

Financial Results and Analysis for the Year Ended March 31, 2018 on a Fund Accounting Basis

Presentation of Management Information

To enhance accountability, budgetary control and stewardship of resources, the university maintains separate funds of assets, liabilities, revenues and expenditures for its many activities. Fund accounting is used by the university for its operating budget allocations and to ensure that restricted grants, donations and other contributions are spent only for the purposes intended. These funds are grouped as General Operating, Ancillary Enterprises, Specific Purposes, Sponsored Research, Capital and Endowment funds and are defined as follows:

- The General Operating Fund reports revenue and expense related to the general operations of the university.
- The Ancillary Enterprises Fund reports revenue and expense related to service operations that are expected to be self-sufficient. These operations comprise the bookstore, food services, student residences, parking services, child care services, donated property rental, hotel and brew-pub operations, and the Vancouver Island Technology Park.
- The Specific Purposes Fund accounts for revenue and expense relating to contract services, special projects and endowment funds.
- The Sponsored Research Fund accounts for monies designated for the support of research.
- The Capital Fund accounts for monies designated for the acquisition of capital assets and major renovations. Where monies designated for capital use are received as part of the resources for general operations, ancillary enterprises, specific purposes and sponsored research activities - generally for equipment, furnishings, computer equipment and library holdings - the revenue and expense related to those assets are accounted for in those respective funds.
- The Endowment assets, held as invested principal, comprise the accumulation of endowment contributions and the portion of investment income that is required by the donors and the University of Victoria (UVic) Foundation Board to be added to the fund to offset the eroding effect of inflation.

The university conducts certain activities through related entities. These financial statements consolidate the accounts of six wholly owned subsidiaries of the university:

- UVic Industry Partnerships (formerly University of Victoria Innovation and Development Corporation) which assists with intellectual property management and commercialization of research discoveries.
- University of Victoria Properties Investments Inc. which manages the university's real estate holdings including the Vancouver Island Technology Park Trust.
- Ocean Networks Canada Society which manages the university's VENUS and NEPTUNE ocean observatories.
- Pacific Climate Impacts Consortium which stimulates collaboration to produce climate information for education, policy and decision making.

- Byron Price and Associates Ltd. which holds land in North Saanich that was donated to the university.
- Gustavson School of Business Executive Education Inc. which provides executive education and other non-credit education.

The financial statements consolidate the accounts of the University of Victoria Long Term Disability Trust (LTD Trust) which administers an employee benefit plan on behalf of the university's faculty and administrative professional staff.

The financial statements also consolidate the accounts of related not-for-profit organizations whose activities benefit the university:

- University of Victoria Foundation, the Foundation for the University of Victoria, and the U.S. Foundation for the University of Victoria which encourage financial support of the university and administer the university's endowment funds.

The operations of University of Victoria Properties Investments Inc. are reported in Schedule B as Ancillary Enterprises, Ocean Networks Canada Society and the Pacific Climate Impacts Consortium are reported as Sponsored Research, while the operations of the other five entities are reported as Specific Purposes.

The financial statements proportionately consolidate the accounts of the following joint ventures:

- Tri-Universities Meson Facility (TRIUMF) which operates a research facility for sub-atomic physics located at the University of British Columbia. The financial statements include the university's 8.33% interest.
- Western Canadian Universities Marine Sciences Society (WCUMSS) which operates a marine research facility at Bamfield on the west coast of Vancouver Island. The financial statements include the university's 20% interest.

The financial statements include the accounts of the university's two profit-oriented subsidiaries using the equity method of accounting:

- Heritage Realty Properties Ltd. which manages the property rental and downtown hotel and brew-pub operation donated by the late Michael C. Williams.
- Vancouver Island Technology Park Trust which provides leased space to technology companies on Vancouver Island.

Balance Sheet – Statement 1

A key feature of fund accounting is that plant or capital assets are recorded on the balance sheet without amortization, unlike the accounting treatment within the external audited financial statements. Treatment within fund accounting is to record, at original cost, buildings, land and site development until disposal while equipment and furnishings are written off after 8 years.

Key balance sheet highlights are as follows:

- Total assets increased by \$86.2M while liabilities increased by \$3.1M. Fund balances increased by \$46.2M and equity in plant assets grew by \$36.8M.
- Endowment investments are recorded at fair value and have increased by \$22.8M to \$453.1M. The \$22.8M increase is made up as follows:

| (in millions) | <u>2018</u> | <u>2017</u> |
|---------------------------------|---------------|---------------|
| Donations | \$ 8.0 | \$ 5.8 |
| Investment income | 31.3 | 48.9 |
| Disbursements (fees and awards) | (17.6) | (16.5) |
| Changes in receivables/payables | 1.1 | (2.4) |
| | <u>\$22.8</u> | <u>\$35.8</u> |

- Capital assets increased by \$33.9M net of the disposal of Dunsmuir Lodge, with increases in site improvements of \$1.3M, buildings of \$36.8M and library holdings by \$2.9M. The largest single increase in buildings (\$3.4M) was related to the Elliott building renovations. Increases in buildings and library holdings were offset by equipment and furnishings write offs that exceeded acquisitions by \$7.2M.
- Long-term debt decreased by \$1.0M resulting from regularly scheduled debt payments.
- Funds held for employee future benefits, excluding any unfunded portion, increased by \$0.9M to \$26.3M and are made up as follows:

| (in millions) | <u>2018</u> | <u>2017</u> |
|----------------------------------|---------------|---------------|
| Vested sick leave benefits | \$ 3.0 | \$ 3.2 |
| Supplemental pension obligations | 7.1 | 6.8 |
| Group life insurance | 1.6 | 1.5 |
| LTD liability | 14.6 | 13.9 |
| | <u>\$26.3</u> | <u>\$25.4</u> |

- Endowment principal funds, held primarily in the UVic Foundation, increased by \$13.5M due to external donations of \$7.7M, UVic transfers of \$36K and capitalized investment income of \$5.8M.
- Equity in plant assets increased by \$36.8M due to capital additions of \$78.6M and debt repayment of \$2.9M less \$44.8M of equipment, furnishings and library and Dunsmuir Lodge holdings written off.

Statement of Appropriated Expendable Balances – Statement 2

For over 30 years, departments have been asked to save (i.e., to appropriate) from their annual operating budgets sufficient funds in order to invest in equipment such as computers, vehicles, scientific and other equipment. Interest is paid on equipment reserve balances in order to encourage savings and during the year interest was allocated at 1.0%. Statement 2 summarizes these replacement appropriations. The university also has a carry forward policy whereby departments can retain 100% of their carry forward up to the prior year level and generally 75% of anything above the prior year amount. These amounts are appropriated at the Faculty or administrative department level for spending in future years. These two policies permit departments to plan for new projects, restructuring, and equipment needs over a longer timeframe. Should a department incur a deficit in a fiscal year, that deficit becomes a first charge on its operating budget for the following year. Unspent carry forward balances are categorized according to how departments plan to use these balances in the future. Statement 2 reflects these departmental allocations.

Ancillary operations are expected to be self sustaining and, as such, each ancillary enterprise must budget to fund operations and provide for periodic renovation, replacement and expansion of its facilities. This approach often means that an ancillary will have an annual surplus to build sufficient funding for large capital expenditures. As such, there are appropriated funds from ancillary operations in order to be able to make these investments in equipment and capital improvements.

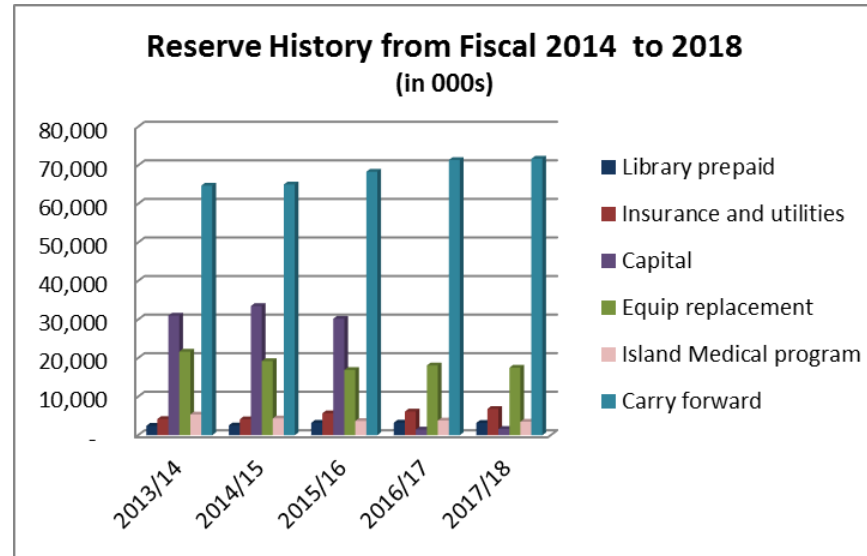
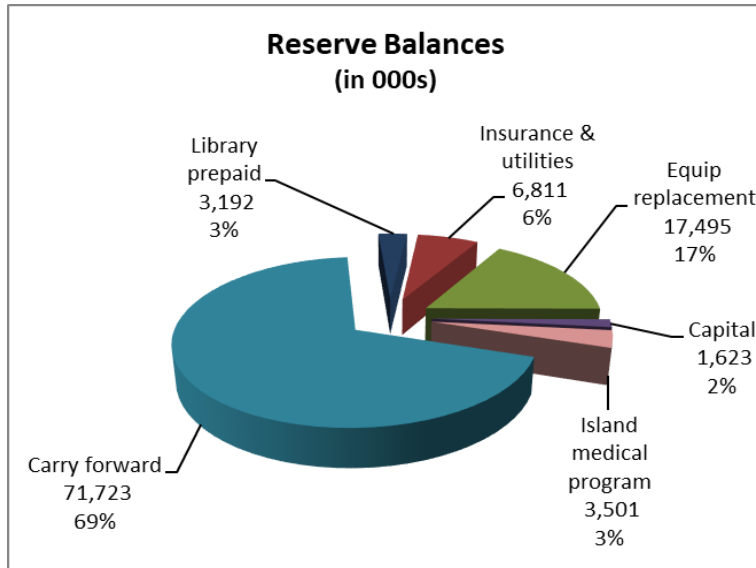
Due to restrictions in the ability of the university to borrow externally and to make use of cash reserves available, appropriated fund balances are used on a temporary basis to fund capital projects. These projects must generate future revenues from which to repay the internal loan (e.g., student housing).

Total appropriated expendable funds were as follows:

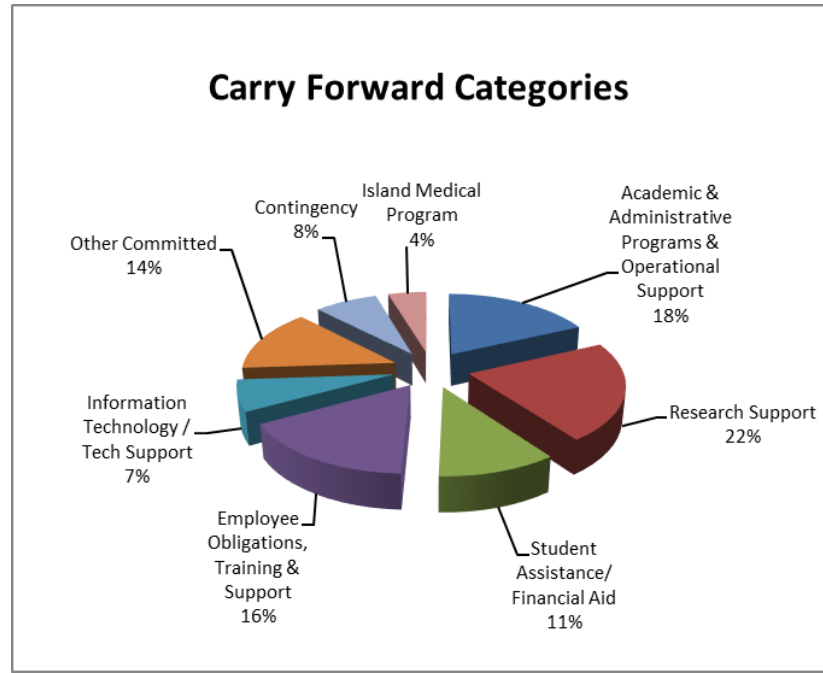
| <i>(in millions of dollars)</i> | 2018 | 2017 |
|---------------------------------|-------------|-------------|
| General operating | 104.3 | 104.1 |
| Ancillary enterprises | 12.7 | 11.1 |
| Less loans for Capital | (23.6) | (24.8) |
| Total | 93.4 | 90.4 |

The following charts show the distribution of the appropriated funds (reserves) within the major categories of: capital, equipment, carry forward¹, library prepaid and insurance. It also shows how these reserves have changed over time.

¹ This category includes academic & Administrative program development and operation support, research support, student assistance/ financial aid, employee obligations, information technology / tech support, other commitments, and contingency. The externally funded Island Medical Program has been allotted its own category.

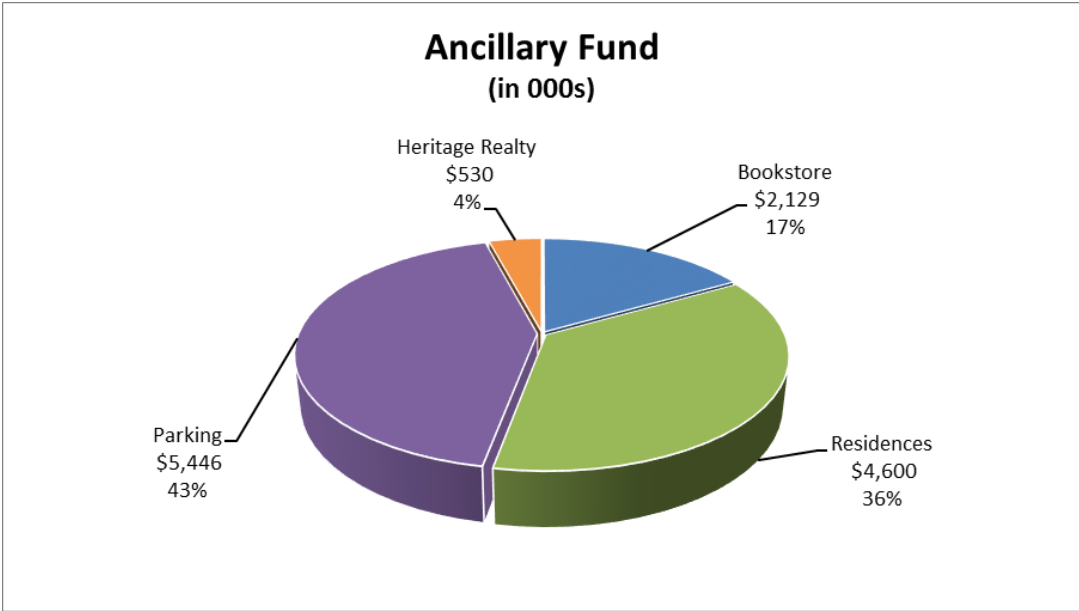


As shown in the table above, total operating fund appropriations increased slightly by \$0.2M in 2018. This increase reflects decreases within Equipment (\$0.6M), Employee Obligations (\$2.5M), Information and Technology (\$0.8M), Other Commitments (\$1.3M), Contingency (\$0.7M) and the Island Medical Program (\$0.3M) categories. These decreases were offset by increases in other categories, including funds set aside for Capital Projects (\$0.2M), Academic and Administrative Programs and Operational Support (\$1.7M), Research Support (\$2.5M), Student Assistance (\$1.5M), and Insurance and Utilities (\$0.7M). The following chart summarizes the intended use of the carry forward balances of \$75.2M (including the Island Medical Program):



The largest allocation of carry forward (22%) is for research support which is generally made up of commitments to individual faculty for research start-up, travel grants, etc while academic and administrative programs and operational support represents 18% which is generally made up of academic course or program development, administrative and academic projects, sessional support costs, and term or casual support costs. Employee obligations represents 16% and includes accrued leave and other contractual commitments. Another category of note is the Island Medical Program which represents 4% of the total and is not available for reallocation as it is externally targeted, specific funding.

