2022/23 budget is \$10,000 lower than the 2021/22 budget. It has a smaller Chapel Music concert budget and includes some King's Chorus concerts. It also includes higher athletic rental revenue, parking revenue and miscellaneous revenue based on actual results for 2021/22.

### **Conference Services:**

Conference Services is described below under the expense section.

### **Gifts:**

The 2022/23 gifts budget is higher than the 2021/22 gifts budget by \$30,000 and higher than 2021/22 actuals by \$169,000.

2021/22 actuals fell short of budget by \$139,000 for several reasons. The Deane Little athletic scholarships provide \$280,000 per year for five years. The actual amount of scholarships recorded (and recognized as gifts) in 2021/22 was \$212,500 (including \$7,500 from the prior year). The difference of \$67,500 has been deferred to be awarded in a future year. Chapel Music gifts were \$32,000 lower than budget due to the retirement and resignations that occurred during the year. Donations totaling \$43,000 for King's student emergency relief bursaries that were not awarded were deferred to be awarded in 2022/23 under the Urgent Needs Bursary Program. Refer to "Scholarships, Awards & Bursaries and Other Student Support" later in the document for more information. Due to reduced spending by the Chapel in 2021/22 impacted by the pandemic, they did not require as much of their offerings to cover their expenditures. The 2021/22 budget assumed they would use \$21,000 of their offerings but they only required \$7,000. The offerings not required in 2021/22 have been carried forward to be used in a future year.

The 2022/23 gifts budget assumes a lower level of Chapel Music donations similar to 2021/22 but more flow through scholarship gifts bringing the 2022/23 gifts budget \$30,000 higher than the 2021/22 gifts budget.

**Other Grants:**

The 2022/23 other grants budget is lower than the 2021/22 other grants budget by \$25,000 and lower than 2021/22 actuals by \$23,000.

A one-time grant in the amount of \$25,000 to support mental health initiatives was received by Residence & Other Student Services for use in 2021/22.

**EXPENSES**

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Academic (excluding Journalism equipment & faculty computers) | \$ 6,360,000                           | \$ 6,212,000              | \$ 7,123,000              |
| Continuing Education  | 16,000                                 | 30,000                    | -                         |
| Allotment to Dalhousie  | 3,930,000                              | 3,931,000                 | 3,990,000                 |
| Facilities Management (excluding capital renovations)         | 1,747,000                              | 1,864,000                 | 1,941,000                 |
| Residence & Other Student Services                            | 525,000                                | 506,000                   | 757,000                   |
| Scholarships, Awards and Bursaries                            | 1,615,000                              | 1,868,000                 | 1,612,000                 |
| Other Student Support   | 108,000                                | 98,000                    | 144,000                   |
| Utilities, Taxes & Insurance                                  | 509,000                                | 600,000                   | 671,000                   |
| Advancement Office  | 802,000                                | 736,000                   | 750,000                   |
| Athletics   | 581,000                                | 604,000                   | 658,000                   |
| Bursar's Office   | 587,000                                | 582,000                   | 507,000                   |
| Human Resources & Compensation Office                         | -                                      | -                         | 175,000                   |
| General College Administration and Other                      | 336,000                                | 312,000                   | 346,000                   |
| Library (excluding Library books)                             | 397,000                                | 423,000                   | 498,000                   |
| President's Office  | 515,000                                | 486,000                   | 505,000                   |
| Vice-President's Office                                       | 258,000                                | 262,000                   | 340,000                   |
| Equity Office   | 77,000                                 | 59,000                    | 103,000                   |
| Accessibility Office  | -                                      | -                         | 68,000                    |
| Sexual Health and Safety Office                               | 91,000                                 | 88,000                    | 121,000                   |
| Registrar's Office  | 973,000                                | 1,036,000                 | 1,288,000                 |
| Divinity & Chapel   | 133,000                                | 108,000                   | 149,000                   |
| Chapel Music  | 237,000                                | 125,000                   | 109,000                   |
| King's Chorus   | 48,000                                 | 9,000                     | 30,000                    |
| Professional Fees   | 350,000                                | 293,000                   | 318,000                   |
| Interest & Service Charges                                    | 377,000                                | 328,000                   | 416,000                   |
| Investment Management Fees                                    | 247,000                                | 249,000                   | 240,000                   |
| Conference Services   | 79,000                                 | 81,000                    | 169,000                   |
| COVID-19 Emergency Response Fund <sup>1</sup>                 | 842,000                                | 762,000                   | -                         |
| Unallocated Anticipated Reductions in Spending <sup>2</sup>   | (200,000)                              | -                         | -                         |
| Staff salary scale adjustment (estimate)                      | -                                      | -                         | 50,000                    |
| Contingency   | -                                      | -                         | 100,000                   |
| <b>Total expenses</b>   | <b>\$ 21,540,000</b>                   | <b>\$ 21,652,000</b>      | <b>\$ 23,178,000</b>      |
| Costs covered by internally restricted funds                  | -                                      | (410,000)                 | (80,000)                  |
| <b>Net expenses</b>   | <b>\$ 21,540,000</b>                   | <b>\$ 21,242,000</b>      | <b>\$ 23,098,000</b>      |

<sup>1</sup>Total actual COVID-19 expenditures for 2021/22 were \$818,000. Of this amount, \$56,000 in equipment was capitalized to fixed assets at year-end and is not reflected in the table above. It is shown under "Capital Expenditures Funded by Operations" on page 26.

<sup>2</sup>Actual results for 2021/22 reflect allocated reductions in spending of \$261,000 directly to the departments and programs. They are unallocated in the budget.



## **General Comments:**

The university realized \$261,000 in overall spending reductions as a result of the pandemic in 2021/22; therefore, there will be variances between the 2021/22 budget and actual results for 2021/22 for many departments and programs. The 2021/22 budget included \$200,000 in 'unallocated anticipated reductions in spending' due to the pandemic but these reductions were not allocated to the departments and programs in the budget to keep the departmental and program budgets whole. As a result, the variance explanations for the individual departments and programs that follow will focus on the 2022/23 budget compared with the 2021/22 budget.

In November, Department Heads and Program Directors were informed that their operating budgets (non-salary) for 2022/23 were authorized to increase by 1% (\$22,000 impact overall) (increases for externally contracted services would not be subject to this limit as these annual increases are typically higher). Since 2015/16, permanent cumulative departmental reductions of \$1.25 million have been made and budgets have been held flat year over year. Department Heads and Program Directors were instructed to bring any requests for additional funding to the BAC. Exceptions would be made for expenditure increases that are the result of higher enrolment or costs beyond their control. Refer to Schedule 3 for a list of all additional spending incorporated into the 2022/23 operating budget. Some additions are one-time while others are permanent. Others have a multi-year impact before they will be removed from the budget. Not all increases were brought before the BAC for approval as some budget additions are not discretionary but necessary.

Given that inflation rates in Canada are at an all-time 31-year high (6.8% in April 2022), it is very likely that the 1% authorized increase in departmental operating expenditures will be insufficient. Rather than increasing individual department and program budgets further, a contingency of \$100,000 has been factored into the budget at a central level which will be allocated as needed to the affected departments and programs in the forecast. This is approximately 1% of the university's total non-salary budget.

Expenses in the table on the previous page are organized by department or cost category. The budget for each department reflects both compensation and operating expenditures. These expenditures are broken down further in the departmental expense budget tables that follow and are listed in the order they appear in the table on the previous page.

The 2022/23 overall expense budget (net of costs funded by the internally restricted funds) is higher than the 2021/22 expense budget by \$1,333,000 and \$1,562,000 higher than the 2021/22 actual results. Since the expenses shown in the table contain spending from the internally restricted funds (and are not funded by the operating budget), this spending has been deducted at the bottom of the table so that an 'apples to apples' comparison can be made.

Since 2020/21, two new lines were added in the previous table that no longer exist in the 2022/23 budget:

- 1.) COVID-19 emergency response fund - this was established to address expenditures that arose due to the pandemic. Since we are now essentially living with COVID, segregating expenditures in this way no longer makes sense. The 2022/23 budget includes \$597,000 in COVID-related spending that has been allocated directly to the departments and programs they relate to. The largest component of this relates to the COVID contract salary positions.

2.) Unallocated anticipated reductions in spending related to the pandemic - these were very much contingent upon Public Health directives and travel restrictions. These reductions are no longer conceivable, particularly due to the inflationary environment we are in. They were factored into the budget at a central level similar to what is being done with the contingency.

Both items are described in more detail at the end of the expense section.

### **Salaries and Benefits:**

The 2022/23 salaries and benefits budget of \$12,028,000 is \$1,088,000 higher than the 2021/22 salaries and benefits budget of \$10,940,000 and \$1,099,000 higher than the 2021/22 actual salaries and benefits of \$10,929,000 (including COVID contract salaries and benefits). If we exclude COVID contract salaries and benefits, the 2022/23 salaries and benefits budget is \$11,575,000 which is \$1,117,000 higher than the 2021/22 salaries and benefits budget of \$10,458,000 and \$1,159,000 higher than the 2021/22 actual salaries and benefits of \$10,416,000.

Compensation is the largest single component of expenses and accounts for 52.1% (51.1% excluding COVID salaries) of the total 2022/23 operating expenses. Academic salaries and benefits represent \$6,295,000 or 52.3% (\$6,114,000 or 52.8% excluding COVID salaries) of this total while administrative salaries and benefits represent \$5,733,000 or 47.7% (\$5,459,000 or 47.2% excluding COVID salaries) of this total.

If the direct cost component of the Dalhousie allotment is included (57% of the total Dalhousie allotment represents direct costs while 43% represents overhead) in the total, this percentage increases to 61.9% of total operating expenses in 2022/23 (61.2% excluding COVID salaries). The Dalhousie allotment represents the cost that Dalhousie charges King's for teaching its students minus the cost to King's of teaching Dalhousie students. A substantial portion of the direct cost relates to faculty salaries and benefits of professors in the Faculties of Arts and Social Sciences and Science at Dalhousie.

For the previous two budget years, COVID contract salaries have been included in the "COVID emergency response fund" budget line (\$482,000 in 2021/22). For 2022/23, there will still be COVID-related spending, but we are moving away from referring to it as a "COVID budget". The total amount of COVID contract salaries included in the 2022/23 budget is \$453,000 (\$181,000 academic and \$272,000 administrative). These costs have been included within the respective department and program budgets based on the reporting relationships of these positions. Due to the ongoing need and vital nature of the contract positions hired during the pandemic, they have all been extended and are included in the 2022/23 budget. All expenditures have been segregated for ease of identification so they can be reassessed (and possibly removed) in the next budget cycle.

Academic salaries and benefits for 2022/23 are \$522,000 or 9.3% higher than the 2021/22 budget and \$570,000 or 10.3% higher than 2021/22 actual salaries and benefits (excluding COVID salaries so we are comparing apples and apples as they were not included in the prior year academic salaries and benefits budget but in the COVID budget). These differences are explained under the "Academic" section that follows immediately after this section.

Administrative salaries and benefits are increasing by \$593,000 or 12.2% over the 2021/22 budget and \$586,000 or 12.0% over 2021/22 actual salaries and benefits (excluding COVID salaries for the same reason noted above for academic salaries and benefits). In addition to anticipated annual salary increases for staff, the reasons for this increase are described in the individual departmental expense sections that follow; however, a summarized list is provided here:

- Residence and Other Student Services – Proposal “Revitalizing Student Support, Residence, and Ancillary Services at the University of King’s College” will result in a net increase of 1.5 new full-time positions (contracts versus permanent in the first year) and the reinstatement of student patrol. The Student Support Advisor’s salary was included in the COVID budget last year for eight months (started August 1, 2021) and is included in the Residence budget for the full year in the 2022/23 budget as part of the proposal. More detail on this proposal is provided later in this document.
- Human Resources and Compensation Office – the hiring of a Human Resources Manager on May 2, 2022 (a new position at King’s).
- Accessibility Office – the hiring of an Accessibility Officer on September 1, 2022 (a new position at King’s).
- Equity Office – the Equity Officer’s salary is included for the full year while it was only for nine months in the prior year’s budget (hire date July 1, 2021).
- Advancement Office – a four-month parental leave including salary top-up and replacement is included in this budget. Both the 2022/23 and 2021/22 budgets were impacted by a maternity leave. An Advancement Office position was relocated to the Registrar’s Office.
- Registrar’s Office – both the 2022/23 and 2021/22 budgets were impacted by two maternity leaves. A position was relocated to the Registrar’s Office from the Advancement Office. There are salary savings due to the timing of replacement of an outgoing employee. A new one-year COVID contract, Academic Services and Events Officer, was hired in February 2022 and is included in the Registrar’s Office budget.
- Library – a new head Librarian was hired in November 2021. The position was filled on a contract basis by a retired King’s librarian since April 2018. Student salaries have been reinstated to what they were prior to the pandemic.

Offsetting these cost increases are the following:

- Bursar’s Office – the elimination of the full-time Procure-to-Pay Officer position as of June 30, 2022 and replacement with a half-time Accounts Payable Officer to make the hire of the Human Resources Manager more affordable.
- Chapel Music and King’s Chorus – the retirement and resignations of three Chapel Music and King’s Chorus staff on December 1, 2021. The 2022/23 budget includes an interim Music Director until April 30 and then a new Music Director and administrative support on August 1, 2022.
- Facilities Management – the hiring of the equivalent of four and a half summer students this year versus six in the prior year. The typical number hired is four. Since campus was vacant last summer and conference services was not operational, more students were hired to complete a number of residence projects.

The administrative departments' salaries and benefits budgets for 2022/23 include a total of \$274,000 related to COVID contract salaries as described above that were previously included in the COVID Emergency Response Fund budget. Refer to each individual department as well as the "COVID Emergency Response Fund" section later in the document for more details on these positions.

### **Student Salaries**

All student salary budgets have been adjusted for increases in minimum wage. The [Student Employment Policy](#) states that the standardized rate of pay for students new to a position shall be minimum wage plus \$0.50 per hour. This rate will increase by an additional \$0.50 per hour for each successive year a student returns to the same office to acknowledge the increased competencies and qualifications gained from previously working in the office. The projections factor in the minimum wage increases in accordance with the recommendations of the N.S. Minimum Wage Committee (which are being followed by the N.S. government) that will take the minimum wage from \$13.35 per hour on April 1, 2022 to \$15.00 per hour by April 1, 2024.

**Benefits** – increasing by \$168,000

The following are the changes in employer benefit rates for 2022/23 (effective April 1):

- Basic and dependent life insurance – 3.8% decrease (100% employer paid)
- Health – 14% increase (60% employer paid) – due to cost of prescriptions
- Excess medical (travel) – 20% decrease (60% employer paid)

The 2022/23 budget does not include a Blue Cross premium holiday. A five-month Blue Cross premium holiday was in place in each of 2021/22 and 2020/21 and resulted in employer benefits savings of approximately \$55,000 in each year. The holiday resulted in no premiums for both King's and its employees for April through August and helped to reduce the surplus that had accumulated that resulted from premiums collected being higher than claims paid over a period of time.

