Consolidated Budget

2025–2026

Brighter World

McMaster University

Vision statement and strategy

McMaster's vision and strategic plan capture collective aspirations for positive impact serving the global community to advance human and societal health and well-being. Our vision is to use our collective skills, knowledge, and understanding to improve the world, addressing broad issues, including health matters, environmental sustainability, and social justice.

McMaster University's strategic priorities

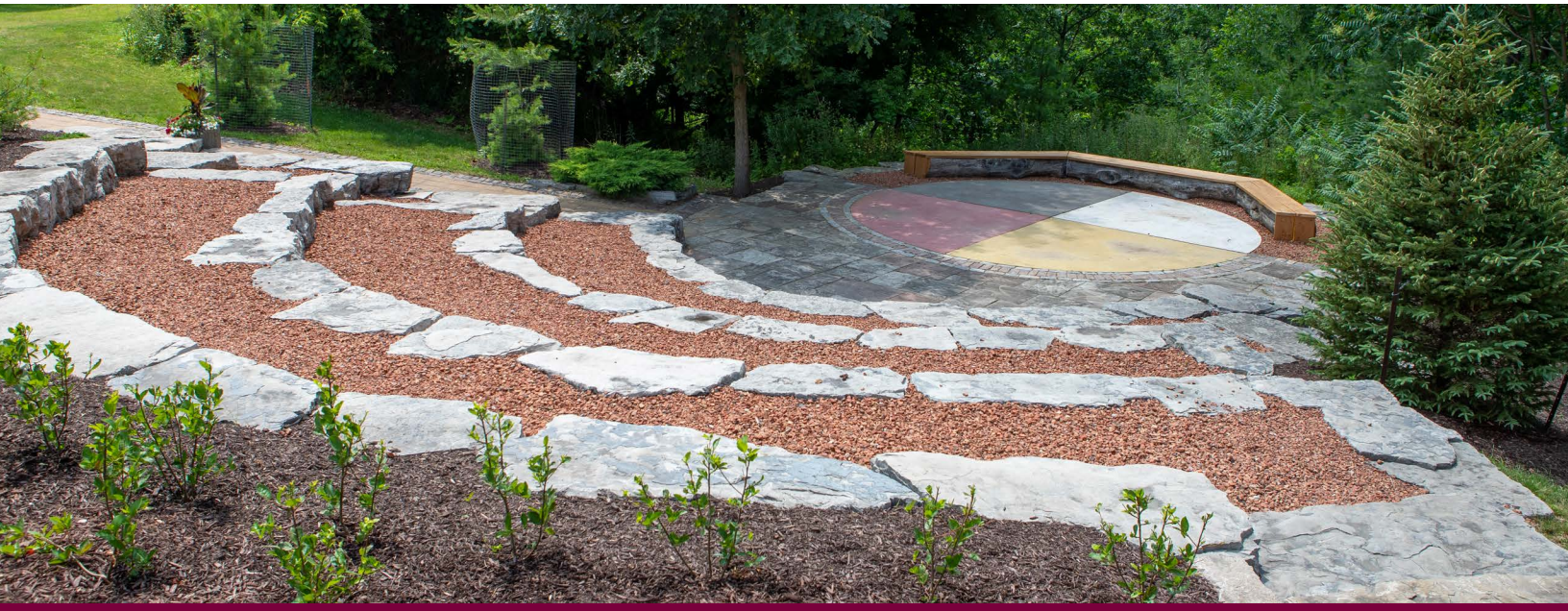
Inclusive Excellence: aspire to embed an inclusive approach that intentionally engages and respects a diversity of peoples, perspectives, and ways of knowing.

Teaching and Learning: advance innovations, within and beyond the classroom, and across disciplines and Faculties, to elevate teaching as a professional discipline, and equip students with knowledge and skills to make a transformative global impact.

Research and Scholarship: to be the go-to place for world-class researchers and collaborators with shared values to work across disciplines, sectors, and borders to develop knowledge, tackle global issues, and advance human understanding.

Engaging Local, National, Indigenous, and Global Communities: develop and expand our network of longstanding respectful partnerships with communities, partners, research collaborators, and supporters for the benefit of all.

Operational Excellence: enable operations to support McMaster's vision and aspirations of our community of researchers, scholars, teachers, and learners most effectively.



Land Acknowledgement

McMaster University recognizes and acknowledges that it is located on the traditional territories of the Mississauga and Haudenosaunee nations, and within the lands protected by the "Dish with One Spoon" wampum agreement.

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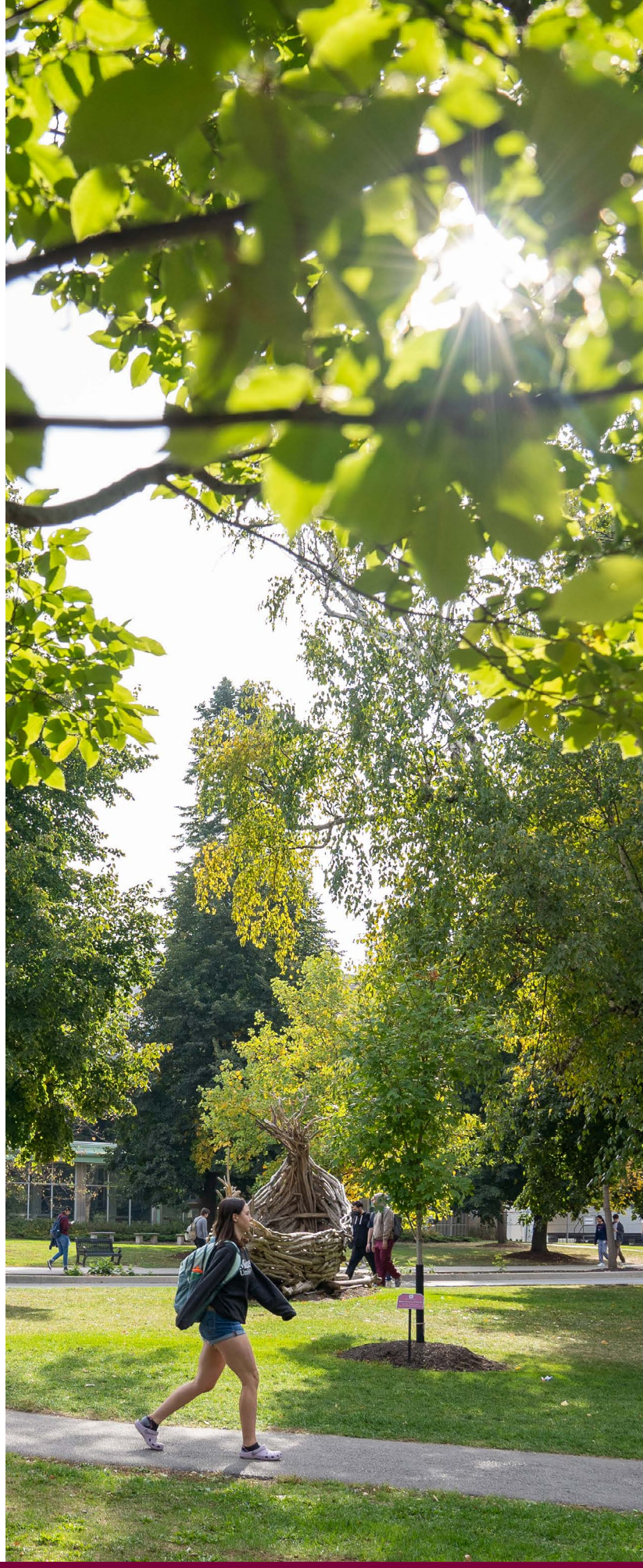

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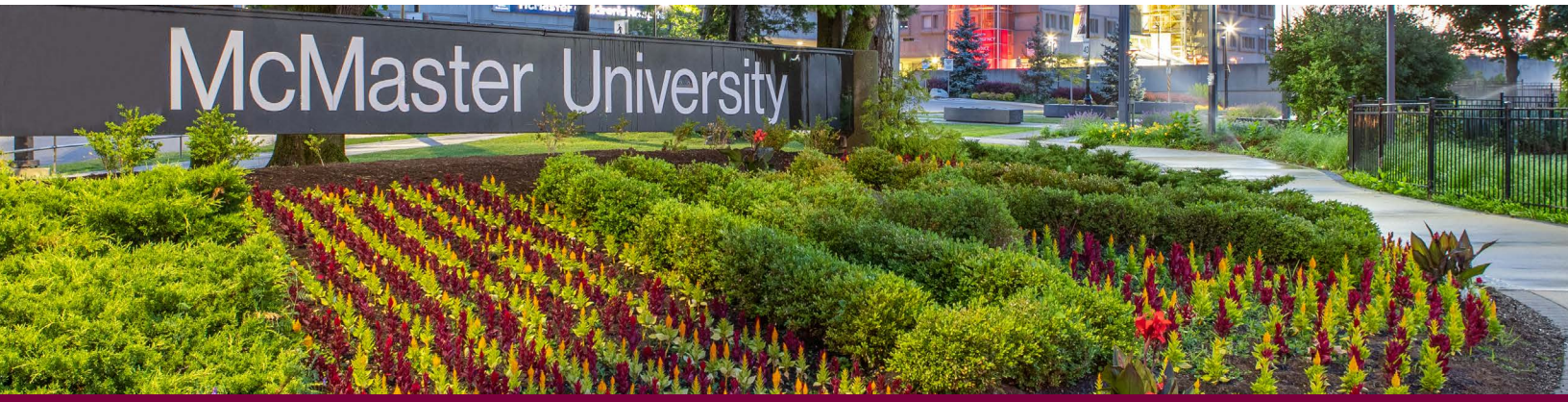


Quick facts

$423,000,000

Research funding
$423 million awarded in estimated research funding in 2023/2024 (McMaster and affiliated hospitals)

History
Founded in **1887** in Toronto. Relocated from Toronto to Hamilton in 1930

Institutional leadership
Santee Smith, Chancellor
Dr. David Farrar, President, Vice-Chancellor and Chair of Senate
Dr. Susan Tighe, Provost and Vice-President Academic

McMaster Model
Student-centred, research-intensive, problem-based, interdisciplinary approach to learning

Degrees granted in 2024
9,198

Average entering grade in fall of 2024
90.48%

Student enrolment headcount, fall 2024
Undergraduate: **31,778**
Graduate: **5,477**
Domestic: **31,558**
International: **5,697**

37,255

Faculties
Six: DeGroote School of Business, Faculty of Engineering, Faculty of Health Sciences, Faculty of Humanities, Faculty of Science, Faculty of Social Sciences

Census profile 2024
Full-time faculty: **1,028**
Full-time staff: **5,468**
Alumni: **244,336**

World rankings
Shanghai Ranking 2024: **101-150**
Times Higher Education 2025: **116th**
QS World Ranking 2025: **176th**
Times Higher Education Global Impact Rankings 2024: **30th**
including:

#1 in Canada for Good Health and Well-being

#1 in Canada for Partnership for the Goals

#2 in Canada for Reduced Inequalities

#3 in Canada for Decent Work and Economic Growth

#2 Canada's second highest in research funding per faculty and in graduate student research-intensive university - *Research Inforsource Rankings 2024*

Campus
152.4 hectares
Four libraries
13 residence buildings
David Braley Athletic Centre
Nuclear reactor
WJ McCallion Planetrarium
McMaster Museum of Art
Five campuses: Main campus (West Hamilton), Burlington, Waterloo, Niagara, downtown Hamilton.

Message from the President

McMaster's ability to maintain financial stability in today's uncertain post-secondary landscape is a direct result of the commitment, creativity and dedication of our faculty and staff. Across the university, we have continued to find innovative ways to support students and research while managing resources responsibly.

I want to sincerely thank each member of our community for the role you've played in helping us navigate this complex environment. Your efforts have allowed us to continue investing in what matters most—high-quality, interdisciplinary teaching and learning, world-leading research in areas like infectious disease, nuclear medicine and energy, and in initiatives that support entrepreneurship, innovation and inclusive excellence. These are the hallmarks of a strong and forward-thinking university community.

Thank you again for your contributions over the past year. I am confident that, together, we will continue to respond to challenges with the same resilience, purpose and bold thinking that have helped define McMaster as a leader in Canadian higher education.

David Farrar
President and Vice-Chancellor

Message from the Provost

As we share McMaster's 2025/26 consolidated budget, I want to thank everyone across our six Faculties, departments, and administrative units for your continued commitment to thoughtful planning and resource stewardship. Your work is helping McMaster navigate a time of sustained financial pressure while remaining focused on our academic mission.

This year's budget looks to the future. Strategic investments will support research excellence in areas such as electric vehicles, infectious diseases, and nuclear medicine, while also enhancing faculty development through leadership programs and equipping students with the digital skills they need to thrive. At the same time, the University is taking a careful, disciplined approach, aligning capital investments with available funding, and identifying efficiencies to protect long-term stability.

Thank you for your partnership as we continue to align our resources with McMaster's values and goals.

Susan Tighe
Provost and Vice-President (Academic)

Executive summary

McMaster University continues to demonstrate strong financial stewardship in a period of significant challenges. Through prudent planning, careful resource management, and the dedication of Faculties, departments, and administrative units, the University continues to maintain financial stability while advancing its academic and research mission.

For 2024/25, the Operating Fund—which supports academic faculties and central operations—is projecting a nearly balanced budget, with a modest $1.9 million surplus that includes one-time strategic investments. The following year, in 2025/26, there is a projected deficit of $18.2 million due to continued cost pressures; however, sufficient appropriation balances are available to cover this shortfall, maintain budgetary stability, and invest in key strategic initiatives.

Looking at the broader picture, McMaster's consolidated results for 2024/25 are expected to produce a net surplus of $25.7 million despite lower investment income. A higher consolidated surplus of $64.7 million is budgeted for 2025/26.

The recent announcement (April 2025) from the Ministry of Colleges, Universities, Research Excellence and Security (MCURES) of a $150 million annual investment in science, technology, engineering, and mathematics (STEM) programs offers welcome support. McMaster's share of $21.8 million annual funding helps counterbalance ongoing revenue constraints stemming from the continued domestic tuition freeze, caps on international enrolment, and uncertain investment returns.

Looking forward

The University remains committed to advancing its strategic mission. Investments continue in priority research areas such as electric vehicles, infectious diseases, and nuclear medicine, alongside initiatives that equip students with vital digital skills.

Strategic investments will continue to be carefully aligned with McMaster's financial capacity and the desire to maintain its AA (stable) credit rating. The University's key financial health indicator—debt per student full-time equivalent—remains stable at approximately $12,000. However, any prolonged deterioration in this metric could place downward pressure on the rating.

The University is preparing for continued financial challenges, given financial pressures and uncertainty within our geopolitical environment, including tariffs. While provincial grants have increased, the domestic tuition freeze through 2026/27 and policy changes affecting international enrolment will limit revenue growth. In response, the University is implementing a range of cost-containment strategies, including deferring discretionary spending, leveraging collaborative procurement, prioritizing hiring for essential roles and re-prioritizing capital investments to align with strategic goals and available funding, among other efforts.

Looking ahead to 2026/27 and 2027/28, McMaster anticipates that ongoing strategic investments and essential operational costs may need to be supported by accumulated reserves. Forecasts for these years will be refined as greater clarity emerges around government funding, economic conditions, and cost pressures. The University is also working on new ways to increase revenues, such as implementing its new international undergraduate recruitment strategy to enhance tuition revenues, creating a real estate strategy, and increasing revenue from research partnerships. Continued efforts to identify cost-saving measures and efficiencies will be key to reducing future budget gaps.

Context

Revenue and funding outlook

In February 2024, the Province announced additional funding to stabilize post-secondary institutions, including one-time support for STEM enrolment above corridor, capital and research, and mental health. An additional 3% increase to the operating grant was approved for 2024/25, with 2% increases planned for 2025/26 and 2026/27. This base grant funding increase is assumed to expire 2027/28. In April 2025, the Province further increased investment in STEM under Strategic Mandate Agreement, awarding McMaster a $21.8 million annual increase tied to a corridor midpoint adjustment of 6,884.26 Weighted Grant Units (WGUs).

The domestic tuition freeze remains in effect through 2026/27, following a 10% cut in 2019/20. Two programs—Undergraduate Computer Science and MBA—are eligible for annual tuition increases of up to 7.5% until they reach the sector average. Out-of-province undergraduate fees can rise up to 5% in 2025/26. A $750 international student participation tax continues to reduce the University's operating grant based on enrolment levels.

Enrolment

A new undergraduate international student recruitment strategy is in place to enhance tuition revenues following the decline in international students due to federal visa caps, which was partially offset as domestic student enrolment was increased over plan in 2024/25. The newly announced operating grant midpoint increase results in additional funding to be received in 2025/26 and future years for a large portion of the full-time equivalents in excess of the original provincial corridor.

Research funding

The federal and provincial governments announced increased commitments to scientific research and innovation. The 2024 federal budget included an increase of $1.8 billion over five years for the Tri-Agencies (CIHR, NSERC and SSHRC) to support core research grants, and $825 million to increase the number and value of graduate student and postdoctoral fellowships.

Provincially, Ontario allocated $15 million over three years to the Critical Minerals Innovation Fund to support innovation and research in the exploration, mining, development, production and processing of critical minerals. As Canada's preeminent nuclear research institution and with established expertise in critical minerals, McMaster is well placed to capitalize on these opportunities.

Alternative revenue opportunities

The Real Estate, Ancillary Operations, and Partnerships (REAP) department, established in June 2023, is focused on enhancing current and creating new revenue streams to provide sustainable sources of revenue.

Key revenue-generating initiatives include:

- Maximizing real estate value and public-private partnerships, such as 10 Bay and Lincoln Alexander Hall (expected to open in September 2026 to ensure a guaranteed residence space for all first-year students).
- Supporting research commercialization partners and spaces at McMaster Innovation Park, including Fusion Pharmaceuticals and Enedym Inc., and finding partnership opportunities for OmniaBio building.
- Breaking ground on a new hotel development at MIP in Spring 2025.

As Canada's nuclear university, McMaster is also exploring expanding radiopharmaceutical capacity to address a growing market need, with a business plan expected in 2025/26.

Financial accountability framework

McMaster remains in the "No Action" risk category under the MCURES financial health metrics, which monitors a framework of eight financial indicators that measure liquidity, sustainability, and performance to generate a risk rating of low, medium or high and outlines required actions based on the result.

Financial metrics are calculated as part of the budgeting process to ensure ratios are within target ranges and identify potentially material enterprise risks (see Consolidated Results - Risks to the 2025/26 Budget). All metrics are within the low-risk range over the planning horizon.

Other key revenue and expense considerations

Investment returns

McMaster's Investment Pool performance objective is to outperform its benchmark on a rolling four-year basis through a diversified portfolio managed by multiple managers. All are signatories to the United Nations Principles for Responsible Investment (UNPRI) and incorporate environmental, social and governance (ESG) factors to manage risk and return.