The Ancillary appropriated fund balance of \$12.7M is made up of reserves for the following purposes:

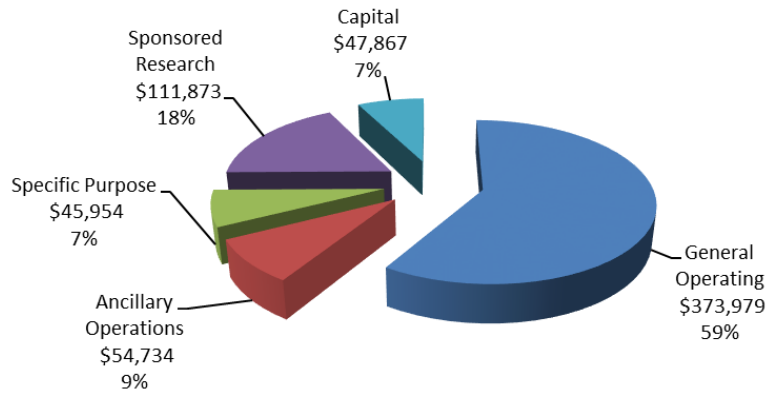


Unappropriated Expendable Funds – Statement 3

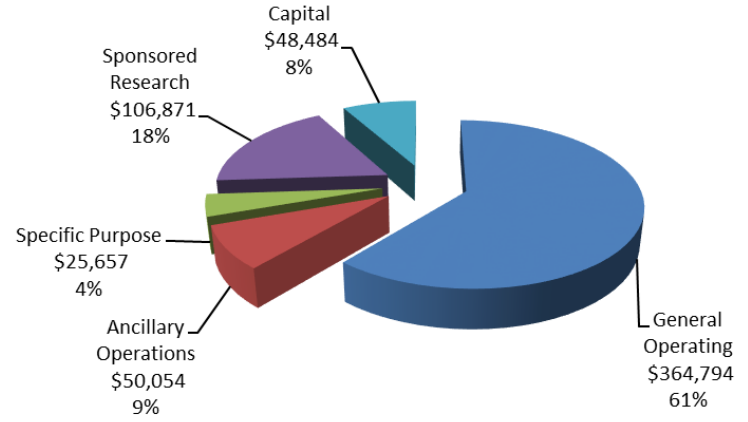
Total revenue across all five funds increased by \$16.1M to \$634.4M, representing an increase of 2.6% while total expenditures increased by \$30.3M to \$595.9M representing a 5.4% increase. On a total fund basis, total revenues of \$634.4M exceeded expenditures of \$595.9M by \$38.5M. After transferring \$5.8M to endowment principal and \$3.0M (net) to appropriated reserves, total unappropriated expendable fund balances increased by \$29.7M. This increase is mainly distributed across the Specific Purpose, Sponsored Research and Capital funds. Each of the fund balances will be discussed subsequently in this report.

Total revenue and expenditures are broken down by fund as follows:

Total Revenue by Fund (in 000s)

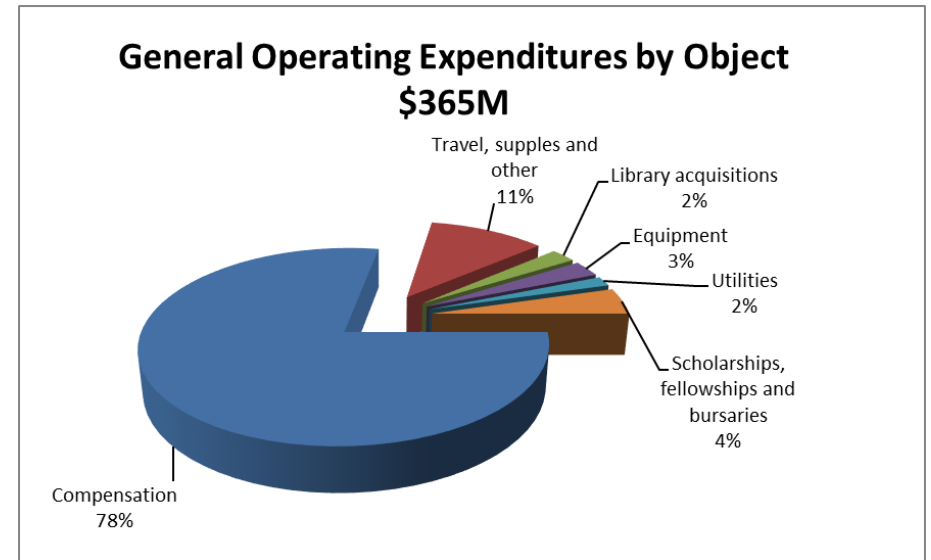
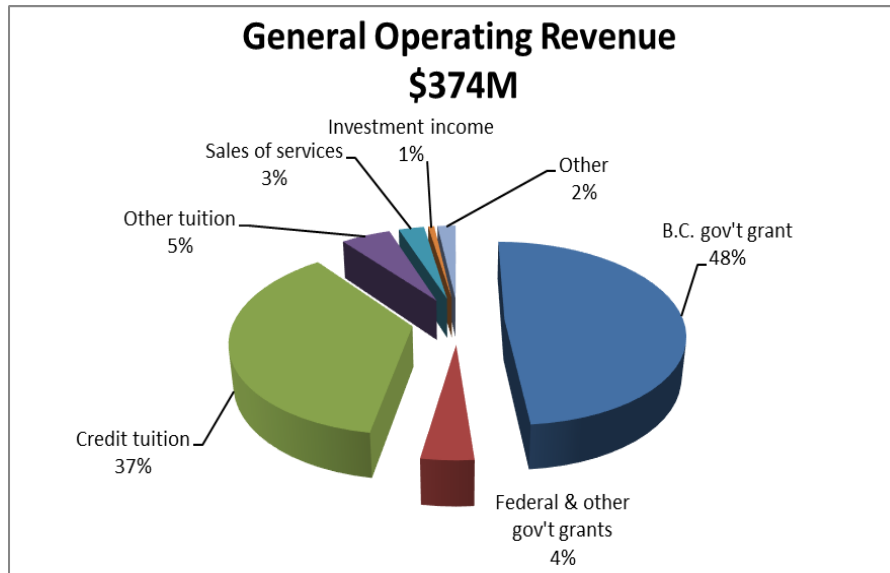


Total Expenditures by Fund (in 000s)



General Operating Fund (GOF) – Schedule A

The General Operating Fund represents 59% of the university’s activities. Total General Operating revenues and expenditures are made up as follows:

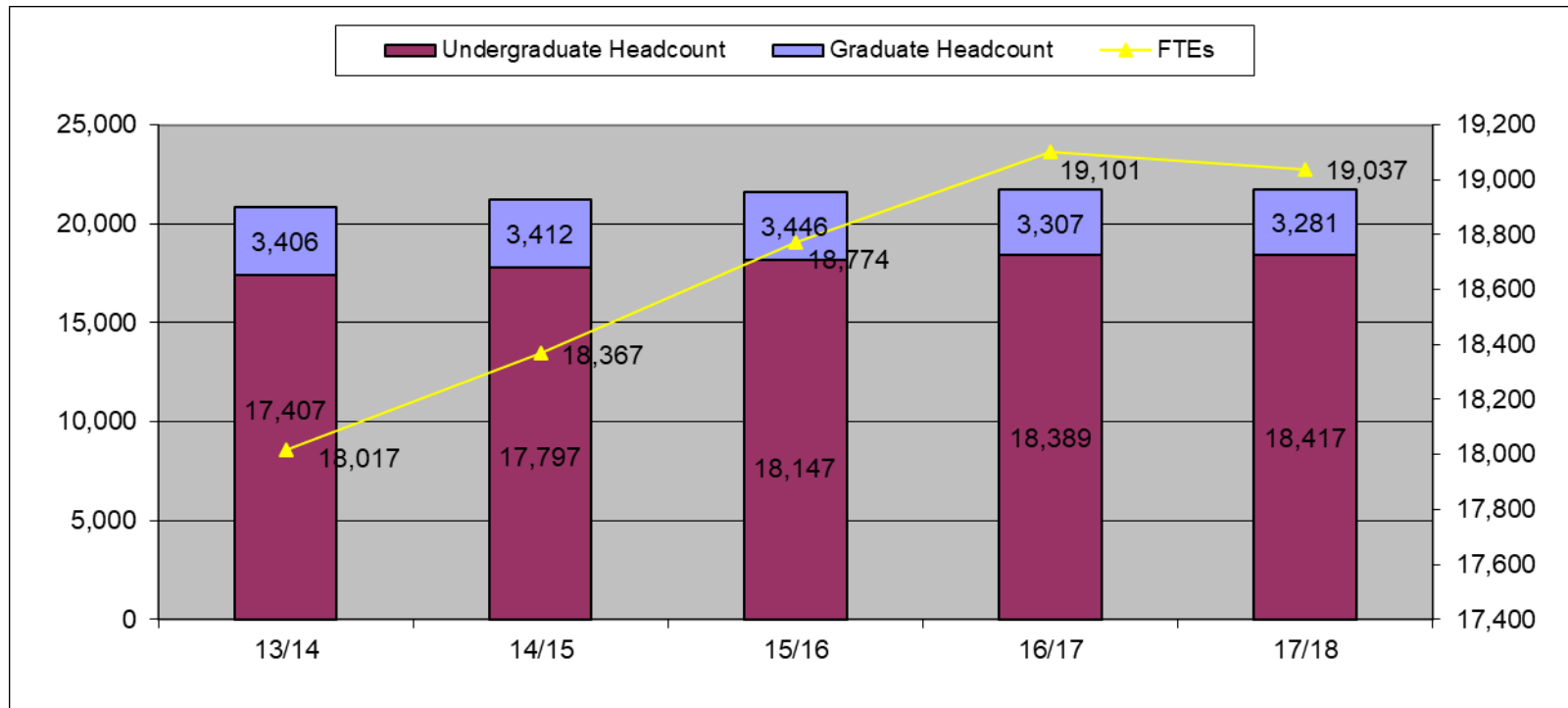


Total revenue in the General Operating Fund increased by \$17.1M (5%). The majority of this increase is from the Provincial Operating Grant reflecting additional funding for collective agreement costs (excluding progression through the ranks or ranges). Total expenditures increased by \$11.0M (3%). Government grants and tuition accounted for 95% of revenue while compensation costs (i.e., salary and benefits) accounted for 78% of total expenses.

Revenue exceeded expenditures by \$9.2M or 2.5% of total revenue of \$374.0M; a small margin. This excess of revenue was anticipated and funds were allocated to support a variety of capital and other priorities resulting in a transfer of \$9.0M to the other funds and a total of \$0.2M transferred to appropriated reserves. The excess revenue this year can largely be attributed to higher than anticipated departmental revenue.

Provincial government grants totaled \$181.9M, while federal government grants totaled \$6.7M largely representing the federal research support fund grant. The other government grants amount of \$7.9M represents funding from the University of BC specifically for the Island Medical Program.

Credit tuition increased by \$1.6M made up of \$0.8M for domestic student fees and \$2.9M for international student fees offset by a \$2.1M one-time adjustment for accounts receivable reflected in last year's statements. This increase reflects a slight decrease in domestic enrolment and a slight increase in international enrolment, as well as a 2% increase in domestic student fees and a 4% increase in international student fees.

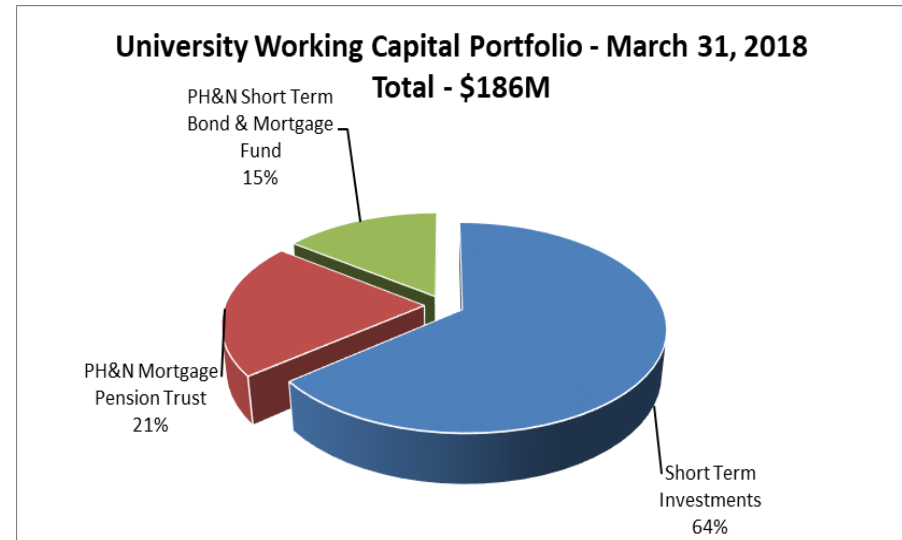


Non-credit tuition increased by \$0.5M due to increased enrolments in Continuing Studies.

Investment income was consistent with the previous year reflecting a return on the university's working capital of 1.4% compared to last year's return of 1.7%.

The short term Investments of the portfolio are invested in Guaranteed Investment Certificates (GICs), all with terms to maturity under 1 year. The long-term investments of the working capital portfolio are professionally managed by Phillips Hager and North (PH&N). The working capital portfolio provides daily liquidity along with enhanced returns from investments with a longer duration. The investments are as shown in the working capital portfolio chart.

During the year, the university invested short-term investments in the Province's Central Deposit Program.



Academic salaries increased by \$3.3M reflecting progression through the ranks, negotiated increases and Economic Stability dividend increase. Support staff salaries increased by \$3.6M with progression and Economic Stability Dividend increases for Professional Employees Association staff, limited salary increases for Management Exempt staff due to the impact of the Provincial Executive Compensation wage freeze, and negotiated increases for CUPE local 915 and local 917 staff. Employee benefits increased by \$0.5M due to higher salaries offset by small savings in Employment Insurance and a 50% reduction in MSP rates as at January 1, 2018.

Ancillary Enterprises Fund – Schedule B

As noted above, an ancillary operation is a department that is required to be financially self-sufficient. That is, each operation must generate sufficient revenue to not only cover its annual operating costs, including any compensation changes, but also provide adequate funding to address building maintenance, renovation requirements and major capital projects.

Schedule B (page 36) of the attached fund accounting schedules show the financial results of university ancillary operations both on and off campus.

Off-campus Business Enterprises include the operations of the Broad Street commercial/residential rental properties owned by the university and the property rental and hotel operations owned by Heritage Realty Properties Ltd., both accounted for using the equity method of accounting. The hotel operations and rental properties, received as part of the Michael C. Williams' estate, provide a large and sustainable

cash flow to the university. During the year \$1.1M was provided by Heritage Realty to the university to support initiatives consistent with the wishes of the donor.

Off-campus Business Enterprises also include the Vancouver Island Technology Park Trust, accounted for using the equity method of accounting, and the operations of the University of Victoria Properties Investments Inc. The University of Victoria Properties Investments Inc. acts as trustee for the Trust and also manages the Marine Technology Centre and the Queenswood Campus owned by the university. The Vancouver Island Technology Park provides a range of commercial space for external high-tech companies and some UVic research and teaching activities. The Trust is intended to be self-funding with a return on investment provided to the university. During the year \$770K was provided by VITP Trust to support university programs.

The results of the on campus ancillary operations including the bookstore, housing food and conference services, parking and child care are summarized in the Ancillary Budget – Schedules K through O (pages 46-50).

Specific Purposes Fund – Schedule C

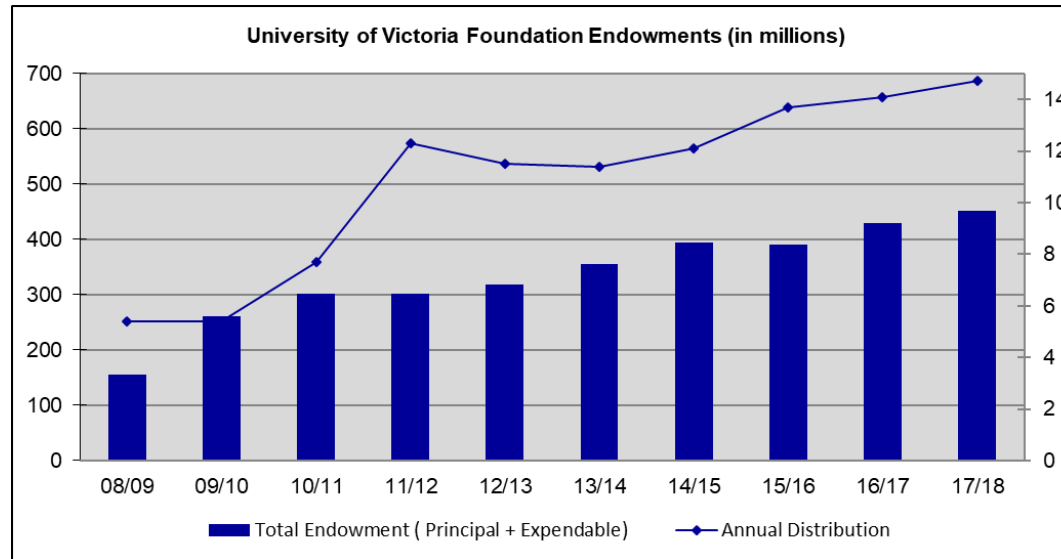
The Specific Purposes Fund includes the expendable funds of the University of Victoria Foundation, the Foundation for the University of Victoria and the U.S. Foundation for the University of Victoria. It also includes the revenues and expenses of the LTD Trust as well as UVic Industry Partnerships.

Overall, revenue exceeded expenditures by \$20.3M. A total of \$10.5M of this excess revenue was transferred out, with the majority of the balance added to endowment principal to protect against the eroding effects of inflation or to Sponsored Research to provide funding to certain research centers who receive their funding from endowments. The Specific Purpose fund balance increased by \$9.8M to \$117.1M, of which \$97.6M (83%) represents the portion of funds within the UVic Foundation, referred to as the expendable fund, that is available to be expended in accordance with the terms of the endowment.

Other highlights include:

- Investment income decreased by \$17.9M, primarily within the UVic Foundation, following a record year in 2016/17.
- Sales of services decreased by \$3.6M due to a change in reporting of GSBEE Inc. now being reported on a modified equity basis.