The cost of benefits is impacted by the rate changes noted above as well as the recruitment and resignation of employees.

**Pension** – increasing by \$95,000

This is driven primarily by the recruitment and resignation of employees and annual increases in salaries.

### **Other Salaries and Benefits Comments**

With the exception of the nine member UKCTA (University of King's College Teachers Association) bargaining unit (representing Faculty Fellows and Senior Fellows in the Humanities), King's faculty and staff are not unionized. King's is required by the principle of parity between the salary of King's and Dalhousie professors that is part of its association with Dalhousie to follow the Dalhousie Faculty Association (DFA) salary scale for faculty salaries. The collective agreements for

both the UKCTA and the DFA expire on June 30, 2022; therefore, nine months of salaries have been estimated in the 2022/23 budget.

Historically, King's has also followed Dalhousie salary scales for staff salaries - the NSGEU Local 77 salary scale and the Dalhousie Professional and Managerial Group salary scale (DPMG). King's engaged the services of a human resources (HR) consultant in May of 2021 to help King's develop an HR plan and a framework for priority HR initiatives particularly with respect to staff. Part of this work involved the creation of a compensation philosophy for King's and the development of King's own staff salary scales which would be separate and apart from Dalhousie. All staff positions have recently gone through a job evaluation process to determine an appropriate salary for all positions. Work on the staff salary scale is nearing completion but not in time for the approval of the budget. The overall impact of likely salary adjustments on the 2022/23 budget is not expected to exceed \$50,000. This amount has been included as a separate line item in the expense section of Schedule 1 and will be allocated to the affected departments and programs in the first quarter forecast. No staff member will receive a pay reduction as an outcome of the job evaluation process.

## **Academic:**

### **Academic Program Salaries and Benefits**

The Academic budget includes the salaries and benefits of all King's faculty as well as the administrative positions, technicians, teaching assistants and student employees who support King's academic programs. Operating expenditures include all costs incurred to offer King's academic programs including the cost of PROs ('persons retained from outside' (i.e., individual course instructors)) who are not employees of King's.

As noted earlier, academic salaries and benefits in the 2022/23 budget are \$522,000 or 9.3% higher than the 2021/22 budget and \$570,000 or 10.3% higher than 2021/22 actual salaries and benefits (excluding COVID salaries). In addition to anticipated annual faculty and academic support staff salary increases, there are a number of factors contributing to this increase:

- One faculty diversity hire and one faculty retirement hire in Journalism starting on June 1, 2022, offset by the end of a sessional contract June 30, 2022.
- Two limited term appointments (LTAs) in Journalism starting July 1, 2022 to cover an EVRP (enhanced voluntary retirement program), a retirement, a new director, and sabbatical coverage. 50% of the cost of one of the LTAs will be covered by the internally restricted funds for EVRP coverage as previously approved by the Board of Governors.
- The one-year extension of an LTA in the History of Science and Technology (HOST) program for EVRP and sabbatical coverage. 50% of this cost will be covered by the internally restricted funds for EVRP coverage.
- A four-year LTA in the Contemporary Studies (CSP) program starting July 1, 2022 to cover the remaining term of the Vice-President. This was not required in the first year as the Vice-

President had planned on taking a half sabbatical in the winter term prior to becoming Vice-President.

- Permanent administrative support position in Journalism to assist with increasingly challenging workload with addition of new programs over the past several years. This position was included for eight months in the prior year's budget (August start date) but for a full year in this budget.
- The MFA in Fiction program will be accepting students in the spring of 2023. The 2022/23 budget includes the hire of a half-time administrative support person on August 1, 2022. It also includes the hire of a full-time MFA director on January 1, 2023. The existing half-time MFA director will become a half-time cohort director on January 1. This is all in accordance with the proposal submitted to MPHEC (Maritime Provinces Higher Education Commission) for program approval.

Offsetting these cost increases are the following:

- The retirement of a Journalism professor who participated in the EVRP program and will be leaving the university on June 30, 2022 (no post-retirement contract) as well as the retirement of a second Journalism professor on June 30, 2022 who will be doing a one-year 50% post-retirement contract.

The academic salaries and benefits budget for 2022/23 includes \$181,000 related to COVID contract salaries as described above that were previously included in the COVID Emergency Response Fund budget. Three additional Faculty Fellows in the Humanities were hired due to smaller tutorial sizes resulting from online instruction. Faculty Fellows are hired on three-year contracts. Two contracts expire on June 30, 2023 and one on July 31, 2024. Refer to the "COVID Emergency Response Fund" section later in the document for more details.

The \$29,000 cost covered by internally restricted funds shown in the table below relates to EVRP coverage in Journalism in 2021/22. The \$80,000 in the 2022/23 budget relates to EVRP coverage in both Journalism and HOST.

### **Academic Program Operating Costs**

Academic operating costs have increased by \$60,000 from the 2021/22 budget and \$160,000 from 2021/22 actual results. The increase from the prior year budget is attributed to the following:

- Higher MFA mentor fees and residency costs due to an increase in enrolment. This is largely offset by higher mentor fees revenue - \$48,000
- MFA in Fiction onboarding costs for website and marketing - \$10,000.
- FYP lecture recordings which were previously included in the COVID Emergency Response Fund budget - \$35,000.
- A request brought to BAC by Journalism related to The Signal website for brand discovery as a lead-up to a site refresh - \$13,000. An amount of \$26,000 has also been included in the projection for 2023/24 for follow-up work (one time cost).

- The authorized 1% increase in operating expenditures (not significant).

Offsetting these cost increases are the following:

- A reduction in the PRO (persons retained from outside/individual course instructors) budget in Journalism due to the hire of two LTAs - \$21,000.
- Other expenditure reductions including net lower PRO costs in the upper year programs, lower costs related to academic program reviews (FYP and the upper year programs in 2021/22 with Journalism to follow), lower faculty recruitment costs (due to virtual interviews) - \$24,000.

Operating costs for 2021/22 fell short of budget by \$100,000 largely due to the pandemic and the lack of travel, events, entertainment, etc.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Academic Program Salaries                         | \$ 4,941,000                           | \$ 4,885,000              | \$ 5,347,000              |
| Academic Program Benefits Other Than Pension      | 245,000                                | 257,000                   | 322,000                   |
| Academic Program Pension                          | 406,000                                | 402,000                   | 445,000                   |
| Academic Program Salaries and Benefits            | 5,592,000                              | 5,544,000                 | 6,114,000                 |
| COVID contract salaries                           | -                                      | -                         | 181,000                   |
| Academic Program Salaries and Benefits incl COVID | 5,592,000                              | 5,544,000                 | 6,295,000                 |
| Academic Program Operating Costs                  | 768,000                                | 668,000                   | 828,000                   |
| <b>Total Academic</b>                             | <b>6,360,000</b>                       | <b>6,212,000</b>          | <b>7,123,000</b>          |
| Cost covered by internally restricted funds       | -                                      | (29,000)                  | (80,000)                  |
| <b>Net Academic</b>                               | <b>\$ 6,360,000</b>                    | <b>\$ 6,183,000</b>       | <b>\$ 7,043,000</b>       |

### **Continuing Education:**

The MFA program began offering non-credit creative writing workshops in fiscal year 2019/20 and the program has been growing ever since. Due to the impending hire of a new Director of the MFA program in January 2023, the writing workshops are being deferred until the 2023/24 academic year.

|                      | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|----------------------|--|---------------------------|---------------------------|
| Continuing Education | \$ 16,000                              | \$ 30,000                 | \$ -                      |

### **Allotment to Dalhousie:**

The Allotment to Dalhousie represents the cost Dalhousie charges King's to teach its students minus a credit given to King's for teaching Dalhousie students. A total cost per student is calculated for all Dalhousie and King's students taught in the Faculty of Arts and Social Sciences

(FASS) and the Faculty of Science (FoS) at Dalhousie. This cost includes the direct costs of these two faculties (representing approximately 57% of the total cost). A substantial portion of this direct cost represents salaries and benefits of faculty in FASS and FoS. The overhead component (representing approximately 43% of the total cost) is based on the accessibility of Dalhousie services to King's students.

The cost per student is applied to the number of students taught by each institution. There are two components of the cost per student calculation: total cost (of Dalhousie's faculties of Arts & Social Science and Science) which generally increases every year (the numerator) and total enrolment in Arts and Science at Dalhousie (including King's students taught at Dalhousie) (the denominator).

As a result of several years of enrolment declines, the cost per student had been increasing year over year (higher cost divided by lower enrolment). During that time, Dalhousie charged King's a higher cost per student applied to a smaller number of King's students taught. Since 2018/19 enrolment has increased year over year which has resulted in a lower cost per student but applied to a higher number of King's students taught at Dalhousie. Despite enrolment fluctuations, the Dalhousie allotment has been relatively stable for the past several years; the margin of error in budgeting for this item is relatively low. The actual Dalhousie allotment for the past five years was as follows:

2016/17 - \$4.1 million

2017/18 - \$3.9 million

2018/19 - \$4.1 million

2019/20 - \$3.9 million

2020/21 - \$3.9 million

2021/22 - \$3.9 million

2022/23 - \$4.0 million (budget)

The billing from Dalhousie is always one year in arrears (i.e., the 2021/22 invoice is based on enrolment and Dalhousie costs from the previous fiscal year (2020/21)). The enrolment component is known at budget time. The difficulty in budgeting for this item is in predicting Dalhousie's total cost to teach King's students as the previous year's costs are not yet known (i.e., Dalhousie's 2021/22 audited financial statements are not yet available). The 2022/23 budget assumes a total increase in Dalhousie's costs of 4% above the actual cost included in the 2021/22 invoice. Total enrolment in Arts and Science at Dalhousie for 2021/22 has increased over 2020/21 by 5.2%; therefore, the cost per student is expected to decrease once again (by 3.9%). The net number of King's students (i.e., King's students who took classes at Dalhousie minus Dalhousie students who took classes at King's) that King's will be invoiced for in 2022/23 increased by 4.9% from the prior year actual of 396.6 FTEs to 416.0 FTEs. The anticipated cost per student reduction per FTE (3.9%) is lower than the enrolment increase percentage (4.9%) which explains the slight increase in the Allotment to Dalhousie budget for 2022/23 as shown below.



|                        | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|------------------------|--|---------------------------|---------------------------|
| Allotment to Dalhousie | \$ 3,930,000                           | \$ 3,931,000              | \$ 3,990,000              |

Just prior to the onset of the pandemic, King’s and Dalhousie were close to finalizing modifications that will modernize and simplify the memorandum of understanding (MOU) under which the allotment to Dalhousie is allocated, including to ensure its consistency with changes in the Dalhousie - King’s academic collaboration that have occurred since the development of the current MOU. Conversations resumed throughout 2021/22; however, we are still working through the particulars of the formula and the potential financial implications for King’s. It is unlikely the MOU will be finalized before the 2022/23 budget is approved. If a new MOU is signed during 2022/23, the new formula will be reflected in the forecast.

**Facilities Management:**

The 2022/23 salaries and benefits budget includes annual salary increases and the equivalent of four and a half summer students while there were six last year. There were savings in the salaries and benefits budget in 2021/22 due to the departure and timing of replacement of two employees. The 2022/23 budget includes these positions for the full year. There are salary savings with respect to one of the longer-term departing employees and their replacement. The student employment fund covered \$21,000 in student salaries during the 2021/22 academic year. This is reflected in the ‘cost covered by internally restricted funds’ in the table that follows.

The COVID contract salary for the Audio Visual/Information Technology (AV/IT) Officer has been included in the Facilities Management budget due to the reporting relationship of this position and the ongoing need for this position in the coming year. The continuation of this position will be reassessed next year. This salary was previously included in the COVID-19 emergency response fund budget since 2020/21.

The housekeeping budget for 2022/23 has been adjusted in accordance with the custodial contract. There were some savings realized in 2021/22 due to a few weeks with fewer custodial staff on site.

The security budget for 2022/23 is lower than the 2021/22 budget but higher than 2021/22 actuals. The 2021/22 budget should have been reduced by the additional cost of 24/7 coverage during the pandemic which was treated as a COVID-19 emergency response fund expenditure. It is anticipated that 24/7 coverage will be maintained until at least the end of the calendar year. The 2022/23 budget assumes the return to normal security coverage in the next calendar year and assumes annual contract increases.

The Facilities Management budget includes some safety related COVID expenditures that were previously included in the COVID-19 emergency response fund budget. These costs have been segregated within the Facilities Management budget so their continuance can be reassessed in the next budget cycle. These expenditures consist of the following:

- Filters, PPE, other - \$44,000
- Touchpoint cleaning - \$28,000 (until December 31)
- Additional security - \$29,000 (until December 31)

When considering the 2021/22 overage of \$162,000 in other operational expenditures in the table below, one should also consider the savings in capital funded by operations on page 26 of this document. The facilities alterations and renovations amount capitalized was \$68,000 lower than budget which brings the net overage to \$94,000. The amount capitalized included \$132,000 for drawings for the Alexandra Hall accessibility project and the Journalism School/gymnasium. These drawings were authorized in the third quarter forecast to be funded by the 2021/22 operating cash surplus. If these funds had not been expended, the \$94,000 overage would in fact be a savings of \$38,000.

All other operational expenditures have been adjusted for the authorized 1% increase in the 2022/23 budget.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Salaries & benefits                         | \$ 820,000                             | \$ 808,000                | \$ 823,000                |
| COVID salary contract                       | -                                      | -                         | 66,000                    |
| Housekeeping                                | 415,000                                | 411,000                   | 444,000                   |
| Security                                    | 153,000                                | 124,000                   | 143,000                   |
| COVID safety-related expenditures           | -                                      | -                         | 101,000                   |
| Other                                       | 359,000                                | 521,000                   | 364,000                   |
| <b>Total Facilities Management</b>          | <b>1,747,000</b>                       | <b>1,864,000</b>          | <b>1,941,000</b>          |
| Cost covered by internally restricted funds | -                                      | (21,000)                  | -                         |
| <b>Net cost of Facilities Management</b>    | <b>\$ 1,747,000</b>                    | <b>\$ 1,843,000</b>       | <b>\$ 1,941,000</b>       |

### **Residence & Other Student Services:**

The Dean of Students brought a proposal before the BAC in January 2022 called “Revitalizing Student Support, Residence, and Ancillary Services at the University of King’s College”. The proposal aims to improve supports to all students and create administrative efficiencies. The residence office will be divided into two units under the leadership of two assistant deans:

- Assistant Dean of Residence Life (formerly Assistant Dean of Residence) – will care for students by providing supports and experiences to help them flourish.
- Assistant Dean of Housing and Ancillary Services (modifying the existing role of the Ancillary Services Manager) – will care for the administrative logistics and services that support residence, as well as the summer conference services business.