The investment strategy supports accelerated decarbonization toward net zero carbon emissions. The Investment Pool has achieved its 2030 objective to reduce weighted average carbon emissions by 75% and will continue to work towards achieving net zero. The 2025 projection assumes a 0% net return, with future budget assuming 5.6% net returns (6% gross return) based on historical trends, however actual results are subject to variability due to an uncertain geopolitical environment and global trade.

McMaster administers salaried pension plan assets of approximately $2.8 billion, including performance objectives to outperform the benchmark and a decarbonization objective to reduce the weighted average carbon intensity by 30% by 2030 compared to 2019. McMaster also administers the hourly pension plan assets of over $70 million held with one investment manager which currently holds limited direct investments in traditional energy.

Inflationary and currency exchange impacts

At over 70% of the operating budget, compensation represents the largest inflationary pressure. The budget includes moderate salary increases that are anticipated to address issues resulting from the repeal of Bill 124 in February 2024, which limited compensation increases to 1% per year over a three-year period and was declared unconstitutional.

Although any effects of newly established tariffs and exchange rate fluctuations on imports from the US are not known at this time, the University is committed to minimizing expense increases to align with revenue expectations and is actively monitoring impacts.

Faculty renewal

Faculty renewal is responsive to academic programming needs and the fiscal situation within the Faculties. Initiatives continue that are aligned with McMaster's Equity Diversity and Inclusion (EDI) strategy and with a focus on tenure-track and teaching-track appointments. Some faculty members have also opted to take advantage of retirement incentives, which has contributed to cost containments.

Post-retirement benefits

McMaster University maintains salaried and hourly defined benefit (DB) pension plans and group Registered Retirement Savings Plan (RRSP) pension plans for full-time employees. The funded status of the pension plans has been steadily improving. Required payments for both the large salaried plan and the smaller hourly plan were reduced with the last valuations. Pension ratios are monitored quarterly so any actions necessary to maintain healthy ratios may be considered. The next filing date for the hourly plan is July 1, 2025 and salaried plan is July 1, 2026. It is not anticipated that required payments will significantly increase.

Table 1: Pension plan status $Millions

	Plan 2000 Valuation date July 1, 2023		Hourly Plan Valuation date July 1, 2022	
Growing concern surplus	$	239.4	$	10.5
Solvency surplus (deficit)	$	37.8	$	(2.3)
Solvency ratios	%	114	%	101

In addition to pension plans and group RRSP, McMaster offers non-pension retirement benefits (PRB) including extended health, dental and life insurance for several full-time employee groups. A combination of plan changes to mitigate liability growth and a long-term funding plan has funded 85% of the liability. The budget includes continuing measures that are expected to fully fund the plan by 2030.

Asset management and maintenance

McMaster continues to prioritize and invest in facility renewal as much as possible and planning for continued upgrades. If funding continues as expected, despite building costs rising at a cost escalation of 4% per annum, the backlog of critical priorities is forecasted to decrease by 15% over the next ten years.

Currently, the deferred maintenance backlog is estimated at $861.4 million The 2025/26 deferred maintenance and facility renewal program budget is $19.5 million, which includes operating funds of $13.0 million (including $1.3 million allocated funding for classroom renovations) and an estimated $6.5 million from MCURES. In addition, Facility Services receives $0.9 million in emergency funds, and $0.3 million for campus accessibility upgrades.

Residence deferred maintenance is funded by Housing and Conference Services (HCS) with a total of $4.1 million set aside for deferred maintenance for 2025/26.

Budget development

Accountability and principles

The effective management of the budget is a responsibility of the President assigned by the Board of Governors and defined in the 1976 McMaster University Act. The President delegates budget accountability to the Budget Committee, a sub-committee of the University Planning Committee, to oversee the development of budgets for both the Operating and Ancillary Funds and recommend the annual budget to the President.

The budget and following two-year plans are developed using principles and priorities aligned to our refreshed vision and strategic priorities and embedded in the Strategic Mandate Agreement:

- The academic and research mission of the University is foremost in the development of budget guidelines for envelope managers. This includes student experience and support.
- Revenue must be strategically allocated in support of the University's mission.
- Ongoing and one-time costs need to be identified to develop a clear picture of McMaster's overall financial position.
- Envelopes must be structurally balanced within each Vice-President's area of responsibility, with ongoing expenditures less than or equal to ongoing revenues. Where a structural balance is not possible, an area's envelope manager should discuss with the Vice-President for that area and provide a plan for eliminating structural deficit.
- Unspent funds, or appropriations, from prior years are retained by the envelopes and used for one-time priorities such as capital expenditures or to absorb revenue fluctuations. Appropriations are not to be used to fund ongoing costs.

Allocations of funding to priorities are decided using a process that is strategic, fair, and equitable across the University, and avoids a piecemeal approach.

Budget design

Separate funds are set up for activities, with each fund comprised of its own revenue and expenses. The following funds are used:

1. **Operating Fund:** Unrestricted general revenues and expenses that are directly related to the mission of the University, education and activities supporting research (i.e. not restricted by an agreement or contract). The Board of Governors has approved a policy of permitting envelopes to carry forward unexpended budgets into the subsequent fiscal year.

2. **Research Funds:** Research-related funds externally restricted by an agreement or contract for specific research purposes. The use of these funds is restricted by the donor or granting agency.

3. **Capital Fund:** Funding and expenditures for capital projects.

4. **External Endowments:** Donations or bequests received by the University that have a non-expendable requirement as well as other legal requirements for use as agreed upon by the donor and the University.

5. **Internal Endowments:** Unrestricted donations and bequests, and other monies which have been endowed by action of the Board of Governors.

6. **Ancillary Fund:** Sales of goods and services by departments that are defined as being supplementary to the University's primary operating activities of education and research. Such sales may be made to the University community and/or to external clients. Ancillary operations are self-sustaining and contribute a percentage of sales to the mission.

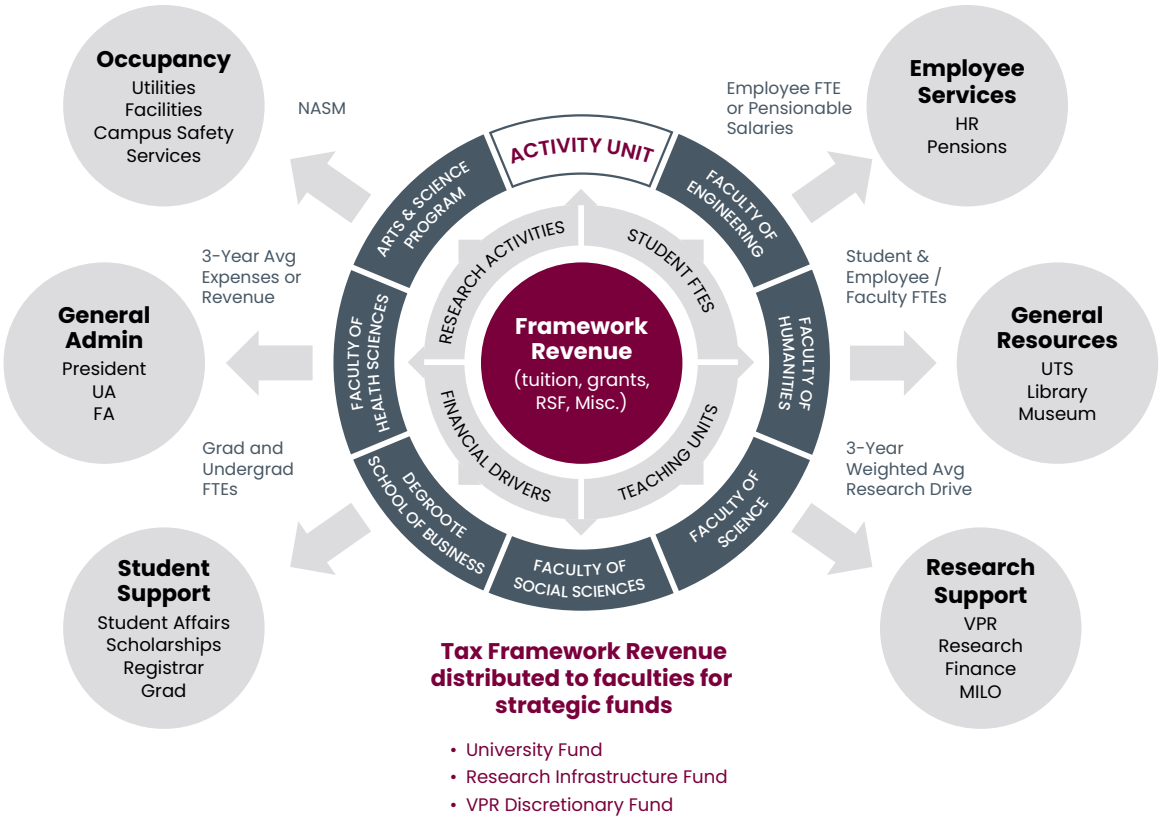
7. **Specifically Funded:** Funding provided by an external entity, restricted by an agreement outlining expenditure of the funds and a requirement to return unspent funds at the end of the term.

Budget model

To allocate Operating Fund resources, McMaster uses a hybrid between a full activity-based model and an incremental model. Implemented in 2014/15, the model aims to strike a balance between providing transparent activity-based funding to the Faculties while maintaining financial flexibility to address strategic goals. Funding to support units is fixed where any further incremental allocations including salary inflation are annual decisions based on funding availability and unit-level requests considered a priority. Support unit funding does not increase with changes to enrolment or research.

Figure 1 below identifies three steps of the budget model to reach Faculty allocations. For additional information on McMaster's budget model and processes refer to the Provost's website.

Figure 1: Operating Fund budget model revenue streams



Step 1 - Sources of revenues in the centre allocated to Activity Units (Faculties) based on enrolment, teaching, or other drivers.

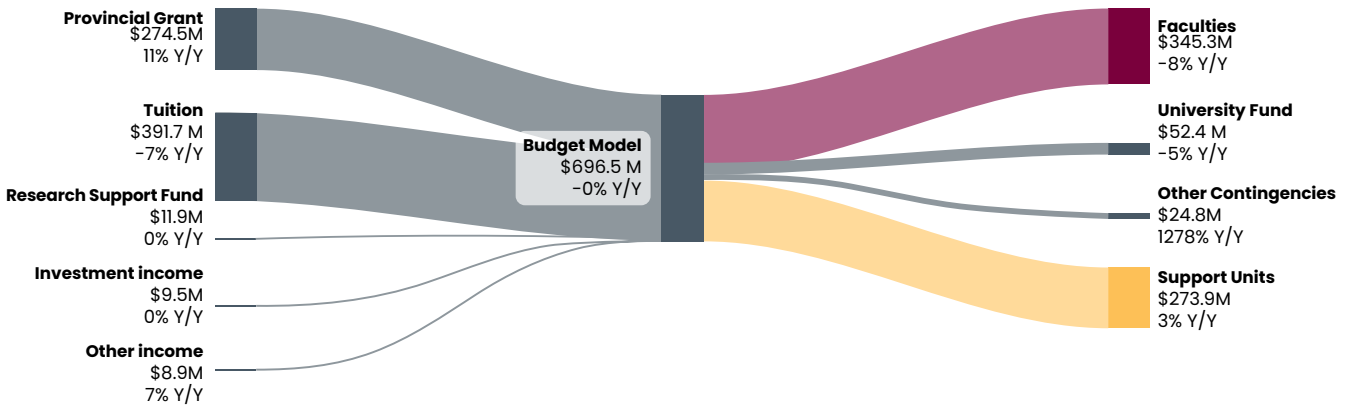
Step 2 - Two strategic envelopes are created as a percentage of Operating Fund revenue: i) the Research Discretionary Fund to be used by the Vice-President (Research) for strategic research initiatives, and ii) the University Fund to be allocated by the Provost to support the University's mission, vision, and strategic priorities. Additionally recognizing that the indirect costs of research are not fully covered by overhead revenue, the Research Infrastructure Fund redistributes a portion of revenues to support the most research-intensive Faculties.

Step 3 - Central support unit budget allocations are charged as a cost to Faculties based on cost drivers, for example Human Resources approved budget is charged out based on employee full-time equivalents.

All Faculty or Activity Unit allocations are adjusted based on actual revenues and cost driver results after year-end.

Figure 2 below shows the flow of framework revenue from the sources at the centre of Figure 1 to the Faculties, Support Units, and other strategic funds shown at the periphery of Figure 1.

Figure 2: 2025-26 Budget model framework revenue flow



*Does not include other operating fund income received directly by units.

The budget approach has been continually assessed and evaluated both internally and externally to ensure it supports McMaster's academic and research mission. The budget model has had two formal reviews, one in 2017, and a 2023 review initiated by the Provost. In response to a recommendation from that review, the Budget Model Review Working Group was tasked with exploring how McMaster's budget model and University Fund supports research, which resulted in a number of changes that were implemented in 2024/25.

Revenue assumptions

Enrolment

Domestic enrolment remains above the funded corridor, particularly in high demand programs as McMaster remains highly sought after in the domestic market. In contrast, as a result of the federal cap on student permits, international enrolment has fallen short of the targets for 2024/25 and expectations for enrolment have lowered for future years. Enrolment will be managed to ensure that debt management policy ratio targets are achieved.

Table 2: Enrolment assumptions

	2024/25 projection	2025/26 budget	2026/27 plan	2027/28 plan
Undergraduate FFTEs[1]				
Domestic	26,954 +1.9%	27,407 +1.7%	27,772 +1.3%	28,231 +1.7%
International	3,508 -15.4%	2,997 -14.6%	2,715 -9.4%	2,598 -4.3%
Total	30,462 -0.5%	30,404 -0.2%	30,486 +0.3%	30,828 +1.1%
Graduate FTEs[2]				
Domestic	3,324 +2.6%	3,343 +0.6%	3,322 -0.6%	3,284 -1.1%
International	1,526 -6.0%	1,539 +0.8%	1,529 -0.6%	1,521 -0.5%
Total	4,851 -0.3%	4,881 +0.6%	4,851 -0.6%	4,806 -0.9%

1. FFTE (Fiscal Full-Time Equivalent) includes Spring/ Summer, Fall, and Winter. FFTE is based on the undergraduate student load as a proportion of the normal unit load for that specific academic year within a program
2. The Graduate FTEs (Full-Time Equivalent) are Fall FTEs as of November 1st.

Tuition rates

In accordance with the current provincial tuition framework for the next two years, the domestic in-province tuition rate increase is budgeted as flat (0%), with a 5% inflation for out-of-province domestic undergraduate students.

International tuition rates include market inflation and demand considerations. The 2025/26 rates are budgeted to remain flat for all levels, with exceptions for specific programs. Note that international PhD tuition will mirror that of the domestic PhD in accordance with McMaster's decision to harmonize the international and domestic PhD tuition in 2018/19 (Table 3).

Table 3: Tuition rate assumptions

				2024/25 Projection		2024/25 Budget+	
				Level 1	Level 2+	Level 1	Level 2+
Tuition rate	Domestic Ontario	Undergraduate	Arts & Science or other	0%	0%	0%	0%
			Professional	0%	0%	0%	0%
		Graduate	Research (with thesis component)	0%	0%	0%	0%
			Professional (course work only)	0%	0%	0%	0%
	Domestic out-of-province	Undergraduate	Arts & Science or other	5%	5%	5%	5%
			Professional	5%	5%	5%	5%
		Graduate	Research (with thesis component)	0%	0%	0%	0%
			Professional (course work only)	0%	0%	0%	0%
	International	Undergraduate	Arts & Science or other	5%	6%	0%	0%
			Professional	5%	6%	0%	0%
		Graduate	Research (with thesis component)	0%	0%	0%	0%
			Professional (course work only)	10%	6%	0%	0%

Operating grants

Operating grants have received an increase to the corridor midpoint.

Table 4: Operating grant assumptions

	2024/25 Projection	2025/26 Budget	2026/27 Plan	2027/28 Plan
Core Operating Grant (COG)	2019/20 WGU midpoint of 75,662 WGUs at $1,154/WGU			
New STEM funding (announced April 2025)	n/a	6,884 WGUs at $3,165/WGU		
Total differentiation grant: of which performance based	**60% of total operating grants**			
	Up to 25% of total operating grants at risk			Up to 30% of total operating grants at risk
International student reduction	$750/international student			

Metric performance will be linked to funding in SMA4 Year 1 (2025/26), with 25% of the Performance Based Grant allocated based on system-wide metrics. While the planned differentiation funding as a percentage of total operating grants remains at 60% throughout SMA4 (2025/26-2029/30), the proportion of funds tied to performance will increase by 5% each year beginning in 2027/28.

In March 2024, MCURES announced additional grant funding in response to the Blue Ribbon Panel's recommendations, which provided some relief to the fixed grant corridor. This included one-time funding towards the costs involved in delivery of Science, Technology, Engineering and Mathematics (STEM) degree programs for unfunded students for the period April 1, 2023 to March 31, 2024. Additionally, a one-time cumulative 3% / 2% / 2% increase to the base grant funding was announced for 2024/25 through 2026/27.

In addition, MCURES announced in April 2025 a 2025/26 corridor midpoint adjustment for McMaster under SMA4. This adjustment increases the funded midpoint by 6,884.26 Weighted Grant Units (WGU), equivalent to $21.8M annually over next five years at current funding rates.

Funding for strategic plan priorities

McMaster's community has budgeted initiatives to support and achieve the strategic plan priorities. Investments to advance McMaster are funded from current revenues and appropriations . New initiatives are either funded from appropriations[1] or a request is made to the Budget Committee to fund priority items. The 2025/26 budget includes additional priority allocations to:

- Deferred maintenance for aging building systems and cost escalation
- Establishment of base funding for the President's Strategic Support Fund
- Telecoms and network strategy
- Campus Accessibility Action Plan (Phase 3)
- Advancement campaign seed funding
- International recruitment and global engagement strategy

In addition to the above, smaller base or one-time investments continue to be made in the 2025/26 budget and planning years to support the strategic plan with a series of administrative support reviews and benchmarking activities.

1. Appropriations are the accumulated surpluses or deficits from prior years, also known as reserves. In accordance with the Operating and Ancillary Budgets Policy, these balances are carried forward to future years. Surplus appropriations may be used to provide funds to offset one-time spending and investments in deficit-reducing strategies. Envelope managers must present plans to eliminate deficit appropriations with their budget submissions.