Most endowment funds benefitting the university and its students are held by the University of Victoria Foundation. The Foundation's investments experienced a more modest return compared to the prior year with investment income of \$31.3M representing a 7.0% return for the year ended March 31 (\$48.9M and 9.8% for the prior year). With the receipt of \$7.8M of endowment contributions less disbursements of \$17.6M, the total market value of the UVic Foundation endowment fund increased from \$429.5M to \$451M, comprised of \$353.4M of principal and \$97.6M of expendable funds.



The Foundation's investments are managed by professional investment counsel with separate managers for Canadian equity and Canadian fixed income mandates, global equity mandates split evenly between two managers, a real estate manager and an infrastructure manager. The Foundation's investment policy provides for a target asset mix of 25% fixed income, 15% Canadian equities, 40% global equities, 10% real estate and 10% infrastructure. External investment consultants assist the Foundation's Board in monitoring performance and considering an appropriate asset mix.

The Foundation's endowment management policy follows a "total-return" approach with awards based on 4.0% of the December 31 inflation adjusted balance of the funds principal, with an additional 0.5% available for funds with a market value in excess of 108% of inflation adjusted principal. Strong investment performance over the last four years (net 9.1% annualized) has led to 77% (1,009) of the funds being allocated a 4.5% distribution. In most years, an amount is capitalized to the principal of each endowment to protect against the eroding effects of inflation and for this year the amount added to the principal for this purpose was \$5.8 million.

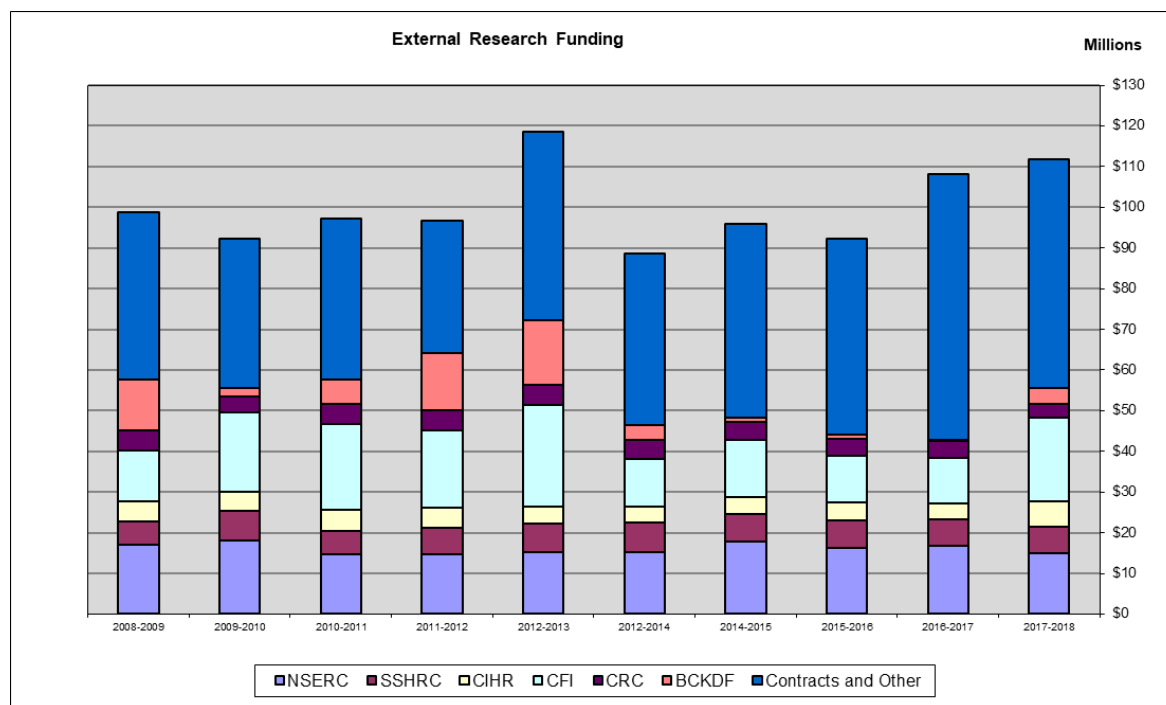
Sponsored Research Fund – Schedule D

The Sponsored Research fund includes the revenues and expenses of the related entities including Oceans Networks Canada, Pacific Climate Impacts Consortium, TRIUMF and WCUMSS.

Sponsored Research revenue for the year exceeded expenditures by \$5.0M and a net amount of \$5.1M was transferred in from other funds resulting in a net increase in the fund balance of \$10.1M bringing the fund balance to \$66.6M. This balance represents external grant funding that has been received but not yet spent.

Revenues increased by \$3.7M (3.3%) to \$111.9M while expenditures increased by \$4.7M (4.4%). The university's faculty continued their high level of success in attracting research grants and contracts. The university ranks third amongst Canadian comprehensive research intensive universities in total research funding, first in NSERC/CIHR grants and fifth in SSHRC grants.

The following shows the trend of sponsored research funding over the last 10 years.



Capital Fund – Schedule E

The Capital Fund includes monies designated for the acquisition of major capital assets and renovations, although capital assets such as equipment, furnishings, computer equipment and library holdings are recorded as expenditures in other funds to match the funding source. Revenues in the Capital Fund increased by \$16M this year due primarily to the receipt of \$2.8M from the federal Strategic Investment Fund, the \$8.9M proceeds from the sale of Dunsmuir lodge and a \$2.7M recovery of GST on historical capital expenditures. While Provincial funding only increased slightly over the last year, additional Routine Capital grants received were sufficient to offset the \$9.4M portion of the operating grant restricted for capital expenditures received last year but not in 2017/18.

Expenditures increased by \$17.3M to \$48.5M due to the completion of a number of priority and major maintenance projects. Construction continued on the \$20M District Energy Plant project and \$9.5M renovation to one building at the Queenswood Campus. Other projects of note include the Saunders Building expansion and renovations to science buildings.

Operating Budget Schedules F through J

Each year the budget office prepares operating fund budget schedules in order to provide management and the Board of Governors with information to assess the financial performance of operations for the fiscal year. These schedules differ from the fund accounting statements (Statements 1 to 3 and Schedules A through E) in that they compare actual results, both revenue and expense, for the fiscal year against the budget plan, whereas the fund accounting statements provide a comparison of actual results with those of the previous year. These budget schedules provide useful information to determine whether changes to budget or changes in activity should be made for the current or future fiscal years.

Another difference between the budget schedules and the fund accounting statements is that they are prepared on a function basis, as compared to an object basis (i.e., type of expense), which better reflects university budgetary responsibility, accountability and control.

The detailed budget versus actual schedules for the year ended March 31, 2018 include schedules F through J and can be found at pages 40-45. These schedules compare actual operating results for fiscal 2017-18 with the total budget for the year. The total budget column includes not only the base budget for each functional area or revenue item but also any non-recurring / one time entries for that year. These entries include one-time items such as a drawdown of carry forward or equipment reserves, budget reallocations between different functional areas or an allocation from a central budget (e.g., project funding, enrolment management funds or salary increase budget) to a department.

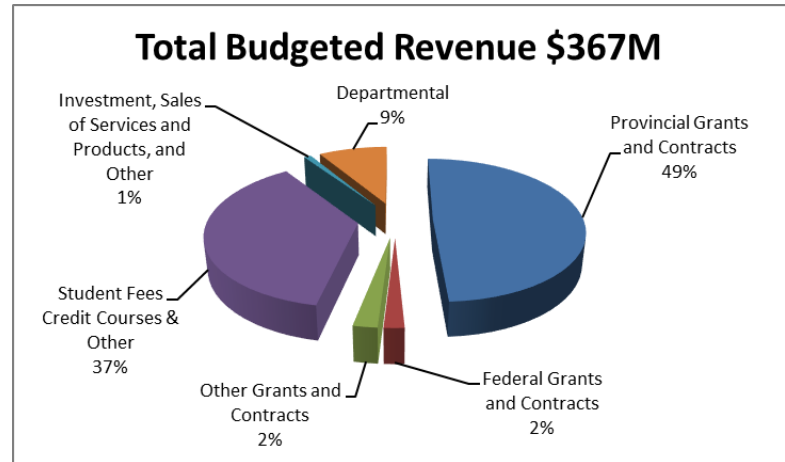
The following points should be kept in mind when reviewing these schedules:

- unfavourable variances from the budget (i.e., either revenues or cost recoveries are less than budget; or expenditures are greater than budget) are shown with brackets;
- benefits are budgeted and accounted for centrally and therefore costs within each function do not include benefits whereas the external PSAS statement have benefits allocated to functions;
- the revenue amounts per schedule F will not align with the revenue on Statement 3 or Schedule A of the fund accounting statements as statement F shows department revenue separately. Department revenue will include revenue from sources such as provincial and federal grants, student fees etc; and
- variations from budget are sometimes offset by variations in related revenues or expenditures. For example, an apparent shortfall in revenues may be offset by reduced expenditures or alternatively, an expenditure in excess of budget may be compensated for by increased revenues or cost recoveries (see schedule J for a summary).

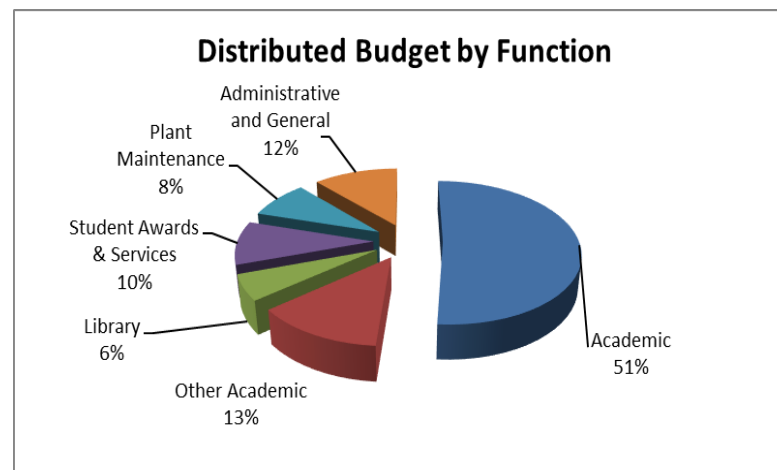
Operating Budget – Schedule F

Revenue and Expenditure Overview

Total budgeted revenue in 2017-18 was \$367M comprised of the following sources:



The majority of this funding is allocated to support academic purposes as follows:



Year End Results

As noted above, for the fiscal year ended March 31, 2018 there was an excess of operating revenue over expenditures of \$9.2M. This excess is a result of a number of items as follows:

- Positive results as compared to budget due to increased or unanticipated revenue and/or favourable expenditures variances;
- Planned allocation for capital projects and equipment replacement;
- Planned sources of non-recurring funding; and
- Costs related to capital and entities that are funded by operating but are presented as interfund transfers (below the line) whereas they are budgeted as expenditures (\$9.0M for 2017-18 as noted above).

In comparing actual results to budget there was a positive result of \$10.7M comprised of \$7.2M in additional revenue and \$3.5M in less expenditures. From a budget responsibility point of view this overall positive variance is derived as follows (in millions):

| | |
|---|----------------|
| Central revenue (tuition, investment income, internal financing and other) | \$ 1.1 |
| Central expenditures and recoveries (benefits, overhead and centrally allocated budgets, transfers to capital) | <u>\$ -0.2</u> |
| Positive variance from central accounts | \$ 0.9 |
| Positive variance from departmental accounts | <u>\$ 9.8</u> |
| Total | <u>\$10.7</u> |

Central Revenue Accounts

The primary sources of general operating revenue are government grant, tuition and investment income. In 2017-18 the additional revenue of \$1.1M or 0.3% of central revenue budgets resulted from:

1. Tuition revenue \$ 0.40M

The variance is primarily the result of international enrolment that was higher than the budget. The 3 year budget plan has been developed to reflect an overall steady state for international students. This will result in years where revenue is higher than other years as a large single year cohort moves through their program to graduation. This fluctuation has been anticipated and the additional revenue during these periods was allocated to one time or non-recurring priorities.

2. Investment income (\$0.68M - \$0.06M)..... \$ 0.62M

Schedule F shows a budget variance of \$0.68M for investment income. This amount, however, is offset by negative variance of \$0.06M from internal loans which is shown under administrative and general in schedule I (page 43) as it is an internal allocation. Therefore the Investment income budget, once internal financing is taken into account, was \$0.62M higher than budget.

As per the university policy to ensure multi-year financial planning for equipment replacement, \$0.2M of the investment income balance was allocated to department equipment reserves and \$0.1M was allocated to ancillary reserves.

3. Sales of Services and Products and Other income \$ 0.03M

The small positive variance is the result of an accumulation of small amounts from various accounts (the largest of which for 2017-18 included the write-off of stale dated UVic issued cheques).

Impact on Future Budgets from Revenue Variances

Each year in developing the overall university budget, tuition revenue is modeled for the coming 3 year cycle. In assessing revenue we look at what the base budget should be as well as any potential incremental funding above base that won't necessarily persist year to year but should be allocated to one time priorities. This approach ensures that all anticipated revenue is allocated annually while protecting against fluctuations year to year.

With respect to investment income, the current budget is considered appropriate based on levels of cash and current interest rates. This will be assessed over the next couple years given a potentially rising interest rate environment and higher internal loans (e.g., student housing).

Other central revenue budgets will not be adjusted as the variances are considered insignificant.

Central Expenditures and Recoveries

Central accounts include compensation (benefits, salary, position turnover etc.), overhead recoveries as well as contingency funds. In 2017-18 the negative central variance of \$0.2M resulted from a combination of results as follows:

1. Benefits \$2.3M

The benefit accounts continue to have a positive result annually mainly due to departmental position vacancies (\$1.9M) and a slight decline in the overall average benefit rate. This positive result is projected each year and funding allocated to institutional priorities (see below).

2. Overhead recoveries\$0.3M

This variance is the result of additional overhead research income.

3. Centrally Allocated Budgets..... \$-2.8M

As noted above, centrally allocated budgets include those budgets required to fund compensation costs for the year. They also include funds to top-up vacant positions once filled and a contingency amount to cover unforeseen events. These accounts are reviewed each year as part of the development of the annual budget to ensure they remain appropriate. The negative variance this year is a result of transferring funding to the capital fund based on approved budget and capital projects (e.g., routine capital funding, Saunders project etc.). These accounts end in a negative position as positive variances from other accounts and / or accumulated surplus are used to fund these projects.

Impact on Future Budgets from Expenditure Variances

The positive benefits budget variance will continue as long as there are vacant positions. We will continue to project these positive variances and allocate the additional funding to one time priorities such as capital.

The overhead variance is not considered significant but is reviewed each year based on information from research on projected contract revenue and the revenue trend over the last few years.

Centrally allocated budgets will continue to have negative total budgets each year as incremental funding from other budget lines (benefits, tuition, etc.) is transferred to the capital fund to support institutional capital priorities (as noted above).

Departmental Accounts

As noted above, overall department budgets had a year-end positive variance of \$9.8M. Departments are expected, for the most part, to have favourable year end balances as they are required to put aside funds to address future equipment replacement and capital needs. In 2017-18 departments planned to allocate \$4.1M to reserves for this purpose with actual transfers totaling \$6.7M.

A large source, \$6.1M, of positive budget variances within departments resulted from actual departmental revenue exceeding budget. Departmental revenue is largely comprised of external funding (i.e., gifts, grants, sales, non-credit tuition, application and athletic fees, etc.), and as such is not consistent year to year, making it difficult for departments to predict or rely on for on-going expenditures. Given this fact, most departments budget this revenue conservatively. Some examples of revenue received in 2017-18 include application and program fees; MBA non-credit and MGB fees in Business; recoveries for marine science vessel usage; external cost recoveries (i.e., McGill and Vancouver Island Cancer Centre); one-time government program grants; auditorium fees; field school fees; Fine Arts shows (i.e., concerts and theatre); space rental; and athletic club fees. For some departments the positive revenue result is offset by increased expenditures (Schedule J – page 44).

Within the expenditures budgets, the largest sources of positive variance were in academic (\$2.1M) and the other academic budgets (\$0.9M). The academic variance resulted mainly from faculty start-up allocations not yet spent (\$1.1M) and from vacant faculty positions. The other academic variance resulted mainly from internal research grants and overhead allocated but not yet spent. The remaining expenditure variances are a result of partial year hires, favourable supply account variances or drawdowns from reserves or carry forward in excess of the actual costs.

At the individual faculty and department level all were on or under budget when available carry forward is taken into account. Some units within a faculty or department however were over budget by small amounts. These deficits will be a first charge against the unit's budget in 2018-19 or have been offset by carryover or alternatively have been covered at the faculty level.

Operating Budget – Schedule G

This schedule provides a breakdown of departmental revenue by functional area. Some highlights include:

- The department / faculty with the largest budgeted departmental revenue is continuing studies at \$14.9M. Continuing studies is a mainly self-funded Division and, as such, tuition for their programs is allocated to them directly. As well, they are required to fund salary increases within the program areas. The Division has also used revenues to support capital expansion, including the recently completed addition to the Continuing Studies building.
- Student services departmental revenue is mainly comprised of student athletic and recreation fees, physiotherapy fees, and external funding for Health Services.