Proposed changes will result in a net increase of 1.5 full time equivalent employees (FTEs) (plus the continuation of the Student Support Advisor). Changes include:

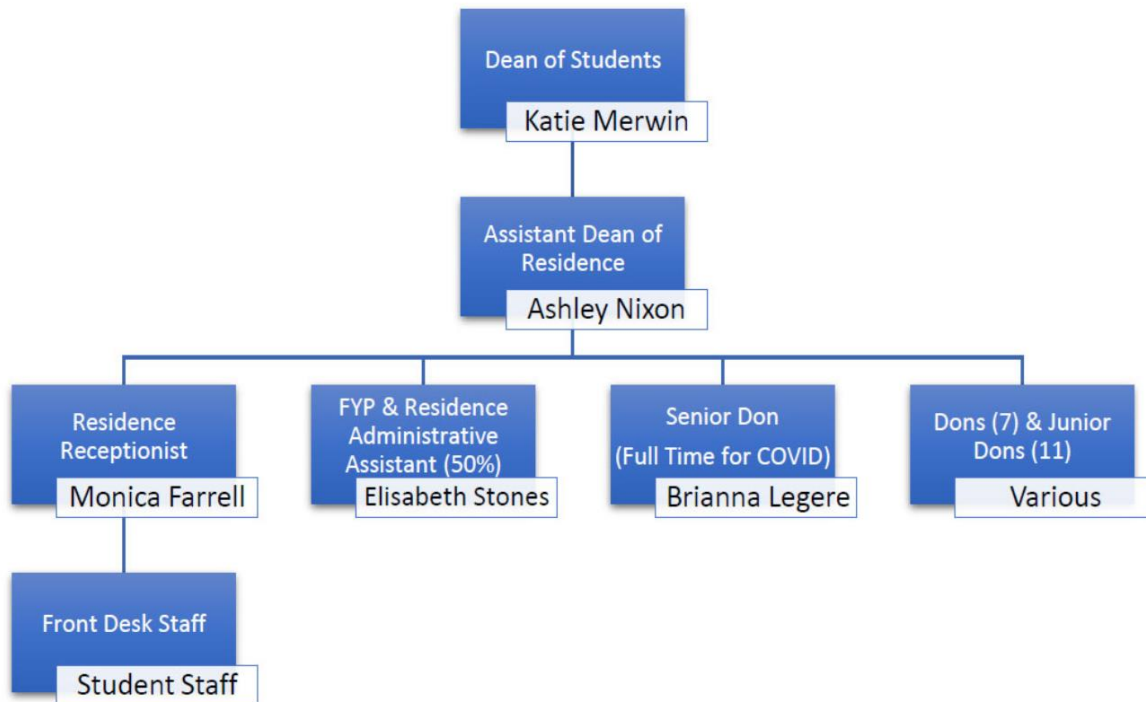
- The Senior Don position (1 FTE plus a Don) will be reduced by 0.5 FTE to a half time Program & Community Engagement Coordinator (0.5 FTE plus a Don).
- The FYP & Residence Administrator (0.5 FTE each) will become Residence & Housing Administrator (+1 FTE), with FYP Administrator continuing at 1 FTE.
- The Residence Receptionist will become the Front Desk Coordinator.
- A new position of Housing Operations Coordinator (+1 FTE) will be created to support increased duties.

The proposal will increase access to student supports for all students through the continuation of the Student Support Advisor. This was a new COVID contract position in 2021/22 that was partially funded by a \$25,000 non-renewable grant. The residence team will revert back to the pre-COVID residence Don and Junior Don team as well as student patrol.

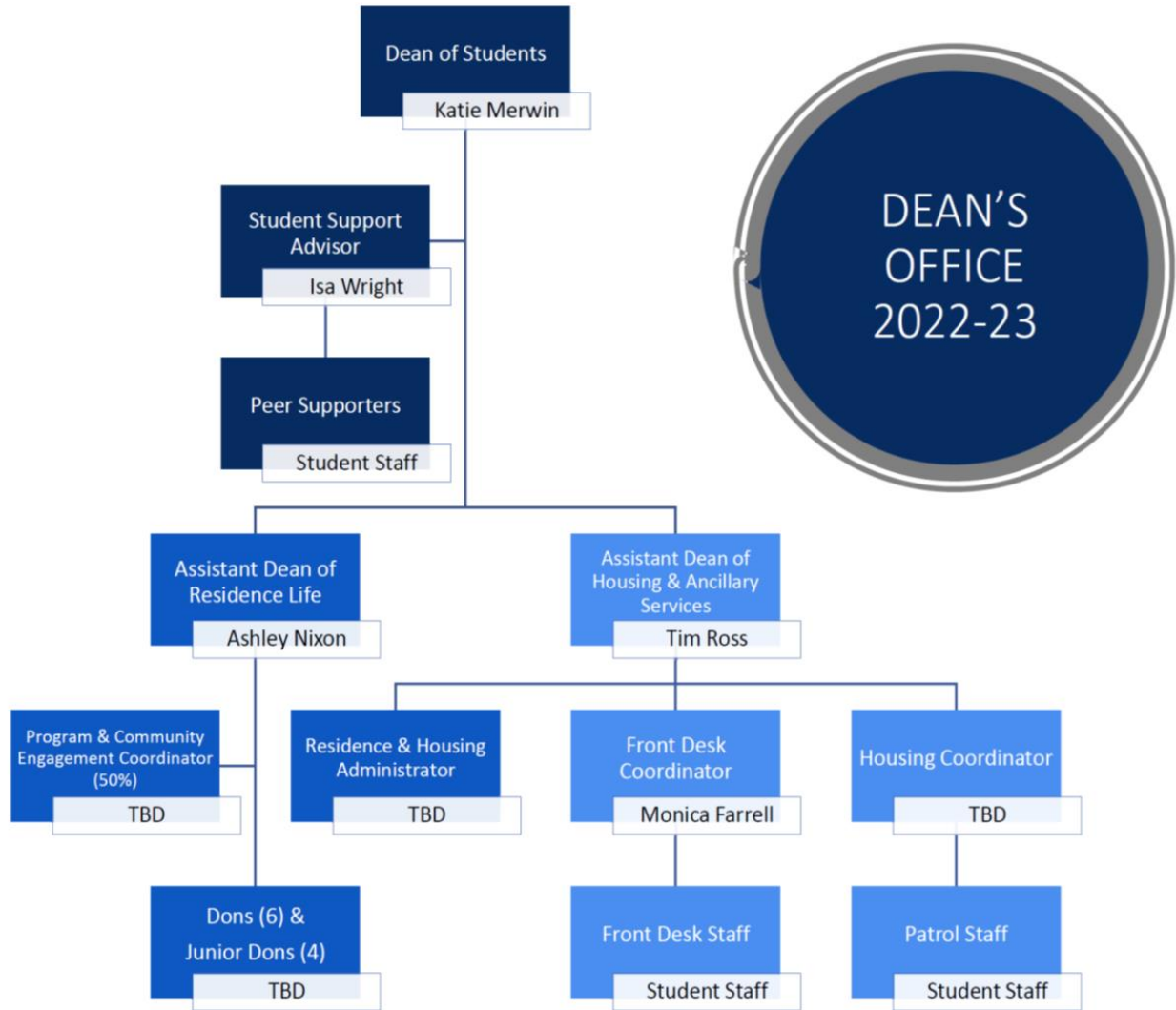
The positive impacts of this proposal include:

- Enhancing supports for student success (the right people in the right roles);
- Solving long-standing student feedback and resources issues with the residence office;
- Creating more student employment opportunities;
- Coordinating residence operations with Ancillary Services, building efficiencies;
- Increasing revenue with more beds and resources for occupancy management; and
- Building the capacity in the Dean of Students to focus on supporting all students and institutional priorities such as equity, diversity, inclusion, accessibility (EDIA), mental health; sexualized violence prevention; policies; etc.

The current organizational structure is as follows:



The new organizational structure is as follows:



The net budget impact of the proposal (after considering revenue and expenses) is **\$64,000 (net cost)**.

**Revenue impact - \$104,000 more revenue resulting from:**

- Nine fewer residence rooms occupied by junior dons making more revenue generating beds available for students.
- Conversion of Dean’s suite into three additional residence beds (with the permanent relocation of the Dean off campus) as part of the Alexandra Hall accessibility project in the summer of 2022.
- Meal plan commission from 12 additional residence beds.
- A four-year 3% residence fee increase (after holding fees flat since 2016/17) on all residence rooms except Cochran Bay (due to the condition of the building).

**Expenditure impact - \$168,000 higher expenses resulting from:**

- Increased salary and benefits costs from new positions, modifications to existing positions, and the reinstatement of student patrol - \$192,000, offset by
- Fewer meal plans purchased for Dons and Junior Dons \$24,000.

Other administrative and operational expenditures have been adjusted by the 1% authorized increase. Actual administrative and operational expenditures for 2021/22 were impacted by the pandemic (formal meals and events).

The BAC was very much in favour of the Dean’s proposal and indicated that the preference would be for new positions to be hired on a one-year contract basis until the dust settles and positions evolve to ensure the proposal is achieving what it set out to achieve. The proposal also received praise from students at the student tuition and fee consultation meeting in March.

|   | <b>Approved</b>   |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | <b>Budget</b>     | <b>Actual</b>     | <b>Budget</b>     |
|   | <b>2021/22</b>    | <b>2021/22</b>    | <b>2022-23</b>    |
| Salaries & benefits                                 | \$ 347,000        | \$ 344,000        | \$ 538,000        |
| Former COVID contract salary                        | -                 | -                 | 62,000            |
| Food services                                       | 70,000            | 72,000            | 46,000            |
| Other administrative and operational                | 90,000            | 73,000            | 92,000            |
| Student societies                                   | 18,000            | 17,000            | 19,000            |
| <b>Total Residence &amp; Other Student Services</b> | <b>\$ 525,000</b> | <b>\$ 506,000</b> | <b>\$ 757,000</b> |

**Scholarships, Awards & Bursaries and Other Student Support:**

**Bursaries**

The bursaries budget for 2021/22 included \$73,000 for student emergency relief bursaries. It consisted of \$43,000 in donations and another \$30,000 contributed by King’s. An additional \$6,000 in donations was received in 2021/22 bringing the total amount available to award to \$79,000. Of this amount, \$30,000 was awarded in 2021/22 leaving \$49,000 available to carry forward to 2022/23 for the recently introduced Urgent Needs Bursary Program.

The bursaries budget for 2021/22 also included \$69,000 to provide all international students a bursary equivalent to the increase in the international differential fee in 2021/22. Due to higher international enrolment in 2021/22 than anticipated, the actual amount of bursaries awarded was \$85,000.

At the 2021/22 student tuition and fees consultation meeting, the KSU requested the formation of a sub-committee of the BAC to explore international tuition at King’s more broadly. They had expressed concern about the decision made by Dalhousie’s Board of Governors in April of 2019 to significantly increase international tuition for Dalhousie students over a four-year period

beginning in the fall of 2019. This increase has been mirrored in the tuition that King's international students pay as King's and Dalhousie offer joint degrees in Arts and Science. The 2021/22 academic year was the third year of the four-year approved increase.

The sub-committee began meeting in the Fall of 2021. Due to unforeseen circumstances, the scope of the terms of reference was beyond the capacity of the sub-committee; therefore, recommendations were made with respect to the 2022/23 academic year only rather than a multi-year approach with the intention of revisiting again in the following academic year. In March, the Board of Governors approved the sub-committee's recommendation that 50% of the international differential fee increase for each of 2021/22 and 2022/23 (which equates to \$90,000 assuming 48 international students) be disbursed as bursaries to international students with financial need for the 2022/23 academic year. This would be in addition to the scholarships and bursaries already available to international students. The Bursaries Committee was tasked with outlining the criteria and process for distributing these bursaries. A communications plan will be implemented notifying all international applicants and current international students of the increase to tuition, the increased bursary funds available to them, and clarity around the process for determining how much each student who qualifies will receive. In December 2022 an evaluation will be performed of the amount distributed and BAC will be notified if the funding is not sufficient in meeting international student needs.

### **Scholarships**

While the flowthrough scholarships for 2021/22 were higher than budgeted, these scholarships are funded by donations so the overage has no impact on the bottom line.

### **Tuition Waivers**

Tuition waivers are available for dependents of King's employees. The budget amount for this item is specific to the employee dependents attending King's or Dalhousie at a given point in time and can vary from year to year. The budget for 2021/22 was more than sufficient to cover the actual tuition waivers given during 2021/22. At budget time, the number of first year employee dependents is not always known. The 2022/23 budget includes our best estimate at this time which is \$14,000 lower than the prior year's budget.

The tuition waivers budget also includes waivers for students formerly in the foster care system. King's has committed to offer up to two tuition waivers per year for a four-year undergraduate degree program. 2021/22 was the first year the waivers were offered and \$20,000 was included in the budget. In 2022/23 \$40,000 has been included which represents two students in their first year and two students in their second year. By 2024/25 the budget will include \$80,000 for eight students – two in each year of a four-year undergraduate degree program.

The 2022/23 budget also includes tuition waivers (or other kinds of funding) for up to three Indigenous students per year enrolled in any of the university's three Journalism degrees. \$30,000 has been included in 2022/23 with an additional \$30,000 each year until 2025/26 when there could be up to 12 students receiving waivers or other kinds of funding (across the university's three Journalism degree programs).

## Cost Covered by Internally Restricted Funds

Of the total scholarships and bursaries awarded in 2021/22, \$199,000 was covered by the scholarships, awards and bursaries fund within the internally restricted funds.

Of the \$1,756,000 million budget for scholarships, awards and bursaries and other student support (\$1,612,000 plus \$144,000 shown below), 63% is funded by a combination of endowment income (\$562,000 net of fees), annual scholarship gifts (\$530,000) and government grants (\$20,000), leaving \$644,000 or 37% being covered by King's operating budget. Schedule 4 provides more details. This does not consider funding provided by the internally restricted funds which is outside of the operating budget. Reducing the percentage of a stable or growing financial aid program (scholarships and bursaries) that is financed from the operating budget is one of the objectives of launching a major gifts campaign.

### Scholarships, Awards & Bursaries:

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Scholarships  | \$ 906,000                             | \$ 1,228,000              | \$ 906,000                |
| Bursaries   | 321,000                                | 245,000                   | 318,000                   |
| Flowthrough scholarships                              | 321,000                                | 340,000                   | 321,000                   |
| US/International awards                               | 67,000                                 | 33,000                    | 67,000                    |
| Experiential learning fellowships                     | -                                      | 22,000                    | -                         |
| <b>Total Scholarships, Awards and Bursaries</b>       | <b>1,615,000</b>                       | <b>1,868,000</b>          | <b>1,612,000</b>          |
| Cost covered by internally restricted funds           | -                                      | (199,000)                 | -                         |
| <b>Net cost of Scholarships, Awards and Bursaries</b> | <b>\$ 1,615,000</b>                    | <b>\$ 1,669,000</b>       | <b>\$ 1,612,000</b>       |

### Other Student Support:

|                                    | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|------------------------------------|--|---------------------------|---------------------------|
| Chapel music scholarships          | \$ 18,000                              | \$ 18,000                 | \$ 18,000                 |
| Divinity scholarships & bursaries  | 20,000                                 | 20,000                    | 20,000                    |
| Tuition waiver                     | 70,000                                 | 60,000                    | 106,000                   |
| <b>Total Other Student Support</b> | <b>\$ 108,000</b>                      | <b>\$ 98,000</b>          | <b>\$ 144,000</b>         |

### Utilities, Taxes & Insurance:

The 2021/22 actual results for electricity and heat are higher than budget largely due to 24/7 ventilation during the pandemic. Steam heat is purchased from Dalhousie which is produced using natural gas. Natural gas prices during 2021/22 were exceptionally high and exceeded the budgeted figures provided by Dalhousie. The 2022/23 budget assumes the continuation of 24/7

ventilation for much of the year and includes allowances for rate increases. Steam heat can fluctuate from budget for various reasons including Heritage Gas monthly pricing, changes in consumption and weather. According to Dalhousie’s most recent projections, natural gas prices are expected to spike again this winter, partially rising with inflation but mainly due to the conflict in Europe and the demand for US natural gas increasing as Europe tries to reduce dependence on Russian energy.