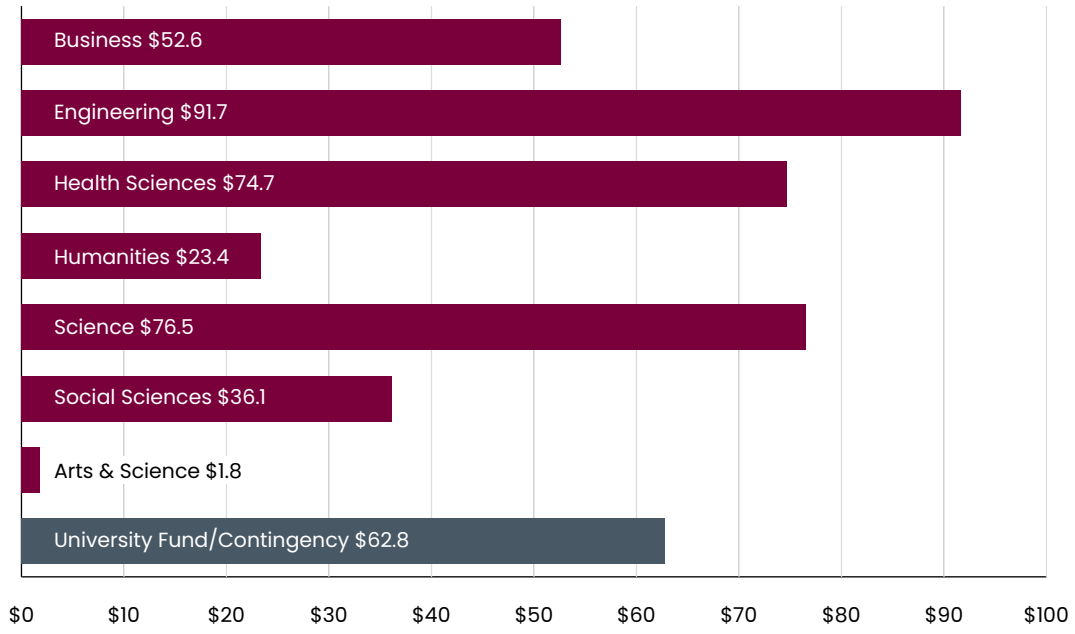
Envelope highlights

Details follow on the specific budget framework revenue allocations for each budget envelope from the budget model for 2025/26, and the operations or current major initiatives for each major budget envelope.

Activity Units (Faculties)

Faculties carry out the teaching and research at the University and are defined as the Activity Units in the budget model.

Figure 3: Operating Fund 2025/26 budget University Fund and Activity Unit allocations $Millions



Faculty of Business

The DeGroote School of Business (DSB) will be opening the McLean Centre for Collaborative Discovery (MCCD) in Fall 2025 and students will enjoy new applied learning opportunities in a state-of-the-art facility. Experiential learning will be a key focus within this new learning facility with the creation of hub programming activities. The Marinucci Entrepreneurial Bridge is being developed to be a centre for entrepreneurial activities at McMaster.

Two new graduate programs, Master of Management in Artificial Intelligence (AI) Analytics, and in Applied AI and Data-Driven Decision Making (part-time and full-time versions), are planned for potential 2026 launch that will provide new revenue to the school and diversify graduate program offerings. Student to staff ratio and student to faculty ratio is comparable to other business schools that are of similar size and these metrics will be monitored to ensure that staff and faculty are supported, and strategic hiring is maintained when budget is available to achieve the academic mission.

Faculty of Engineering

The Faculty of Engineering continues to help McMaster earn its reputation as one of Canada's most innovative universities, in alignment with its Engineering a Brighter Future strategic plan and McMaster's broader strategic plan.

The provincial government has recently signalled a focus on STEM enrolment. This presents opportunities for growth for the Faculty in areas aligned with government priorities (e.g. nuclear). Additionally, the Faculty of Engineering, with support from donors including Candu Energy, continues to invest in innovative new teaching facilities such as the Integrated Cornerstone Design Projects Studio which will open in 2026.

Faculty of Health Sciences

The Faculty of Health Sciences is continuing to invest in world-class research and education, advancing human and societal health and well-being. Investment in commercialization and entrepreneurship will facilitate taking discoveries from bench to bedside assisting in developing new revenue streams.

The ability to meet health human resources needs in Ontario and Canada and ensure sustained research excellence is critical. The Faculty is rising to the challenge of educating more health professionals by expanding enrolment in undergraduate and postgraduate medicine, physician assistants, midwifery, and nursing. Operational excellence will continue to be a key focus as the Faculty carefully manages expenses and seeks opportunities to drive improved efficiency and make sure resources are used where they have the most impact.

Faculty of Humanities

In September 2024 all new Humanities students began study in the unique Humanities Skills for Life concurrent certificate. The Faculty also continues to expand its experiential education offerings and paid internship program. Humanities partners with other Faculties to offer innovative programming: the Integrated Rehabilitation Science and Humanities degree with Health Sciences, the Integrated Business and Humanities with DeGroote School of Business, and in 2025 the Wilson College Leadership and Civic Studies and another subject with Social Sciences.

Outside the classroom, Humanities' faculty members engage in a wide variety of research and creative practices. They are recognized internationally for their scholarship and are active throughout Greater Hamilton in campus-community partnerships that benefit the region. In addition, Humanities plays a critical role in the University's international strategy by providing McMaster's MELD English-language program, preparing international students for academic success and helping them adjust to life in Canada socially and culturally.

Faculty of Science

The Faculty of Science continues to advance scientific discovery and understanding to address local and global challenges through education, research and engagement. The Faculty has responded with a strategic investment in digital course delivery, an investment that increases the reach and accessibility of its innovative programming. The Faculty is also continuing to focus on McMaster's priorities with the impact of research excellence and innovation evidenced in the $2.4 billion AstraZeneca acquisition of Fusion Pharmaceuticals in 2024.

Key activity areas include excellence in academic programming, commitments to equity, diversity, inclusion and accessibility and Indigeneity, investments in advancement, refinement of the Faculty's international strategy and support for innovation in all areas with a focus on impact and outcomes.

Faculty of Social Sciences

The Faculty of Social Sciences (FSS) is focusing on employment readiness and job outcomes for students by increasing the number of co-op programs from three to eight in 2025/26 and adding more experiential learning elements, as well as on Interdisciplinary Programming with the creation of a new Interdisciplinary School of Integrated Social Sciences, and an expanded Master's of Public Policy to include housing policy as an area of focus. Course enrolment will be increased through new minors (Criminal Justice, Counselling and Data Analytics) and different degree formats (e.g. Accelerated Economics degree) while streamlining to reduce low enrolment courses.

FSS aims to become a hub for Indigenous research with the imminent completion of the new McMaster Indigenous education and research space and growing the Indigenous Studies Master's program. FSS is strengthening the ability of its faculty to attract Tri-Council funding through the creation of new research centres and enhanced research support programs pre- and post-award.

Arts & Science Program

The Arts & Science program continues to deliver interdisciplinary, inquiry-based, socially-engaged learning, in line with the University's mission and teaching and learning strategy. A facilitated admissions process for Indigenous applicants will be implemented in 2025/26, as well as the initial assessment of an equitable admissions process for Black and/or Latin American applicants. Efforts to review and enhance recruitment processes will continue, with a view to further diversifying, and where needed growing, the applicant pool and incoming class.

University Fund

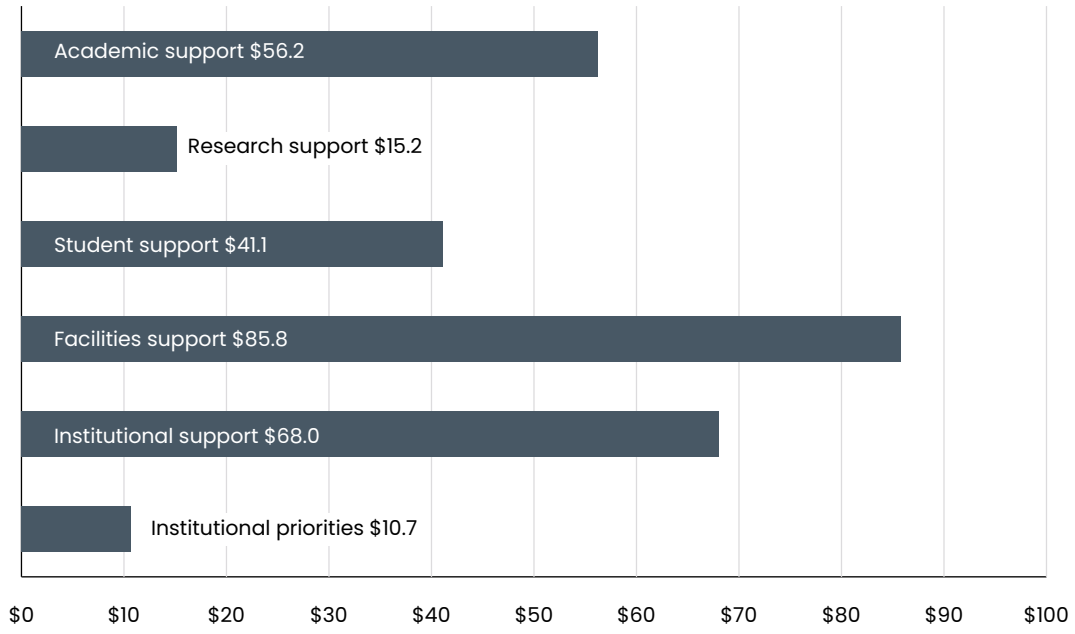
The University Fund supports excellence, innovation, and renewal across all areas of the University. Projects are allocated funding for specific short-term purposes with successful innovations intended to be permanently funded by different means. The University Fund also provides institutional contingency support to weather unforeseen circumstances or to respond to emergent opportunities. Some of the current major non-capital commitments from the University Fund include:

- Supplemental operating contributions to Faculties
- Increased Research Excellence Fund support to Faculties
- Indigenous programming support
- Black Cohort and Indigenous faculty hiring initiatives
- Strategic Excellence and Equity in Recruitment and Retention (STEER/R) Awards Program
- Research platforms and research commercialization supports
- International student recruitment support

Support Units

Support Units do the indirect work that furthers achievement of the academic mission. While not directly involved in teaching and research, Support Units provide the infrastructure that ensures efficient delivery of the services critical to achieving the mission. In an effort to ensure that both Activity Units and Support Units pursue the necessary cost containment and operational efficiencies required due to the current operating revenue environment, an across the board decrease of $5 million was applied to ongoing Support Unit allocations for 2024/25 budget and was maintained in 2025/26.

Figure 4: Operating Fund 2025/26 budget Support Unit allocations (on-going and one-time) $Millions



Student support

Student Affairs provides a breadth of programming and services to students in support of three main pillars: creating a sense of belonging, supporting health and well-being, and providing opportunities for personal growth and transformation. Student Affairs supports key stakeholders, including government, students, and parents, drawing on funding from a range of sources including government and donors.

The **School of Graduate Studies (SGS)** provides central graduate support services in pursuit of the highest quality of research and professional training while striving to improve and deliver a superior graduate student experience. SGS administers all aspects of the graduate student journey from recruitment through and beyond graduation. SGS also supports programs and Faculties directly in the development of new graduate programs, administration of graduate programs and development of graduate supervision skills.

Academic support

The **University Library** and **Health Sciences Library** participated in an external review of the mandate and effectiveness of McMaster's libraries, including sustainability. Emerging out of that review is a plan to join the two libraries to be called McMaster University Libraries with a single budget. The review also recommended the creation of a five-year staffing plan to address recognized under-investment in the libraries.

The **Registrar's Office** is a hub of student administration. To address current financial constraints an external peer review will be conducted to optimize processes and eliminate redundancies. Looking ahead, the key areas of focus will continue to be supporting an increasingly complex and diverse student population, with advancements in technology and processes and collaboration with campus partners.

The units within the **Vice Provost, Teaching and Learning** portfolio **(MacPherson Institute for Leadership, Innovation, and Excellence in Teaching, Office of Community Engagement**, the **INSPIRE Office of Flexible Learning)** work to elevate teaching as a professional discipline and equip students with cutting-edge knowledge and skills. Future priorities include enabling partnered and interdisciplinary learning, valuing inclusive excellence and scholarly teaching, supporting teaching and learning in active and flexible learning spaces, and partnering across campus to create a holistic and personalized student experience.

Research support

The **Vice-President Research (VPR)** supports McMaster's competitive grant applications processes ensuring grant compliance, financial oversight, protection of researchers and research subjects, and maintaining institutional eligibility requirements. Recent investments have been in personnel supporting equity, diversity and inclusive excellence and building the research security team. Additionally, the VPR supports private sector partnerships, commercialization and entrepreneurship.

As Canada's nuclear university and sole major neutron source, the **McMaster Nuclear Reactor (MNR)** is the only university in Canada capable of hosting several types of specific research facilities. Opportunities include increased production of life-saving medical isotopes, research in next-generation radiopharmaceuticals and clean energy nuclear technologies, and supporting materials discoveries that will power the economy of Canada's future.

Institutional support

University Technology Services (UTS) focuses on reducing deferred maintenance risks, enhancing IT security, 'right sizing' IT services and support, and continuing to deliver new IT solutions that will support the institution's mission of teaching, learning and research.

Financial Affairs provides prudent strategic financial management, supports alternate revenue generation, effective cost management and operational efficiencies. In addition, the Department will continue to focus on environmental and sustainability leadership and further enhancing responsible investing practices.

Human Resources priority initiatives for the coming year include successfully concluding renewal agreements with several employee groups, continuing to advance employee wellbeing programming, and delivering process improvements through technological advances.

University Advancement (UA) is preparing for the public launch of McMaster's next fundraising campaign in 2026, including building the campaign team and plan, transitioning to a new alumni/donor database and helping the University develop the campaign case for support. Externally, UA is enhancing its volunteer base to help to tell the story of McMaster through a variety of media.

Marketing and Branding and McMaster's Brighter World brand platform have advanced the University's digital presence to differentiate McMaster in an increasingly competitive environment. Investments focus on strengthening McMaster's international ranking profile while delivering effective and innovative marketing strategies.

Facilities support

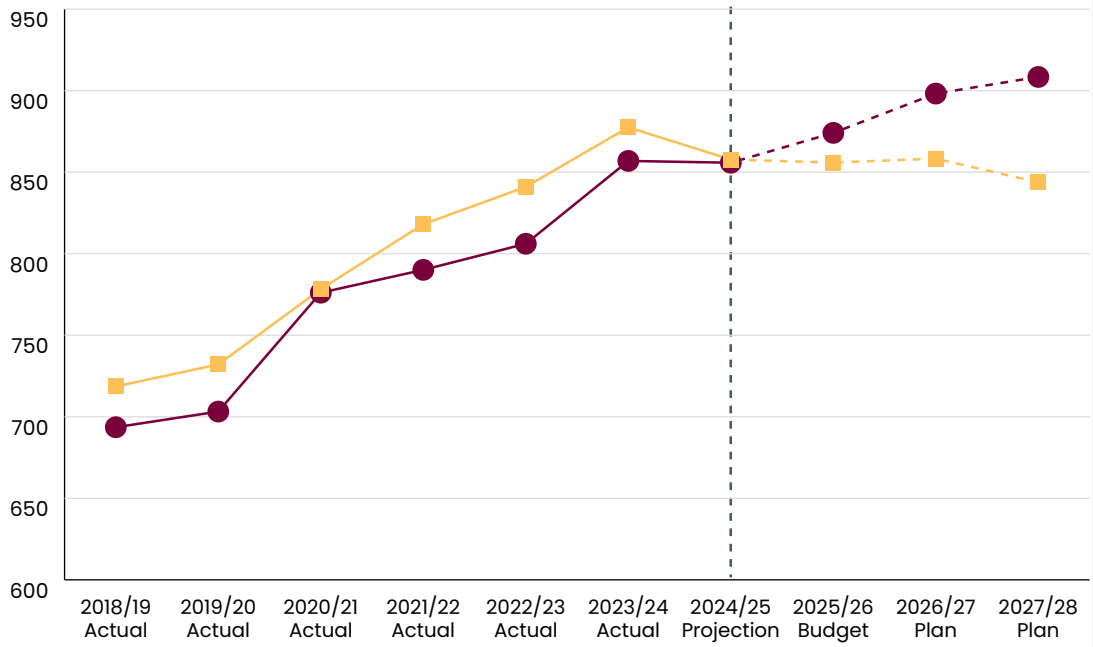
Facilities Services is the primary caretaker of McMaster's land and buildings and manages its major capital projects. Primary focus is on improving day-to-day operations, increasing customer satisfaction, managing deferred maintenance, and enhancing the staff experience.

Budget by fund

Operating Fund

A summary of the University's Operating Fund net revenues and expenses is shown below in Figure 5. Net operating revenues have historically exceeded expense growth, mainly due to enrolment growth and increases in international student participation. The projected trend reflects flat enrolment, with growth in domestic students from a large Level 1 intake in 2024 offsetting international enrolment declines, along with flat tuition fees, and limited provincial funding growth, with overall structurally balanced annual results and a net deficit after one-time investments in 2025/26.