Operating Budget – Schedules H through J

Schedules H and I summarize total budget, actual results and a comparison to the prior year of expenditure budgets by function. These schedules provide information on relative sizes of faculties and departments with the largest expenditure budgets held by the tri-faculties - Science at \$26.4M, Social Sciences at \$24.1M and Humanities at \$21.9M. The 'other academic projects' budget of \$26.4M is comprised of many smaller functions such as Academic Advising, Learning and Teaching Centre, faculty professional development, faculty research - internal grants and travel, research services and centres, overhead research, and academic related information technology.

In most areas expenditures increased as compared to the prior year, largely a result of compensation increases including the progression through the ranks or ranges and the settlement agreements. Increases in non-academic areas are also mainly comprised of compensation increases from the settlement agreements and progress through range for some employee groups.

Schedule J, as noted previously, compares additional departmental revenue against expenditures to demonstrate that additional revenue is often offset by additional expenditures. (e.g., Business's positive variance in department revenue of \$476K is mostly offset by a negative expenditure variance of -\$431K).

Ancillary Budget – Schedules K through O

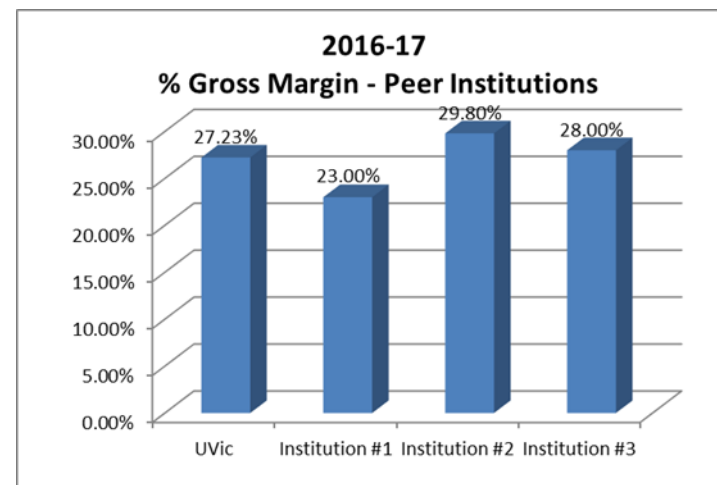
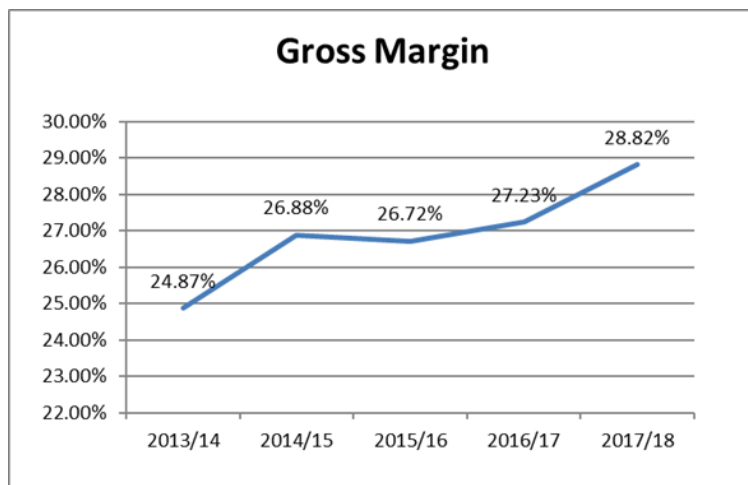
Schedule B (page 36) of the attached fund accounting schedules show the financial results of university ancillary operations both on and off campus. The results of the off campus businesses were noted above. This section will focus on the results of the on campus ancillary operations as well as provide information on some key performance indicators (KPI).

While these operations are often viewed as on campus “businesses,” it is important to know that while they are required to be financially self-sufficient, they also contribute to student life on campus and are therefore important service areas. The result of this approach is that each area may make program decisions that are not necessarily financially driven. For example, parking services subsidizes employee and student bus passes in an effort to reduce traffic to campus, residence services operates student life programs and food services has extended hours to support academic purposes even though these extended hours may not provide for a return during these hours. Given the above it is difficult to compare these operations to what appear to be similar off campus businesses.

Bookstore – Schedule K

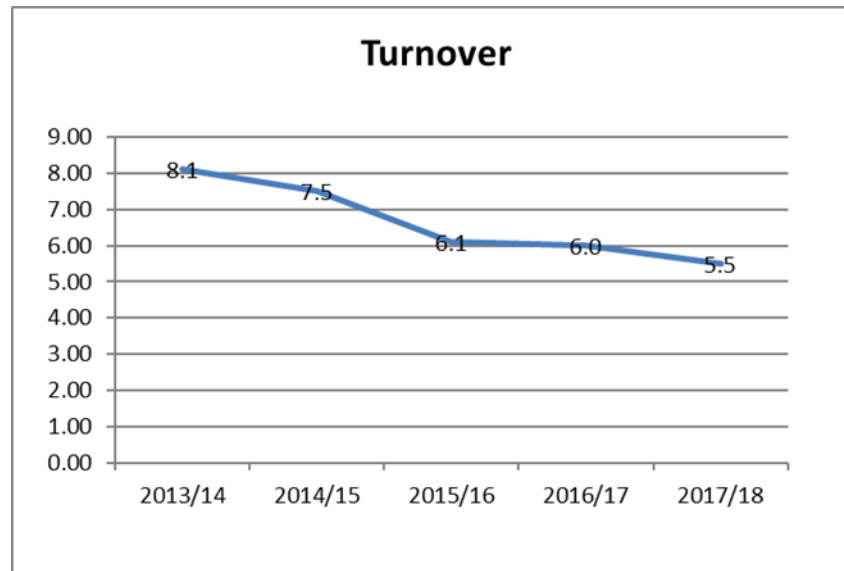
Schedule K (page 46) attached shows the financial results of the bookstore operations, which include the computer store, compared to budget as well as the results of the prior year. As budgeted, both revenue and expenses for fiscal 2018 are less than the prior year. The majority of the sales decrease was in textbook sales, however UVic remained very close to industry trends. The overall financial results for the store was higher than budgeted by \$283K mainly as a result of higher than anticipated merchandise sales, non-textbook sales and computer store sales. This enabled a larger than anticipated transfer to the capital reserve at year end.

The following KPIs provide useful information against which to assess the operations of the Bookstore:

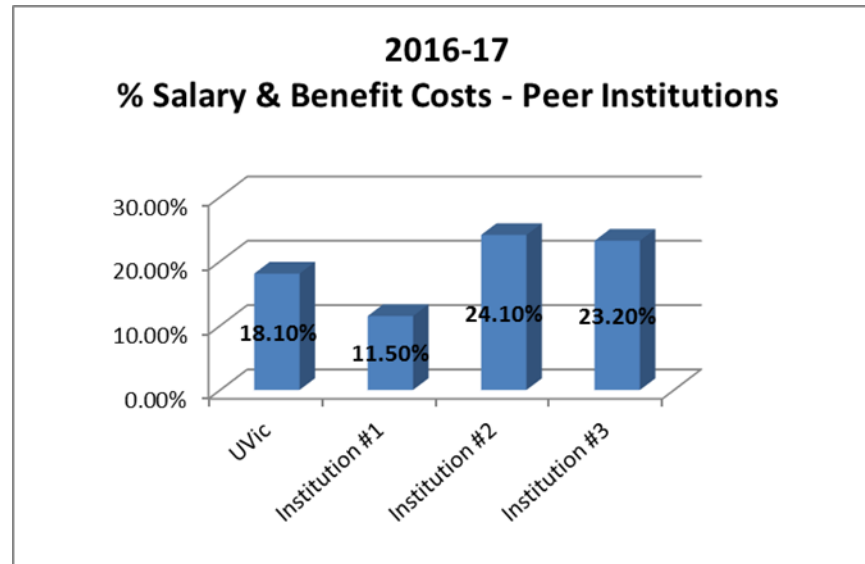


The above charts show that gross margin as a percentage of sales has increased almost annually since 2013/14 to 28.82% in 2017-18. As well, the Bookstore's gross margin compares well with other similar sized institutional bookstores (peer institutions using 16-17 as the most recent data for comparison).

The decline in textbook sales over the last several years has caused a corresponding decline in the turnover rate. However turnover rates continue to be strong at 5.5 times based on current industry standards:



Wages and benefits reflect continued oversight and control over labour costs with duties from vacated positions redistributed to other existing positions as the opportunity arises. The average of the peer group is 19.6% of total costs and therefore our operations are consistent with peers as outlined in the following chart:



The above comparison data is from the National Association of College Stores – Large Stores Group and has been shared on a confidential basis therefore the names have not been included.

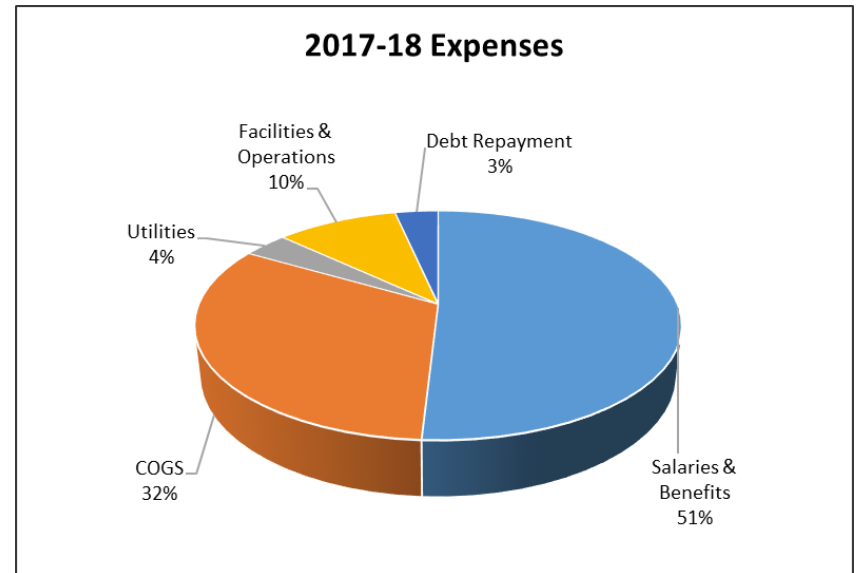
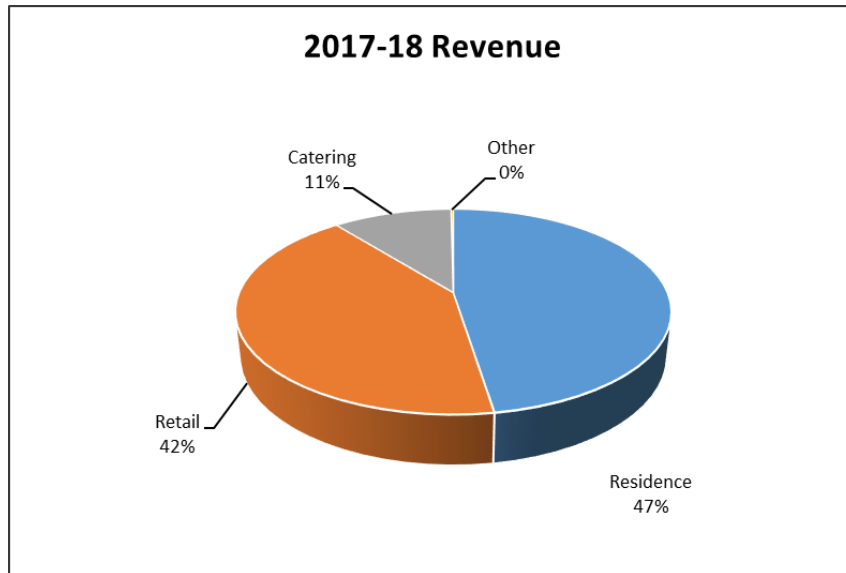
Food Services – Schedule L

Schedule L (page 47) shows the 2017-18 results of the food service operation on campus. Total revenue grew by 2.4% compared to the prior year, while total expenses increased slightly by 0.2%. This resulted in improved financial results over the prior year with a net operating gain of \$251K (compared to loss of \$132K in 16/17), which includes the debt repayment of \$592K related to Mystic Market renovations. The 2017-18 financial result reflects a number of initiatives led by the leadership team in University Food Services (UNFS) to adjust its financial course and ensure the operations are sustainable long term. These initiatives include: improved labour expense controls, refinement of cost control measures, continued cost of goods improvements, as well as improved forecasting through better procurement and inventory management.

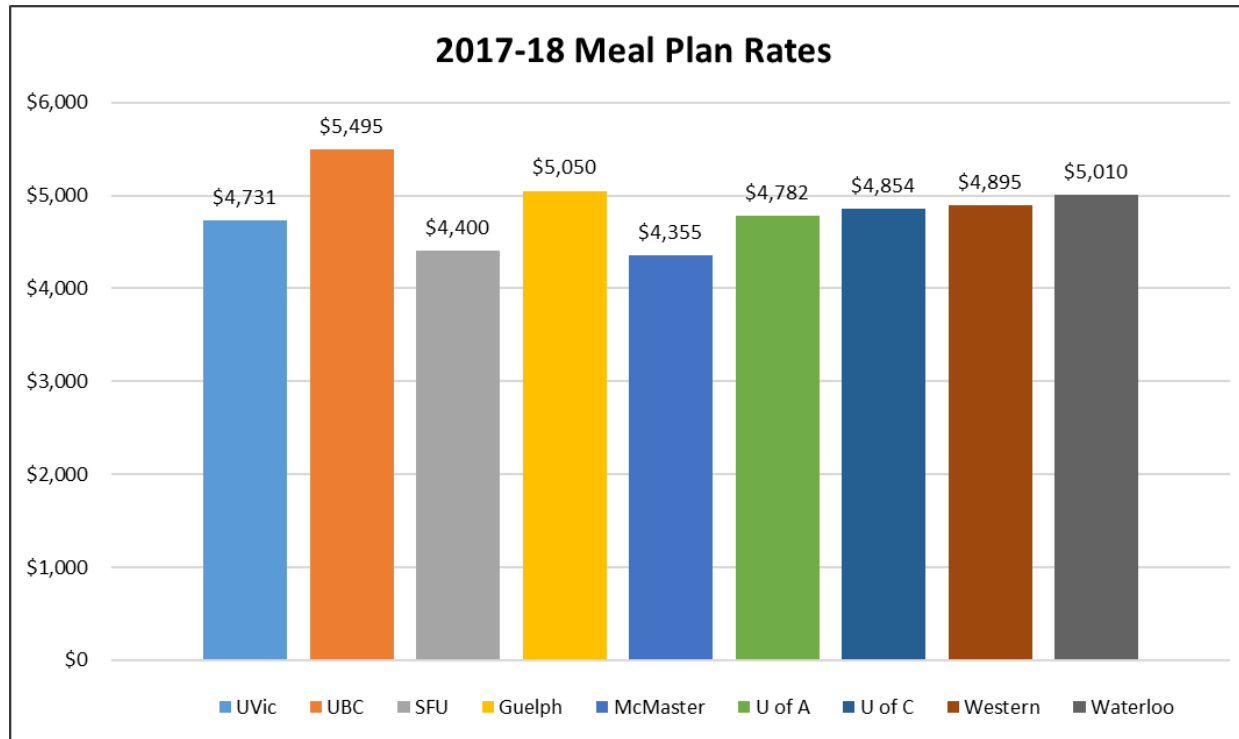
While University Food Services returned a positive result this year, it is committed to continuing with changes to achieve financial sustainability over the long term. This will require ensuring that the operations have a positive result but also that there are sufficient returns to provide for an allocation to reserve each year in order to ensure future capital renewal can occur.

Changes in operations have not changed their sustainability goals as University Food Services was a major contributor to UVic attaining its FAIR TRADE designation. The Fair Trade Campus designation is a reflection of UVic’s and Food Services’ strong commitment to sustainability.