A new insurance policy was obtained at the beginning of 2022/23. The cost of this coverage is offset by the return of a premium surplus to members from CURIE (Canadian University Reciprocal Insurance Exchange) in April 2022 resulting in a net cost of \$13,000 for 2022/23.

|   | <b>Approved</b>   |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | <b>Budget</b>     | <b>Actual</b>     | <b>Budget</b>     |
|   | <b>2021/22</b>    | <b>2021/22</b>    | <b>2022/23</b>    |
| Electricity                                   | \$ 170,000        | \$ 190,000        | \$ 198,000        |
| Heat  | 208,000           | 284,000           | 328,000           |
| Water   | 50,000            | 47,000            | 50,000            |
| Insurance                                     | 76,000            | 75,000            | 90,000            |
| Taxes   | 5,000             | 4,000             | 5,000             |
| <b>Total Utilities, Taxes &amp; Insurance</b> | <b>\$ 509,000</b> | <b>\$ 600,000</b> | <b>\$ 671,000</b> |

**Advancement Office:**

The 2022/23 salaries and benefits budget includes annual salary increases as well as the salary top-up for a parental leave. One Advancement Office position (Manager, Digital Marketing and Communications) has recently been relocated to the Registrar’s Office and is included in that budget. The 2021/22 salaries and benefits budget was favorably impacted by the timing of replacement of two employees who resigned in April 2021. Actual results for 2021/22 are lower than budget due to the timing of a maternity leave and the salary of the maternity leave replacement.

An additional \$5,000 was permanently added to the alumni & development budget due to Raiser’s Edge (fundraising software built specifically for non-profit organizations) upgrading to a new platform. With recruitment marketing relocating back to the Registrar’s Office, \$28,000 in operating expenditures have also been moved. These are costs for the Viewbook, social media, video, and photography. This impacts the communications budget line below. All other 2022/23 non-salary budget lines remain the same as 2021/22 aside from the authorized 1% increase.

As with many other departments, spending in 2021/22 was impacted by the pandemic and there are savings in several budget lines.



|                                 | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---------------------------------|--|---------------------------|---------------------------|
| Salaries & benefits             | \$ 610,000                             | \$ 599,000                | \$ 579,000                |
| Alumni & development            | 62,000                                 | 53,000                    | 68,000                    |
| Communications                  | 84,000                                 | 41,000                    | 57,000                    |
| Tidings & website               | 46,000                                 | 43,000                    | 46,000                    |
| <b>Total Advancement Office</b> | <b>\$ 802,000</b>                      | <b>\$ 736,000</b>         | <b>\$ 750,000</b>         |

### **Athletics:**

The 2022/23 salaries and benefits budget includes annual salary increases for staff as well as an increase in minimum wage for student staff. Actual salaries and benefits exceeded budget due to student salaries from April 2021 that were covered by the student employment fund and are reflected as a reduction in expenses in the table below. The COVID contract salary for the Athletics Assistant has been included in the Athletics budget due to the reporting relationship of this position and the ongoing need for this position in the coming year. The continuation of this position will be reassessed next year. This salary was previously included in the COVID-19 emergency response fund budget since 2020/21.

The 2022/23 budget for athletics teams and general has increased by \$31,000 for the following reasons:

- Costs beyond control
  - Facility rentals - \$3,000 (higher rental fees by Dalhousie, HRM and Soccer NS)
  - Sports travel - \$13,000 (increased travel for tournaments in soccer and women's volleyball – locations vary year to year)
  - Trainer - \$4,000 (increases in the cost of basic services to prevent and treat athletic injuries)
- BAC budget request - strength and conditioning coach - \$11,000 (described previously)

The 2021/22 actual results for athletics teams and general exceeded budget due to airline travel costs for badminton nationals in Edmonton (\$2,000 per person).

The Dalhousie fee is the fee King's students are charged for access to the Dalplex. This fee flows directly from the students to Dalhousie through the Athletics budget. The athletic fee charged to King's students is a joint fee whereby a portion of the fee is transferred to Dalhousie and a portion is kept by King's to support the operations of the King's gymnasium. It fluctuates based on enrolment.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Salaries & benefits                         | \$ 281,000                             | \$ 284,000                | \$ 289,000                |
| COVID salary contract                       | -                                      | -                         | 34,000                    |
| Athletics teams and general                 | 190,000                                | 212,000                   | 221,000                   |
| Dalhousie fee                               | 110,000                                | 108,000                   | 114,000                   |
| <b>Total Athletics</b>                      | <b>581,000</b>                         | <b>604,000</b>            | <b>658,000</b>            |
| Cost covered by internally restricted funds | -                                      | (3,000)                   | -                         |
| <b>Net cost of Athletics</b>                | <b>\$ 581,000</b>                      | <b>\$ 601,000</b>         | <b>\$ 658,000</b>         |

**Bursar's Office:**

The 2022/23 salaries and benefits budget is \$77,000 lower than the 2021/22 budget. With the hire of a Human Resources Manager on May 2, 2022, the salary of the Human Resources and Compensation Officer has been relocated to the Human Resources and Compensation Office budget below. To make the hire more affordable, the full-time Procure-to-Pay Officer position was eliminated on June 30 and replaced with a half-time Accounts Payable Officer. The salaries and benefits budget includes annual salary increases.

The 2022/23 non-salary budget is \$3,000 lower than the 2021/22 budget as these funds have been reallocated to the Human Resources and Compensation Office budget below. Savings in the travel budget were realized in 2021/22 due to virtual meetings/conferences rather than in-person.

|                              | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|------------------------------|--|---------------------------|---------------------------|
| Salaries & benefits          | \$ 573,000                             | \$ 574,000                | \$ 496,000                |
| General expenses             | 4,000                                  | 2,000                     | 3,000                     |
| Memberships and training     | 4,000                                  | 3,000                     | 4,000                     |
| Travel                       | 3,000                                  | -                         | 2,000                     |
| Computer support             | 3,000                                  | 3,000                     | 2,000                     |
| <b>Total Bursar's Office</b> | <b>\$ 587,000</b>                      | <b>\$ 582,000</b>         | <b>\$ 507,000</b>         |

## **Human Resources and Compensation Office**

|  | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--|--|---------------------------|---------------------------|
| Salaries & benefits                                    | \$ -                                   | \$ -                      | \$ 161,000                |
| General expenses                                       | -                                      | -                         | 1,000                     |
| Memberships and training                               | -                                      | -                         | 4,000                     |
| Resources and supplies                                 | -                                      | -                         | 2,000                     |
| Travel   | -                                      | -                         | 4,000                     |
| Computer support                                       | -                                      | -                         | 3,000                     |
| <b>Total Human Resources &amp; Compensation Office</b> | <b>\$ -</b>                            | <b>\$ -</b>               | <b>\$ 175,000</b>         |

As noted above under the Bursar's Office, a Human Resources (HR) Manager position was created at King's and the successful incumbent started on May 2. The salaries and benefits budget includes the salary of this position as well as the Human Resources and Compensation Officer position. A non-salary budget was created to support the work of this office. To defray some of these costs, \$3,000 was reallocated from the Bursar's Office budget above.

### **General College Administration and Other:**

The salaries and benefits budget includes the salary of the Arts and Administration (A&A) building receptionist, a portion of the salary of the Ancillary Services Manager and student coverage for the A&A reception area as needed. The coverage for the A&A reception area in 2021/22 was slightly higher than anticipated in the budget. This has been factored into the 2022/23 salaries and benefits budget along with annual salary increases for staff.

The 2022/23 non-salary budget is increasing overall by \$1,000. Some areas are increasing while others are decreasing:

- Central information technology – increasing by \$13,000 due to the following:
  - Website security services - \$5,000 has been added to the budget to allow for website security support.
  - Institutional Zoom license - \$8,000 has been reallocated from the COVID emergency response fund budget. This was first included in the budget in 2020/21 due to online instruction. This remains in the budget and will be reassessed in the future.
- Savings have been found in postage & courier and in office & general expense. These budgets have been adjusted accordingly and the savings used to offset the increase in central information technology.
- Membership fees – an increase of \$1,000 due to annual increases in fees. Actual spending for 2021/22 is lower than anticipated for two university-sector initiatives including: “A Shared Vision” (King's share of costs) and Director of Atlantic Indigenous Post-Secondary Education

Committee (King’s share of salary/benefits). Under the first initiative, King’s received an invoice that was lower than anticipated and the second initiative has not yet received funding in support of the position. These costs remain in the 2022/23 budget.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Salaries & benefits                         | \$ 65,000                              | \$ 67,000                 | \$ 74,000                 |
| Membership/conference fees                  | 73,000                                 | 66,000                    | 74,000                    |
| Central information technology              | 96,000                                 | 94,000                    | 109,000                   |
| Postage & courier                           | 33,000                                 | 25,000                    | 30,000                    |
| Office & general expense                    | 69,000                                 | 60,000                    | 59,000                    |
| <b>Total General College Administration</b> | <b>\$ 336,000</b>                      | <b>\$ 312,000</b>         | <b>\$ 346,000</b>         |

**Library:**

The 2022/23 salaries and benefits budget reflects the full year salary of King’s new head librarian who started at King’s in November 2021. The position was filled on a contract basis by a retired King’s librarian since April 2018. There was some overlap training reflected in the actual results for 2021/22. The 2022/23 salary and benefits budget also reflects annual salary increases. Actual student salaries and benefits for 2021/22 were lower than budget as the pandemic caused a reduction in hours or full closure of the library periodically during the year. The budget for 2022/23 has been reinstated to pre-pandemic levels plus an increase in the minimum wage rate.

With the exception of the approved 1% increase in operating expenses, the 2022/23 non-salary budget for the Library remains unchanged from 2021/22.

|                                | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--------------------------------|--|---------------------------|---------------------------|
| Salaries & benefits            | \$ 289,000                             | \$ 341,000                | \$ 380,000                |
| Student - part-time employment | 40,000                                 | 28,000                    | 50,000                    |
| Periodicals                    | 18,000                                 | 25,000                    | 18,000                    |
| Novanet                        | 26,000                                 | 22,000                    | 26,000                    |
| Miscellaneous                  | 24,000                                 | 7,000                     | 24,000                    |
| <b>Total Library</b>           | <b>\$ 397,000</b>                      | <b>\$ 423,000</b>         | <b>\$ 498,000</b>         |

**President’s Office:**

The salaries and benefits budget for 2022/23 reflects annual salary increases. The 2021/22 budget included an adjustment to the President’s one-year administrative leave accrual to reflect the President’s new salary under his new contract effective July 1, 2021.

Aside from the 1% authorized operating expense increase, the 2022/23 non-salary budget remains the same with the exception of two items. An additional \$30,000 was added to the encaenia budget to allow for the celebrations of both the 2020 and 2021 graduation classes on May 6. The special events budget includes \$10,000 for preliminary costs related to the Universities Studying Slavery (USS) conference that King’s is co-hosting with Dalhousie in October 2023. The 2023/24 projection includes an additional \$15,000 for the conference. The 2021/22 special events budget included \$15,000 for the Chancellor’s installation expenditures which has since been removed.

Most of the non-salary expenditures incurred in 2021/22 were lower than budget due to the pandemic. The encaenia expenditures incurred in 2021/22 were related to virtual events including the cost to produce a video.

The \$1,000 cost covered by internally restricted funds relates to a student hired under the student employment fund.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Salaries & benefits                         | \$ 420,000                             | \$ 417,000                | \$ 384,000                |
| Encaenia & matriculation                    | 34,000                                 | 34,000                    | 64,000                    |
| Entertainment / special events              | 32,000                                 | 25,000                    | 28,000                    |
| Travel                                      | 10,000                                 | -                         | 10,000                    |
| Board of Governors / committees             | 7,000                                  | -                         | 7,000                     |
| Other                                       | 12,000                                 | 10,000                    | 12,000                    |
| <b>Total President's Office</b>             | <b>515,000</b>                         | <b>486,000</b>            | <b>505,000</b>            |
| Cost covered by internally restricted funds | -                                      | (1,000)                   | -                         |
| <b>Net cost of President's Office</b>       | <b>\$ 515,000</b>                      | <b>\$ 485,000</b>         | <b>\$ 505,000</b>         |

### **Vice-President’s Office:**

The 2022/23 salaries and benefits budget includes annual salary increases. After a year in the new position, the role of the Assistant to the Vice-President and Public Humanities and Experiential Learning Coordinator was re-evaluated as the responsibilities have evolved. The revised salary is reflected in the 2021/22 actual results from July 1 onward and is included in the 2022/23 budget for the full year. The COVID contract salary for the Online Education and Information Management Coordinator has been included in the Vice-President’s Office budget due to the reporting relationship of this position and the ongoing need for this position in the coming year. The continuation of this position will be reassessed next year. This salary was previously included in the COVID-19 emergency response fund budget since 2020/21.

Aside from the 1% authorized operating expense increase, the non-salary budget for 2021/22 remains the same as the 2021/22 budget. Savings in travel costs were realized in 2021/22 due to the pandemic.

|                                      | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--------------------------------------|--|---------------------------|---------------------------|
| Salaries & benefits                  | \$ 247,000                             | \$ 258,000                | \$ 271,000                |
| COVID salary contract                | -                                      | -                         | 58,000                    |
| Travel                               | 8,000                                  | -                         | 8,000                     |
| Computer support                     | 2,000                                  | 1,000                     | 2,000                     |
| General office                       | 1,000                                  | 3,000                     | 1,000                     |
| <b>Total Vice-President's Office</b> | <b>\$ 258,000</b>                      | <b>\$ 262,000</b>         | <b>\$ 340,000</b>         |

**Equity Office:**

The 2022/23 salaries and benefits budget includes the Equity Officer's salary for the full year while the 2021/22 budget included nine months (July 1, 2021 start date). The previous position was a half-time permanent position and was vacant from November 2020 until June 2021. The position was since converted to a full-time permanent position.