Figure 5: Operating Fund outlook $Millions



	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Projection	2025/26 Budget	2026/27 Plan	2027/28 Plan
Surplus (deficit)	25.0	28.9	2.2	28.0	34.9	20.6	1.9	(18.2)	(39.9)	(64.6)
Revenue	718.6	732.1	778.3	818.1	841.0	877.5	857.7	855.9	858.3	843.8
YoY revenue growth	6%	2%	6%	5%	3%	4%	-2%	0%	0%	-2%
Expenses	693.6	703.2	776.1	790.1	806.1	856.9	855.8	874.1	898.2	908.4
YoY expenses growth	10%	1%	10%	2%	2%	6%	0%	2%	3%	1%

Table 5: Operating Fund summary $Thousands

	2023/24 Actual	2024/25 Budget	2024/25 Projection	2024/25 Projection vs Budget		2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues								
Provincial grants	254,823	247,439	247,408	(31)	0.0%	274,536	279,785	262,489
Tuition	429,362	404,417	420,411	15,994	4.0%	391,684	383,212	381,869
Research overhead income	31,348	27,841	31,450	3,610	13.0%	30,376	30,101	29,881
Investment income	9,467	9,467	9,467	-	0.0%	9,467	9,703	9,823
Other income	153,578	141,338	148,927	7,588	5.4%	149,804	155,531	159,754
Total revenues	**878,578**	**830,502**	**857,663**	**27,161**	**3.3%**	**855,868**	**858,332**	**843,817**
Expenses								
Salaries, wages and benefits	597,966	615,430	617,402	(1,972)	-0.3%	640,227	655,562	670,250
Utilities and maintenance	50,320	52,523	51,877	646	1.2%	52,409	54,158	54,417
Equipment and renovations	64,805	43,650	44,748	(1,098)	-2.5%	35,240	44,257	39,283
Scholarships, bursaries, work study	38,678	42,278	40,414	1,864	4.4%	42,406	44,109	46,006
Library acquisitions	16,637	15,971	16,980	(1,009)	-6.3%	17,538	17,950	18,123
Debt and financing charges	22,133	25,330	21,881	3,450	13.6%	25,345	25,438	25,680
All other expenses	67,443	67,602	62,460	5,142	7.6%	60,929	56,738	54,661
Total expenses	**857,982**	**862,785**	**855,762**	**7,022**	**0.8%**	**874,093**	**898,213**	**908,420**
Excess of revenues over expenses	**20,596**	**(32,282)**	**1,901**	**34,183**	**105.9%**	**(18,225)**	**(39,881)**	**(64,604)**
Fund balance, beginning of year	261,672	265,997	282,267	16,270	6.1%	284,168	265,942	226,061
Fund balance, end of year	**282,267**	**233,715**	**284,168**	**50,453**	**21.6%**	**265,942**	**226,061**	**161,457**

The projected surplus for the 2024/25 Operating Fund represents a significant positive improvement from the budgeted deficit due to:

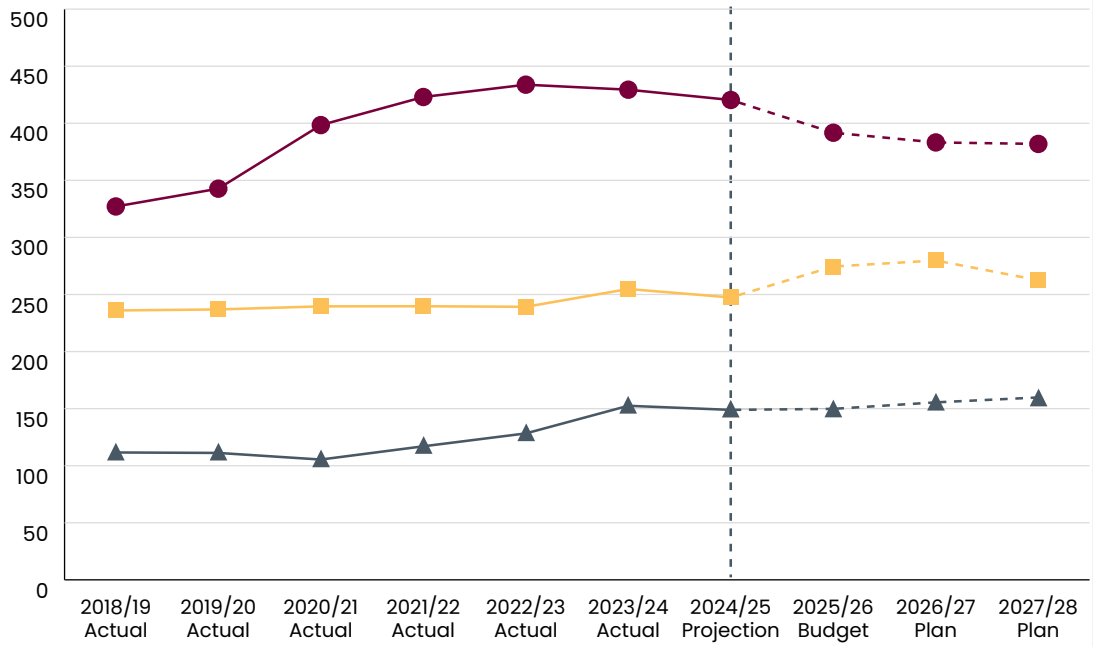
- Higher domestic undergraduate enrolment and therefore tuition revenues.
- Improved international undergraduate enrolment despite federal visa caps and higher than expected student retention rate.
- Greater revenue from Gulf State training sponsorship, increased external recoveries for facilities costs, and for Medical Doctorate (MD) Expansion.
- Reductions in staffing costs, and debt and financing charges.

Details of variances between the 2024/25 budget and projection are available in Appendix 1.

For 2025/26, the Operating Fund budget and planning years are drawing down on appropriations. The continued frozen tuition framework, the federally distributed visa applications cap and the assumed limited increases to international student fees limit historical revenue growth opportunities. The announced increase to the WGU corridor from 2025/26 for STEM program growth, has offset some of the revenue decline. The University continues to make targeted investments in support of McMaster's vision and strategic priorities, while maintaining a required focus on operational efficiencies and cost constraints, reflected on the equipment and renovations and other expense lines.

Revenue

Figure 6: Operating Fund budget revenue trend by type $Millions



	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Projection	2025/26 Budget	2026/27 Plan	2027/28 Plan
Provincial grants	$ 236.0	$ 236.9	$ 239.6	$ 239.7	$ 239.2	$ 254.8	$ 247.4	$ 274.5	$ 279.8	$ 262.5
Growth	0%	0%	1%	0%	0%	7%	-3%	11%	2%	-4%
Tuition	$ 327.1	$ 342.7	$ 398.4	$ 423.0	$ 433.8	$ 429.4	$ 420.4	$ 391.7	$ 383.2	$ 381.9
Growth	11%	5%	16%	6%	3%	-1%	-2%	-7%	-2%	-3%
Other income	$ 111.6	$ 111.2	$ 105.4	$ 117.0	$ 128.3	$ 152.5	$ 148.9	$ 149.8	$ 155.5	$ 159.8
Growth	7%	0%	-5%	11%	10%	19%	-2%	1%	4%	7%
Research overhead income	$ 31.0	$ 28.6	$ 24.5	$ 28.9	$ 30.3	$ 31.3	$ 31.5	$ 30.4	$ 30.1	$ 30.1
Investment income	$ 13.0	$ 12.7	$ 10.5	$ 9.5	$ 9.5	$ 9.5	$ 9.5	$ 9.5	$ 9.7	$ 9.8

Provincial grants

Provincial grants have remained relatively frozen since 2016/17. In 2023/24 the Province announced some additional grant funding including one-time funding of $15.4 million for STEM degree programs. Additionally, a time-limited increase to the base grant funding was announced for 2024/25 through 2026/27, representing a 3% increase over the base grant funding in the first year ($7.3 million), followed by incremental 2% increases over the current base funding in the following two years ($4.9 million each year). This base grant funding increase is assumed to expire in 2027/28.

The 2025/26 corridor midpoint adjustment for McMaster adds $21.8 million annually at current funding rates.

Tuition

Net overall tuition in 2025/26 is projected to decrease by $28.7 million (-6.8%) from the 2024/25 projection based on the overall enrolment plan, underlying assumptions include flat international enrolment, flat domestic in-province tuition according to the provincial tuition framework, and flat international tuition rates.

The following chart (Figure 7) reflects the enrolment and tuition trends in the framework tuition revenue, while Figure 8 reflects the mix between domestic and international enrolment, and the related funding for each. Funding for domestic students includes both provincial grants and tuition, while no grants are received for international students who are funded through tuition fees only.

Figure 7: Tuition and domestic grant trend $Millions

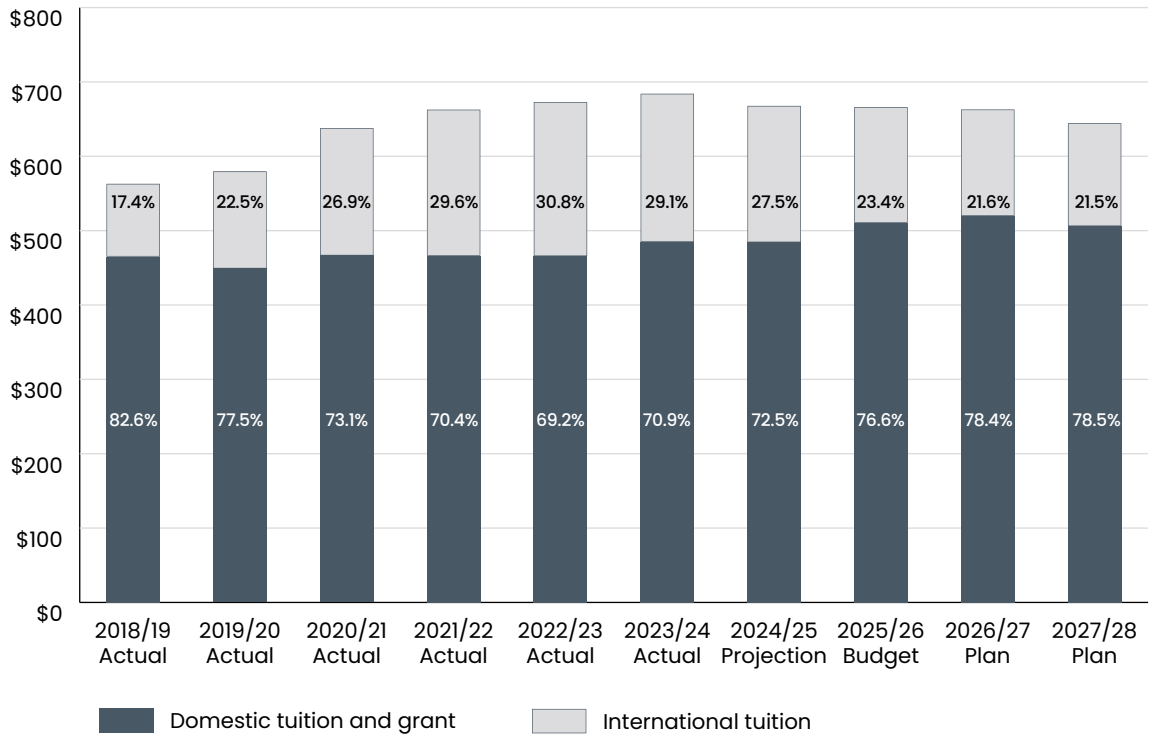
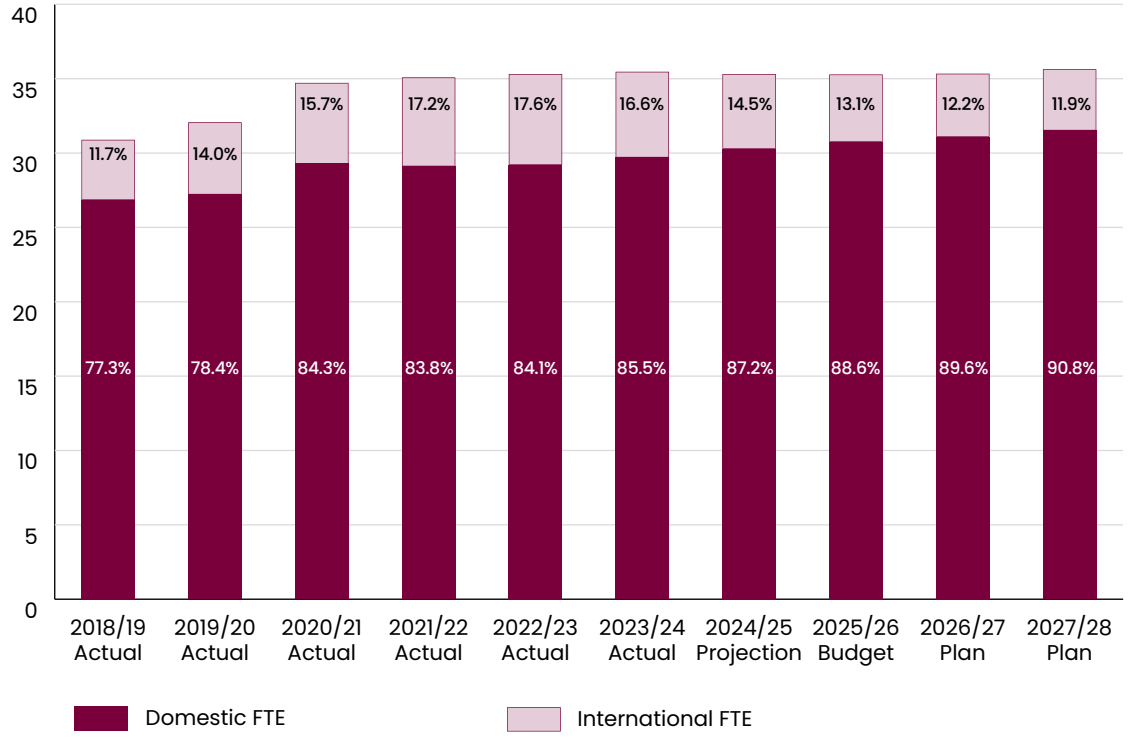
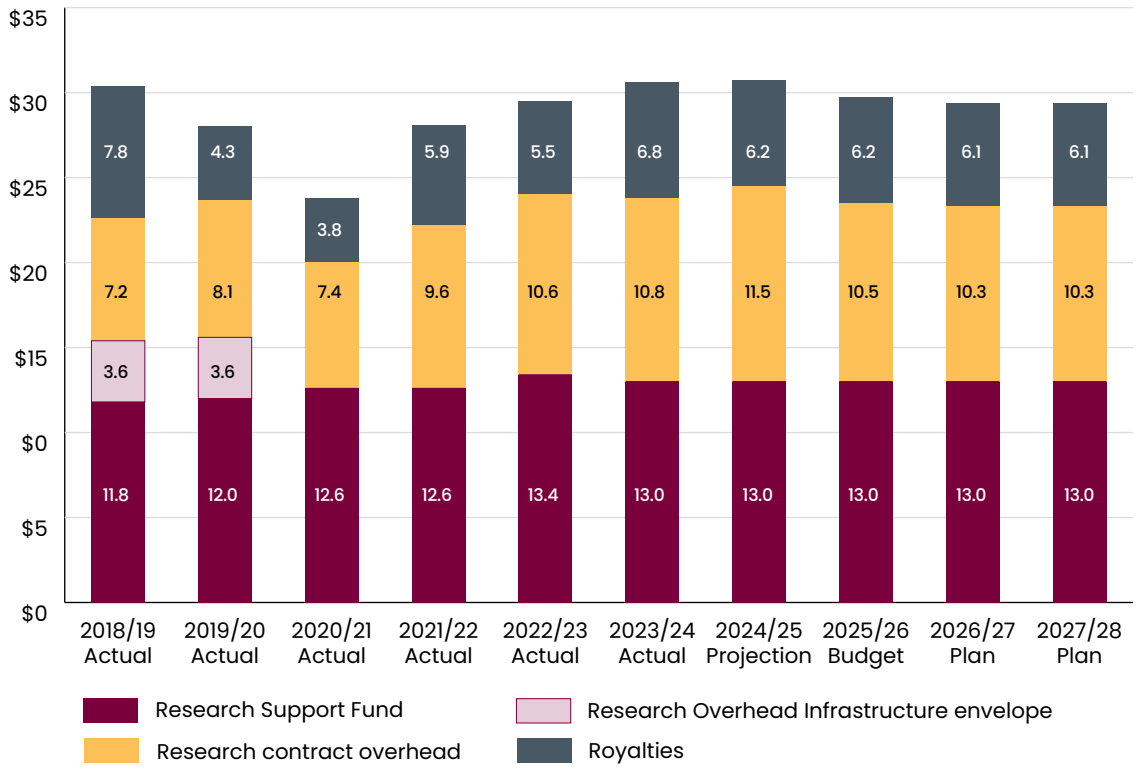


Figure 8: Enrolment domestic vs. international Thousands



Research overhead income

Figure 9: Operating Fund research overhead income trend $Millions



Research overhead is intended to defray central and departmental support and infrastructure costs related to conducting research. The federal Research Support Fund (RSF) and the Research Overhead Infrastructure Envelope (ROIE) are based on Tri-Agency research funding the University receives. In 2020/21, the ROIE was rolled into the MCURES performance funding grants. The RSF includes a targeted $1 million Incremental Project Grant to support the costs of research security at McMaster University and its hospital partners. These grants are distributed to Activity Units through the budget model in 2025/26

Research contract overhead is levied on research grants and contracts from the private sector and other agencies where allowed. Overheads are normally calculated as a percentage of direct research costs, with the objective of recovering the full amount of indirect support costs. Overhead income is credited directly to activity units, where it may be further distributed to departments or reinvested in research.

Royalties are payments for commercial use of McMaster intellectual property associated with research discoveries. Like research contract overhead, royalties fluctuate depending on usage, and budgets are based on historical trends. This income is credited directly to activity units, with a share to inventors.

Other research overhead income may be earned on funding from Centres of Excellence, Canada Research Chairs, and Early Researcher Awards.

Investment income

The Operating Fund is allocated $9.5 million per year from Investment Pool revenue, including a 4% allocation of the 60-month average balance of internal endowments (approximately $6.2 million per year) with the remainder funded from the Specific Purpose Reserve, as an approach to stabilize interest revenues allocated to Faculties through the budget model framework.

With tuition revenue projected to decline in the near term, the composition of the investment allocation has been changed beginning in 2026/27 to continue to allocate 4% of the 60-month average balance of internal endowments while maintaining a fixed amount from the Specific Purpose Reserve. This allows the total allocation to grow, replacing some of the tuition income Faculties have lost.

Other income

Other income includes Ministry of Health and Long-Term Care grants, post-graduate medical training, tuition from non-Ministry funded programs, nuclear reactor sales which are growing as the reactor moves to 24/5 operations, ancillary contributions (reflecting 4.5% on sales), athletics and recreation facility expansion contributions, registration and service fees, and utility recoveries from partners.