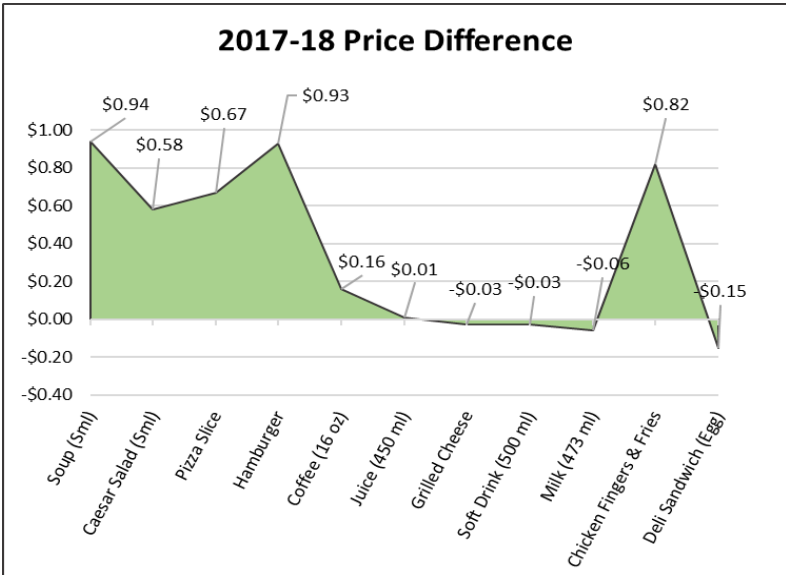
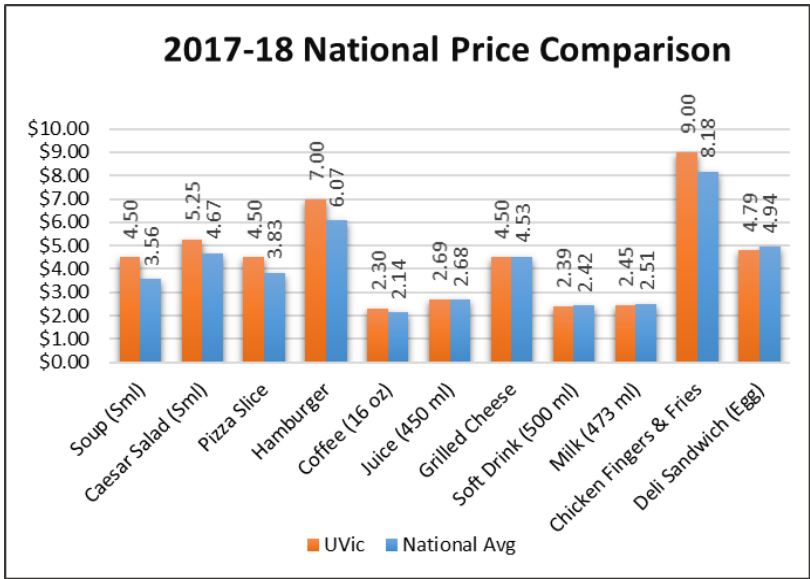
The majority of food service revenue comes from on campus housing through the residence meal program (47%), with retail sales and catering contributing 42% and 11% respectively. As for expenses, the majority stem from labour (51%) and cost of goods sold (32%):



With regard to pricing, food services monitors both the mandatory meal program and specific product pricing. For the meal program UVic pricing is comparable to peer institutions as follows:



On food product pricing, the university's food service department is a self-operation whereas most campuses across Canada contract out their food operations. This fact makes comparing information nationally difficult as, unlike bookstores, information on operations is not readily available. There is information, however on product pricing available through the Canadian College and University Food Service Association (CCUFSA). Using this information, UVic's retail pricing compares as follows:



UVic's prices are generally in line with the national average. The department pays a very competitive wage compared to other Food Services operations and contributes significantly to the overall university sustainability program.

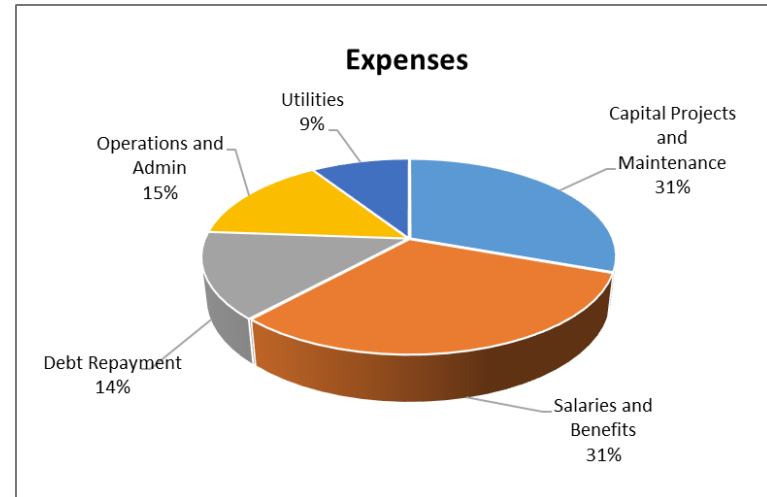
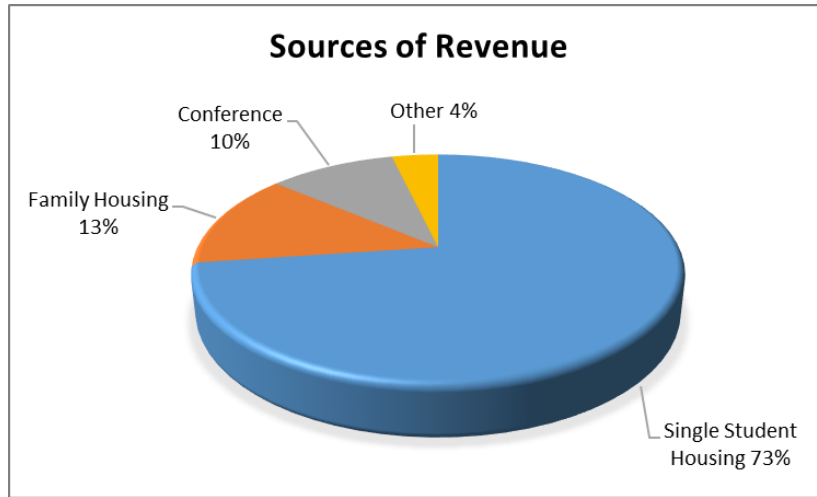
Residence Services – Schedule M

For 2017-18, schedule M (page 48), shows that revenue for residence services has increased by 6.8% compared to the prior year while expenses have increased by 4.2%. A reserve draw down of \$0.3M reflects the multiyear plan being implemented to address deferred maintenance. A 10 year capital renewal plan was developed in 2014/15 with intentions to complete approximately \$82M in related projects over ten years. During 2017-18, a total of \$4.5M was invested in renewal and capital projects, bringing the total over 4 years to \$12.6M. As well, in 2017/18 an additional \$1.1M was spent on preventative and demand maintenance.

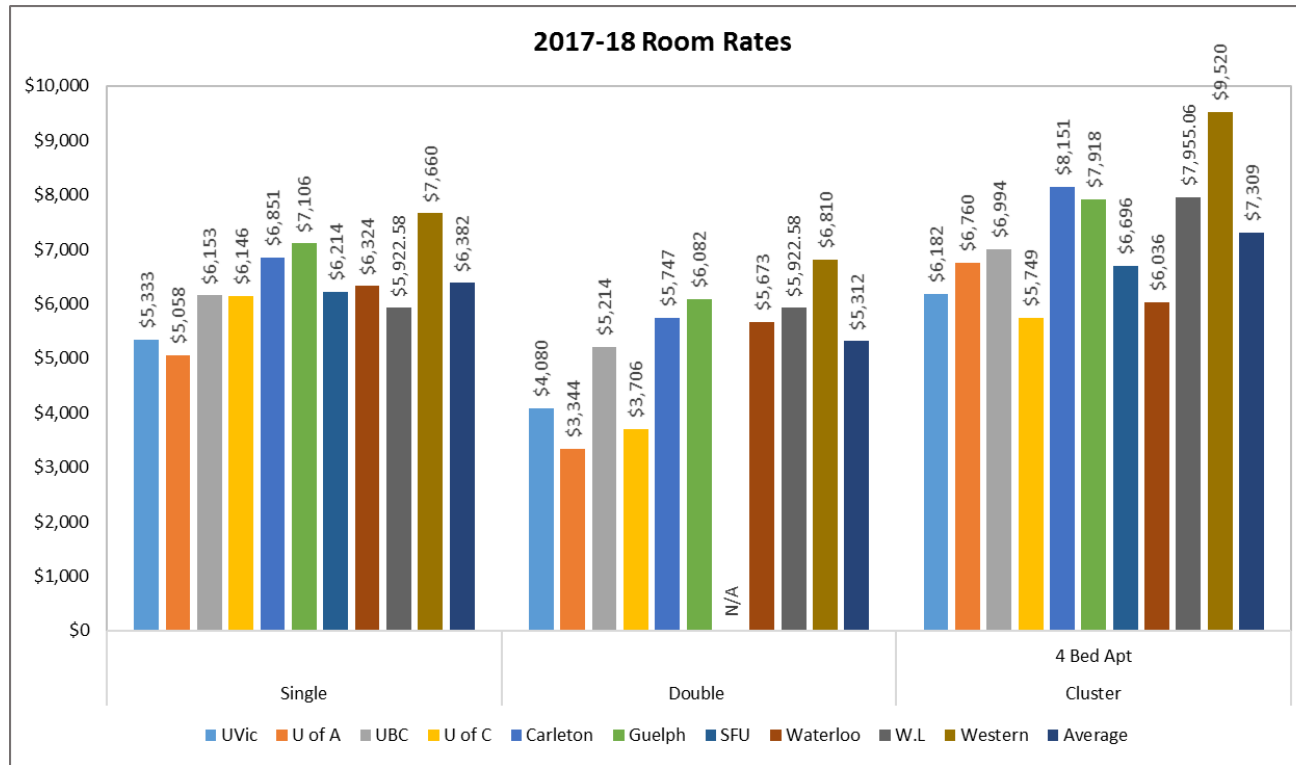
The multi-year renewal plan was developed after the 2011-2013 external assessment of the university's deferred maintenance was completed. This assessment work included looking at the residence inventory and reviewed each building's physical condition using an industry standard index called the facilities condition index or FCI. The FCI for housing in 2014-15 when the 10 year plan started was 0.40, which is considered poor to critical. As of May 2018, including work undertaken to date, the FCI index has declined to 0.35. FCI is calculated by dividing total cost of existing deficiencies by the current replacement value of the facility. A score of 0.00 indicates excellent building condition while a score of 1.00 indicates a facility in the poorest condition.

With the amount drawn down in the current year, the reserve balance is now at \$4.6M. This fund will continue to be used to support planned capital renewal and address deferred maintenance with the goal of reversing the decline in the condition of the buildings and support the University's recruitment and retention goals through safe and affordable accommodation for students.

The majority of housing revenue (73%) is generated from dorm/apartment revenue, followed by family housing at 13% and conferences at 10%. With respect to expenses, the majority is for labour at 31% and maintenance and renewal costs at 31%:



UVic's residence rates for dorm and apartment style rooms remain considerably below the rates of peer institutions. As shown in the following graph UVic's rate for a dorm single was \$5,333 or 15% less than the average of our comparable institutions at \$6,277 as follows:

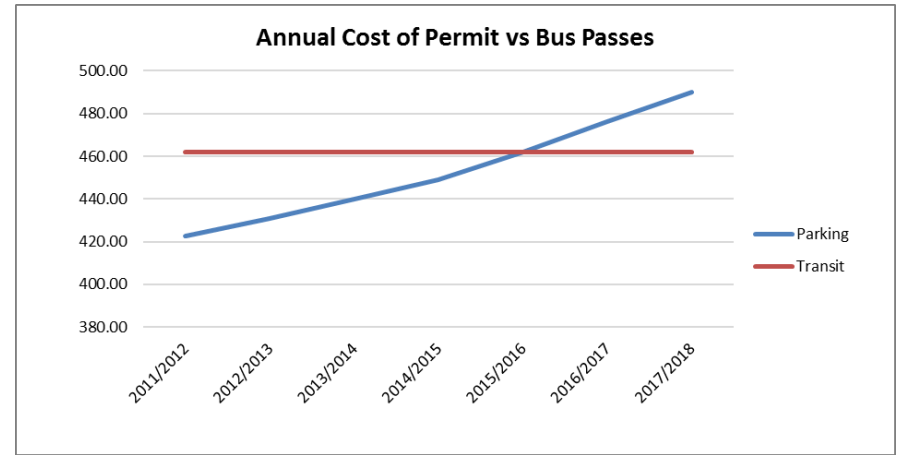
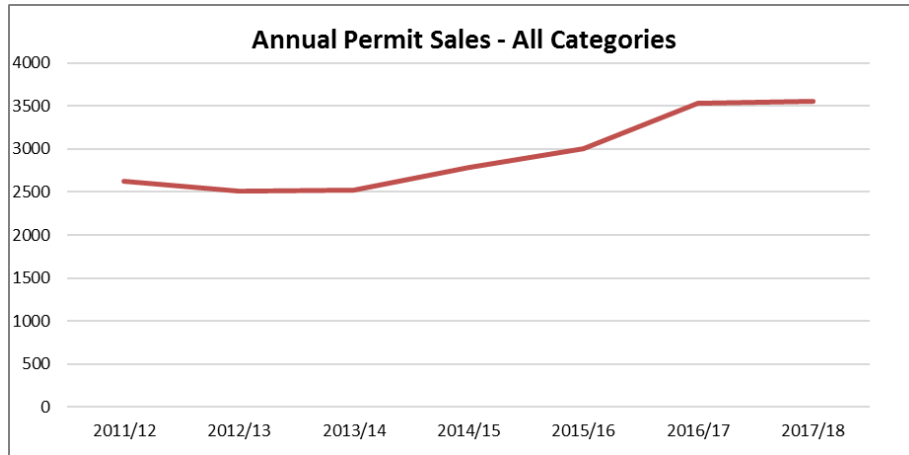


While living in residence is not directly comparable to off-campus living, the average rate for a single room in residence was \$666 per month, whereas, according to the 2017 CMHC data, the average rental rates in Victoria ranged from \$802 (bachelor); to \$981 (one bedroom), to \$1,266 (two bedroom).

Parking Services – Schedule N

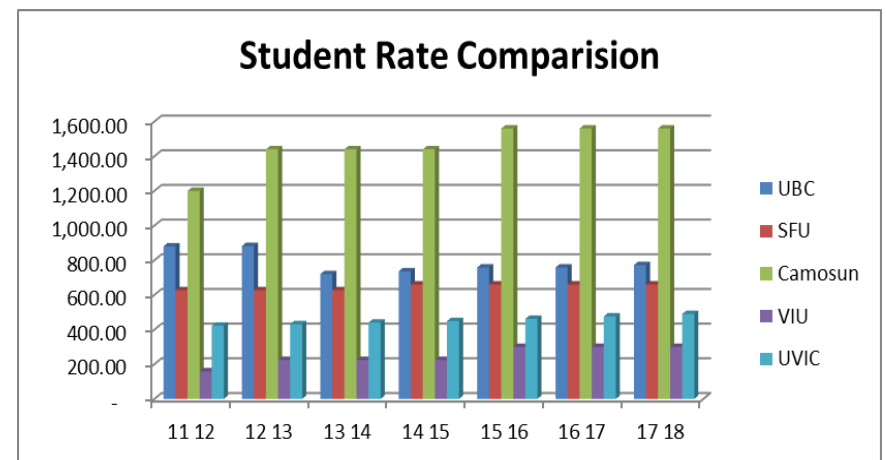
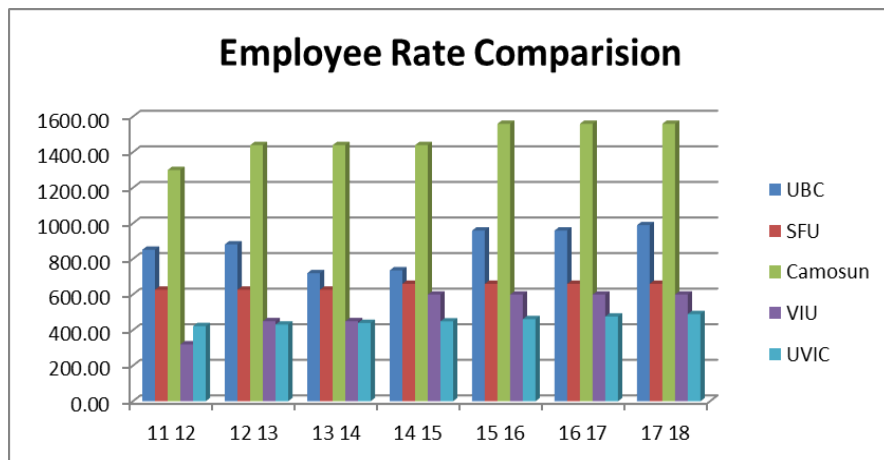
The parking services budget includes revenue and expenses associated with the management of parking on campus as well as the university’s travel options programs which includes, among other things, the student and staff bus pass programs. Schedule N (page 49) attached shows that both revenue and expenses were flat year over year. Overall net financial results were greater than anticipated with \$1.6M transferred to reserve compared to the budget plan of \$1.4M.

The following charts outline some of the KPIs that parking services monitor:

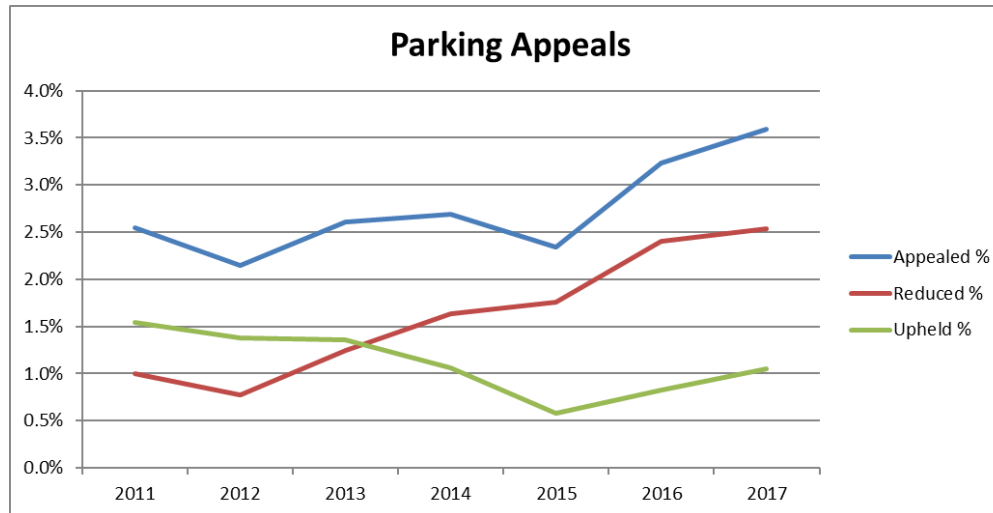


While normally a goal for a parking operation would be to grow permit sales, the university is committed to minimizing vehicle traffic to campus. The chart on the left shows that after a period of decline permits sales has increased for the last several years. During 2018/19 we will be reviewing our transportation demand management program to see what changes can be undertaken to reverse this trend. We will also begin to monitor parking occupancy rates as a way to determine when a new parkade may be needed to address capacity issues. The chart on the right outlines one of the strategies UVic employs to encourage alternative transportation. Over time through permit increases and subsidies for the bus pass, the cost to park now surpasses the cost of the subsidized employee bus pass.