The operating budget for 2022/23 has been adjusted to reflect the authorized 1% increase. The pandemic impacted spending in 2021/22.

|                            | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|----------------------------|--|---------------------------|---------------------------|
| Salaries & benefits        | \$ 54,000                              | \$ 54,000                 | \$ 79,000                 |
| Operating costs            | 23,000                                 | 5,000                     | 24,000                    |
| <b>Total Equity Office</b> | <b>\$ 77,000</b>                       | <b>\$ 59,000</b>          | <b>\$ 103,000</b>         |

**Accessibility Office:**

The 2022/23 budget includes the hiring of a full-time permanent Accessibility Officer. The anticipated start date is September 1. The salary is expected to be similar to other student support roles (such as the Equity Officer and Sexual Health and Safety Officer). An operating budget of \$20,000 has been included to support this role.

|                                   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|-----------------------------------|--|---------------------------|---------------------------|
| Salaries & benefits               | \$ -                                   | \$ -                      | \$ 48,000                 |
| Operating costs                   | -                                      | -                         | 20,000                    |
| <b>Total Accessibility Office</b> | <b>\$ -</b>                            | <b>\$ -</b>               | <b>\$ 68,000</b>          |

### **Sexual Health & Safety Office:**

The 2022/23 salaries and benefits budget reflects an annual salary increase. Actual results for 2021/22 include \$8,000 in casual wages which were offset by a provincial government grant.

The operating budget for 2022/23 has been increased by \$5,000 to be in line with the other student support departments (such as the Equity and Accessibility Offices). An additional \$20,000 (one-time increase) has been added to address the recommendations arising from the Independent Review. As was the case with many other departments, actual results for 2021/22 were impacted by the pandemic.

|  | <b>Approved</b>  |                  |                   |
|--|------------------|------------------|-------------------|
|  | <b>Budget</b>    | <b>Actual</b>    | <b>Budget</b>     |
|  | <b>2021/22</b>   | <b>2021/22</b>   | <b>2022/23</b>    |
| Salaries & benefits                            | \$ 76,000        | \$ 84,000        | \$ 81,000         |
| Operating costs                                | 15,000           | 4,000            | 40,000            |
| <b>Total Sexual Health &amp; Safety Office</b> | <b>\$ 91,000</b> | <b>\$ 88,000</b> | <b>\$ 121,000</b> |

### **Registrar's Office:**

The 2022/23 salaries and benefits budget includes annual salary increases. An Advancement Office position (Manager, Digital Marketing and Communications) has recently been relocated to the Registrar's Office and is included in this budget. There are savings related to the timing of replacement of an outgoing employee. Both the 2021/22 and 2022/23 salaries and benefits budgets are impacted by the maternity leaves of two employees. Actual salaries and benefits exceeded budget for 2021/22 due to the accrual of vacation days owing to staff which was larger this year than in the previous year.

The COVID contract salaries for the Student Communications Coordinator and the Academic Services and Events Officer have been included in the Registrar's Office budget due to the reporting relationship of these positions and the ongoing need for these positions in the coming year. The continuation of these positions will be reassessed next year. These salaries were previously included in the COVID-19 emergency response fund budget.

The \$21,000 overage in the 2021/22 part-time help budget was covered by the student employment fund and is included in the 'cost covered by internally restricted funds' in the table that follows. Since 2020/21, \$23,000 was removed from the budget related to 17-week recruitment positions due to the pandemic and the inability to travel. These funds have been returned to the budget in 2022/23.

The pandemic caused the Registrar's Office to reimagine new and innovative ways to recruit students other than the traditional in-person high school visits that King's has relied upon in previous years. The recruitment travel budgets for both 2021/22 and 2020/21 were diverted to online marketing efforts including digital media buying campaigns which appears to have had a significant impact given the number of applications King's received in both 2021/22 and 2020/21 for the 2022/23 and 2021/22 academic years respectively. The net overage in the recruitment and marketing budget was covered by the 'recruitment-related activities and communications and

marketing activities tied to recruitment fund' under the internally restricted funds and is included in the 'cost covered by internally restricted funds' in the table that follows.

Now that recruitment marketing has been relocated back to the Registrar's Office from the Advancement Office, \$28,000 in operating expenditures have also been moved. These are costs for the Viewbook, social media, video and photography. This impacts the recruitment, marketing & academic support budget line in the table that follows.

In addition to the authorized 1% increase in operating expenses for 2022/23, the Registrar's Office brought two requests before the BAC (which were described previously):

- Marketing budget increase - \$40,000 (permanent)
- Implement a digital records process - \$20,000 (one-time)

During 2021/22 the Registrar requested funds for a web-based fully accessible calendar subscription at an ongoing cost of \$6,000. This request was approved and the funds have been included in the operations budget for 2022/23. This subscription allows students to easily access relevant academic regulations and allows faculty and staff to easily refer students to information for academic advising. The new version also eases the editing process and is compliant with accessibility standards. The 2022/23 Academic Calendar was published using this software. The Registrar's Office was able to minimize significant human resource and technology costs by collaborating with colleagues at the University of PEI and using software available through the libraries system.

Now that the May 15 deposit deadline has passed, the Registrar's Office will do a detailed review of recruitment and marketing efforts for the 2022/23 academic year. It seems that many recruitment events will be returning to in-person this year and travel costs are increasing significantly. This requires an evaluation of the split of spending between recruitment and marketing costs for the upcoming recruitment year. In addition, they are working on an international recruitment plan with the support of Dalhousie colleagues and there may be cost implications that are not yet possible to build into this budget.

|  | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--|--|---------------------------|---------------------------|
| Salaries & benefits                                    | \$ 724,000                             | \$ 734,000                | \$ 818,000                |
| COVID salary contracts (2)                             | -                                      | -                         | 101,000                   |
| Part-time help   | 18,000                                 | 39,000                    | 42,000                    |
| Recruitment, marketing & academic support (non-salary) | 199,000                                | 235,000                   | 269,000                   |
| Operations   | 32,000                                 | 28,000                    | 58,000                    |
| <b>Total Registrar's Office</b>                        | <b>973,000</b>                         | <b>1,036,000</b>          | <b>1,288,000</b>          |
| Cost covered by internally restricted funds            | -                                      | (54,000)                  | -                         |
| <b>Net cost of Registrar's Office</b>                  | <b>\$ 973,000</b>                      | <b>\$ 982,000</b>         | <b>\$ 1,288,000</b>       |



### **Divinity and Chapel:**

Chapel expenses are largely funded by donations and a draw from endowment funds designated for Chapel purposes. Actual salaries and benefits for 2021/22 were lower than budget due to the CEWS (Canada Emergency Wage Subsidy) benefit received from the federal government for a portion of the Chaplain's salary during the pandemic (the Diocese invoices King's for 50% of the Chaplain's salary and benefits). The 2021/22 salaries and benefits budget included savings due to the resignation of the Chapel Administrator and the timing of the hire of the new Administrator. The 2022/23 salaries and benefits budget does not assume any CEWS benefit and includes the Chapel Administrator for the full 11 months of the contract (contract is from August 1 – June 30).

The 2022/23 budget includes an allowance for flights for students who wish to volunteer in First Nations communities (\$8,000). Actual spending for 2021/22 was largely impacted by the pandemic. After applying offerings revenue and endowment income, the Chapel is budgeted to break even, with the exception of half of the Chaplain's salary which the university contributes (\$45,000). Refer also to Schedule 4.

|                                  | <b>Approved</b>   |                   |                   |
|----------------------------------|-------------------|-------------------|-------------------|
|                                  | <b>Budget</b>     | <b>Actual</b>     | <b>Budget</b>     |
|                                  | <b>2021/22</b>    | <b>2021/22</b>    | <b>2022/23</b>    |
| Salaries & benefits              | \$ 78,000         | \$ 70,000         | \$ 86,000         |
| Chapel retreats                  | 20,000            | 12,000            | 20,000            |
| Operations                       | 35,000            | 26,000            | 43,000            |
| <b>Total Divinity and Chapel</b> | <b>\$ 133,000</b> | <b>\$ 108,000</b> | <b>\$ 149,000</b> |

### **Chapel Music:**

There were some unexpected vacancies in the Chapel Music Program in 2021/22. The Director of Music retired on December 1, 2021, and both the Chapel Choir Manager and Assistant Director of Music (who worked 40% for the Chapel Music Program and 60% for the King's Chorus) resigned on the same date. An Interim Director of Music was hired on a part-time basis from January through April 2022. It is anticipated that a full-time permanent Director of Music will be in place by August 1, 2022. The 2022/23 salaries and benefits budget assumes the new Director of Music's salary will be similar to the retired Director of Music's salary. It also includes administrative support at 20 hours per week beginning on August 1, 2022 (a position shared with the King's Chorus below).

The 2022/23 non-salary budget for the Chapel Music Program was assembled by King's Chaplain and the Chapel Administrator. If necessary, it will be adjusted in the first quarter forecast with input from the new Director of Music.

The expenditures in the table below are offset somewhat by revenue included in the 2022/23 budget including gifts of \$20,000, concert revenue of \$12,000 and endowment income of \$2,000 for a net cost to King's of \$75,000. Refer also to Schedule 4.

|                           | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---------------------------|--|---------------------------|---------------------------|
| Salaries & benefits       | \$ 133,000                             | \$ 95,000                 | \$ 70,000                 |
| Concerts                  | 72,000                                 | 1,000                     | 14,000                    |
| Singers                   | 19,000                                 | 18,000                    | 11,000                    |
| Other operating costs     | 13,000                                 | 11,000                    | 14,000                    |
| <b>Total Chapel Music</b> | <b>\$ 237,000</b>                      | <b>\$ 125,000</b>         | <b>\$ 109,000</b>         |

**King's Chorus:**

The King's Chorus brought a proposal before BAC (which was approved) to bring the King's Chorus operations into the King's 2021/22 operating budget as an individual department rather than having it continue to operate as an independent entity. It was noted that this would help to secure the continued activity of the King's Chorus (both structurally and financially) at King's. What was not anticipated was the resignation of the Assistant Director of Music (60% of this role included directing the King's Chorus) on December 1, 2021.

Due to the ongoing pandemic, there were no expenditures incurred by the King's Chorus in 2021/22 other than the salary of the director from July 1 through November 30. The 2022/23 salaries and benefits budget includes administrative support at 10 hours per week beginning August 1, 2022 (a position shared with the Chapel Music Program). The budget assumes the Director of Music will oversee the King's Chorus; however, an allocation of salary has not been made from the Chapel Music budget to the King's Chorus budget. The first quarter forecast will reflect the realities once the new Director of Music is hired.

The 2022/23 non-salary budget for the King's Chorus is assumed to be the same as the 2021/22 budget. These expenditures are offset by revenue included in the 2022/23 budget including a \$10,000 gift (year three of a five-year commitment), other potential fundraising of \$10,000, concert revenue of \$12,000 and \$1,000 in dues revenue from Chorus members for a total of \$33,000 which is slightly higher than the total budgeted expenditures for 2022/23 shown in the table below.

|                            | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|----------------------------|--|---------------------------|---------------------------|
| Salaries & benefits        | \$ 26,000                              | \$ 9,000                  | \$ 8,000                  |
| Concerts                   | 18,000                                 | -                         | 18,000                    |
| Other operating costs      | 4,000                                  | -                         | 4,000                     |
| <b>Total King's Chorus</b> | <b>\$ 48,000</b>                       | <b>\$ 9,000</b>           | <b>\$ 30,000</b>          |

### **Professional Fees:**

The professional fees budget for 2021/22 was increased from \$150,000 to \$350,000 to allow for anticipated costs related to the independent review which was commissioned late in fiscal year 2020/21 (which was largely an estimate). The work began towards the end of fiscal year 2020/21 and is expected to conclude by mid-2022/23. Costs incurred for the independent review in 2021/22 totaled \$141,000.

In May 2021, King's signed a part-time term contract with a Human Resources consultant to help King's move forward with plans to improve policies, programs and administration in the area of human resources, with particular emphasis on staff. The consultant has been developing a human resources plan and building a framework for priority initiatives. This contract was extended to the end of May 2022. The cost of this work has been covered by the staff development fund of the internally restricted funds. Refer to the table below.

The 2022/23 professional fees budget includes an estimate for the completion of the independent review and an amount for legal representation regarding the Hankey matter.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Professional Fees                           | \$ 350,000                             | \$ 293,000                | \$ 318,000                |
| Cost covered by internally restricted funds | -                                      | (56,000)                  | -                         |
| <b>Net Professional Fees</b>                | <b>\$ 350,000</b>                      | <b>\$ 237,000</b>         | <b>\$ 318,000</b>         |

### **Interest & Service Charges:**

The bank charges budget for 2022/23 is \$2,000 higher than the budget for 2021/22 due a higher discount withheld by the province from the advance of King's 2022/23 operating grant (\$18,000 in 2022/23 compared with \$9,000 in 2021/22), offset by lower bank fees. The 2021/22 actual bank fees came in at only \$9,000 compared with a budget of \$20,000 due to more savings than anticipated from transitioning to electronic means of payment and a lack of credit card payments for non-tuition-related revenue. Some savings have been reflected in the 2022/23 bank charges budget.

Interest on long-term debt is budgeted based on the amortization schedules of the individual long-term debt issues. The exception is the bridge financing loan for the Tri-Bays renovation project that was obtained in May 2020 to assist in financing the gap between donations received and the cost of the Tri-Bays project. The facility is interest only (prime less 0.25%) with payments to be made from donations when they are received (to a maximum of five years from the last drawdown date). An amount of \$13,000 was included in the 2021/22 budget for interest on this loan and the actual amount was \$12,000. There is currently \$416,000 owing on this loan. King's continues to fundraise to pay off this loan. The 2022/23 budget includes \$15,000 in interest on the bridge financing loan.

As mentioned under “Long-Term Debt” earlier in this document, the Board of Governors approved financing for the Alexandra Hall accessibility project (phase 1). This entails repaying the \$2.6 million deficit financing loan early (which currently has a balance of \$1.99 million and \$557,000 in annual debt servicing costs) and obtaining a new debt facility in the amount of \$4.9 million to finance the Alexandra Hall accessibility project (which will have \$348,000 in annual debt servicing costs). In order to forward fix the interest rate on the \$4.9 million loan before interest rates started rising, the interest rate swap on the deficit financing loan was broken in early February 2022 and the swap breakage cost (roughly 0.05%) was blended into the forward fixed rate bringing the all-in rate to 3.71% on the new loan. According to King’s bankers on May 23, if King’s had not forward fixed the interest rate when it did, the rate would almost be a full percentage point higher if it were forward fixed now. The deficit financing loan will be repaid in early August by borrowing from the internally restricted funds. The new \$4.9 million loan will be obtained in mid-August. Savings in annual debt servicing costs (minus a reduction in investment income due to the withdrawal from the internally restricted funds) will be used to repay the funds borrowed from the internally restricted funds to extinguish the deficit financing loan.