Operating Fund: expense

Figure 10: Operating Fund expense trend $Millions

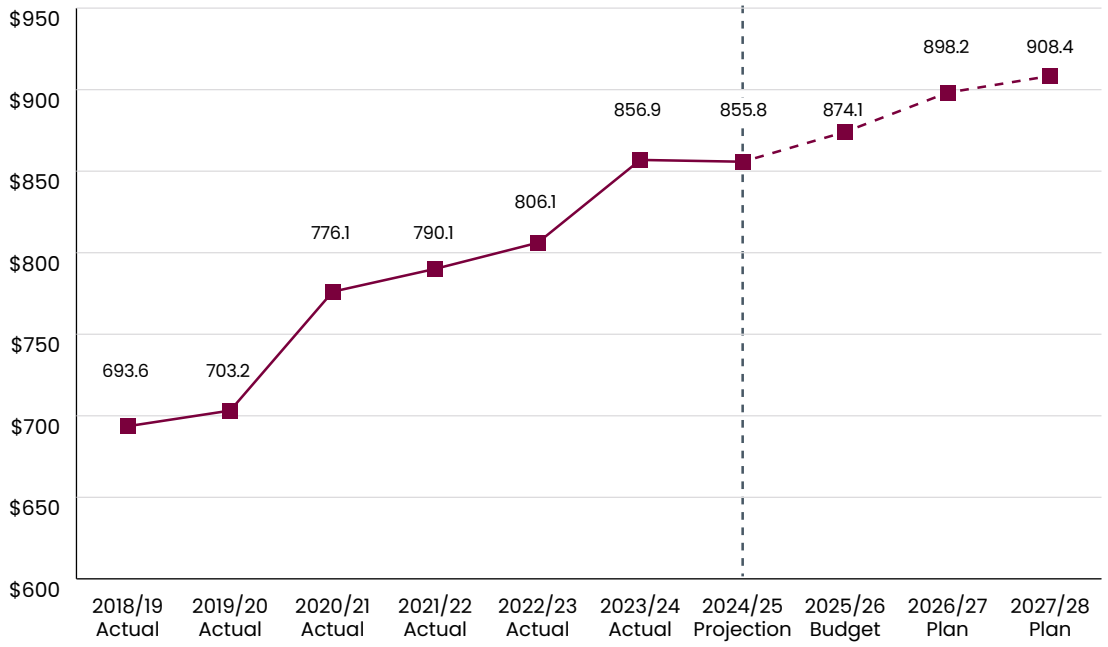


Figure 11: Operating Fund 2025/26 salary, wages and benefits expense by type $Millions

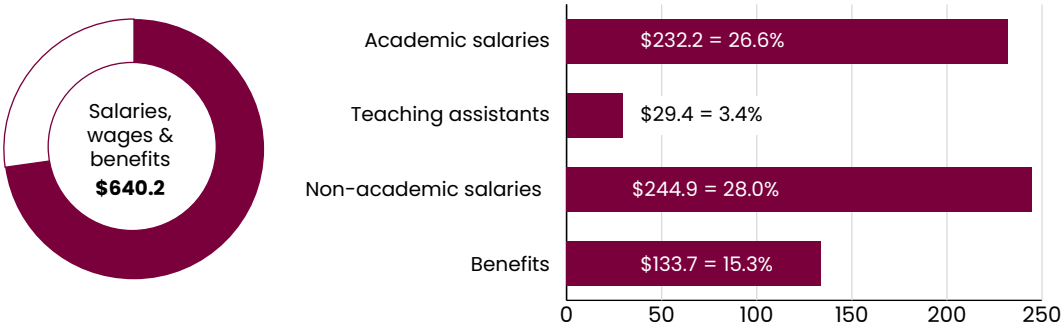
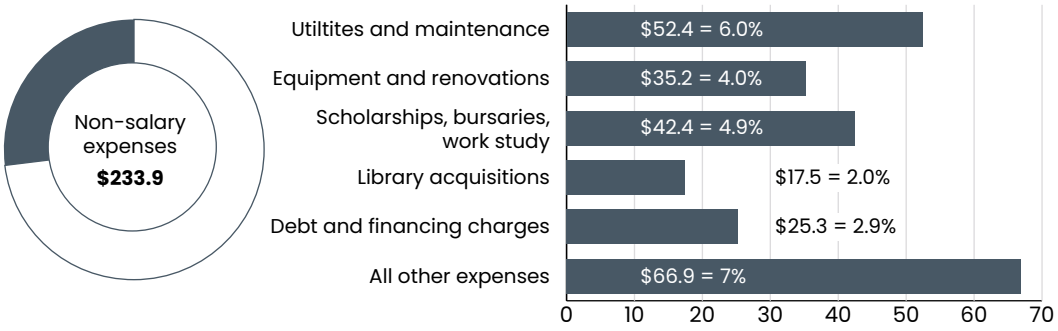


Figure 12: Operating Fund 2025/26 budget non-salary expenses by type $Millions



Salaries, wages and benefits

- Salaries, wages, and benefits are the largest component of the operating expense budget.
- The high quality of McMaster's faculty leading the academic and research mission is a key success factor.
- Investment in University faculty for teaching and research and staff to facilitate, administer and support academic programs, research, and the student experience is also important to the McMaster community.
- Operational excellence initiatives draw on benchmarking data and staff ideas to streamline processes and mitigate support staff growth.
- Compensation increases have been budgeted with moderate increases in future years, which are expected to mitigate outstanding claims related to the repeal of Bill 124.
- Budgeted benefit rates use ten-year actuarial and five-year historical costing models to set smoothed rates to collect cash requirements.
- A benefit reserve is used to address variable cash outflows. Benefit rates are reviewed annually with the Budget Committee to ensure rates are reflective of projected cash requirements.
- Total compensation growth approximates 3.0% per year over the budget and planning horizon.

Utilities and maintenance

- Utility expenses are driven by market rates and consumption subject to environmental factors. Further, unplanned maintenance failures and campus behavior contribute to variability in expense budgets.
- McMaster also supports the hospital's energy backup, which can lead to increased costs (fully recovered within other income) due to supply requirements during high-cost periods.
- Hydro rates are budgeted at $0.055 per kWh and natural gas rates at $0.40 per m3 for 2025/26, increasing to $0.43 per m3 for 2026/27.
- As part of the peak shaver project, McMaster will be installing two electric boilers which will reduce the steam production from the existing natural gas boilers. This will result in an increase in hydro commodity costs. The boilers are anticipated to be installed and up and running by winter 2026.
- With the installation of the peak shavers on campus, it is expected that McMaster will achieve considerable reduction in its peak demand factor, which is used to determine McMaster's Global Adjustment obligation. This would offset the increase in commodity costs resulting from the operation of the electric boilers.
- Global Adjustment is expected to trend downwards due to the increasing commodity price of electricity. This will result in a reduction in Global Adjustment savings from peak shaving.
- The federal carbon tax is poised to increase to $80/tonne of CO2e in 2024 and to $95/tonne of CO2e in 2025. With the new electric boilers, McMaster is able to save in carbon tax by shifting the steam generation from the existing natural gas boilers.

Equipment and renovations

- Physical and technical infrastructure are essential to achieving McMaster's strategic priorities while delivering an optimal student experience.
- With current revenue constraints the capital plans in operating units have been scaled back.
- University Fund has budgeted capital contributions over the planning period to support Life Sciences Building upgrades ($5 million in 2026/27) and the Wilson College building ($7 million annually 2026/27 to 2028/29).
- The budget includes a recurring annual University Fund contribution to capital ($3.9 million), annual deferred maintenance transfer from the Operating Fund ($13.9 million), and the annual emergency building repairs funding ($1.3 million).
- The operating budget includes other capital transfers approximating $1.1 million per year for new and upgraded physical facilities:
  - $1.3 million over three years for Ron Joyce Centre deferred maintenance plan – DeGroote School of Business
  - $1.0 million over two further years to support the feasibility study, planning and preliminary work on Nexus building – Faculty of Health Sciences
  - $0.85 million over three years to support Farncombe Family Digestive Health Research Institute capital renovations – Faculty of Health Sciences
- Capital transfers are permanent one-time transfers to capital priorities identified in the annual Capital Plan. Capital allocations are held reserved for specific projects with spending allowed once business cases are approved based on Board by-laws.
- Other equipment and renovations expenses include investments in renovations, equipment, software, and systems projects to improve both the student experience and enhance operational efficiencies.

Schorlarships, bursaries and work study

- Scholarships, bursaries, and other supports enhance McMaster's recruitment and admission goals, recognize student achievement, and aid in retention.
- Support incentives are imperative to recruit high-calibre students, with additional support available through the Student Access Guarantee (SAG). To ensure that sufficient funding is available to meet SAG obligations, the funding provided through the budget model varies with actual amounts required.
- Over the planning period a number of Faculties are maintaining or increasing undergraduate scholarship funding to improve applications and conversion rates and to attract international students.

Library acquisitions

- To achieve the University's mission, access to the journals with the highest profile and impact must be maintained.
- The cost of purchasing core titles inflates roughly 3 to 5% per year
- Serial subscriptions purchased through the Canadian Research Knowledge Network (CRKN) consortium reflects a multi-year buying collaboration for large publisher journal packages.
- Consortiums reduce flexibility, however the approach increases purchasing power to mitigate some inflation. The CRKN subscription fees are linked to a university's research-intensity factor, meaning McMaster's research success contributes to higher fees than other peers with larger enrolments.

Debt and financing charges

- McMaster uses debt financing to support strategic and capital priorities.
- Total debenture financing is $390 million with a weighted average capital cost approximating 4.75%.
- Each debenture has a repayment reserve (or sinking fund) for the principal amounts when due. Sinking funds are held in the Investment Pool and monitored annually for repayment adequacy.
- Annual Board oversight and financial statement note disclosure transparently describe each debenture's annual interest rate, maturity date, and reserve balance. See the Overall Borrowing and Debt Position section for additional details.

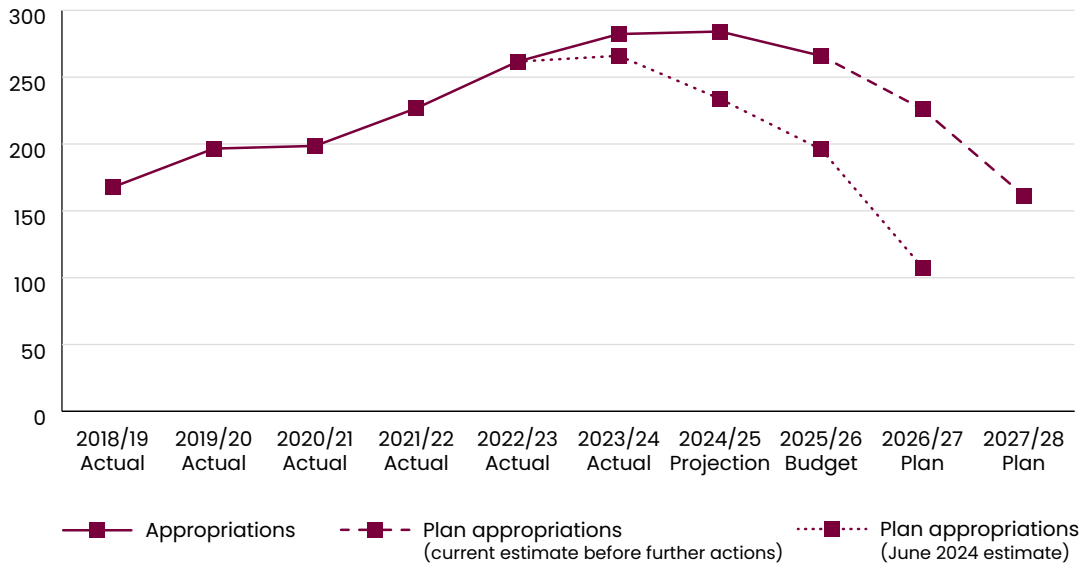
All other expenses

- Other expenses approximate 7.6% of total operating costs and includes a range of supplies and other expenses not categorized elsewhere.
- This is a continuing area of focus as units aim to look for savings given the ongoing revenue constraints and is expected to decline further as units implement further cost controls and find efficiencies.
- The expense is net of recoveries including transfers from trust funds, contributions of ancillaries to occupancy costs, and internal service

Operating Fund appropriations

With the budgeted deficit of $18.2 million, Operating Fund appropriations are expected to decline to $265.9 million by the end of 2025/26. In addition to funding strategic initiatives, including one-time projects, appropriations in some envelopes are being used in the short term to fund operations as additional cost containment measures are implemented in response to the current revenue situation. McMaster's appropriation balances are budgeted and planned to decline, however a reasonable level of funding will still be maintained to address unforeseen events and contingencies, as well as to meet financial accountability metrics. Figure 13 shows the appropriation balance trend and reflects the improvement over the estimated position in the last budget.

Figure 13: Operating Fund appropriations $Millions



Operating Fund: One-time expenditures

Table 6: Operating Fund on-going and one-time summary $Thousands

	2024/25 Budget	2024/25 Projection	2024/25 Projection vs Budget		2025/26 Budget	2026/27 Plan	2027/28 Plan
Fund balance, beginning of year	265,997	282,267	16,270	6.1%	284,168	265,942	226,061
Ongoing							
Allocated income	681,478	697,576	16,098	2.4%	696,522	693,869	675,577
Other income	147,945	161,309	13,363	9.0%	158,608	163,764	167,540
Total revenues	829,423	858,885	29,461	3.6%	855,130	857,633	843,117
Expenses	817,524	811,134	6,389	0.8%	842,889	864,167	884,512
Structural surplus	**11,900**	**47,750**	**35,851**	**301.3%**	**12,241**	**(6,534)**	**(41,394)**
% of revenue	1.4%	5.6%			1.4%	-0.8%	-4.9%
Fund balance before one-time items	**277,897**	**330,017**	**52,120**	**18.8%**	**296,409**	**259,408**	**184,667**
One-time spending from appropriations	(44,182)	(45,849)	(1,667)	3.8%	(30,466)	(33,347)	(23,209)
Fund balance, end of year	**233,715**	**284,168**	**50,453**	**21.6%**	**265,942**	**226,061**	**161,457**

- The Operating Fund is structurally balanced for 2025/26 budget with ongoing revenue and expenses conservatively budgeted.
- Actual results may improve as revenue-generating opportunities are implemented, and further cost containment efforts enable strategic priority investments captured under one-time expenses.
- Ongoing expense growth is aligned to recruitment and compensation plans and other inflationary pressures.
- One-time investments include:
  - $12.4 million for University Fund strategic investments, such as: Indigenous & Black Cohort hires, Indigenous programming support, digital learning strategy, research commercialization investments, rejuvenating core research platforms, policy reforms, and strategic projects.
    - Notable recent strategic projects include “Advancing Tomorrow’s Science Careers”, supporting “Open Education Resources”, and advancing supports for international students through “International Student Engagement and Success” and “Building an International Engineering Community”
  - $9.6 million towards one-time staffing needs
  - $3.0 million towards international strategy expenditures
  - $1.9 million for renovation and expansion of facilities
  - $1.4 million for computer hardware

Operating Fund budget conclusions

The Operating Fund supports McMaster’s mission and vision with a consistent message and focus on limiting ongoing expenditure growth, allowing for one-time strategic investments to advance McMaster’s institutional prioriites.

The funding environment for post-secondary institutions remains challenging but the recently announced grant corridor funding increase provides some welcome revenue growth as the focus continues on ensuring that staffing levels vital to operations may be maintained.

The 2025/26 Operating Fund is structurally balanced overall. Net one-time expenditures of $30.5 million include strategic and capital priorities resulting in a net deficit of $18.2 million. The net deficit position is driven by continued barriers to international enrolment growth, compounded by the frozen tuition framework. There is an ability in the short term to draw on appropriations which have been built up in prior years while major cost containment strategies to take effect.

Research Fund

Table 7: Research Fund summary						$Thousands
	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues						
Research grants and contracts	281,000	265,000	(16,000)	267,000	270,000	273,000
Total revenues	**281,000**	**265,000**	**(16,000)**	**267,000**	**270,000**	**273,000**
Expenses						
Salaries, wages and benefits	165,100	158,700	6,400	161,800	165,100	168,400
All other expenses	117,000	119,900	(2,900)	118,300	118,100	120,600
Transfers to (from) other funds	(15,930)	(19,563)	3,634	(16,129)	(13,984)	(14,326)
Total expenses	**266,170**	**259,037**	**7,134**	**263,971**	**269,216**	**274,674**
Excess of revenues over expenses	**14,830**	**5,963**	**(8,866)**	**3,029**	**784**	**(1,674)**
Fund balance, beginning of year	368,471	374,036	5,565	379,999	383,028	383,812
Fund balance, end of year	**383,301**	**379,999**	**(3,301)**	**383,028**	**383,812**	**382,138**

The 2024/25 Research Fund revenue projection is $265.0 million based on research revenue receipted, including revenue received for future periods, net of hospital research. The projection is 35% higher than before the pandemic but lower than the 2022/23 high of $306.2 million as research revenues adjust to normal levels. Expenses are higher as funding received in prior periods is spent. In 2025/26 receipts are anticipated to level off at the higher rate as McMaster continues to actively pursue funding.

Capital Fund

Table 8: Capital Fund summary						$Thousands
	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues						
Operating grants	6,000	6,530	530	6,530	6,530	6,530
Other revenues	22,800	19,123	(3,677)	5,000	4,000	4,000
Total revenues	**28,800**	**25,653**	**(3,147)**	**11,530**	**10,530**	**10,530**
Expenses						
All other expenses, including capital	112,973	103,260	9,713	102,610	98,493	105,970
Transfers to (from) other funds	(28,211)	(31,120)	2,909	(28,711)	(41,321)	(36,071)
Debt and financing charges	(19,147)	(10,280)	(8,867)	(15,469)	(17,271)	(17,699)
Total expenses	**65,615**	**61,860**	**3,755**	**58,430**	**39,901**	**52,200**
Excess of revenues over expenses	**(36,815)**	**(36,207)**	**608**	**(46,900)**	**(29,371)**	**(41,670)**
Fund balance, beginning of year	136,557	234,671	98,114	198,464	151,564	122,193
Fund balance, end of year	**99,743**	**198,464**	**98,722**	**151,564**	**122,193**	**80,523**

The Capital Fund includes major building and renovation projects temporarily reflected as expenses (before consolidating accrual adjustments covered later), transfers from the Operating Fund mainly to support Faculty strategic capital priorities, and unit repayments of internal capital loans. The information in the table aligns with the approved Capital Plan, as well as the prior year's budget updated with current spending.[2]

Table 9 below summarizes total expected Capital Funding and spending by project for fiscal 2024/25 to 2027/28. Projected capital spending of $103.3 million is lower than budget due to slower spending than planned. The 2025/26 budget and future plans include only high priority projects recognizing the constrained revenue environment and preserving central bank capacity. Further refinement of capital plans will be informed by the vision outlined in the Campus Plan and financial viability, as well as potential funding raised through the planned campaign.

Table 9: Capital spending by project $Thousands

	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Approved projects						
Athletics and Recreation - Pulse and Student Space Expansion	-	1,649	(1,649)	-	-	-
Campus Accessibility Action Plan (CAAP)	300	300	-	300	300	300
CFI/BRIF University Contribution	13,587	1,490	12,097	2,800	10,000	1,250
Deferred Maintenance Projects	17,493	16,654	839	17,280	16,193	19,420
Environmental Compliance	400	400	-	400	-	-
Greenhouse and LSB Phase One	2,800	1,502	1,298	-	-	-
GSR Parking Garage	-	135	(135)	-	-	-
Life Science Building Renovation	-	-	-	3,800	15,000	15,000
McLean Center For Collaborative Discovery	15,000	35,000	(20,000)	28,988	-	-
MNR Heat Recovery	-	3,130	(3,130)	-	-	-
MRI Installation at IAHS	5,200	-	5,200	-	-	-
PeakShavers and Boilers	12,818	6,000	6,818	8,042	-	-
Residence Renewal Program	2,000	2,000	-	2,000	2,000	-
Total expenses	**69,598**	**68,260**	**1,338**	**63,610**	**43,493**	**35,970**
Estimate of planned projects - not yet approved	35,000	35,000	-	35,000	35,000	35,000
Wilson College	8,375	-	8,375	4,000	20,000	35,000
Total capital spending	**112,973**	**103,260**	**9,713**	**102,610**	**98,493**	**105,970**

Table 9 identifies approved capital projects and estimated total projects net yet approved. Projects approved on the Capital Plan are circulated to all Deans and their Directors of Finance and Administration, as well as all Vice-Presidents, to provide feedback on projects over $10 million. The resulting project list updates are then prioritized by the Space Management Committee, which includes senior leaders, reviewed by the Provost Council and approved by the President and Vice-Presidents. Final approvals of capital projects occur in accordance with University by-laws.

Where projects proceed in advance of some internal and/or external funding receipts, interim bridge loans or long-term loans are arranged through the University's central bank, which is funded by debt financing outlined in Section 11 Overall Borrowing and Debt Position.

2. Capital expenditures used in operations and to support ancillary departments are budgeted through the Operating and Ancillary Funds within the same envelope system, and using the same priority-setting, monitoring and control process as operating expenses. Capital expenditures budgeted within the Operating and Ancillary Funds include equipment, renovations, faculty start-up costs, and deferred maintenance. Internally led projects that require financing borrow from McMaster's central bank approach at the weighted average cost of capital plus a stabilization factor, which is currently 4.75%.