Employee and student parking rates, for an annual parking pass, are either less than or comparable to peers institutions as follows:



Another source of revenue for parking services is fines. While this is a source of revenue, the objective of issuing citations (fines) is to ensure the safety (e.g., parking in fire lanes) and access (parking without paying) of patrons. While the department issues almost 18,000 fines in a year, very few are appealed as follows:



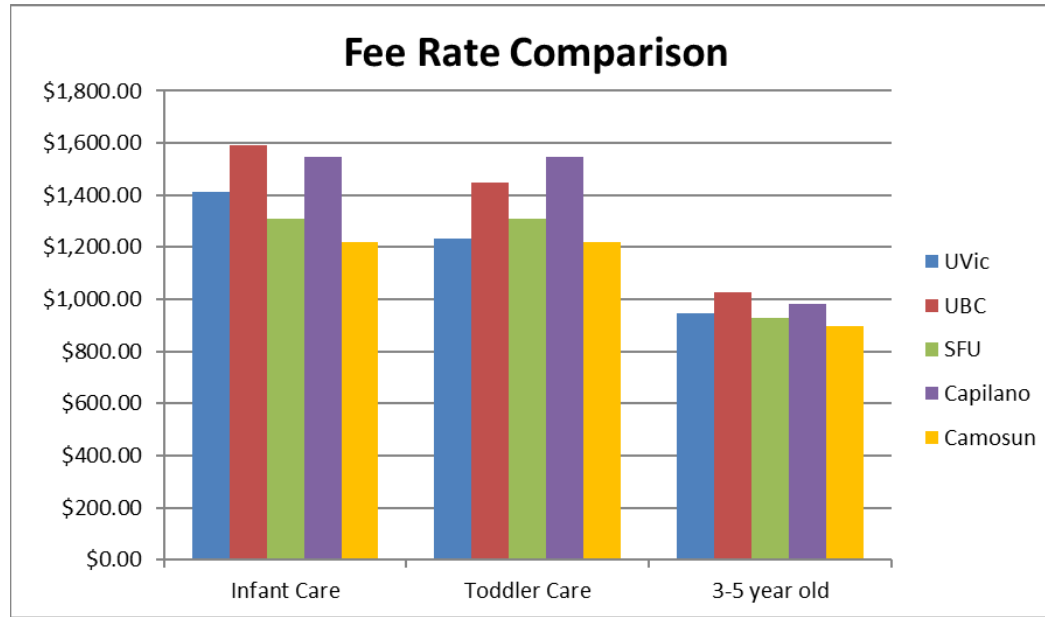
Of those appealed through an independent committee made up of representatives from the campus community, most are upheld with only 2.5% reduced.

Child Care – Schedule O

Child Care services provides full and part time day programs for children aged 6 months to 5 years. Schedule O (page 50) attached shows that both revenue and expenses have decreased compared to prior year. This is due to the closure of the after school care program and the subsequent renovations to the facility in order to open two new full care centres in September 2018. The renewal of the facilities was supported by \$1.8M of funding from government, donors and the university.

Total revenues for the year exceeded expenditures by \$5K.

Child care monitors the rates of other comparable institutions to ensure parent fees are reasonable. The following chart compares our 2018 fees at various care levels to other educational institutions:



This chart shows that our child care fees are in line with other similar institutions.

Attachments: Consolidated Fund Accounting Financial Statements and Schedules (Statements 1 through 3 and schedules A through O)



**University
of Victoria**

Consolidated Fund Accounting Financial Statements and Schedules

for the

UNIVERSITY OF VICTORIA

Years ended March 31, 2018 and 2017

(Prepared without audit)

UNIVERSITY OF VICTORIA**BALANCE SHEET**

As at March 31, 2018 (in thousands of dollars)

| | 2018 | 2017 |
|---|-----------|-----------|
| ASSETS | | |
| Cash and temporary investments | 117,425 | 91,913 |
| Accounts receivable | 58,996 | 55,445 |
| Prepaid expenses | 17,726 | 16,991 |
| Inventories | 3,392 | 3,484 |
| Long-term investments | 100,613 | 100,780 |
| Endowment investments (2018 cost \$410,709; 2017 cost \$388,175) | 453,148 | 430,384 |
| PLANT ASSETS | | |
| Land and site improvements | 64,656 | 63,310 |
| Buildings | 825,294 | 788,459 |
| Equipment and furnishings | 198,378 | 205,560 |
| Library holdings | 136,342 | 133,484 |
| | 1,975,970 | 1,889,810 |
| LIABILITIES | | |
| Accounts payable and accrued liabilities | 29,088 | 27,146 |
| Deferred revenue | 13,969 | 12,714 |
| Long-term debt | 49,824 | 50,799 |
| Employee future benefits | 26,349 | 25,422 |
| FUND BALANCES | | |
| Expendable funds | | |
| Appropriated (Statement 2) | | |
| General Operating | 104,345 | 104,123 |
| Ancillary Enterprises | 12,705 | 11,050 |
| Capital Fund | (23,637) | (24,794) |
| Unappropriated (Statement 3) | | |
| General Operating | - | - |
| Ancillary Enterprises | 10,912 | 9,222 |
| Specific Purposes | 117,078 | 107,237 |
| Sponsored Research | 66,578 | 56,506 |
| Capital | 21,827 | 13,724 |
| Non-expendable funds | | |
| Student Loan | 22 | 22 |
| Endowment Principal | 353,400 | 339,928 |
| EQUITY IN PLANT ASSETS | 1,193,510 | 1,156,711 |
| | 1,975,970 | 1,889,810 |

UNIVERSITY OF VICTORIA
SCHEDULE OF CHANGES IN APPROPRIATED EXPENDABLE FUNDS

FUND ACCOUNTING -STATEMENT 2
(Prepared without audit)

Year ended March 31, 2018 (in thousands of dollars)

| | Balance at beginning of year | Released to meet expenditures | Additions and/ or transfers during year | Balance at end of year |
|---|------------------------------------|-------------------------------------|---|------------------------------|
| GENERAL OPERATING FUND | | | | |
| Equipment | | | | |
| Printing and duplicating | 1,242 | 83 | 67 | 1,226 |
| Network services | 3,330 | 2,363 | 775 | 1,742 |
| Other departments | 13,511 | 1,698 | 2,713 | 14,526 |
| Capital and renovation projects | 1,458 | - | 166 | 1,624 |
| Academic and administrative program development and operation support | 11,896 | 4,338 | 6,065 | 13,623 |
| Research support | 13,907 | 2,664 | 5,120 | 16,363 |
| Student assistance and financial aid | 6,578 | 398 | 1,849 | 8,029 |
| Employee obligations | 14,932 | 1,368 | (1,140) | 12,424 |
| Information technology and technical support | 5,950 | 1,920 | 1,114 | 5,144 |
| Other commitments | 11,615 | 1,554 | 289 | 10,350 |
| Contingency | 6,515 | 1,676 | 951 | 5,790 |
| Externally funded Island Medical Program | 3,806 | 1,324 | 1,019 | 3,501 |
| Insurance and utilities | 6,134 | - | 677 | 6,811 |
| Library prepaid expenses | 3,249 | 3,249 | 3,192 | 3,192 |
| | <u>104,123</u> | <u>22,635</u> | <u>22,857</u> | <u>104,345</u> |
| ANCILLARY ENTERPRISES FUND | | | | |
| Equipment replacement and capital improvements | | | | |
| Bookstore | 1,814 | - | 315 | 2,129 |
| Residence services | 4,870 | 270 | - | 4,600 |
| Parking services | 3,836 | - | 1,610 | 5,446 |
| Heritage Realty Properties | 530 | - | - | 530 |
| | <u>11,050</u> | <u>270</u> | <u>1,925</u> | <u>12,705</u> |
| CAPITAL FUND | | | | |
| Plant Assets funded to/from Appropriations | | | | |
| Capital reserve | 29,139 | 1,036 | - | 28,103 |
| Residences | (2,058) | - | 561 | (1,497) |
| Centre for Athletic Recreation aand Special Abilities | (29,114) | - | 1,303 | (27,811) |
| Others | (22,761) | 4,202 | 4,531 | (22,432) |
| | <u>(24,794)</u> | <u>5,238</u> | <u>6,395</u> | <u>(23,637)</u> |
| TOTAL APPROPRIATED EXPENDABLE FUNDS | <u>90,379</u> | <u>28,143</u> | <u>31,177</u> | <u>93,413</u> |
| 2017 COMPARATIVE | <u>83,742</u> | <u>53,244</u> | <u>59,881</u> | <u>90,379</u> |

UNIVERSITY OF VICTORIA
SCHEDULE OF CHANGES IN UNAPPROPRIATED EXPENDABLE FUNDS

FUND ACCOUNTING -STATEMENT 3

Year ended March 31, 2018 (in thousands of dollars)

(Prepared without audit)

| | General Operating | Ancillary Operations | Specific Purpose | Sponsored Research | Capital | Total 2018 | Total 2017 |
|--|----------------------|-------------------------|---------------------|-----------------------|---------------|----------------|-----------------|
| REVENUE AND OTHER ADDITIONS | | | | | | | |
| Government grants and contracts-provincial | 181,903 | 1,452 | 2,224 | 9,880 | 26,451 | 221,910 | 211,977 |
| -federal | 6,767 | - | 90 | 72,548 | 3,349 | 82,754 | 69,740 |
| -other | 8,007 | - | 1 | 10,756 | - | 18,764 | 22,713 |
| Student fees-credit courses | 137,642 | - | 523 | 5 | - | 138,170 | 136,547 |
| - non credit courses | 11,946 | - | 21 | - | - | 11,967 | 11,429 |
| - other | 7,827 | - | 59 | - | - | 7,886 | 7,623 |
| Gifts, grants and bequests | 2,023 | 44 | 6,726 | 14,085 | 131 | 23,009 | 23,067 |
| Sales of services and products | 10,208 | 50,292 | 3,127 | 4,380 | 631 | 68,638 | 70,641 |
| Investment income | 2,437 | 1,036 | 31,607 | 6 | 1,105 | 36,191 | 53,039 |
| Equity in earnings of long term investments | - | 1,727 | 24 | - | - | 1,751 | 486 |
| Other revenue | 5,219 | 183 | 1,552 | 213 | 12,216 | 19,383 | 7,953 |
| Capital borrowing | - | - | - | - | 3,984 | 3,984 | 3,066 |
| | <u>373,979</u> | <u>54,734</u> | <u>45,954</u> | <u>111,873</u> | <u>47,867</u> | <u>634,407</u> | <u>618,281</u> |
| EXPENDITURE AND OTHER DEDUCTIONS | | | | | | | |
| Salaries - academic | 109,142 | - | 2,150 | 4,498 | - | 115,790 | 113,285 |
| - other instruction and research | 16,671 | - | 2,485 | 24,020 | - | 43,176 | 41,676 |
| - support staff | 113,480 | 17,353 | 895 | 9,854 | - | 141,582 | 137,327 |
| Total salaries | <u>239,293</u> | <u>17,353</u> | <u>5,530</u> | <u>38,372</u> | <u>-</u> | <u>300,548</u> | <u>292,288</u> |
| Employee benefits | 43,957 | 4,015 | 980 | 5,164 | - | 54,116 | 53,947 |
| Travel | 6,489 | 67 | 1,236 | 5,571 | 9 | 13,372 | 13,393 |
| Library acquisitions | 8,772 | - | 1,106 | - | - | 9,878 | 8,822 |
| Supplies and expenses | 32,369 | 4,603 | 8,396 | 27,318 | 6,992 | 79,678 | 76,353 |
| Equipment additions and replacements | 9,932 | 849 | 300 | 9,700 | 1,993 | 22,774 | 25,341 |
| Equipment rental and maintenance | 4,525 | 171 | 32 | 3,842 | - | 8,570 | 6,642 |
| Utilities | 5,990 | 2,251 | 6 | 137 | 28 | 8,412 | 8,745 |
| Scholarships, fellowships and bursaries | 16,353 | 17 | 7,487 | 12,501 | - | 36,358 | 35,873 |
| Cost of goods sold | - | 12,430 | - | - | - | 12,430 | 13,017 |
| Debt service | 2,208 | 1,232 | - | - | 6,192 | 9,632 | 7,509 |
| Construction and renovation contracts | 82 | 3,486 | - | 336 | 36,188 | 40,092 | 23,664 |
| Internal cost allocations | (5,176) | 3,580 | 584 | 3,930 | (2,918) | - | - |
| | <u>364,794</u> | <u>50,054</u> | <u>25,657</u> | <u>106,871</u> | <u>48,484</u> | <u>595,860</u> | <u>565,594</u> |
| TRANSFERS AND APPROPRIATIONS | | | | | | | |
| Inter-fund transfers | (8,963) | (1,335) | (10,456) | 5,070 | 9,877 | (5,807) | (4,503) |
| Appropriations released to meet expenditures | 22,635 | 270 | - | - | 5,238 | 28,143 | 53,244 |
| New appropriations | (22,857) | (1,925) | - | - | (6,395) | (31,177) | (59,881) |
| | <u>(9,185)</u> | <u>(2,990)</u> | <u>(10,456)</u> | <u>5,070</u> | <u>8,720</u> | <u>(8,841)</u> | <u>(11,140)</u> |
| NET INCREASE DURING YEAR | - | 1,690 | 9,841 | 10,072 | 8,103 | 29,706 | 41,547 |
| FUND BALANCES AT BEGINNING OF YEAR | - | 9,222 | 107,237 | 56,506 | 13,724 | 186,689 | 145,142 |
| FUND BALANCES AT END OF YEAR | - | 10,912 | 117,078 | 66,578 | 21,827 | 216,395 | 186,689 |

(Prepared without audit)

UNIVERSITY OF VICTORIA
CHANGES IN GENERAL OPERATING FUND
Year ended March 31, 2018 (in thousands of dollars)

| | 2018 | 2017 |
|--|----------------|----------------|
| REVENUE | | |
| Government grants and contracts -provincial | 181,903 | 167,926 |
| -federal | 6,767 | 7,581 |
| -other | 8,007 | 7,298 |
| Student fees-credit courses | 137,642 | 136,058 |
| -non credit courses | 11,946 | 11,404 |
| -other | 7,827 | 7,594 |
| Gifts, grants and bequests | 2,023 | 1,878 |
| Sales of services & products | 10,208 | 10,009 |
| Investment income | 2,437 | 2,544 |
| Other revenue | 5,219 | 4,599 |
| | <u>373,979</u> | <u>356,891</u> |
| EXPENDITURE | | |
| Salaries - academic | 109,142 | 105,873 |
| - other instruction and research | 16,671 | 16,128 |
| - support staff | 113,480 | 109,894 |
| Total salaries | 239,293 | 231,895 |
| Employee benefits | 43,957 | 43,483 |
| Travel | 6,489 | 6,321 |
| Library acquisitions | 8,772 | 8,535 |
| Supplies and expenses | 32,369 | 32,100 |
| Equipment additions and replacements | 9,932 | 6,963 |
| Equipment rental and maintenance | 4,525 | 4,328 |
| Utilities | 5,990 | 5,954 |
| Scholarships, fellowships and bursaries | 16,353 | 16,195 |
| Debt service | 2,208 | 1,779 |
| Construction and renovation contracts | 82 | 2,347 |
| Internal cost allocations | (5,176) | (6,088) |
| | <u>364,794</u> | <u>353,812</u> |
| TRANSFERS AND APPROPRIATIONS | | |
| Inter-fund transfers | (8,963) | (27,044) |
| Appropriations released to meet expenditures | 22,635 | 48,877 |
| New appropriations | (22,857) | (24,912) |
| | <u>(9,185)</u> | <u>(3,079)</u> |
| NET INCREASE DURING YEAR | - | - |
| FUND BALANCE AT BEGINNING OF YEAR | - | - |
| FUND BALANCE AT END OF YEAR | - | - |

(Prepared without audit)