Since the swap on the deficit financing loan was broken in early February, interest is being paid at variable rates (plus a stamping fee) until the loan is repaid in early August. This has had a favorable impact on actual results for 2021/22.

|   | <b>Approved</b>   |                   |                   |
|---|-------------------|-------------------|-------------------|
|   | <b>Budget</b>     | <b>Actual</b>     | <b>Budget</b>     |
|   | <b>2021/22</b>    | <b>2021/22</b>    | <b>2022/23</b>    |
| Bank charges                                | \$ 30,000         | \$ 18,000         | \$ 32,000         |
| Long-term loan interest                     | 347,000           | 310,000           | 384,000           |
| <b>Total Interest &amp; Service Charges</b> | <b>\$ 377,000</b> | <b>\$ 328,000</b> | <b>\$ 416,000</b> |

**Investment Management Fees:**

During 2022/23, King’s underwent a rigorous request for proposals process for investment management services. Prior to this, King’s had two investment managers – an alternative investment manager (that managed investments in commercial mortgages, real estate and infrastructure of approximately \$14 million) and a value manager (that managed approximately \$32 million). Due to the sub-par performance achieved by the value manager over several years, King’s decided to seek the services of another investment manager(s). King’s evaluated 18 proposals and the successful proponent was our existing alternative investment manager. This manager now manages King’s entire investment portfolio (as of April 14, 2022). As a result of this, they have discounted King’s investment management fees by 12.2% which has been reflected in the 2022/23 budget shown in the table below.

|                            | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|----------------------------|--|---------------------------|---------------------------|
| Investment Management Fees | \$ 247,000                             | \$ 249,000                | \$ 240,000                |

**Conference Services:**

Due to the pandemic, both the 2020 and 2021 summer conference services seasons were cancelled. The small amount of revenue reflected in the table below for 2021/22 consists of facilities rental revenue. Expenses for 2021/22 include the compensation of the Ancillary Services Manager (80%) and conference services software. A student was hired for a brief period to assist with communications related to the 2022/23 season, the cost of which was covered by the student employment fund.

While conference services will be operational in 2022/23, it will be impacted by the closure of the Alexandra Hall residence which is undergoing an accessibility renovation. Most residences are typically rented to tourists from May through August. Fortunately, the other residences on campus are available and bookings are strong for the spring/summer. There are a number of small-medium sized events booked on campus as well. If Alexandra Hall had been available for occupancy, it is likely there would be a profit rather than a loss for the 2022/23 conference services season. Conference services is managed solely by the Ancillary Services Manager and a complement of at least eight students.

|   | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|---|--|---------------------------|---------------------------|
| Conference Services revenue                             | \$ 4,000                               | \$ 3,000                  | \$ 150,000                |
| Conference Services expenses                            | 79,000                                 | 81,000                    | 169,000                   |
| Profit  | \$ (75,000)                            | \$ (78,000)               | \$ (19,000)               |
| Student salaries covered by internally restricted funds | -                                      | 1,000                     | -                         |
| Revised profit/(loss)                                   | \$ (75,000)                            | \$ (77,000)               | \$ (19,000)               |

**COVID-19 Emergency Response Fund:**

Since 2020/21, King’s has had a separate budget line called the “COVID-19 Emergency Response Fund”. The budget for 2021/22 was \$842,000 (with actual spending of \$818,000) while the budget for 2020/21 was \$500,000 (with actual spending of \$1,077,000). For 2022/23, there will still be COVID-related spending, but we are moving away from referring to it as a “COVID budget”. We are now living with COVID. The total amount of spending included in the 2022/23 budget is \$597,000. These costs have been included within the respective departmental and program budgets based on reporting relationships. Due to the ongoing need and vital nature of the contract positions hired during the pandemic, they have all been extended and are included in the 2022/23 budget. All expenditures have been segregated for ease of identification within the departmental budgets

so they can be reassessed (and possibly removed) in the next budget cycle. The breakdown of the **\$597,000** is as follows with the respective department or program noted next to each (also refer to Schedule 2):

**Salaries - \$453,000**

The following contract positions are being extended:

- Online Education and Information Management Coordinator (one year, Vice-President)
- Student Communications Coordinator (one year, Registrar)
- Audio Visual/Information Technology (AV/IT) Officer (one year, Facilities Management)
- Student Support Advisor (one year, Residence – permanently relocated as part of proposal)
- Faculty Fellows in FYP (three individuals with three-year contracts, Academic)
- Athletics Assistant (one year, Athletics)
- Academic Services and Events Officer (new February 2022, one year, Registrar’s Office)

**Other Expenditures - \$144,000**

- Institutional Zoom license - \$8,000 (General Administration and Other)
- FYP lecture recordings - \$35,000 (Academic)
- Safety-related expenditures (filters, PPE, touchpoint cleaning, security) - \$101,000 (Facilities Management)

|                                  | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|----------------------------------|--|---------------------------|---------------------------|
| COVID-19 Emergency Response Fund | \$ 842,000                             | \$ 818,000                | \$ -                      |

**Unallocated Anticipated Reductions in Spending:**

Since 2020/21, King’s has had a separate budget line called “Unallocated Anticipated Reductions in Spending”. Given the considerable uncertainty surrounding the 2020/21 academic year and, to a lesser extent, the 2021/22 academic year due to the pandemic, King’s anticipated reductions in spending that were largely dependent upon Public Health directives and travel restrictions. These reductions occurred due to the closure of facilities; the ability to hold large events and gatherings; the number of faculty, staff and students permitted to be on campus; and the ability to travel. An amount of \$200,000 was factored into the 2021/22 budget (with actual reductions realized of \$261,000) while an amount of \$721,000 was factored into the 2020/21 budget (with actual reductions realized of \$863,000). The budget for 2022/23 does not anticipate any pandemic-related spending reductions.

|  | <b>Approved<br/>Budget<br/>2021/22</b> | <b>Actual<br/>2021/22</b> | <b>Budget<br/>2022/23</b> |
|--|--|---------------------------|---------------------------|
| Unallocated Anticipated Reductions in Spending | \$ 200,000                             | \$ 261,000                | \$ -                      |

University of King's College  
Statement of Operations (Operating Fund)

SCHEDULE 1

2022/23 Operating Budget and Projections for 2023/24 through 2025/26

REFER TO NARRATIVE FOR EXPLANATION OF VARIANCES

|   | Favorable (Unfavorable) |                       |                      |                      |                      |                      |                                       |             |                                       |             |
|---|-------------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|---------------------------------------|-------------|---------------------------------------|-------------|
|   | Budget                  | Actual                | Budget               | Projection           | Projection           | Projection           | 2023 Budget to 2022 Budget Comparison |             | 2023 Budget to 2022 Actual Comparison |             |
|   | March 31, 2022          | March 31, 2022        | March 31, 2023       | March 31, 2024       | March 31, 2025       | March 31, 2026       | \$                                    | %           | \$                                    | %           |
| First-Year Students including FYP (October 15)  | 245                     | 255                   | 275                  | 275                  | 275                  | 275                  | 30                                    | 12%         | 20                                    | 8%          |
| # of FYP Students (October 15)  | 215                     | 220                   | 240                  | 240                  | 240                  | 240                  | 25                                    | 12%         | 20                                    | 9%          |
| Headcount (October 15)  | 958                     | 966                   | 997                  | 1028                 | 1049                 | 1077                 | 39                                    | 4%          | 31                                    | 3%          |
| Residence Occupancy (move-in day)   | 217                     | 238                   | 260                  | 260                  | 260                  | 260                  | 43                                    | 20%         | 22                                    | 9%          |
| <b>Revenue:</b>   |                         |                       |                      |                      |                      |                      |                                       |             |                                       |             |
| Government Grant  | \$ 8,437,000            | \$ 8,437,000          | \$ 8,521,000         | \$ 8,606,000         | \$ 8,692,000         | \$ 8,779,000         | \$ 84,000                             | 1%          | \$ 84,000                             | 1%          |
| Student Academic Fees   | 8,254,000               | 8,286,000             | 9,174,000            | 9,646,000            | 10,065,000           | 10,562,000           | 920,000                               | 11%         | 888,000                               | 11%         |
| Student Ancillary Fees  | 934,000                 | 945,000               | 1,022,000            | 1,190,000            | 1,245,000            | 1,322,000            | 88,000                                | 9%          | 77,000                                | 8%          |
| Student Residence Fees  | 1,461,000               | 1,564,000             | 1,925,000            | 1,999,000            | 2,053,000            | 2,109,000            | 464,000                               | 32%         | 361,000                               | 23%         |
| Continuing Education  | 30,000                  | 37,000                | -                    | 40,000               | 42,000               | 44,000               | (30,000)                              | -100%       | (37,000)                              | -100%       |
| Investment Income   | 1,829,000               | 1,811,000             | 2,019,000            | 1,956,000            | 1,977,000            | 1,998,000            | 190,000                               | 10%         | 208,000                               | 11%         |
| Sale of Goods and Services  | 186,000                 | 138,000               | 176,000              | 183,000              | 191,000              | 199,000              | (10,000)                              | -5%         | 38,000                                | 28%         |
| Conference Services   | 4,000                   | 3,000                 | 150,000              | 406,000              | 276,000              | 340,000              | 146,000                               | 3650%       | 147,000                               | 4900%       |
| Gifts (annual fund & scholarship)   | 670,000                 | 531,000               | 700,000              | 595,000              | 312,000              | 278,000              | 30,000                                | 4%          | 169,000                               | 32%         |
| Other Grants  | 110,000                 | 108,000               | 85,000               | 85,000               | 85,000               | 85,000               | (25,000)                              | -23%        | (23,000)                              | -21%        |
| <b>Total Revenue</b>  | <b>\$ 21,915,000</b>    | <b>\$ 21,860,000</b>  | <b>\$ 23,772,000</b> | <b>\$ 24,706,000</b> | <b>\$ 24,938,000</b> | <b>\$ 25,716,000</b> | <b>\$ 1,857,000</b>                   | <b>8%</b>   | <b>\$ 1,912,000</b>                   | <b>9%</b>   |
| <b>Expenses:</b>  |                         |                       |                      |                      |                      |                      |                                       |             |                                       |             |
| Academic  | \$ 6,360,000            | \$ 6,212,000          | \$ 7,123,000         | \$ 7,625,000         | \$ 7,889,000         | \$ 8,090,000         | \$ (763,000)                          | -12%        | \$ (911,000)                          | -15%        |
| Continuing Education  | 16,000                  | 30,000                | -                    | 30,000               | 31,000               | 32,000               | 16,000                                | 100%        | 30,000                                | 100%        |
| Allotment to Dalhousie  | 3,930,000               | 3,931,000             | 3,990,000            | 4,026,000            | 4,063,000            | 4,100,000            | (60,000)                              | -2%         | (59,000)                              | -2%         |
| Facilities Management   | 1,747,000               | 1,864,000             | 1,941,000            | 1,905,000            | 1,946,000            | 2,006,000            | (194,000)                             | -11%        | (77,000)                              | -4%         |
| Residence & Other Student Services  | 525,000                 | 506,000               | 757,000              | 842,000              | 868,000              | 894,000              | (232,000)                             | -44%        | (251,000)                             | -50%        |
| Scholarships, Awards & Bursaries (\$199k int rest funds)                                    | 1,615,000               | 1,868,000             | 1,612,000            | 1,484,000            | 1,339,000            | 1,354,000            | 3,000                                 | 0%          | 256,000                               | 14%         |
| Other Student Support   | 108,000                 | 98,000                | 144,000              | 198,000              | 248,000              | 278,000              | (36,000)                              | -33%        | (46,000)                              | -47%        |
| Utilities, Taxes & Insurance  | 509,000                 | 600,000               | 671,000              | 574,000              | 593,000              | 611,000              | (162,000)                             | -32%        | (71,000)                              | -12%        |
| Advancement   | 802,000                 | 736,000               | 750,000              | 773,000              | 948,000              | 823,000              | 52,000                                | 6%          | (14,000)                              | -2%         |
| Athletics   | 581,000                 | 604,000               | 658,000              | 643,000              | 652,000              | 665,000              | (77,000)                              | -13%        | (54,000)                              | -9%         |
| Bursar's Office   | 587,000                 | 582,000               | 507,000              | 513,000              | 532,000              | 553,000              | 80,000                                | 14%         | 75,000                                | 13%         |
| Human Resources & Compensation Office (NEW)   | -                       | -                     | 175,000              | 190,000              | 197,000              | 204,000              | (175,000)                             | 100%        | (175,000)                             | 100%        |
| General College Administration  | 336,000                 | 312,000               | 346,000              | 351,000              | 356,000              | 362,000              | (10,000)                              | -3%         | (34,000)                              | -11%        |
| Library   | 397,000                 | 423,000               | 498,000              | 517,000              | 534,000              | 552,000              | (101,000)                             | -25%        | (75,000)                              | -18%        |
| President's Office  | 515,000                 | 486,000               | 505,000              | 492,000              | 529,000              | 537,000              | 10,000                                | 2%          | (19,000)                              | -4%         |
| Vice President's Office   | 258,000                 | 262,000               | 340,000              | 297,000              | 303,000              | 315,000              | (82,000)                              | -32%        | (78,000)                              | -30%        |
| Equity Office   | 77,000                  | 59,000                | 103,000              | 107,000              | 110,000              | 114,000              | (26,000)                              | -34%        | (44,000)                              | -75%        |
| Accessibility Office (NEW)  | -                       | -                     | 68,000               | 87,000               | 89,000               | 92,000               | (68,000)                              | 100%        | (68,000)                              | 100%        |
| Sexual Health & Safety Office   | 91,000                  | 88,000                | 121,000              | 105,000              | 108,000              | 112,000              | (30,000)                              | -33%        | (33,000)                              | -38%        |
| Registrar's Office  | 973,000                 | 1,036,000             | 1,288,000            | 1,277,000            | 1,305,000            | 1,344,000            | (315,000)                             | -32%        | (252,000)                             | -24%        |
| Divinity & Chapel   | 133,000                 | 108,000               | 149,000              | 152,000              | 155,000              | 158,000              | (16,000)                              | -12%        | (41,000)                              | -38%        |
| Chapel Music  | 237,000                 | 125,000               | 109,000              | 138,000              | 142,000              | 146,000              | 128,000                               | 54%         | 16,000                                | 13%         |
| King's Chorus   | 48,000                  | 9,000                 | 30,000               | 34,000               | 35,000               | 35,000               | 18,000                                | 38%         | (21,000)                              | -233%       |
| Professional Fees (\$56k covered by int rest funds)   | 350,000                 | 293,000               | 318,000              | 150,000              | 150,000              | 150,000              | 32,000                                | 9%          | (25,000)                              | -9%         |
| Interest & Service Charges  | 377,000                 | 328,000               | 416,000              | 452,000              | 432,000              | 395,000              | (39,000)                              | -10%        | (88,000)                              | -27%        |
| Investment Management Fees  | 247,000                 | 249,000               | 240,000              | 245,000              | 250,000              | 255,000              | 7,000                                 | 3%          | 9,000                                 | 4%          |
| Conference Services   | 79,000                  | 81,000                | 169,000              | 294,000              | 262,000              | 282,000              | (90,000)                              | -114%       | (88,000)                              | -109%       |
| COVID-19 Emergency Response Fund (Schedule 2)   | 842,000                 | 762,000               | -                    | -                    | -                    | -                    | 842,000                               | 100%        | 762,000                               | 100%        |
| Unallocated Anticipated Reductions in Spending  | (200,000)               | -                     | -                    | -                    | -                    | -                    | (200,000)                             | -100%       | -                                     | 0%          |
| Staff salary scale adjustment (estimate)  | -                       | -                     | 50,000               | -                    | -                    | -                    | -                                     | -           | -                                     | -           |
| Contingency   | -                       | -                     | 100,000              | -                    | -                    | -                    | (100,000)                             | -100%       | (100,000)                             | 100%        |
| <b>Total Expenses</b>   | <b>\$ 21,540,000</b>    | <b>\$ 21,652,000</b>  | <b>\$ 23,178,000</b> | <b>\$ 23,501,000</b> | <b>\$ 24,066,000</b> | <b>\$ 24,459,000</b> | <b>\$ (1,588,000)</b>                 | <b>-7%</b>  | <b>\$ (1,476,000)</b>                 | <b>-7%</b>  |
| <b>Excess of revenue over expenses</b>  | <b>\$ 375,000</b>       | <b>\$ 208,000</b>     | <b>\$ 594,000</b>    | <b>\$ 1,205,000</b>  | <b>\$ 872,000</b>    | <b>\$ 1,257,000</b>  | <b>\$ 269,000</b>                     | <b>1%</b>   | <b>\$ 436,000</b>                     | <b>210%</b> |
| Financing and investing activities:   |                         |                       |                      |                      |                      |                      |                                       |             |                                       |             |
| Debt repayment  | \$ (934,000)            | \$ (934,000)          | \$ (691,000)         | \$ (669,000)         | \$ (689,000)         | \$ (715,000)         | \$ 243,000                            | 26%         | \$ 243,000                            | 26%         |
| Capital funded by operations  | (320,000)               | (201,000)             | (338,000)            | (341,000)            | (344,000)            | (347,000)            | (18,000)                              | -6%         | (137,000)                             | 68%         |
| Capital funded by operations - COVID online equipment                                       | -                       | (56,000)              | -                    | -                    | -                    | -                    | -                                     | 0%          | 56,000                                | -100%       |
| Design work funded by surplus (Alex Hall, J-School/Gym)                                     | -                       | (132,000)             | -                    | -                    | -                    | -                    | -                                     | 0%          | 132,000                               | -100%       |
| Financing and investing activities  | \$ (1,254,000)          | \$ (1,323,000)        | \$ (1,029,000)       | \$ (1,010,000)       | \$ (1,033,000)       | \$ (1,062,000)       | \$ 225,000                            | 18%         | \$ 294,000                            | 22%         |
| <b>Subtotal - Operating cash surplus (deficit) after financing and investing activities</b> | <b>\$ (879,000)</b>     | <b>\$ (1,115,000)</b> | <b>\$ (435,000)</b>  | <b>\$ 195,000</b>    | <b>\$ (161,000)</b>  | <b>\$ 195,000</b>    | <b>\$ 494,000</b>                     | <b>56%</b>  | <b>\$ 730,000</b>                     | <b>65%</b>  |
| Application of reserve funds and prior year surplus:  |                         |                       |                      |                      |                      |                      |                                       |             |                                       |             |
| Reserve funds approved in budget (for EVRP)   | \$ -                    | \$ 29,000             | \$ 80,000            | \$ 27,000            | \$ -                 | \$ -                 | \$ 80,000                             | 100%        | \$ 51,000                             | 176%        |
| Framework for use of internally restricted funds*   | -                       | 381,000               | -                    | -                    | -                    | -                    | -                                     | 0%          | (381,000)                             | -100%       |
| Carryover of prior year surplus   | 1,142,000               | 1,142,000             | 437,000              | 82,000               | 184,000              | -                    | (705,000)                             | -62%        | (705,000)                             | -62%        |
| Funds applied to reduce operating cash deficit  | \$ 1,142,000            | \$ 1,552,000          | \$ 517,000           | \$ 109,000           | \$ 184,000           | \$ -                 | \$ (625,000)                          | -55%        | \$ (1,035,000)                        | -67%        |
| <b>Operating Cash Surplus</b>   | <b>\$ 263,000</b>       | <b>\$ 437,000</b>     | <b>\$ 82,000</b>     | <b>\$ 304,000</b>    | <b>\$ 23,000</b>     | <b>\$ 195,000</b>    | <b>\$ (131,000)</b>                   | <b>-50%</b> | <b>\$ (305,000)</b>                   | <b>-70%</b> |
| Repayment to internally restricted funds re: deficit financing loan \$1.9M**                |                         |                       |                      |                      |                      |                      |                                       |             |                                       |             |
| <b>Remaining Operating Cash Surplus</b>   |                         |                       | <b>\$ 82,000</b>     | <b>\$ 184,000</b>    | <b>\$ -</b>          | <b>\$ 75,000</b>     |                                       |             |                                       |             |