External Endowment

Table 10: External Endowment summary						$Thousands
	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues						
Other revenues	7,521	8,143	622	6,621	6,134	5,186
Investment income (loss)	33,683	-	(33,683)	34,886	35,536	36,167
Total revenues	**41,204**	**8,143**	**(33,061)**	**41,507**	**41,670**	**41,353**
Expenses						
All other expenses	-	-	-	1,766	3,287	4,375
Transfers to (from) other funds	28,898	30,549	(1,651)	28,140	27,120	27,007
Total expenses	**28,898**	**30,549**	**(1,651)**	**29,906**	**30,407**	**31,382**
Excess of revenues over expenses	**12,306**	**(22,406)**	**(34,712)**	**11,601**	**11,263**	**9,971**
Fund balance, beginning of year	601,480	645,379	43,899	622,973	634,575	645,838
Fund balance, end of year	**613,786**	**622,973**	**9,187**	**634,575**	**645,838**	**655,808**

The external endowment holds donations or bequests received by the University with restricted use conditions or legal requirements agreed by the donor and the University. Endowed donations are invested in the long-term Investment Pool to preserve purchasing power in perpetuity.

Following an anticipated 0% investment return in 2025, the projected long-term rate of return on endowed trust funds net of investment management fees is 5.6%. Increases have been conservatively projected and may increase as the campaign begins. Annual spending allocations are monitored to ensure endowment capital preservation. The University's spending policy limits the amount of investment income allocated for spending across each holding and administration.[3] Excess interest earnings, above spending limits, are allocated to capital preservation to safeguard endowment spending from future inflationary impacts.

3. The current spending limit is 5% (4% for spending and 1% for University Advancement.

Internal Endowment

Table 11: Internal Endowment summary						$Thousands
	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues						
Other revenues	125	130	5	135	269	323
Investment income (loss)	9,137	-	(9,137)	9,019	9,446	9,607
Investment income transfer	(6,352)	(6,227)	125	(6,442)	(6,703)	(6,823)
Total revenues	**2,910**	**(6,097)**	**(9,007)**	**2,712**	**3,012**	**3,107**
Expenses						
All other expenses	-	177	(177)	-	-	-
Transfers to (from) other funds	816	849	(33)	860	872	884
Total expenses	**816**	**1,026**	**(210)**	**860**	**872**	**884**
Excess of revenues over expenses	**2,094**	**(7,123)**	**(9,217)**	**1,852**	**2,140**	**2,223**
Fund balance, beginning of year	163,166	169,691	6,525	162,568	164,420	166,560
Fund balance, end of year	**165,260**	**162,568**	**(2,692)**	**164,420**	**166,560**	**168,783**

The internal endowment includes unrestricted donations, bequests and other allocations set aside for future obligations and restricted by the Board of Governors, which are projected to increase with the upcoming campaign. The funds are invested in the University's long-term Investment Pool with the same annual return profile as the external endowment. The largest internal endowment is the Dr. H. L. Hooker Endowment donated to advance the University's mission, with the remainder related to the salaried pension plan withdrawal in 2003 and the general endowment fund.

Ancillary Fund

Table 12: Ancillary Fund summary $Thousands

	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues						
Ancillary sales and services	100,661	98,725	(1,935)	104,743	118,729	124,969
Total revenues	**100,661**	**98,725**	**(1,935)**	**104,743**	**118,729**	**124,969**
Expenses						
Salaries, wages and benefits	39,980	41,570	(1,589)	43,183	46,304	47,551
All other expenses	33,778	30,789	2,988	35,735	39,056	41,760
Transfers to (from) other funds*	18,871	18,705	166	19,290	19,985	20,463
Debt and financing charges	8,174	6,889	1,285	7,758	7,757	7,755
Total expenses	**100,803**	**97,953**	**2,850**	**105,966**	**113,103**	**117,528**
Excess of revenues over expenses	**(143)**	**772**	**915**	**(1,223)**	**5,626**	**7,441**
Fund balance, beginning of year	7	2,283	2,276	3,055	1,832	7,458
Fund balance, end of year	**(136)**	**3,055**	**3,191**	**1,832**	**7,458**	**14,899**

*Including transfers to capital

Ancillary operations provide essential academic and student support services across the University. Ancillaries enhance the student experience and contribute 4.5% of sales to the Operating Fund to advance student support services.

The **REAP** department was created within the Ancillary Fund and, as part of its mandate, leads and develops several of the non-academic ancillary operations. The ancillary units overseen by REAP are the **Campus Store, Hospitality Services, Media Production Services**, and **Parking Services.** The other ancillary units are **Housing and Conference Services** and **McMaster Continuing Education (MCE)**.

Key priorities and issues for the ancillary units include:

- 10 Bay residence occupancy levels.
- Tariffs impacts on cost inflation and product sourcing.
- Shared services and operational efficiencies.
- Digital first textbook model.
- Residence expansion with introduction of Lincoln Alexander Hall in 2026.
- Macsites website platform adoption and maintenance.
- Environmental and societal sustainability, including sugar sheet paper and food sustainability.
- MCE partnerships, and review recommendations.

The Ancillary Fund projected surplus for 2024/25 is approximately $0.8 million and a small total cumulative surplus balance of $3.1 million. In 2025/26 there is a deficit of $1.2 million, mainly driven by food price inflation in Hospitality Services, with offsetting meal plan price increases being phased in over three years. All units are currently projected to be in a surplus position from 2026/27. Projections by ancillary unit are available in Appendix 5.

Specifically Externally Funded

Table 13: Specifically Externally Funded summary $Thousands

	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues						
Other revenues	33,533	37,697	4,164	37,335	37,371	37,569
Total revenues	**33,533**	**37,697**	**4,164**	**37,335**	**37,371**	**37,569**
Expenses						
Salaries, wages and benefits	24,534	26,595	(2,061)	26,894	27,201	27,469
All other expenses	10,691	12,247	(1,556)	10,935	10,776	10,785
Transfers to (from) other funds*	(158)	(10)	(148)	(183)	(208)	(224)
Total expenses	**35,068**	**38,832**	**(3,765)**	**37,646**	**37,768**	**38,030**
Excess of revenues over expenses	**(1,534)**	**(1,135)**	**399**	**(311)**	**(397)**	**(461)**
Fund balance, beginning of year	6,999	5,939	(1,061)	4,803	4,492	4,095
Fund balance, end of year	**5,465**	**4,803**	**(662)**	**4,492**	**4,095**	**3,634**

Externally restricted funds other than research, trust or capital, are tracked in a separate fund. Programs managed in this fund involve external sponsors such as the Ministry of Health and Long-Term Care and the Ontario Online Initiative, and meet the following criteria:

- The funding is provided by an external entity
- There is an agreement with the sponsor to spend the funding for a specified purpose on specified items
- Unspent funding must be returned to the sponsor

Departments are responsible for administering this funding, ensuring that it is used for the intended purpose and not overdrawn.

Internal Reserves

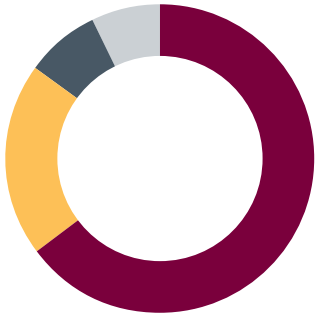
Internal reserves act as a financial safety net and strategic resource. The funds are set aside to meet future obligations, fund mission-critical priorities, and provide stability in operations. Internal reserves include two categories of funding.

First, Operating and Ancillary Fund reserves are balances carried forward into future years. Faculties and departments are required to develop structurally balanced budgets each year and additionally are expected to save reserves for new capital investments or renovations or other large strategic initiatives. The target level of reserves is one to four months of Operating Fund expenditures to protect against possible adverse circumstances and/or allow departments to save for one-time expenses. Combined operating and ancillary reserves are budgeted to be $267.8 million in in 2025/26, utilizing saved resources to continue to invest in priorities that will manage funding challenges.

The second category of reserves relate to funding obligation settlement needs. The settlement-related balances appear as part of internal reserves on the University's Statement of Financial Position and are not available for other uses. Each reserve balance and purpose is disclosed in the Annual Financial Report note 12. All internal reserves are monitored annually for sufficiency of the reserve compared to the future liability or third-party projected obligation.

Consolidated results

Figure 14: Consolidated budget revenue by fund $Millions



- Operating fund: $856
- Research fund: $267
- Ancillary fund: $105
- Other: $93
  - Capital fund: $12
  - Endowment funds: $44
  - Specifically externally funded: $37

As outlined in the budget development section, the budget process results in a revenue and expense budget for each fund. The Annual Financial Report includes the audited financial statements that are prepared on a full accrual basis using the deferral method of accounting for revenue (see Appendix 6 Significant Accounting Policies for more details). Under this method, all funds are consolidated into a single column for the Statement of Operations, Statement of Financial Position and the Statement of Cash Flows. To present the consolidated budget on the same basis as the Annual Financial Report accounting adjustments are made to each fund.

Table 14: Reconciliation of Operating Fund budget to accrual-based budget $Thousands

	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Excess (deficiency) of Operating Fund revenues over expenses	(32,282)	1,901	34,183	(18,225)	(39,881)	(64,604)
Capital expenditures net of amortization	32,118	(34,396)	(66,514)	(35,299)	15,746	(5,027)
Investment income on internal endowments	2,094	(7,123)	(9,217)	1,852	2,139	2,223
Pension and non-pension adjustments	13,534	(43,810)	(57,344)	18,149	18,916	19,642
Change in other reserves	17,144	109,124	91,979	98,187	59,891	83,651
Total accrual of adjustment	**64,890**	**23,794**	**(41,096)**	**82,889**	**96,693**	**100,489**
Excess (deficiency) of revenues over expenses	**32,608**	**25,695**	**(6,913)**	**64,664**	**56,812**	**35,885**

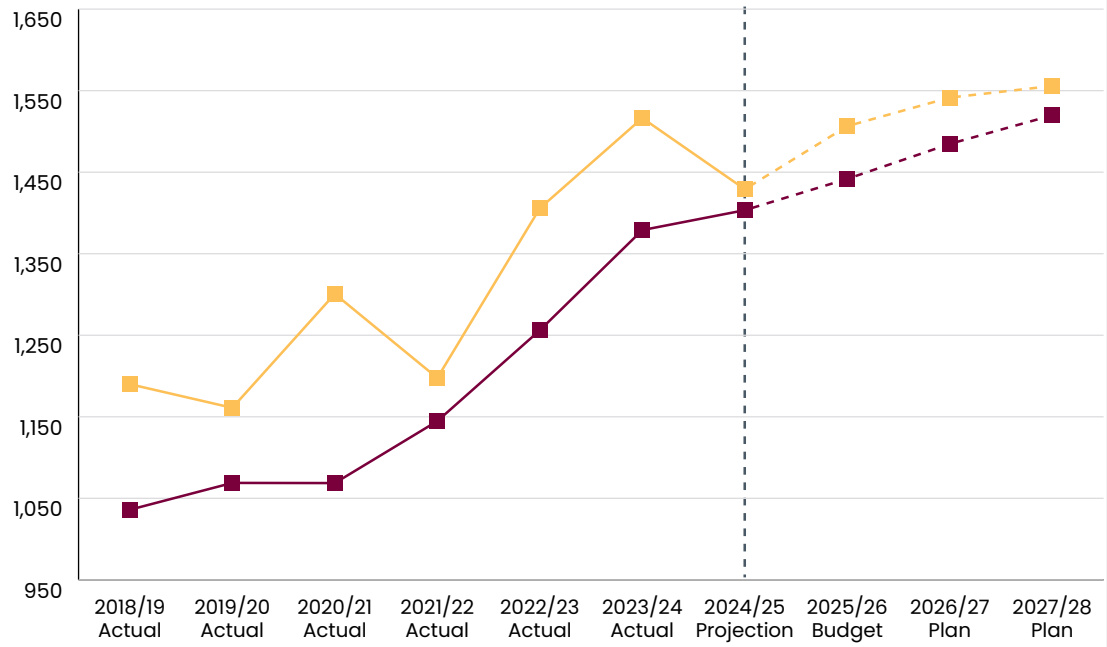
Table 14 shows the summary adjustments required to reconcile the Operating Fund's net income on a cash accounting basis to the full accrual basis for all funds. Adjustments include:

- Capital expenditures treated as immediate cash basis expenses in the Operating Fund are added back and only the net amortization expense is deducted, reflecting the useful life of the capital asset over time.
- Investment income earned on internal endowments, net of funds transferred to the Operating Fund, is added back.
- Actuarial adjustments (excluding re-measurements) for pension and non-pension costs are recorded.
- Reclassifications to offset internal transactions between funds affecting revenues and expenditures are recorded.

Statement of Operations

On a consolidated accrual basis net revenues are projected to remain above net expenses as shown in Figure 15 below.

Figure 15: Consolidated outlook $Millions



	2018/19 Actual	2019/20 Actual	2020/21 Actual	2021/22 Actual	2022/23 Actual	2023/24 Actual	2024/25 Projection	2025/26 Budget	2026/27 Plan	2027/28 Plan
Surplus (deficit)	154.0	92.1	232.0	52.9	149.6	137.5	25.7	64.7	56.8	35.9
Revenue	1190.0	1161.0	1300.7	1197.6	1405.7	1516.4	1429.1	1506.5	1541.5	1555.7
YoY revenue growth	8%	-2%	12%	-8%	17%	8%	-6%	5%	2%	1%
Expenses	1036.0	1068.9	1068.7	1144.7	1256.1	1379.0	1403.4	1441.8	1484.7	1519.8
YoY expenses growth	4%	3%	0%	7%	10%	10%	2%	3%	3%	2%

Table 14: Consolidated Statement of Operations (accrual basis)						$Thousands
	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Revenues						
Operating grants	293,041	301,819	8,778	328,963	334,241	316,986
Research grants and contracts	233,782	239,930	6,148	246,443	253,087	259,454
Tuition fees	416,197	427,911	11,714	395,176	384,230	382,472
Ancillary sales and services	100,661	95,937	(4,724)	101,785	115,375	121,439
Other revenues	215,413	268,257	52,844	283,893	301,410	322,657
Investment income (net)	97,463	47,736	(49,727)	103,451	108,665	110,238
Amortization of deferred capital contributions	43,727	47,504	3,777	46,745	44,507	42,406
Total revenues	**1,400,284**	**1,429,095**	**28,810**	**1,506,456**	**1,541,515**	**1,555,654**
Expenses						
Salaries and wages	712,236	712,769	(533)	734,219	757,133	785,308
Employee benefits	162,519	171,513	(8,994)	186,412	190,954	196,852
Supplies and services	378,191	399,425	(21,234)	399,850	413,702	413,162
Interest on long-term debt	18,009	18,010	(0)	17,948	17,882	17,811
Amortization of capital assets	96,721	101,683	(4,962)	103,363	105,033	106,635
Total expenses	**1,367,676**	**1,403,400**	**(35,724)**	**1,441,792**	**1,484,703**	**1,519,769**
Excess of revenues over expenses	**32,608**	**25,695**	**(6,913)**	**64,664**	**56,812**	**35,885**

McMaster's objective is to achieve a 1.5% excess of revenues over expenses within the provincial Financial Accountability Framework metrics and to generate sufficient internal reserves to cover future obligations. All projected metrics achieve this target. In addition to the assumptions outlined for individual funds above, the consolidated results include the following projections:

- Alternative revenue streams will continue to grow, reaching close to $10 million in 2028.
- Investment income will be recognized at the long-term average of 5.6% throughout the planning horizon following a 0% net Investment Pool return in 2024/25.

Statement of Financial Position

Table 16: Consolidated Statement of Financial Position $Thousands

	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Assets						
Cash	26,823	30,024	3,201	30,983	31,969	32,745
Short-term investments	367,818	370,288	2,471	381,711	393,430	402,733
Investments	1,963,730	2,054,011	90,281	2,110,743	2,165,235	2,195,870
Capital assets	1,527,537	1,399,593	(127,944)	1,398,839	1,392,299	1,391,633
Other assets	277,528	356,792	79,264	364,834	368,991	373,228
Total assets	**4,163,436**	**4,210,708**	**47,272**	**4,287,110**	**4,351,925**	**4,396,209**
Liabilities and deferred contributions						
Current liabilites	278,501	261,890	(16,612)	278,285	295,707	314,220
Deferred contributions for future expenses	1,144,319	961,323	(182,996)	929,829	896,893	863,759
Long-term debt	420,395	420,461	66	420,448	420,417	420,366
Employee future benefits and pensions	261,509	255,558	(5,951)	268,273	279,912	292,298
Total liabilities and deferred contributions	**2,104,724**	**1,899,232**	**(205,492)**	**1,896,835**	**1,892,930**	**1,890,643**
Net assets						
Internally restricted reserves	647,436	950,481	303,045	995,386	1,037,224	1,054,280
Equity in capital assets	632,229	575,454	(56,775)	595,894	609,374	626,694
Endowments						
Internal	165,260	162,568	(2,692)	164,420	166,560	168,783
External	613,786	622,973	9,186	634,575	645,838	655,808
Total net assets	**2,058,712**	**2,311,476**	**252,764**	**2,390,275**	**2,458,995**	**2,505,565**
Total liabilities and net assets	**4,163,436**	**4,210,708**	**47,272**	**4,287,110**	**4,351,925**	**4,396,209**

The Statement of Financial Position is the University's consolidated balance sheet. Variances in the 2024/25 projection include impacts of the 2023/24 investment gain and delays in planned capital projects.

Statement of Cash Flows

Table 17: Consolidated Statement of Cash Flows $Thousands

	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Excess of revenues over expenses	32,608	25,695	(6,913)	64,664	56,812	35,885
Adjustments for non-cash items						
Amortization of deferred capital contributions	(43,727)	(47,504)	(3,777)	(46,745)	(44,507)	(42,406)
Amortization of capital assets	96,721	101,683	4,962	103,363	105,033	106,635
Employee future benefits	3,869	2,368	(1,501)	2,398	377	391
Change in decomissioning obligation	978	979	1	1,026	1,076	1,129
Net change in deferred contributions	52,491	(8,531)	(61,021)	(11,275)	(13,955)	(16,255)
Net change in other non-cash working capital	103,727	179,519	75,791	21,139	25,105	26,912
Financing and investing activities						
Purchase of capital assets	(196,973)	(103,261)	93,712	(102,609)	(98,493)	(105,970)
Net change in investments	(166,613)	(169,776)	(3,163)	(68,154)	(66,212)	(39,937)
Net change in external endowments	12,307	(22,406)	(34,713)	11,602	11,263	9,971
Deferred capital contributions	105,800	40,650	(65,151)	26,527	25,527	25,527
Principal repayments on long-term obligations	(915)	(915)	-	(975)	(1,039)	(1,107)
Increase/(decrease) in cash	**274**	**(1,500)**	**(1,774)**	**960**	**986**	**776**
Cash, beginning of year	26,549	31,523	4,974	30,024	30,983	31,969
Cash, end of year	**26,823**	**30,024**	**3,201**	**30,983**	**31,969**	**32,745**

Financial accountability framework metrics

Table 18: Financial accountability framework metrics

	Target	2024/25 Budget	2024/25 Projection	2024/25 Variance	2025/26 Budget	2026/27 Plan	2027/28 Plan
Liquidity							
Primary reserves ratio (days)	>90	223	265	42	264	262	256
Working capital ratio	>1.25	2.25	2.63	0.39	2.58	2.48	2.38
Sutstainability							
Viability ratio	>60%	201.18%	243.19%	42.01%	249.95%	255.87%	255.77%
Debt ratio	<35%	38.70%	35.08%	-3.62%	34.87%	34.69%	34.68%
Debt to revenue ratio	<35%	29.67%	29.23%	-0.44%	27.64%	26.99%	26.73%
Interest burden	<2%	1.40%	1.37%	-0.03%	1.33%	1.28%	1.25%
Performance							
Surplus ratio	>1.5%	2.30%	1.79%	-0.52%	4.25%	3.65%	2.28%
Net operating ratio	>7%	17.62%	15.00%	-2.61%	9.02%	8.21%	7.00%
Debt per FTE	<$12,000	$11,885	$11,812	$73	$11,914	$11,866	$11,698

The provincial Financial Accountability Framework was implemented in April 2023. For 2023/24, McMaster achieved all targets. The 2025/26 budget projects that all metrics will be met over the planning horizon.