UNIVERSITY OF VICTORIA

CHANGES IN ANCILLARY ENTERPRISES FUND

Year ended March 31, 2018 (in thousands of dollars)

| | (1) | Off-Campus Business Enterprises | | | | | | | | | Total 2018 | Total 2017 |
|--|--------|---------------------------------|------------------|-----------------------|---------------------|---------------|------------------------------------|--------------------|----------------------------------|---|---------------|---------------|
| | | Bookstore & Shop | Food Services | Residence Services | Parking Services | Child Care | UVic Broad Street Properties | UVic Properties | Heritage Realty Properties | Van. Island Technology Park Trust | | |
| REVENUE | | | | | | | | | | | | |
| Sales of services and products | 10,212 | 15,836 | 16,347 | 5,160 | 997 | 628 | 1,112 | | | | 50,292 | 49,622 |
| Government grants - provincial | 166 | 580 | 51 | | 655 | | | | | | 1,452 | 1,414 |
| Gifts, grants and bequests | | 25 | 7 | | 12 | | | | | | 44 | 29 |
| Investment income | 18 | | 49 | 38 | | 835 | | | 96 | | 1,036 | 994 |
| Equity in earnings of long term investments | | | | | | | | 204 | 1,523 | | 1,727 | 486 |
| Other revenue | 33 | 49 | 5 | 4 | 4 | 88 | | | | | 183 | 205 |
| | 10,429 | 16,490 | 16,459 | 5,202 | 1,668 | 1,551 | 1,112 | 204 | 1,619 | - | 54,734 | 52,750 |
| EXPENDITURE | | | | | | | | | | | | |
| Salaries-support staff | 1,859 | 7,086 | 4,840 | 1,329 | 1,265 | | 974 | | | | 17,353 | 17,098 |
| Employee benefits | 382 | 1,923 | 896 | 322 | 272 | | 220 | | | | 4,015 | 3,955 |
| Travel | 19 | 10 | 28 | 10 | | | | | | | 67 | 82 |
| Supplies and expenses | 266 | 949 | 1,885 | 1,037 | 71 | 375 | 13 | | | 7 | 4,603 | 5,325 |
| Equipment additions and replacements | 12 | 90 | 624 | 118 | 5 | | | | | | 849 | 859 |
| Equipment rental and maintenance | 15 | 58 | 56 | 40 | 2 | | | | | | 171 | 195 |
| Utilities | 90 | 632 | 1,419 | 14 | 43 | 53 | | | | | 2,251 | 2,383 |
| Scholarships, fellowships and bursaries | | | 17 | | | | | | | | 17 | - |
| Cost of goods sold | 6,787 | 5,643 | | | | | | | | | 12,430 | 13,017 |
| Debt service | | | 1,232 | | | | | | | | 1,232 | 1,228 |
| Renovation contracts | | 59 | 3,427 | | | | | | | | 3,486 | 2,124 |
| Property purchases | | | | | | | | | | | - | - |
| Internal cost allocations | 690 | (211) | 2,300 | 796 | 5 | | | | | | 3,580 | 3,898 |
| | 10,120 | 16,239 | 16,724 | 3,666 | 1,663 | 428 | 1,207 | - | - | 7 | 50,054 | 50,164 |
| TRANSFERS AND APPROPRIATIONS | | | | | | | | | | | | |
| Inter-fund transfers | | | | | | (831) | 96 | | (600) | | (1,335) | (1,174) |
| Appropriations released to meet expenditures | | | 270 | | | | | | | | 270 | 574 |
| New appropriations | (315) | | | (1,610) | | | | | | | (1,925) | (1,835) |
| | (315) | - | 270 | (1,610) | - | (831) | 96 | - | (600) | - | (2,990) | (2,435) |
| NET INCREASE (DECREASE) DURING YEAR | (6) | 251 | 5 | (74) | 5 | 292 | 1 | 204 | 1,019 | (7) | 1,690 | 151 |
| FUND BALANCE AT BEGINNING OF YEAR | 208 | (646) | 297 | 126 | (17) | 2,212 | (21) | 1,166 | 6,389 | (492) | 9,222 | 9,071 |
| FUND BALANCE AT END OF YEAR | 202 | (395) | 302 | 52 | (12) | 2,504 | (20) | 1,370 | 7,408 | (499) | 10,912 | 9,222 |

(1) Revenues are for external sales to faculty, staff and students and do not include \$51,000 (2017 - \$57,000) of internal sales through the Computer Store to University departments. Of the internal cost recovery net of expenses, \$17,000 (2017 - \$19,000) represents the margin on those sales.

(Prepared without audit)

UNIVERSITY OF VICTORIA
CHANGES IN SPECIFIC PURPOSES FUND
Year ended March 31, 2018 (in thousands of dollars)

| | 2018 | 2017 |
|--|----------------|----------------|
| REVENUE | | |
| Government grants and contracts - provincial | 2,224 | 2,142 |
| - federal | 90 | 151 |
| - other | 1 | - |
| Student fees - credit courses | 523 | 488 |
| - non-credit courses | 21 | 25 |
| - other | 59 | 29 |
| Gifts, grants and bequests | 6,726 | 8,830 |
| Sales of services and products | 3,127 | 6,710 |
| Investment income | 31,607 | 49,489 |
| Equity in earnings of long term investments | 24 | - |
| Other revenue | 1,552 | 755 |
| | <u>45,954</u> | <u>68,619</u> |
| EXPENDITURE | | |
| Salaries - academic | 2,150 | 2,134 |
| - other instruction and research | 2,485 | 2,175 |
| - support staff | 895 | 875 |
| Total salaries | 5,530 | 5,184 |
| Employee benefits | 980 | 1,182 |
| Travel | 1,236 | 1,465 |
| Library acquisitions | 1,106 | 287 |
| Supplies and expenses | 8,396 | 9,312 |
| Equipment additions and replacement | 300 | 2,670 |
| Equipment rental and maintenance | 32 | 33 |
| Utilities | 6 | 7 |
| Scholarships, fellowships and bursaries | 7,487 | 7,152 |
| Construction and renovation contracts | - | 181 |
| Internal cost allocations | 584 | 704 |
| | <u>25,657</u> | <u>28,177</u> |
| INTER-FUND TRANSFERS | (10,456) | (10,760) |
| NET INCREASE DURING YEAR | 9,841 | 29,682 |
| FUND BALANCE AT BEGINNING OF YEAR | 107,237 | 77,555 |
| FUND BALANCE AT END OF YEAR | <u>117,078</u> | <u>107,237</u> |

(Prepared without audit)

UNIVERSITY OF VICTORIA
CHANGES IN SPONSORED RESEARCH FUND
Year ended March 31, 2018 (in thousands of dollars)

| | 2018 | 2017 |
|--|----------------|----------------|
| REVENUE | | |
| Government grants and contracts - provincial | 9,880 | 14,328 |
| - federal | 72,548 | 61,440 |
| - other | 10,756 | 15,415 |
| Student fees - non credit courses | 5 | 1 |
| Gifts, grants and bequests | 14,085 | 11,622 |
| Sales of services and products | 4,380 | 3,873 |
| Investment income | 6 | 2 |
| Other revenue | 213 | 1,462 |
| | <u>111,873</u> | <u>108,143</u> |
| EXPENDITURE | | |
| Salaries - academic | 4,498 | 5,278 |
| - other instruction and research | 24,020 | 23,373 |
| - support staff | 9,854 | 9,449 |
| Total salaries | <u>38,372</u> | <u>38,100</u> |
| Employee benefits | 5,164 | 5,325 |
| Travel | 5,571 | 5,525 |
| Supplies and expenses | 27,318 | 21,945 |
| Equipment additions and replacements | 9,700 | 13,006 |
| Equipment rental and maintenance | 3,842 | 2,086 |
| Utilities | 137 | 367 |
| Scholarships, fellowships and bursaries | 12,501 | 12,526 |
| Construction and renovation contracts | 336 | 57 |
| Internal cost allocations | 3,930 | 3,270 |
| | <u>106,871</u> | <u>102,207</u> |
| INTER-FUND TRANSFERS | 5,070 | 4,355 |
| NET INCREASE DURING YEAR | 10,072 | 10,291 |
| FUND BALANCE AT BEGINNING OF YEAR | 56,506 | 46,215 |
| FUND BALANCE AT END OF YEAR | <u>66,578</u> | <u>56,506</u> |

(Prepared without audit)

UNIVERSITY OF VICTORIA
CHANGES IN CAPITAL FUND

Year ended March 31, 2018 (in thousands of dollars)

| | 2018 | 2017 |
|--|---------------|---------------|
| REVENUE | | |
| Government grants and contracts - provincial | 26,451 | 26,167 |
| - federal | 3,349 | 568 |
| Gifts, grants and bequests | 131 | 708 |
| Sales of services and products | 631 | 427 |
| Investment income | 1,105 | 10 |
| Other revenue | 12,216 | 932 |
| Capital borrowing | 3,984 | 3,066 |
| | <u>47,867</u> | <u>31,878</u> |
| EXPENDITURE | | |
| Salaries-support staff | - | 11 |
| Employee benefits | - | 2 |
| Travel | 9 | - |
| Supplies and expenses | 6,992 | 7,671 |
| Equipment additions and replacements | 1,993 | 1,843 |
| Utilities | 28 | 34 |
| Debt service | 6,192 | 4,502 |
| Construction and renovation contracts | 36,188 | 18,955 |
| Internal cost allocations | (2,918) | (1,784) |
| | <u>48,484</u> | <u>31,234</u> |
| TRANSFERS AND APPROPRIATIONS | | |
| Inter-fund transfers | 9,877 | 30,120 |
| Appropriations released to meet expenditures | 5,238 | 3,793 |
| New appropriations | (6,395) | (33,134) |
| NET INCREASE DURING YEAR | 8,103 | 1,423 |
| FUND BALANCE AT BEGINNING OF YEAR | 13,724 | 12,301 |
| FUND BALANCE AT END OF YEAR | <u>21,827</u> | <u>13,724</u> |

UNIVERSITY OF VICTORIA
SCHEDULE OF CHANGES IN GENERAL OPERATING
UNAPPROPRIATED EXPENDABLE FUNDS - BY FUNCTION
Year Ended March 31, 2018 (in thousands of dollars)

Schedule F
Budget vs. Actual

| | | 2017-2018 | 2017-2018 | Variation | | 2016-2017 |
|-------------------------------------|----------|------------------|------------------|------------------|-------------|------------------|
| | | Total | Actual | from | % | Actual |
| | | Budget | Budget | Budget | | Budget |
| General Revenue | | | | | | |
| | | 180,334 | 180,334 | - | 0% | 166,397 |
| | | 6,693 | 6,693 | - | 0% | 7,477 |
| | | 7,978 | 7,978 | - | 0% | 7,298 |
| | | 136,716 | 137,121 | 405 | 0% | 135,699 |
| | | 1,760 | 2,437 | 677 | 38% | 2,544 |
| | | 89 | 89 | 1 | 0% | 89 |
| | | 1,431 | 1,450 | 19 | 1% | 1,038 |
| | | 335,001 | 336,102 | 1,101 | 0.3% | 320,542 |
| Departmental Revenue | G | 31,794 | 37,877 | 6,083 | 19% | 36,349 |
| Total Revenue | | 366,795 | 373,979 | 7,185 | 2% | 356,891 |
| Expenditures | | | | | | |
| | H | 166,584 | 164,467 | 2,116 | 1% | 157,712 |
| | H | 41,966 | 41,075 | 891 | 2% | 38,549 |
| | I | 18,648 | 18,690 | (42) | 0% | 18,078 |
| | I | 31,938 | 31,887 | 52 | 0% | 30,930 |
| | I | 27,913 | 27,292 | 621 | 2% | 27,120 |
| | I | 38,387 | 38,290 | 96 | 0% | 38,558 |
| | | 46,384 | 44,062 | 2,322 | 5% | 43,577 |
| | | (647) | (969) | 322 | 50% | (712) |
| | | (2,843) | - | (2,843) | 100% | - |
| | | 368,329 | 364,794 | 3,535 | 1% | 353,812 |
| Transfers and Appropriations | | | | | | |
| | | (9,275) | (8,963) | 312 | | (27,044) |
| | | 22,635 | 22,635 | - | | 48,877 |
| | | (11,825) | (22,857) | (11,032) | | (24,912) |
| | | 1,534 | (9,185) | (10,720) | | (3,079) |
| Fund Balance at End of Year | | - | - | - | | - |

UNIVERSITY OF VICTORIA
SCHEDULE OF DEPARTMENTAL REVENUE - BY FUNCTION
Year Ended March 31, 2018 (in thousands of dollars)

Schedule G
Budget vs. Actual

| Analysis by Function | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | 2016-2017 Actual |
|--------------------------------------|---------------------------------------|-----------------------------|--------------------------------------|-----------------------------|
| Academic | | | | |
| Business | 653 | 1,130 | 476 | 588 |
| Education | 291 | 395 | 105 | 435 |
| Engineering | 1 | 590 | 589 | 94 |
| Fine Arts | 159 | 333 | 174 | 363 |
| Human & Social Development | 3 | 87 | 84 | 52 |
| Humanities | 55 | 350 | 295 | 352 |
| Law | 303 | 332 | 30 | 332 |
| Sciences | 596 | 1,283 | 687 | 1,194 |
| Social Sciences | 24 | 137 | 113 | 131 |
| Medical Sciences | 23 | 290 | 267 | 416 |
| Cooperative Education | - | 9 | 9 | 75 |
| Graduate Studies | 9 | 62 | 53 | 43 |
| Total Academic | 2,117 | 4,998 | 2,881 | 4,075 |
| Other Academic | | | | |
| Continuing Studies | 14,936 | 15,813 | 877 | 15,251 |
| Other Academic Projects | 390 | 767 | 378 | 796 |
| Total Other Academic | 15,325 | 16,580 | 1,254 | 16,047 |
| Library | 307 | 353 | 46 | 434 |
| Student Awards & Services | 8,896 | 9,542 | 646 | 9,268 |
| Plant Maintenance | 2,088 | 2,385 | 298 | 2,754 |
| Administrative and General | 3,061 | 4,019 | 958 | 3,772 |
| Total Departmental Revenue | 31,794 | 37,877 | 6,083 | 36,349 |

UNIVERSITY OF VICTORIA
GENERAL OPERATING FUND EXPENDITURES
ACADEMIC AND OTHER ACADEMIC
Year Ended March 31, 2018 (in thousands of dollars)

Schedule H
Budget vs. Actual

| Academic | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | % | 2016-2017 Actual |
|-----------------------------|---------------------------------------|-----------------------------|--------------------------------------|------------------|-----------------------------|
| Business | 12,664 | 13,096 | (431) | -3% | 12,131 |
| Education | 12,455 | 12,442 | 14 | 0% | 12,292 |
| Engineering | 18,350 | 18,235 | 115 | 1% | 16,295 |
| Fine Arts | 11,145 | 11,113 | 32 | 0% | 11,234 |
| Human & Social Development | 19,190 | 18,587 | 602 | 3% | 18,149 |
| Humanities | 21,875 | 21,741 | 134 | 1% | 20,880 |
| Law | 5,287 | 5,264 | 23 | 0% | 5,266 |
| Science | 26,355 | 26,015 | 340 | 1% | 24,843 |
| Social Sciences | 24,093 | 23,526 | 567 | 2% | 23,046 |
| Medical Sciences | 9,106 | 8,367 | 739 | 8% | 7,418 |
| Cooperative Education | 5,151 | 5,129 | 22 | 0% | 5,236 |
| Graduate Studies | 911 | 952 | (41) | -5% | 922 |
| Total Academic | <u>166,584</u> | <u>164,467</u> | <u>2,116</u> | <u>1%</u> | <u>157,712</u> |
| Other Academic | | | | | |
| Continuing Studies | 15,539 | 16,416 | (877) | 10% | 16,390 |
| Other Academic Projects | 26,427 | 24,659 | 1,768 | 6% | 22,159 |
| Total Other Academic | <u>41,966</u> | <u>41,075</u> | <u>891</u> | <u>2%</u> | <u>38,549</u> |

UNIVERSITY OF VICTORIA
GENERAL OPERATING FUND EXPENDITURES
Year Ended March 31, 2018 (in thousands of dollars)

Schedule I
Budget vs. Actual

| | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | | 2016-2017 Actual |
|--|-----------------------------------|-----------------------------|--------------------------------------|-----------|-----------------------------|
| | | | % | | |
| Library | | | | | |
| Library Acquisitions | 9,291 | 9,162 | 129 | 1% | 9,095 |
| Library Operations | 9,357 | 9,528 | (171) | -2% | 8,983 |
| Library Total | 18,648 | 18,690 | (42) | 0% | 18,078 |
| Student Awards & Services | | | | | |
| Student Awards | 17,112 | 16,642 | 471 | 3% | 16,451 |
| Student Services | 14,826 | 15,245 | (419) | -3% | 14,479 |
| Total Student Awards & Services | 31,938 | 31,887 | 52 | 0% | 30,930 |
| Plant Maintenance | | | | | |
| Utilities | 6,037 | 5,324 | 713 | 12% | 5,478 |
| Other | 21,876 | 21,968 | (92) | 0% | 21,642 |
| Total Plant Maintenance | 27,913 | 27,292 | 621 | 2% | 27,120 |
| Administrative and General | | | | | |
| Executive Offices | 5,887 | 5,887 | - | 0% | 5,562 |
| Alumni and Development | 2,990 | 3,025 | (35) | -1% | 2,896 |
| Administrative Registrar | 5,067 | 5,376 | (309) | -6% | 5,746 |
| Student Recruitment | 3,298 | 3,143 | 155 | 5% | 3,148 |
| Budget and Capital Planning | 1,957 | 1,902 | 54 | 3% | 1,709 |
| Financial Services | 3,849 | 3,796 | 53 | 1% | 3,942 |
| Human Resources | 3,955 | 3,934 | 22 | 1% | 3,806 |
| Chief Information Officer | 3,423 | 3,575 | (152) | -4% | 3,582 |
| Internal Financing | (1,562) | (1,503) | (59) | 4% | (1,524) |
| Other Expenses | 9,522 | 9,155 | 367 | 4% | 9,691 |
| Total Administrative and General | 38,387 | 38,290 | 97 | 0% | 38,558 |