Debt servicing costs (interest and principal) included above \$ 1,281,000 \$ 1,244,000 \$ 1,075,000 \$ 1,086,000 \$ 1,085,000 \$ 1,073,000 \$ (206,000) -16% \$ (201,000) -16%

\*To finance expenditures approved under Framework for Use of Internally Restricted Funds - student employment, staff development, scholarships & bursaries - expenses reflected above but not budgeted for.

\*\*Reduced debt servicing costs of \$209k (\$557k old debt minus \$348k new debt) minus reduction in investment income of \$89k (\$1.866M x 4.75%) = \$120k - use to repay the loan if sufficient surplus.

University of King's College

COVID-19 Emergency Response Fund

2022/23 Operating Budget and Projections for 2023/24 through 2025/26

SCHEDULE 2

| Description  | Budget            | Actual            | Budget            | Projection        | Projection       | Projection       |
|--|-------------------|-------------------|-------------------|-------------------|------------------|------------------|
|  | March 31, 2022    | March 31, 2022    | March 31, 2023    | March 31, 2024    | March 31, 2025   | March 31, 2026   |
| <b>Salaries (to assist with transitioning to online instruction)</b> |                   |                   |                   |                   |                  |                  |
| Faculty/Staff  | \$ 427,000        | \$ 476,000        | \$ 453,000        | \$ 130,000        | \$ 17,000        | \$ -             |
| Students   | 55,000            | 38,000            | -                 | -                 | -                | -                |
| <b>Total COVID-19 salaries</b>                                       | <b>\$ 482,000</b> | <b>\$ 514,000</b> | <b>\$ 453,000</b> | <b>\$ 130,000</b> | <b>\$ 17,000</b> | <b>\$ -</b>      |
| <b>Non-salary expenditures</b>                                       |                   |                   |                   |                   |                  |                  |
| Online instruction (equipment/resources)*                            | \$ 90,000         | \$ 42,000         | \$ 43,000         | \$ 43,000         | \$ 43,000        | \$ 43,000        |
| Safety/campus preparedness**   | 125,000           | 191,000           | 101,000           |                   |                  |                  |
| Marketing  | 40,000            | 38,000            | -                 |                   |                  |                  |
| Other (including contingency)  | 105,000           | 33,000            | -                 |                   |                  |                  |
| <b>Total non-salary COVID-19 expenditures</b>                        | <b>\$ 360,000</b> | <b>\$ 304,000</b> | <b>\$ 144,000</b> | <b>\$ 43,000</b>  | <b>\$ 43,000</b> | <b>\$ 43,000</b> |
| <b>Total COVID-19 expenditures</b>                                   | <b>\$ 842,000</b> | <b>\$ 818,000</b> | <b>\$ 597,000</b> | <b>\$ 173,000</b> | <b>\$ 60,000</b> | <b>\$ 43,000</b> |
| <b>Offset by related grants (recorded as revenue)***</b>             | <b>(25,000)</b>   | <b>(27,000)</b>   | <b>-</b>          | <b>-</b>          | <b>-</b>         | <b>-</b>         |
| <b>Net-COVID-19 expenditures</b>                                     | <b>\$ 817,000</b> | <b>\$ 791,000</b> | <b>\$ 597,000</b> | <b>\$ 173,000</b> | <b>\$ 60,000</b> | <b>\$ 43,000</b> |

\* Includes institutional Zoom license and FYP lecture recordings

\*\* Includes filters, PPE, supplies, touch point cleaning, security

\*\*\* 2021-22 is offset by a \$25,000 mental health grant

Note: in 2022/23 there is no separate "COVID-19 Emergency Response Fund" line item in the budget. These costs have all been reflected in the respective department/program budgets. The costs are shown here for comparison purposes.



**University of King's College**

**SCHEDULE 3**

**Additional Spending and Additional Future Spending  
2022/23 Operating Budget and Projections for 2023/24 through 2025/26**

Rounded to nearest thousand \$

| Description  | Budget            | Projection          | Projection          | Projection          |
|--|-------------------|---------------------|---------------------|---------------------|
|  | March 31, 2023    | March 31, 2024      | March 31, 2025      | March 31, 2026      |
| Tuition/fee waivers for students formerly in care (\$20k per year for next 3 years) (\$20k in 2021-22 budget)  | 40,000            | 60,000              | 80,000              | 80,000              |
| Funding for Indigenous students (\$30k per year for next 4 years - 3 students x \$10k per year)  | 30,000            | 60,000              | 90,000              | 120,000             |
| Bursaries for international students (based on financial need) to assist with International Differential fee   | 90,000            | -                   | -                   | -                   |
| 1% operating budget increase permitted across all programs and departments after years of freezes  | 22,000            | 22,000              | 22,000              | 22,000              |
| Insurance - new policy   | 20,000            | 20,000              | 21,000              | 21,000              |
| Presidents Office - removal of Chancellor installation budget  | (15,000)          | -                   | -                   | -                   |
| President's Office - additional Encaenia costs (one-time) (for classes of 2020 and 2021)   | 30,000            | -                   | -                   | -                   |
| President's Office - co-sponsoring USS conference with Dalhousie (one-time) (estimate)   | 10,000            | 15,000              | -                   | -                   |
| President's Office - presidential search expenditures (one-time) (estimate)  | -                 | -                   | 40,000              | 40,000              |
| Registrar - web-based fully accessible calendar subscription   | 6,000             | 6,000               | 6,000               | 6,000               |
| Registrar - digitization of admissions process (one-time)  | 20,000            | -                   | -                   | -                   |
| Registrar - marketing (digital media) <sup>1</sup>   | 40,000            | 75,000              | 75,000              | 75,000              |
| Scholarships and bursaries no longer funded by internally restricted funds <sup>2</sup>  | -                 | -                   | 135,000             | 150,000             |
| Athletics - strength and conditioning coach  | 11,000            | 11,000              | 11,000              | 11,000              |
| Athletics - costs beyond control (tournament travel (varies year to year), facilities rentals)   | 20,000            | 20,000              | 20,000              | 21,000              |
| Advancement - website redesign including accessibility enhancements (one-time expenditure)   | -                 | -                   | 150,000             | -                   |
| Advancement - Raiser's Edge platform change (beyond control)   | 5,000             | 5,000               | 5,000               | 5,000               |
| Accessibility Officer and operating budget (Sept 1, 2022) (including benefits)   | 68,000            | 102,000             | 105,000             | 108,000             |
| Sexual Health and Safety Office operating budget increase to match Equity Office and Accessibility Office  | 5,000             | 5,000               | 5,000               | 6,000               |
| Sexual Health and Safety Office estimate to address recommendations of independent review report   | 20,000            | -                   | -                   | -                   |
| Human Resources Manager and operating budget (May 1, 2022) (including benefits)  | 90,000            | 97,000              | 101,000             | 105,000             |
| Removal of Procure-to-Pay Officer position replaced with half-time Accounts Payable clerk in Bursar's Office <sup>3</sup>  | (35,000)          | (45,000)            | (47,000)            | (49,000)            |
| Academic computing budget (faculty computers) (due to cost of Macs versus PCs)   | 6,000             | 6,000               | 7,000               | 7,000               |
| Journalism - Signal website refresh (cost over two years)  | 13,000            | 26,000              | -                   | -                   |
| MFA in Fiction program (onboarding costs in 2022/23, revenue shortfall in next two years, profitable by 2025/26)   | 70,000            | 114,000             | 75,000              | (1,000)             |
| CSP - LTA for Vice-President Coverage  | 81,000            | 109,000             | 113,000             | 117,000             |
| HOST - LTA for EVRP coverage (extension by one year) (net of 50% coverage by reserve funds)  | 41,000            | 13,000              | -                   | -                   |
| Journalism - 2 LTAs for EVRP, retirement, sabbatical, new Director (net of 50% EVRP coverage by reserve funds and reduction in individual course instructor budget (i.e., PROs)) | 91,000            | 38,000              | -                   | -                   |
| Journalism tenure track faculty position (retirement hire) (2022/23)   | 99,000            | 132,000             | 137,000             | 142,000             |
| Assumed tenure track faculty position (retirement hire) (2023/24)  | -                 | 101,000             | 135,000             | 140,000             |
| Assumed tenure track faculty position (retirement hire) (2024/25)  | -                 | -                   | 103,000             | 138,000             |
| Board-approved faculty diversity position #3 (July 1, 2022) (including benefits) (Jour)  | 99,000            | 132,000             | 137,000             | 142,000             |
| Board-approved faculty diversity position #4 (July 1, 2023) (including benefits) (Upper years/FYP)   | -                 | 83,000              | 115,000             | 120,000             |
| Board-approved faculty diversity position #5 (July 1, 2023) (including benefits) (Upper years/FYP)   | -                 | 83,000              | 115,000             | 120,000             |
| <b>Total additional spending</b>   | <b>\$ 977,000</b> | <b>\$ 1,290,000</b> | <b>\$ 1,756,000</b> | <b>\$ 1,646,000</b> |

<sup>1</sup> There is \$155,000 remaining of the authorized \$300,000. These funds are expected to be fully utilized by the end of fiscal year 2022-23 and additional funds will need to be added to the operating budget to allow for the continuation of digital media expenditures.

<sup>2</sup> There is \$315,000 remaining at March 31, 2022 (out of authorized \$800,000). Anticipated spend is \$150,000 per year for annual renewable scholarships. These funds are expected to be fully utilized in early fiscal year 2024-25 and additional funds will need to be added to the operating budget to allow for the awarding of scholarships at this level.