Risks to the 2025/26 budget

Government policy and funding, together with revenue shortfalls have been identified as top priority risks to the University. Although financial metrics are projected to remain healthy, grant and tuition revenue remain subject to changes in government policy at both the federal and provincial levels with respect to limitations to international study permits, allowable increases to tuition rates, and corridor funding for domestic students.

In the current geopolitical climate, inflation due to tariffs and currency risk for imported purchases are a significant risk. This could also affect interest rates and investment returns, with negative impacts on investment income and required payments to fund post-retirement benefits. All these risks could impact liquidity and impact the ability to pursue capital projects and other strategic investments.

Off-balance sheet risks related to public-private partnerships and real estate management have also been identified as a priority risk. While this strategy minimizes the debt held directly by the University, it creates exposure to negative impacts from partner actions.

The enrolment outlook has a material impact on credit ratings and the ability to issue new debt. The current outstanding debt is just under the debt ceiling of $12,000 per student FTE and no additional debt is contemplated. In January 2025, DBRS confirmed McMaster's credit rating at AA (stable), any prolonged period where debt per student exceeds $12,000 would result in downward pressure to the rating.

Overall borrowing and debt position

Since capital projects require a combination of financing sources, debt is considered a perpetual component of the University's capital structure. Strategic initiatives and capital projects for both infrastructure and technology require a combination of financing solutions, including internal loans from the Central Bank, commitments against future revenue streams, gifts, external and off-book financing.

The University examines optimal debt positions for strategic and capital needs against established debt management guidelines and financial health metrics annually. McMaster uses sinking funds for the outstanding bonds.

Additional debt of $150 million was approved by the Board of Governors for issuance in 2021/22, locking in historically low interest rates. The amount of the new debt was chosen to maximize financing flexibility while minimizing financing cost, resulting from the strong credit rating. The lower interest rate achieved on the new bonds has lowered the University's WACC to 4.75%. McMaster has the following outstanding debentures:

- June 2021 - $25 million green bond at 3.255% due June 2051
- October 2002 - $120 million at 6.15% due October 2052
- November 2015 - $120 million at 4.105% due November 2065
- June 2021 - $125 million at 3.405% due June 2071

The Debt Management Policy identifies that financing should go toward projects with internal loan repayment streams and business cases to show an ability to repay the capital investment with interest at WACC over a reasonable repayment period.

Conclusions on the 2025/26 budget

McMaster's projected consolidated results for 2024/25 are structurally balanced with net surplus across all funds of $25.7 million after capital and other accrual basis adjustments. The consolidated budget for 2025/26 is also in a surplus position on an accrual basis of $64.7 million after capital and other adjustments.

The 2024/25 Operating Fund has an ongoing projected structural surplus of $34.0 million, after incorporating one-time strategic investments, the positive position is projected balanced at $1.9 million. For 2025/26, the Operating Fund has a balanced position and a net deficit of $18.2 million after one-time strategic investments.

The consolidated and Operating Fund results are consistent with McMaster's prudent financial management approach instilled by the budget model driving fiscal accountabilities to budget envelope managers, requiring each area to be structurally balanced while also funding local strategic and capital priorities to advance the University's mission. The transparent budget model has served the University well as provincial and federal constraints continue, and international enrolment is restricted.

Over the budget and planning years all areas across the University will continue to work collaboratively to advance McMaster's strategic priorities and find innovative ways to contain costs. Major initiatives will be selected within available funding and mindful of strategic progress in relation to the sustainability of McMaster's strong financial credit rating of AA (stable).

All other funds have sound financial plans to advance McMaster's strategic priorities, including a strong focus on the United Nations Sustainable Development Goals.

Appendices

Appendix 1: Operating Fund projection vs. budget

Table 19: Operating Fund 2024/25 projection vs. budget

	Operating Fund		2024/25 Variance	
	2024/25 Budget	2024/25 Projection	Favourable/ (Unfavourable)	
Sources of funding				
Provincial Grants	247,439	247,408	(31)	0.0%
Tuition	404,417	420,411	15,994	4.0%
Research Overhead Income	27,841	31,450	3,610	13.0%
Investment Income	9,467	9,467	-	0.0%
Other income	141,338	148,927	7,588	5.4%
Total sources of funding	**830,502**	**857,663**	**27,161**	**3.3%**
Expenditure				
Salaries, wages and benefits	615,430	617,402	(1,972)	-0.3%
Utilities and maintenance	52,523	51,877	646	1.2%
Equipment and renovations	43,650	44,748	(1,098)	-2.5%
Scholarships, bursaries and work study	42,278	40,414	1,864	4.4%
Library acquisitions	15,971	16,980	(1,009)	-6.3%
Debt and financing charges	25,330	21,881	3,450	13.6%
All other expenses	67,602	62,460	5,142	7.6%
Total expenses	**862,785**	**855,762**	**7,022**	**0.8%**
Total surplus (deficit)	(32,282)	1,901	34,183	105.9%
Fund balances, beginning of year	265,997	282,267	16,270	6.1%
Fund balances, end of year	**233,715**	**284,168**	**50,453**	**21.6%**

- Projected to end 2024/25 in a much more favourable position than the original budget due to favourable fund balances carried forward from 2023/24, as well as favourable in-year results.
- Provincial grants are in line with budget
- Tuition is favourable by $16.0 million (4.0%) predominantly due to higher domestic undergraduate enrolment in Engineering, Science, Social Sciences, Humanities and Business which translated to higher undergraduate tuition of $12.8 million. An estimated reduction in international undergraduate enrolment related to the federal Visa caps in the budget did not materialize as severely, and the projected retention rate was higher than expected. Therefore, the overall Operating Fund international undergraduate tuition was higher than budget by $4.9 million. Graduate enrolment was down from budget and therefore related revenue was down from budget by $1.7 million.
- Research overhead income is favourable by $3.6 million (13.0%) as a result of conservative budgeting for Royalties and Contract Overheads. The projection aligns these components with current year trend and prior year actuals.
- Other income is $7.6 million (5.4%) higher than budget mainly due higher gulf state training sponsorship in Faculty of Health Sciences, increased external recoveries primarily for Facilities' costs, increased government grants for MD Expansion.

- Salaries, wages and benefits are projected to be within 0.3% of budget
- Utilities and maintenance are favourable by $0.7 million (1.2%) due to higher hydro costs related to McMaster University Medical Centre for which there is an external recovery in other income, and building maintenance expenses, partially offset by lower insurance and space rental expenses.
- Equipment and renovations are unfavourable by $1.1 million (2.5%), due to payments for the Student Activity and Fitness Expansion (SAFE) project originally budgeted in debt and financing charges, an unplanned additional capital transfer for the McLean Centre for Collaboration and Discovery made from the Health Leadership Academy funding, and the onetime expenses for a UTS Data Centre refresh, partially offset by lower spend on renovations.
- Scholarships, bursaries and work-study expenditures are favourable by $1.9 million (4.4%) due to lower Faculty scholarships to international students partially offset by using carryforwards from prior fiscal year, generated by lower than anticipated work program spend, to support extraordinary student housing and commuting costs and to supporting recruitment cycle conversion pilots for incoming international students.
- Library acquisitions are unfavourable by $1 million (-6.3%) due to higher USD acquisition spend as a result of the strong US dollar.
- Debt and financing charges are favourable by $3.5 million (13.6%) as a result of the SAFE project financing projected in equipment and renovations.
- All other expenses are favourable by $5.1 million (7.6%) primarily due to:
  - lower than expected contingency spending on priorities, especially University Fund spending crystalizing in other spending categories
  - Partially offset by some notable increases:
    - higher transfers to research from the VP Research Discretionary Fund using carryforward of available funding from the prior year,
    - higher transfer to research from the Vice-Provost Teaching & Learning related to MCURES and internal grant funding,
    - increased marketing supplies & services expenses to support international enrolment,
    - increased legal expenses,
    - consulting and agency staffing particularly in UTS for backfilling open positions and for additional work to support unplanned and unfunded projects, and
    - one-time spending by Student Affairs from the Student Life Enhancement Fund (used to support McMaster full-time undergraduate students and recognized MSU student clubs/organizations and academic societies in pursuing extra-curricular endeavors), and the University Student Initiative Fund (provides seed capital and financial support for student-led and university-based service providers to expand their programming, infrastructure and/or operations).
- The resulting $34.2 million favourable in-year surplus/ deficit variance adds to the $16.3 million favourable opening appropriations variance, resulting in a projected closing balance in the Operating Fund of $50.5 million (21.6%) greater than the original budget. These appropriations will be carried forward for expenditure in 2025/26 and future years and will help to mitigate the challenges associated with the current tuition framework, international enrolment, and planned strategic investments in capital and other areas.

Appendix 2: Budget model calculations

McMaster University - Budget Model - Faculties

Projected Budget Allocation

2024-25

	Prof. Faculties	Other Faculties
University Fund	**8.00%**	**8.00%**
Research Infrastructure Fund	**1.75%**	**1.75%**

VP Research Discretionary Fund **10.00%**

	Budgets prior to double stepdown allocation	Net double stepdown allocation	Business	Engineering	Health Sciences	Humanities	Science	Med Rad - Mohawk	Social Sciences	Arts & Science	Other (reconciling items)	University Fund	Research Infrastructure Fund	Total (after double stepdown to support unit allocations)
Revenue														
Undergraduate Tuition			57,397	113,949	35,885	20,602	82,774	2,275	45,983	1,759	-			360,623
UG Tuition Adjustment for tuition fee framework			(114)	(643)	176	118	290		166	7				-
Total UG SAG Obligation			(1,213)	(3,330)	(18)	(3)	(5)	-	(7)	-	4,576			-
Total Entrance Award Overage			-	-	-	-	-	-	-	-	-			-
Graduate Tuition			21,745	16,715	13,480	2,220	5,013	-	2,675	-	-			61,848
Operating Grant			18,770	46,446	89,178	13,459	48,611	2,409	22,583	1,729	-	639	-	243,824
Other Income			1,377	2,742	3,942	891	2,332	-	1,214	69	-	5,087	-	17,654
Gross Revenue			97,962	175,879	142,644	37,287	139,015	4,684	72,613	3,563	4,576	5,726	-	683,950
Undergraduate Cross Faculty Teaching Adjustment			(6,770)	(9,202)	(1,181)	9,144	6,546	-	1,565	(102)	-			0
Revenue for Contributions			91,192	166,677	141,463	46,431	145,561	4,684	74,178	3,462	4,576	5,726	-	683,950
Internal International Tax			(1,131)	(1,619)	(70)	(338)	(1,408)	-	(865)	-		5,431		-
University Fund Contribution			(7,295)	(13,334)	(11,317)	(3,714)	(11,645)	-	(5,934)	(277)		53,517	-	-
Research Infrastructure Fund Contribution			(1,596)	(2,917)	(2,476)	(813)	(2,547)	-	(1,298)	(61)		-	11,707	-
Indirect Cost of Research (excluding Royalties)			414	6,666	13,825	569	3,776	-	960	-	37	-		26,249
VP Research Discretionary (10 % of ICR above)			(41)	(667)	(1,383)	(57)	(378)	-	(96)	-	2,621			-
Adjustments for ICR received by Journal (Contract & ERA)			(64)	(2,987)	(6,481)	(297)	(750)	-	(143)	-	-			(10,721)
Adjustments for Current Practices			-	-	(3,687)	-	209	(209.269)	-	-	-	-		(3,687)
Research Infrastructure Fund Distribution			185	2,977	6,175	254	1,687	-	429	-	-		(11,707)	-
Research Excellence Fund (from UF)			287	2,309	4,788	394	1,308	-	665			(9,750)		
Revenue Prior to Shared Support Unit Allocations			**81,951**	**157,106**	**140,837**	**42,430**	**135,813**	**4,474**	**67,896**	**3,124**	**7,235**	**54,924**	**-**	**695,790**
Shared Support Unit Allocations - via double stepdown														
Occupancy Cost	50,267	(16,291)	(732)	(9,395)	(9,973)	(2,394)	(9,595)	-	(1,803)	(84)	-	-	-	(33,976)
Deferred Maintenance	12,893	(4,861)	(173)	(2,221)	(2,358)	(566)	(2,268)	-	(426)	(20)	-	-	-	(8,032)
Insurance	2,006	(885)	(25)	(316)	(313)	(81)	(323)	-	(61)	(3)	-	-	-	(1,121)
MIP Occupancy 1	3,441	(362)	-	(2,071)	(628)	(21)	-	-	(358)	-	-	-	-	(3,079)
MIP Occupancy 2	738	-	-	(738)	-	-	-	-	-	-	-	-	-	(738)
HR	10,206	(1,887)	(502)	(1,406)	(4,275)	(482)	(1,055)	-	(590)	(8)	-	-	-	(8,318)
HR Employee Programs	2,055	(534)	(107)	(234)	(524)	(164)	(337)	-	(155)	(1)	-	-	-	(1,521)
Financial Affairs/Admin/ Inst Support	7,899	(2,643)	(727)	(1,066)	(1,619)	(424)	(900)	-	(499)	(20)	-	-	-	(5,255)
Supplementary Pension	4,738	(824)	(402)	(739)	(1,242)	(357)	(737)	-	(434)	(3)	-	-	-	(3,914)
Pension Special	1,554	(404)	(81)	(177)	(396)	(124)	(255)	-	(117)	(1)	-	-	-	(1,150)
Presidential/Univ Sec	5,483	(2,131)	(464)	(680)	(1,033)	(270)	(574)	-	(318)	(12)	-	-	-	(3,352)
General University Expense	10,440	(4,217)	(861)	(1,263)	(1,918)	(502)	(1,066)	-	(591)	(23)	-	-	-	(6,223)
Bond Interest	15,159	(5,671)	(204)	(2,624)	(2,785)	(669)	(2,679)	-	(504)	(23)	-	-	-	(9,488)
UTS/ Technology Fund	24,936	2,024	(3,115)	(6,032)	(5,615)	(1,835)	(6,760)	-	(3,395)	(207)	-	-	-	(26,959)
UTS- ERP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UA	4,283	1,368	(795)	(1,412)	(1,226)	(380)	(1,195)	-	(615)	(27)	-	-	-	(5,651)
Office of the Provost	9,585	(3,581)	(831)	(1,218)	(1,850)	(484)	(1,028)	-	(570)	(22)	-	-	-	(6,003)
Research Support	14,408	5,245	(305)	(5,243)	(10,559)	(311)	(2,567)	-	(668)	-	-	-	-	(19,653)
Nuclear Reactor	-	1,935	(272)	(484)	(420)	(130)	(409)	-	(211)	(9)	-	-	-	(1,935)
Student Affairs	8,230	8,144	(2,036)	(3,825)	(2,587)	(1,149)	(4,427)	-	(2,207)	(142)	-	-	-	(16,374)
MIIETL	5,007	770	(711)	(1,336)	(963)	(401)	(1,546)	-	(771)	(50)	-	-	-	(5,777)
Libraries	23,981	9,519	(3,951)	(7,485)	(6,603)	(2,295)	(8,575)	-	(4,321)	(269)	-	-	-	(33,500)
HS Library	5,127	2,053	(847)	(1,604)	(1,415)	(492)	(1,838)	-	(926)	(58)	-	-	-	(7,180)
Registrar	8,593	10,638	(2,268)	(4,312)	(2,751)	(1,378)	(5,562)	-	(2,768)	(193)	-	-	-	(19,231)
SGS	2,718	398	(478)	(849)	(955)	(176)	(437)	-	(222)	-	-	-	-	(3,116)
Museum of Art	664	536	(134)	(260)	(281)	(79)	(291)	-	(146)	(9)	-	-	-	(1,200)
UG Scholarship	5,668	695	(781)	(1,558)	(550)	(475)	(1,979)	-	(953)	(67)	-	-	-	(6,363)
UG Bursaries	3,984	0	(478)	(953)	(428)	(290)	(1,210)	-	(583)	(41)	-	-	-	(3,984)
Grad Scholarship	15,888	677	(2,550)	(4,503)	(5,057)	(939)	(2,333)	-	(1,184)	-	-	-	-	(16,565)
Branding and Marketing	3,013	289	(464)	(824)	(718)	(223)	(698)	-	(359)	(16)	-	-	-	(3,302)
Academic Contingency		-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for Current Practices - Support Units			-	-	5,154	-	-	-	-	-	(5,154)	-	-	(0)
Total Shared Support Unit Allocations	**262,962**	**0**	**(24,293)**	**(64,829)**	**(63,888)**	**(17,091)**	**(60,644)**	**-**	**(25,755)**	**(1,308)**	**(5,154)**	**-**	**-**	**(262,962)**
Base Net Projected Budget 2024-25			**57,658**	**92,277**	**76,948**	**25,339**	**75,169**	**4,474**	**42,140**	**1,816**	**2,081**	**54,924**	**-**	**432,828**

McMaster University - Budget Model - Faculties

Projected Budget Allocation		Prof. Faculties	Other Faculties		
2025-26	University Fund	**8.00%**	**8.00%**	VP Research Discretionary Fund	**10.00%**
	Research Infrastructure Fund	**1.75%**	**1.75%**		