UNIVERSITY OF VICTORIA
SCHEDULE OF DEPARTMENTAL REVENUE AND EXPENDITURES - BY FUNCTION
Year Ended March 31, 2018 (in thousands of dollars)

Schedule J
Budget vs. Actual

| Analysis by Function | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | 2016-2017 Actual |
|---------------------------------------|------------------------------|---------------------|-----------------------------|---------------------|
| Academic | | | | |
| Business | | | | |
| Departmental revenue | 653 | 1,130 | 476 | 588 |
| Expenses | 12,664 | 13,096 | (431) | 12,131 |
| Total | <u>(12,011)</u> | <u>(11,966)</u> | <u>45</u> | <u>(11,543)</u> |
| Education | | | | |
| Departmental revenue | 291 | 395 | 105 | 435 |
| Expenses | 12,455 | 12,442 | 14 | 12,292 |
| Total | <u>(12,164)</u> | <u>(12,046)</u> | <u>118</u> | <u>(11,856)</u> |
| Engineering | | | | |
| Departmental revenue | 1 | 590 | 589 | 94 |
| Expenses | 18,350 | 18,235 | 115 | 16,295 |
| Total | <u>(18,349)</u> | <u>(17,645)</u> | <u>704</u> | <u>(16,201)</u> |
| Fine Arts | | | | |
| Departmental revenue | 159 | 333 | 174 | 363 |
| Expenses | 11,145 | 11,113 | 32 | 11,234 |
| Total | <u>(10,986)</u> | <u>(10,780)</u> | <u>206</u> | <u>(10,871)</u> |
| Human & Social Development | | | | |
| Departmental revenue | 3 | 87 | 84 | 52 |
| Expenses | 19,190 | 18,587 | 602 | 18,149 |
| Total | <u>(19,187)</u> | <u>(18,501)</u> | <u>686</u> | <u>(18,097)</u> |
| Humanities | | | | |
| Departmental revenue | 55 | 350 | 295 | 352 |
| Expenses | 21,875 | 21,741 | 134 | 20,880 |
| Total | <u>(21,821)</u> | <u>(21,391)</u> | <u>430</u> | <u>(20,528)</u> |
| Law | | | | |
| Departmental revenue | 303 | 332 | 30 | 332 |
| Expenses | 5,287 | 5,264 | 23 | 5,266 |
| Total | <u>(4,985)</u> | <u>(4,932)</u> | <u>53</u> | <u>(4,934)</u> |
| Sciences | | | | |
| Departmental revenue | 596 | 1,283 | 687 | 1,194 |
| Expenses | 26,355 | 26,015 | 340 | 24,843 |
| Total | <u>(25,760)</u> | <u>(24,732)</u> | <u>1,027</u> | <u>(23,650)</u> |
| Social Sciences | | | | |
| Departmental revenue | 24 | 137 | 113 | 131 |
| Expenses | 24,093 | 23,526 | 567 | 23,046 |
| Total | <u>(24,069)</u> | <u>(23,389)</u> | <u>680</u> | <u>(22,915)</u> |

UNIVERSITY OF VICTORIA
SCHEDULE OF DEPARTMENTAL REVENUE AND EXPENDITURES - BY FUNCTION
Year Ended March 31, 2018 (in thousands of dollars)

Schedule J
Budget vs. Actual

| Analysis by Function | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | 2016-2017 Actual |
|-----------------------------------|------------------------------|---------------------|-----------------------------|---------------------|
| Academic | | | | |
| Medical Sciences | | | | |
| Departmental revenue | 23 | 290 | 267 | 416 |
| Expenses | 9,106 | 8,367 | 739 | 7,418 |
| Total | <u>(9,083)</u> | <u>(8,077)</u> | <u>1,006</u> | <u>(7,002)</u> |
| Cooperative Education | | | | |
| Departmental revenue | - | 9 | 9 | 75 |
| Expenses | 5,151 | 5,129 | 22 | 5,236 |
| Total | <u>(5,151)</u> | <u>(5,121)</u> | <u>30</u> | <u>(5,162)</u> |
| Graduate Studies | | | | |
| Departmental revenue | 9 | 62 | 53 | 43 |
| Expenses | 911 | 952 | (41) | 922 |
| Total | <u>(902)</u> | <u>(890)</u> | <u>12</u> | <u>(879)</u> |
| Other Academic | | | | |
| Continuing Studies | | | | |
| Departmental revenue | 14,936 | 15,813 | 877 | 15,251 |
| Expenses | 15,539 | 16,416 | (877) | 16,390 |
| Total | <u>(603)</u> | <u>(603)</u> | <u>(0)</u> | <u>(1,139)</u> |
| Other Academic Projects | | | | |
| Departmental revenue | 390 | 767 | 378 | 796 |
| Expenses | 26,427 | 24,659 | 1,768 | 22,159 |
| Total | <u>(26,038)</u> | <u>(23,892)</u> | <u>2,146</u> | <u>(21,364)</u> |
| Library | | | | |
| Departmental revenue | 307 | 353 | 46 | 434 |
| Expenses | 18,648 | 18,690 | (42) | 18,078 |
| Total | <u>(18,341)</u> | <u>(18,337)</u> | <u>4</u> | <u>(17,644)</u> |
| Student Services | | | | |
| Departmental revenue | 8,896 | 9,542 | 646 | 9,268 |
| Expenses | 31,938 | 31,887 | 52 | 30,930 |
| Total | <u>(23,042)</u> | <u>(22,344)</u> | <u>697</u> | <u>(21,662)</u> |
| Plant Maintenance | | | | |
| Departmental revenue | 2,088 | 2,385 | 298 | 2,754 |
| Expenses | 27,913 | 27,292 | 621 | 27,120 |
| Total | <u>(25,825)</u> | <u>(24,907)</u> | <u>918</u> | <u>(24,366)</u> |
| Administrative and General | | | | |
| Departmental revenue | 3,061 | 4,019 | 958 | 3,772 |
| Expenses | 38,387 | 38,290 | 96 | 38,558 |
| Total | <u>(35,326)</u> | <u>(34,272)</u> | <u>1,054</u> | <u>(34,786)</u> |

UNIVERSITY OF VICTORIA
CHANGES IN ANCILLARY ENTERPRISES FUND - BOOKSTORE
UNAPPROPRIATED EXPENDABLE FUNDS

Schedule K
Budget vs. Actual

Year Ended March 31, 2018 (in thousands of dollars)

| | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | % | 2016-2017 Actual |
|--|---------------------------------------|-----------------------------|--------------------------------------|----------|-----------------------------|
| Revenue | | | | | |
| ¹ Sales of services and products | | 10,212 | | | 10,858 |
| ² Sales of services and products - internal | | 510 | | | 642 |
| Subtotal sales of services and products | 10,750 | 10,722 | | | 11,500 |
| Government grants - provincial | | 166 | | | 167 |
| Investment income | | 18 | | | 15 |
| Other revenue | | 33 | | | 65 |
| Total Revenue | 10,750 | 10,939 | 189 | 2% | 11,747 |
| Expenditures | | | | | |
| Salaries and benefits | 2,150 | 2,241 | (91) | | 2,375 |
| Cost of goods sold | 8,362 | 6,787 | 1,575 | | 7,405 |
| ³ Operating expenses | 212 | 1,602 | (1,390) | | 1,698 |
| Total Expenditures | 10,724 | 10,630 | 94 | 1% | 11,478 |
| Transfers and Appropriations | | | | | |
| Interfund transfers | - | - | - | | |
| Appropriations released to meet expenditures | - | - | - | | 33 |
| New appropriations | (26) | (315) | (289) | | (300) |
| Total Transfers and Appropriations | (26) | (315) | (289) | | (267) |
| NET INCREASE DURING YEAR | - | (6) | (6) | | 2 |
| FUND BALANCE AT BEGINNING OF YEAR | - | 208 | 208 | | 206 |
| Fund Balance at End of Year | - | 202 | 202 | | 208 |

¹ Revenues are for external sales to faculty, staff and students and do not include \$510K (2017 - \$642K) of internal sales to departments.

² Sales of services and products - internal - in Schedule B, internal revenue is part of internal cost allocation in the expenditure section. Internal sales in above note have been reclassified to this line.

³ Operating expenses - expenses are greater than in Schedule B, as in Schedule B, internal revenue is offset by internal expenses.

UNIVERSITY OF VICTORIA
CHANGES IN ANCILLARY ENTERPRISES FUND -
FOOD SERVICES
UNAPPROPRIATED EXPENDABLE FUNDS
Year Ended March 31, 2018 (in thousands)

Schedule L
Budget vs Actual

| | <u>2017-2018 Total Budget</u> | <u>2017-2018 Actual</u> | <u>Variation from Budget</u> | <u>%</u> | <u>2016-2017 Actual</u> |
|--|---------------------------------------|-----------------------------|--------------------------------------|----------|-----------------------------|
| Revenue | | | | | |
| Sales of services and products - external | | 15,836 | | | 15,558 |
| ¹ Sales of services and products - internal | | 1,332 | | | 1,180 |
| Subtotal sales of services and products | | <u>17,168</u> | | | <u>16,738</u> |
| Government grants - provincial | | 580 | | | 580 |
| Investment income | | | | | |
| Other revenue | | 74 | | | 88 |
| Total Revenue | 18,059 | 17,821 | (238) | -1% | 17,405 |
| Expenditures | | | | | |
| Salaries and benefits | 8,908 | 9,009 | (101) | | 9,043 |
| Cost of goods sold | 5,964 | 5,643 | 321 | | 5,612 |
| ² Operating expenses | 3,166 | 2,919 | 247 | | 2,883 |
| Total Expenditures | 18,038 | 17,571 | 467 | 3% | 17,538 |
| Transfers and Appropriations | | | | | |
| Interfund transfers | - | - | - | | 43 |
| Appropriations released to meet expenditures | - | - | - | | - |
| New appropriations | (21) | - | 21 | | - |
| Total Transfers and Appropriations | (21) | - | 21 | | 43 |
| NET INCREASE (DECREASE) DURING YEAR | - | 251 | 251 | | (89) |
| FUND BALANCE AT BEGINNING OF YEAR | - | (646) | (646) | | (557) |
| Fund Balance at End of Year | <u>-</u> | <u>(395)</u> | <u>(395)</u> | | <u>(646)</u> |

¹ Sales of services and products - internal - in Schedule B, internal revenue is part of internal cost allocation in the expenditure section.

² Operating expenses - expenses are greater than in Schedule B, as in Schedule B, internal revenue is offset by internal expenses.

UNIVERSITY OF VICTORIA
CHANGES IN ANCILLARY ENTERPRISES FUND -
RESIDENCE SERVICES
UNAPPROPRIATED EXPENDABLE FUNDS
Year Ended March 31, 2018 (in thousands)

Schedule M
Budget vs Actual

| | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | % | 2016-2017 Actual |
|--|---------------------------------------|-----------------------------|--------------------------------------|----------|-----------------------------|
| Revenue | | | | | |
| Sales of services and products | | 16,347 | | | 15,286 |
| ¹ Sales of services and products - internal | | 19 | | | 23 |
| Subtotal sales of services and products | | <u>16,366</u> | | | <u>15,309</u> |
| Government grants - provincial | | 51 | | | 50 |
| Investment income | | 49 | | | 54 |
| Other revenue | | <u>12</u> | | | <u>19</u> |
| Total Revenue | 15,958 | 16,478 | 520 | 3% | 15,432 |
| Expenditures | | | | | |
| Salaries and benefits | 4,590 | 5,736 | (1,146) | | 5,288 |
| Capital projects | 5,200 | 4,533 | 667 | | 4,042 |
| ² Operating expenses | <u>7,397</u> | <u>6,474</u> | <u>923</u> | | <u>6,666</u> |
| Total Expenditures | 17,187 | 16,743 | 444 | 3% | 16,073 |
| Transfers and Appropriations | | | | | |
| Interfund transfers | - | - | - | | 117 |
| Appropriations released to meet expenditures | 1,229 | 270 | (959) | | 526 |
| New appropriations | <u>-</u> | <u>-</u> | <u>-</u> | | <u>-</u> |
| Total Transfers and Appropriations | <u>1,229</u> | <u>270</u> | <u>(959)</u> | | <u>643</u> |
| NET INCREASE DURING YEAR | - | 5 | 5 | | 2 |
| FUND BALANCE AT BEGINNING OF YEAR | <u>-</u> | <u>297</u> | <u>297</u> | | <u>295</u> |
| Fund Balance at End of Year | <u><u>-</u></u> | <u><u>302</u></u> | <u><u>302</u></u> | | <u><u>297</u></u> |

¹ Sales of services and products - internal - in Schedule B, internal revenue is part of internal cost allocation in the expenditure section.

² Operating expenses - expenses are greater than in Schedule B, as in Schedule B, internal revenue is offset by internal expenses.

UNIVERSITY OF VICTORIA
CHANGES IN ANCILLARY ENTERPRISES FUND - PARKING SERVICES
UNAPPROPRIATED EXPENDABLE FUNDS
Year Ended March 31, 2018 (in thousands of dollars)

Schedule N
Budget vs. Actual

| | <u>2017-2018 Total Budget</u> | <u>2017-2018 Actual</u> | <u>Variation from Budget</u> | <u>%</u> | <u>2016-2017 Actual</u> |
|--|---------------------------------------|-----------------------------|--------------------------------------|----------|-----------------------------|
| Revenue | | | | | |
| Sales of services and products | | 5,160 | | | 5,172 |
| ¹ Sales of services and products - internal | | 59 | | | 60 |
| Subtotal sales of services and products | | <u>5,219</u> | | | <u>5,232</u> |
| Investment income | | 38 | | | 23 |
| Other revenue | | 4 | | | 4 |
| Total Revenue | 5,086 | 5,261 | 175 | 3% | 5,259 |
| Expenditures | | | | | |
| Salaries and benefits | 1,667 | 1,651 | 16 | | 1,627 |
| ² Operating expenses | <u>2,038</u> | <u>2,074</u> | <u>(36)</u> | | <u>2,094</u> |
| Total Expenditures | 3,705 | 3,725 | (20) | -1% | 3,721 |
| Transfers and Appropriations | | | | | |
| Interfund transfers | - | - | - | | - |
| Appropriations released to meet expenditures | - | - | - | | - |
| New appropriations | <u>(1,381)</u> | <u>(1,610)</u> | <u>(229)</u> | | <u>(1,535)</u> |
| Total Transfers and Appropriations | <u>(1,381)</u> | <u>(1,610)</u> | <u>(229)</u> | | <u>(1,535)</u> |
| NET INCREASE DURING YEAR | - | (74) | (74) | | 3 |
| FUND BALANCE AT BEGINNING OF YEAR | - | 126 | 126 | | 123 |
| Fund Balance at End of Year | <u>-</u> | <u>52</u> | <u>52</u> | | <u>126</u> |

¹ Sales of services and products - internal - in Schedule B, internal revenue is part of internal cost allocation in the expenditure section.

² Operating expenses - expenses are greater than in Schedule B, as in Schedule B, internal revenue is offset by internal expenses.

UNIVERSITY OF VICTORIA
CHANGES IN ANCILLARY ENTERPRISES FUND - CHILD CARE SERVICES
UNAPPROPRIATED EXPENDABLE FUNDS
Year Ended March 31, 2018 (in thousands of dollars)

Schedule O
Budget vs. Actual

| | 2017-2018 Total Budget | 2017-2018 Actual | Variation from Budget | % | 2016-2017 Actual |
|---|---------------------------------------|-----------------------------|--------------------------------------|-----------|-----------------------------|
| Revenue | | | | | |
| Sales of services and products | 1,024 | 997 | (27) | | 1,094 |
| Government grants - provincial | 635 | 655 | 20 | | 617 |
| Investment income | - | - | - | | - |
| Other revenue | 10 | 16 | 6 | | 14 |
| Total Revenue | <u>1,668</u> | <u>1,668</u> | <u>-</u> | <u>0%</u> | <u>1,725</u> |
| Expenditures | | | | | |
| Salaries and benefits | 1,437 | 1,537 | (100) | | 1,628 |
| Operating expenses | 231 | 126 | 105 | | 132 |
| Total Expenditures | <u>1,668</u> | <u>1,663</u> | <u>5</u> | <u>0%</u> | <u>1,760</u> |
| Transfers and Appropriations | | | | | |
| Interfund transfers | - | - | - | | - |
| Appropriations released to meet expenditures | - | - | - | | 15 |
| New appropriations | - | - | - | | - |
| Total Transfers and Appropriations | <u>-</u> | <u>-</u> | <u>-</u> | | <u>15</u> |
| NET DECREASE DURING YEAR | - | 5 | 5 | | (20) |
| FUND BALANCE AT BEGINNING OF YEAR | - | (17) | (17) | | 3 |
| Fund Balance at End of Year | <u>-</u> | <u>(12)</u> | <u>(12)</u> | | <u>(17)</u> |