<sup>3</sup> This salary is the salary of the position being eliminated. The position was covered on a contract basis for the past two years. The salary reflected here is not the contract

The University of King's College  
Statement of Operations (Operating Fund) - Departmental Revenues and Expenses  
2022/23 Operating Budget

SCHEDULE 4

|  | March 31, 2023<br>Budget | General<br>University | Conference<br>Services | Academic              | Continuing<br>Education | Facilities<br>Management | Residence &<br>Other Student<br>Services | Scholarships,<br>Awards &<br>Bursaries | Advancement         | Athletics           | Bursar's<br>Office  | Human<br>Resources<br>Office | Library             | President's<br>Office | Vice<br>President's<br>Office | Equity<br>Office    | Accessibility<br>Office | Sexual Health<br>& Safety<br>Office | Registrar's<br>Office | Divinity &<br>Chapel | Chapel<br>Music    | King's<br>Chorus |        |
|--|--------------------------|-----------------------|------------------------|-----------------------|-------------------------|--------------------------|--|--|---------------------|---------------------|---------------------|------------------------------|---------------------|-----------------------|-------------------------------|---------------------|-------------------------|-------------------------------------|-----------------------|----------------------|--------------------|------------------|--------|
| <b>Revenue:</b>  |                          |                       |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Government Grant   | \$ 8,521,000             | 8,521,000             |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Student Academic Fees  | 9,174,000                | 9,174,000             |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Student Ancillary Fees   | 1,022,000                | 187,000               |                        | 331,000               |                         | 259,000                  |  |  |                     | 245,000             |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Student Residence Fees   | 1,925,000                |                       |                        |                       |                         |                          | 1,925,000                                |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Continuing Education   |                          |                       |                        |                       | -                       |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Investment Income  | 2,019,000                | 772,000               |                        | 464,000               |                         |                          |  | 655,000                                |                     |                     |                     |                              | 49,000              |                       |                               |                     |                         |                                     |                       | 77,000               | 2,000              |                  |        |
| Sale of Goods and Services   | 176,000                  | 65,000                |                        | 4,000                 |                         | 16,000                   | 11,000                                   |  | 4,000               | 40,000              |                     |                              | 3,000               |                       |                               |                     |                         |                                     | -                     | 8,000                | 12,000             | 13,000           |        |
| Conference Services  | 150,000                  |                       | 150,000                |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Gifts (annual fund & scholarship)                                      | 700,000                  | 100,000               |                        |                       |                         |                          |  | 530,000                                |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      | 30,000             | 20,000           | 20,000 |
| Other Grants   | 85,000                   | 65,000                |                        |                       |                         |                          |  | 20,000                                 |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| <b>Total Revenue</b>   | <b>\$ 23,772,000</b>     | <b>\$18,884,000</b>   | <b>\$ 150,000</b>      | <b>\$ 799,000</b>     | <b>\$ -</b>             | <b>\$ 275,000</b>        | <b>\$ 1,936,000</b>                      | <b>\$ 1,205,000</b>                    | <b>\$ 4,000</b>     | <b>\$ 285,000</b>   | <b>\$ -</b>         | <b>\$ -</b>                  | <b>\$ 52,000</b>    | <b>\$ -</b>           | <b>\$ -</b>                   | <b>\$ -</b>         | <b>\$ -</b>             | <b>\$ -</b>                         | <b>\$ -</b>           | <b>\$ 115,000</b>    | <b>\$ 34,000</b>   | <b>\$ 33,000</b> |        |
| <b>Expenses:</b>   |                          |                       |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Compensation Expenses  | \$ 11,893,000            | 74,000                |                        | 6,295,000             |                         | 889,000                  | 600,000                                  |  | 579,000             | 323,000             | 496,000             | 161,000                      | 430,000             | 384,000               | 329,000                       | 79,000              | 48,000                  | 81,000                              | 961,000               | 86,000               | 70,000             | 8,000            |        |
| Operating Expenses   | 3,415,000                | 272,000               |                        | 828,000               | -                       | 1,052,000                | 111,000                                  |  | 171,000             | 221,000             | 11,000              | 14,000                       | 68,000              | 121,000               | 11,000                        | 24,000              | 20,000                  | 40,000                              | 327,000               | 63,000               | 39,000             | 22,000           |        |
| Dalhousie Athletics Fee Flowthrough                                    | 114,000                  |                       |                        |                       |                         |                          |  |  |                     | 114,000             |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Food Service   | 46,000                   |                       |                        |                       |                         |                          | 46,000                                   |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Conference Services  | 169,000                  |                       | 169,000                |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Allotment to Dalhousie   | 3,990,000                | 3,990,000             |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Scholarships, Awards and Bursaries                                     | 1,612,000                |                       |                        |                       |                         |                          |  | 1,612,000                              |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Other Student Support  | 144,000                  |                       |                        |                       |                         |                          |  | 144,000                                |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Utilities, Taxes & Insurance   | 671,000                  |                       |                        |                       |                         | 671,000                  |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Professional Fees  | 318,000                  | 318,000               |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Investment Management Fees   | 240,000                  | 62,000                |                        | 67,000                |                         |                          |  | 93,000                                 |                     |                     |                     |                              | 7,000               |                       |                               |                     |                         |                                     |                       |                      | 11,000             |                  |        |
| Interest & Service Charges   | 416,000                  | 416,000               |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| COVID-19 Emergency Response Fund                                       | -                        | -                     |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Unallocated Anticipated Reductions in Spending                         | -                        | -                     |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Staff salary scale adjustment (estimate+)                              | 50,000                   | 50,000                |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Contingency  | 100,000                  | 100,000               |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| <b>Total Expenses</b>  | <b>\$ 23,178,000</b>     | <b>\$ 5,282,000</b>   | <b>\$ 169,000</b>      | <b>\$ 7,190,000</b>   | <b>\$ -</b>             | <b>\$ 2,612,000</b>      | <b>\$ 757,000</b>                        | <b>\$ 1,849,000</b>                    | <b>\$ 750,000</b>   | <b>\$ 658,000</b>   | <b>\$ 507,000</b>   | <b>\$ 175,000</b>            | <b>\$ 505,000</b>   | <b>\$ 505,000</b>     | <b>\$ 340,000</b>             | <b>\$ 103,000</b>   | <b>\$ 68,000</b>        | <b>\$ 121,000</b>                   | <b>\$ 1,288,000</b>   | <b>\$ 160,000</b>    | <b>\$ 109,000</b>  | <b>\$ 30,000</b> |        |
| <b>Excess (deficiency) of revenue over expenses</b>                    | <b>\$ 594,000</b>        | <b>\$13,602,000</b>   | <b>\$ (19,000)</b>     | <b>\$ (6,391,000)</b> | <b>\$ -</b>             | <b>\$ (2,337,000)</b>    | <b>\$ 1,179,000</b>                      | <b>\$ (644,000)</b>                    | <b>\$ (746,000)</b> | <b>\$ (373,000)</b> | <b>\$ (507,000)</b> | <b>\$ (175,000)</b>          | <b>\$ (453,000)</b> | <b>\$ (505,000)</b>   | <b>\$ (340,000)</b>           | <b>\$ (103,000)</b> | <b>\$ (68,000)</b>      | <b>\$ (121,000)</b>                 | <b>\$ (1,288,000)</b> | <b>\$ (45,000)</b>   | <b>\$ (75,000)</b> | <b>\$ 3,000</b>  |        |
| <b>Financing and investing activities:</b>                             |                          |                       |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Debt repayment   | \$ (691,000)             | (691,000)             |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Capital expenditures   | (338,000)                |                       |                        | (68,000)              |                         | (224,000)                |  |  |                     | (10,000)            |                     |                              | (36,000)            |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Use of prior year surplus  | 437,000                  | 437,000               |                        |                       |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| Use of internally restricted funds*                                    | 80,000                   |                       |                        | 80,000                |                         |                          |  |  |                     |                     |                     |                              |                     |                       |                               |                     |                         |                                     |                       |                      |                    |                  |        |
| <b>Subtotal - Cash excess (deficit) from financing &amp; investing</b> | <b>\$ (512,000)</b>      | <b>\$ (254,000)</b>   | <b>\$ -</b>            | <b>\$ 12,000</b>      | <b>\$ -</b>             | <b>\$ (224,000)</b>      | <b>\$ -</b>                              | <b>\$ -</b>                            | <b>\$ -</b>         | <b>\$ (10,000)</b>  | <b>\$ -</b>         | <b>\$ -</b>                  | <b>\$ (36,000)</b>  | <b>\$ -</b>           | <b>\$ -</b>                   | <b>\$ -</b>         | <b>\$ -</b>             | <b>\$ -</b>                         | <b>\$ -</b>           | <b>\$ -</b>          | <b>\$ -</b>        | <b>\$ -</b>      |        |
| <b>Net increase (decrease) in cash</b>                                 | <b>\$ 82,000</b>         | <b>\$13,348,000</b>   | <b>\$ (19,000)</b>     | <b>\$ (6,379,000)</b> | <b>\$ -</b>             | <b>\$ (2,561,000)</b>    | <b>\$ 1,179,000</b>                      | <b>\$ (644,000)</b>                    | <b>\$ (746,000)</b> | <b>\$ (383,000)</b> | <b>\$ (507,000)</b> | <b>\$ (175,000)</b>          | <b>\$ (489,000)</b> | <b>\$ (505,000)</b>   | <b>\$ (340,000)</b>           | <b>\$ (103,000)</b> | <b>\$ (68,000)</b>      | <b>\$ (121,000)</b>                 | <b>\$ (1,288,000)</b> | <b>\$ (45,000)</b>   | <b>\$ (75,000)</b> | <b>\$ 3,000</b>  |        |

\*For EVRP

The University of King's College  
Statement of Operations (Operating Fund) - Departmental Expense Reconciliation  
2022/23 Budget versus 2021/22 Budget

SCHEDULE 5

| Department                             | March 31, 2022<br>Budget<br>Expenses | Salary &<br>Benefits | Other             | March 31, 2023<br>Budget<br>Expenses | Comments  |
|--|--------------------------------------|----------------------|-------------------|--------------------------------------|---|
| Academic                               | 6,360,000                            | 703,000              | 60,000            | 7,123,000                            | Annual salary increases; one faculty diversity hire and one faculty retirement hire (Journalism) (offset by end of a sessional contract and a faculty retirement); two LTAs in Journalism to cover EVRP, retirement and sabbatical; LTA in CSP to cover term of Vice-President; MFA in Fiction onboarding costs (new Director January, new 1/2-time admin support August, marketing/website costs); COVID contract salaries (three Faculty Fellows) previously included in COVID budget; higher MFA mentor fees and residency costs due to higher enrolment; FYP lecture recordings (previously included in COVID budget); Signal website brand discovery ahead of refresh; 1% increase in operating budgets. |
| Facilities Management                  | 1,747,000                            | 69,000               | 125,000           | 1,941,000                            | Annual salary increases, four and a half summer students instead of six summer students, COVID contract salary (AV/IT Officer) previously included in COVID budget. \$101,000 COVID-related expenditures previously included in COVID budget, 1% increase in operating budget, externally contracted services increases in accordance with contracts.   |
| Residence & Other Student Services     | 525,000                              | 253,000              | (21,000)          | 757,000                              | Annual salary increases, COVID contract salary (Student Support Advisor) previously included in COVID budget, BAC proposal (net 1.5 new positions, reinstatement of student patrol, fewer junior dons (fewer meal plans), 1% increase in operating budget.  |
| Advancement Office                     | 802,000                              | (31,000)             | (21,000)          | 750,000                              | Annual salary increases, parental leave leave top-up, position relocated to Registrar's Office along with recruitment and marketing budget (\$28,000). Fundraising software platform upgrade \$5,000 along with 1% increase in operating budget. 1% increase in operating budget.   |
| Athletics                              | 581,000                              | 42,000               | 35,000            | 658,000                              | Annual salary increases, COVID contract salary (Athletics Assistant) previously included in COVID budget. Costs beyond control \$20,000 related to facilities rentals and travel. BAC proposal for the services of a strength and conditioning coach \$11,000. 1% increase in operating budget.   |
| Bursar's Office                        | 587,000                              | (77,000)             | (3,000)           | 507,000                              | Annual salary increases, relocation of HR and Compensation Officer to HR Office budget along with \$3,000 in operating expenditures. 1% increase in operating budget.   |
| Human Resources & Compensation Office  | -                                    | 161,000              | 14,000            | 175,000                              | HR Manager new position May 2, 2022. Set up an operating budget of \$14,000 with \$3,000 coming from the Bursar's Office budget.  |
| General College Administration & Other | 336,000                              | 9,000                | 1,000             | 346,000                              | Annual salary increase, increased coverage for reception area (based on 2021/22 actuals). \$8,000 for institutional Zoom license (formerly in COVID budget) and \$5,000 for website security costs (offset by savings in other areas). 1% increase in operating budget.   |
| Library                                | 397,000                              | 101,000              | -                 | 498,000                              | Annual salary increases, new head librarian in November 2021, student salary budget reinstated to pre-pandemic level adjusted for minimum wage. 1% increase in operating budget.  |
| President's Office                     | 515,000                              | (36,000)             | 26,000            | 505,000                              | Annual salary increases, prior year budget included an adjustment to administrative leave of the President for new contract salary. Added \$30,000 for graduation ceremonies/events for 2020 and 2021 classes, added \$10,000 in preliminary costs for USS conference. Removed \$15,000 related to Chancellor's installation. 1% increase in operating budget.  |
| Vice-President's Office                | 258,000                              | 82,000               | -                 | 340,000                              | Annual salary increases, re-evaluation of new position, COVID contract salary (Online Education and Information Management Coordinator) previously included in COVID budget. 1% increase in operating budget.   |
| Equity Office                          | 77,000                               | 25,000               | 1,000             | 103,000                              | Annual salary increase, position included for nine months in prior year. 1% increase in operating budget.   |
| Accessibility Office                   | -                                    | 48,000               | 20,000            | 68,000                               | New position anticipated to start September 1, 2022. Operating budget of \$20,000.  |
| Sexual Health & Safety Office          | 91,000                               | 5,000                | 25,000            | 121,000                              | Annual salary increase. Bumped up operating budget by \$5,000 to match equity office. Added \$20,000 to address recommendations of Independent Review report.   |
| Registrar's Office                     | 973,000                              | 219,000              | 96,000            | 1,288,000                            | Annual salary increases, position relocated from Advancement Office to Registrar's Office (along with \$28,000 recruitment marketing budget), two COVID contract salaries (Student Communications Coordinator and Academic Services and Events Officer) previously included in COVID budget, \$23,000 added back to part-time recruitment travel budget (pre-pandemic level) due to ability to travel, BAC proposals \$40,000 marketing and \$20,000 digital admissions, 1% increase in operating budget.   |
| Divinity & Chapel                      | 133,000                              | 8,000                | 8,000             | 149,000                              | Prior year included savings due to resignation of Chapel Administrator and timing of replacement. Allowance for flights for students who wish to volunteer in First Nations communities \$8,000.  |
| Chapel Music                           | 237,000                              | (63,000)             | (65,000)          | 109,000                              | Retirement and two resignations in December 2021. Interim Director of Music since then. Permanent replacement expected August 1 with administrative support. Smaller operating budget (provided by Chaplain).   |
| King's Chorus                          | 48,000                               | (18,000)             | -                 | 30,000                               | Resignation in December 2021. Same operating budget assumed. Included salary for administrative support. Assumes Director of Music will oversee this area.  |
| <b>Total Expenses</b>                  | <b>\$ 13,667,000</b>                 | <b>\$ 1,500,000</b>  | <b>\$ 301,000</b> | <b>\$ 15,468,000</b>                 |   |