	Budgets prior to double stepdown allocation	Net double stepdown allocation	Business	Engineering	Health Sciences	Humanities	Science	Med Rad - Mohawk	Social Sciences	Arts & Science	Other (reconciling items)	University Fund	Research Infrastructure Fund	Total (after double stepdown to support unit allocations)
Revenue														
Undergraduate Tuition			47,163	108,736	36,584	18,795	73,001	2,306	39,857	1,736	-			328,178
UG Tuition Adjustment for tuition fee framework			(114)	(643)	176	118	290		166	7				-
Total UG SAG Obligation			(1,213)	(3,290)	(19)	(3)	(5)	-	(7)	-	4,537			-
Total Entrance Award Overage			-	-	-	-	-	-	-	-	-			-
Graduate Tuition			25,273	17,340	13,991	2,279	5,137	-	2,507	-	-			66,526
Operating Grant			19,713	47,551	90,559	14,278	49,245	2,615	22,643	1,763	-	799	-	249,166
Other Income			1,395	2,737	3,916	899	2,334	-	1,217	69	-	5,341	-	17,908
Gross Revenue			92,216	172,431	145,207	36,366	130,002	4,921	66,384	3,575	4,537	6,139	-	661,778
Undergraduate Cross Faculty Teaching Adjustment			(6,084)	(8,948)	(1,392)	8,566	6,315	-	1,633	(90)	-			(0)
Revenue for Contributions			86,131	163,483	143,815	44,932	136,317	4,921	68,016	3,485	4,537	6,139	-	661,778
Internal International Tax			(773)	(1,465)	(38)	(278)	(1,115)	-	(669)	-		4,338		-
University Fund Contribution			(6,891)	(13,079)	(11,505)	(3,595)	(10,905)	-	(5,441)	(279)		51,694	-	-
Research Infrastructure Fund Contribution			(1,507)	(2,861)	(2,517)	(786)	(2,386)	-	(1,190)	(61)		-	11,308	-
Indirect Cost of Research (excluding Royalties & CRC)			414	6,666	13,825	569	3,776	-	960	-	37	-		26,249
VP Research Discretionary (10 % of ICR above)			(41)	(667)	(1,383)	(57)	(378)	-	(96)	-	2,621			-
Adjustments for ICR received by Journal (Contract & ERA)			(64)	(2,987)	(6,481)	(297)	(750)	-	(143)	-	-			(10,721)
Adjustments for Current Practices			-	-	(5,217)	-	221	(221)	-	-	-	-		(5,217)
Research Infrastructure Fund Distribution			179	2,876	5,965	246	1,629	-	414	-	-		(11,308)	-
Research Excellence Fund (from UF)			287	2,309	4,788	394	1,308	-	665			(9,750)		
Revenue Prior to Shared Support Unit Allocations			**77,736**	**154,276**	**141,252**	**41,128**	**127,718**	**4,700**	**62,516**	**3,146**	**7,196**	**52,421**	**-**	**672,089**
Shared Support Unit Allocations - via double stepdown														
Occupancy Cost	52,301	(16,921)	(762)	(9,783)	(10,385)	(2,493)	(9,991)	-	(1,878)	(87)	-	-	-	(35,380)
Deferred Maintenance	13,893	(5,242)	(186)	(2,392)	(2,539)	(610)	(2,443)	-	(459)	(21)	-	-	-	(8,651)
Insurance	2,006	(885)	(25)	(316)	(313)	(81)	(323)	-	(61)	(3)	-	-	-	(1,121)
MIP Occupancy 1	3,441	(362)	-	(2,071)	(628)	(21)	-	-	(358)	-	-	-	-	(3,079)
MIP Occupancy 2	738	-	-	(738)	-	-	-	-	-	-	-	-	-	(738)
HR	10,172	(1,839)	(503)	(1,408)	(4,282)	(483)	(1,057)	-	(591)	(8)	-	-	-	(8,332)
HR Employee Programs	2,055	(534)	(107)	(234)	(524)	(164)	(337)	-	(155)	(1)	-	-	-	(1,521)
Financial Affairs/Admin/ Inst Support	7,997	(2,651)	(740)	(1,085)	(1,647)	(431)	(915)	-	(507)	(20)	-	-	-	(5,346)
Supplementary Pension	4,738	(790)	(405)	(745)	(1,253)	(360)	(744)	-	(438)	(3)	-	-	-	(3,948)
Pension Special	1,554	(404)	(81)	(177)	(396)	(124)	(255)	-	(117)	(1)	-	-	-	(1,150)
Presidential/Univ Sec	6,876	(2,742)	(572)	(839)	(1,274)	(334)	(708)	-	(392)	(15)	-	-	-	(4,134)
General University Expense	10,440	(4,189)	(865)	(1,268)	(1,926)	(504)	(1,070)	-	(593)	(23)	-	-	-	(6,250)
Bond Interest	15,159	(5,646)	(205)	(2,631)	(2,792)	(670)	(2,687)	-	(505)	(23)	-	-	-	(9,513)
UTS/ Technology Fund	26,393	2,088	(3,278)	(6,408)	(5,993)	(1,961)	(7,058)	-	(3,562)	(221)	-	-	-	(28,481)
UTS- ERP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UA	4,771	1,420	(835)	(1,572)	(1,383)	(414)	(1,298)	-	(659)	(30)	-	-	-	(6,191)
Office of the Provost	10,248	(3,848)	(886)	(1,299)	(1,972)	(516)	(1,096)	-	(607)	(24)	-	-	-	(6,399)
Research Support	14,752	5,441	(313)	(5,387)	(10,849)	(319)	(2,637)	-	(687)	-	-	-	-	(20,192)
Nuclear Reactor	-	2,015	(272)	(511)	(450)	(135)	(422)	-	(214)	(10)	-	-	-	(2,015)
Student Affairs	8,130	8,466	(2,050)	(3,892)	(2,692)	(1,177)	(4,423)	-	(2,216)	(145)	-	-	-	(16,596)
MIIETL	4,998	801	(711)	(1,349)	(980)	(408)	(1,533)	-	(768)	(50)	-	-	-	(5,799)
Libraries	24,845	9,901	(4,081)	(7,806)	(6,936)	(2,409)	(8,784)	-	(4,449)	(281)	-	-	-	(34,746)
HS Library	5,238	2,136	(866)	(1,657)	(1,472)	(511)	(1,864)	-	(944)	(60)	-	-	-	(7,374)
Registrar	9,116	11,051	(2,322)	(4,561)	(2,949)	(1,466)	(5,771)	-	(2,894)	(205)	-	-	-	(20,168)
SGS	2,850	414	(541)	(883)	(981)	(185)	(449)	-	(224)	-	-	-	-	(3,264)
Museum of Art	659	559	(135)	(265)	(288)	(81)	(292)	-	(147)	(9)	-	-	-	(1,218)
UG Scholarship	5,668	739	(763)	(1,578)	(595)	(482)	(1,970)	-	(951)	(67)	-	-	-	(6,407)
UG Bursaries	3,984	(0)	(463)	(958)	(456)	(292)	(1,196)	-	(577)	(41)	-	-	-	(3,984)
Grad Scholarship	15,888	719	(2,766)	(4,480)	(4,975)	(947)	(2,295)	-	(1,143)	-	-	-	-	(16,607)
Branding and Marketing	3,013	304	(447)	(841)	(743)	(222)	(695)	-	(353)	(16)	-	-	-	(3,317)
Academic Contingency		-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for Current Practices - Support Units			-	-	5,154	-	-	-	-	-	(5,154)	-	-	(0)
Total Shared Support Unit Allocations	**271,921**	**0**	**(25,180)**	**(67,133)**	**(66,521)**	**(17,802)**	**(62,313)**	**-**	**(26,451)**	**(1,367)**	**(5,154)**	**-**	**-**	**(271,921)**
Base Net Projected Budget 2025-26			**52,555**	**87,143**	**74,731**	**23,327**	**65,405**	**4,700**	**36,065**	**1,778**	**2,042**	**52,421**	**-**	**400,168**

McMaster University - Budget Model - Faculties

Projected Budget Allocation

2026-27

	Prof. Faculties	Other Faculties
University Fund	**8.00%**	**8.00%**
Research Infrastructure Fund	**1.75%**	**1.75%**

VP Research Discretionary Fund **10.00%**

	Budgets prior to double stepdown allocation	Net double stepdown allocation	Business	Engineering	Health Sciences	Humanities	Science	Med Rad - Mohawk	Social Sciences	Arts & Science	Other (reconciling items)	University Fund	Research Infrastructure Fund	Total (after double stepdown to support unit allocations)
Revenue														
Undergraduate Tuition			44,395	107,457	37,176	18,170	70,848	2,494	37,397	1,675	-			319,612
UG Tuition Adjustment for tuition fee framework			(114)	(643)	176	118	290		166	7				-
Total UG SAG Obligation			(1,267)	(3,300)	(20)	(3)	(5)	-	(7)	-	4,602			-
Total Entrance Award Overage			-	-	-	-	-	-	-	-	-			-
Graduate Tuition			25,501	17,453	13,935	2,314	5,056	-	2,425	-	-			66,685
Operating Grant			20,058	48,490	92,246	15,154	49,924	2,668	22,647	1,798	-	1,429	-	254,414
Other Income			1,391	2,738	3,921	897	2,334	-	1,217	69	-	5,676	-	18,243
Gross Revenue			89,965	172,194	147,435	36,650	128,447	5,162	63,844	3,549	4,602	7,105	-	658,954
Undergraduate Cross Faculty Teaching Adjustment			(6,161)	(8,945)	(1,586)	8,679	6,337	-	1,730	(54)	-			(0)
Revenue for Contributions			83,804	163,249	145,848	45,330	134,784	5,162	65,575	3,495	4,602	7,105	-	658,954
Internal International Tax			(637)	(1,413)	(34)	(244)	(1,007)	-	(571)	-		3,906		-
University Fund Contribution			(6,704)	(13,060)	(11,668)	(3,626)	(10,783)	-	(5,246)	(280)		51,367	-	-
Research Infrastructure Fund Contribution			(1,467)	(2,857)	(2,552)	(793)	(2,359)	-	(1,148)	(61)		-	11,236	-
Indirect Cost of Research (excluding Royalties & CRC)			414	6,666	13,825	569	3,776	-	960	-	37	-		26,249
VP Research Discretionary (10 % of ICR above)			(41)	(667)	(1,383)	(57)	(378)	-	(96)	-	2,621			-
Adjustments for ICR received by Journal (Contract & ERA)			(64)	(2,987)	(6,481)	(297)	(750)	-	(143)	-	-			(10,721)
Adjustments for Current Practices			(608)	(1,628)	(6,770)	(436)	(1,274)	(241)	(637)	(32)	-	-		(11,626)
Research Infrastructure Fund Distribution			178	2,858	5,927	244	1,619	-	411	-	-		(11,236)	-
Research Excellence Fund (from UF)			287	2,309	4,788	394	1,308	-	665			(9,750)		
Revenue Prior to Shared Support Unit Allocations			**75,162**	**152,471**	**141,500**	**41,084**	**124,936**	**4,921**	**59,770**	**3,122**	**7,261**	**52,628**	**-**	**662,855**
Shared Support Unit Allocations - via double stepdown														
Occupancy Cost	52,301	(16,921)	(762)	(9,783)	(10,385)	(2,493)	(9,991)	-	(1,878)	(87)	-	-	-	(35,380)
Deferred Maintenance	13,893	(5,242)	(186)	(2,392)	(2,539)	(610)	(2,443)	-	(459)	(21)	-	-	-	(8,651)
Insurance	2,006	(885)	(25)	(316)	(313)	(81)	(323)	-	(61)	(3)	-	-	-	(1,121)
MIP Occupancy 1	3,441	(362)	-	(2,071)	(628)	(21)	-	-	(358)	-	-	-	-	(3,079)
MIP Occupancy 2	738	-	-	(738)	-	-	-	-	-	-	-	-	-	(738)
HR	10,172	(1,839)	(503)	(1,408)	(4,282)	(483)	(1,057)	-	(591)	(8)	-	-	-	(8,332)
HR Employee Programs	2,055	(534)	(107)	(234)	(524)	(164)	(337)	-	(155)	(1)	-	-	-	(1,521)
Financial Affairs/Admin/ Inst Support	7,997	(2,651)	(740)	(1,085)	(1,647)	(431)	(915)	-	(507)	(20)	-	-	-	(5,346)
Supplementary Pension	4,738	(790)	(405)	(745)	(1,253)	(360)	(744)	-	(438)	(3)	-	-	-	(3,948)
Pension Special	1,554	(404)	(81)	(177)	(396)	(124)	(255)	-	(117)	(1)	-	-	-	(1,150)
Presidential/Univ Sec	6,876	(2,742)	(572)	(839)	(1,274)	(334)	(708)	-	(392)	(15)	-	-	-	(4,134)
General University Expense	10,440	(4,189)	(865)	(1,268)	(1,926)	(504)	(1,070)	-	(593)	(23)	-	-	-	(6,250)
Bond Interest	15,159	(5,646)	(205)	(2,631)	(2,792)	(670)	(2,687)	-	(505)	(23)	-	-	-	(9,513)
UTS/ Technology Fund	26,393	2,091	(3,269)	(6,378)	(6,007)	(1,991)	(7,092)	-	(3,535)	(211)	-	-	-	(28,484)
UTS- ERP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UA	5,271	1,420	(870)	(1,715)	(1,541)	(451)	(1,394)	-	(686)	(34)	-	-	-	(6,691)
Office of the Provost	10,248	(3,848)	(886)	(1,299)	(1,972)	(516)	(1,096)	-	(607)	(24)	-	-	-	(6,399)
Research Support	14,752	5,440	(313)	(5,387)	(10,849)	(319)	(2,637)	-	(687)	-	-	-	-	(20,192)
Nuclear Reactor	-	2,015	(262)	(516)	(464)	(136)	(420)	-	(207)	(10)	-	-	-	(2,015)
Student Affairs	8,130	8,465	(2,041)	(3,865)	(2,727)	(1,195)	(4,437)	-	(2,194)	(138)	-	-	-	(16,595)
MIIETL	4,998	801	(709)	(1,342)	(983)	(415)	(1,541)	-	(762)	(48)	-	-	-	(5,799)
Libraries	25,245	9,900	(4,117)	(7,858)	(7,028)	(2,475)	(8,930)	-	(4,465)	(272)	-	-	-	(35,145)
HS Library	5,238	2,136	(864)	(1,649)	(1,475)	(519)	(1,874)	-	(937)	(57)	-	-	-	(7,374)
Registrar	9,116	11,051	(2,330)	(4,516)	(2,967)	(1,486)	(5,800)	-	(2,872)	(195)	-	-	-	(20,167)
SGS	2,850	413	(526)	(899)	(984)	(192)	(445)	-	(216)	-	-	-	-	(3,263)
Museum of Art	659	559	(135)	(264)	(288)	(82)	(293)	-	(146)	(9)	-	-	-	(1,218)
UG Scholarship	5,668	739	(762)	(1,553)	(625)	(486)	(1,977)	-	(940)	(64)	-	-	-	(6,407)
UG Bursaries	3,984	0	(463)	(943)	(474)	(295)	(1,200)	-	(571)	(39)	-	-	-	(3,984)
Grad Scholarship	15,888	719	(2,690)	(4,563)	(4,989)	(982)	(2,276)	-	(1,106)	-	-	-	-	(16,607)
Branding and Marketing	3,013	304	(431)	(849)	(766)	(224)	(691)	-	(340)	(17)	-	-	-	(3,317)
Academic Contingency		-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for Current Practices - Support Units			-	-	5,154	-	-	-	-	-	1,446	-	-	6,600
Total Shared Support Unit Allocations	**272,821**	**0**	**(25,120)**	**(67,282)**	**(66,946)**	**(18,039)**	**(62,632)**	**-**	**(26,323)**	**(1,324)**	**1,446**	**-**	**-**	**(266,221)**
Base Net Projected Budget 2026-27			**50,043**	**85,189**	**74,554**	**23,045**	**62,304**	**4,921**	**33,447**	**1,798**	**8,707**	**52,628**	**-**	**396,634**

McMaster University - Budget Model - Faculties

Projected Budget Allocation

2027-28

	Prof. Faculties	Other Faculties
University Fund	8.00%	8.00%
Research Infrastructure Fund	1.75%	1.75%

VP Research Discretionary Fund: 10.00%

	Budgets prior to double stepdown allocation	Net double stepdown allocation	Business	Engineering	Health Sciences	Humanities	Science	Med Rad - Mohawk	Social Sciences	Arts & Science	Other (reconciling items)	University Fund	Research Infrastructure Fund	Total (after double stepdown to support unit allocations)
Revenue														
Undergraduate Tuition			44,106	107,466	37,674	17,978	70,856	2,830	35,994	1,738	-			318,643
UG Tuition Adjustment for tuition fee framework			(114)	(643)	176	118	290		166	7				-
Total UG SAG Obligation			(1,317)	(3,303)	(21)	(3)	(5)	-	(7)	-	4,656			-
Total Entrance Award Overage			-	-	-	-	-	-	-	-	-			-
Graduate Tuition			25,927	17,526	13,957	2,337	4,960	-	2,352	-	-			67,059
Operating Grant			19,922	48,457	92,246	15,616	49,603	2,668	22,539	1,798	-	1,652	-	254,503
Other Income			1,391	2,738	3,921	897	2,334	-	1,217	69	-	5,903	-	18,470
Gross Revenue			89,916	172,241	147,953	36,944	128,038	5,498	62,261	3,613	4,656	7,556	-	658,676
Undergraduate Cross Faculty Teaching Adjustment			(6,379)	(8,809)	(1,632)	8,836	6,170	-	1,882	(69)	-			(0)
Revenue for Contributions			83,537	163,432	146,321	45,780	134,208	5,498	64,144	3,544	4,656	7,556	-	658,676
Internal International Tax			(591)	(1,411)	(20)	(228)	(969)	-	(516)	-		3,734		-
University Fund Contribution			(6,683)	(13,075)	(11,706)	(3,662)	(10,737)	-	(5,132)	(283)		51,277	-	-
Research Infrastructure Fund Contribution			(1,462)	(2,860)	(2,561)	(801)	(2,349)	-	(1,123)	(62)		-	11,217	-
Indirect Cost of Research (excluding Royalties & CRC)			414	6,666	13,825	569	3,776	-	960	-	37	-		26,249
VP Research Discretionary (10 % of ICR above)			(41)	(667)	(1,383)	(57)	(378)	-	(96)	-	2,621			-
Adjustments for ICR received by Journal (Contract & ERA)			(64)	(2,987)	(6,481)	(297)	(750)	-	(143)	-	-			(10,721)
Adjustments for Current Practices			(1,301)	(3,464)	(8,869)	(935)	(2,973)	(275)	(1,338)	(70)	-	-		(19,225)
Research Infrastructure Fund Distribution			177	2,853	5,916	244	1,616	-	411	-	-		(11,217)	-
Research Excellence Fund (from UF)			287	2,309	4,788	394	1,308	-	665			(9,750)		
Revenue Prior to Shared Support Unit Allocations			**74,274**	**150,797**	**139,832**	**41,006**	**122,753**	**5,223**	**57,832**	**3,128**	**7,315**	**52,818**	**-**	**654,978**
Shared Support Unit Allocations - via double stepdown														
Occupancy Cost	52,301	(16,922)	(762)	(9,783)	(10,385)	(2,493)	(9,991)	-	(1,878)	(87)	-	-	-	(35,378)
Deferred Maintenance	13,893	(5,242)	(186)	(2,392)	(2,539)	(610)	(2,443)	-	(459)	(21)	-	-	-	(8,651)
Insurance	2,006	(885)	(25)	(316)	(313)	(81)	(323)	-	(61)	(3)	-	-	-	(1,121)
MIP Occupancy 1	3,441	(362)	-	(2,071)	(628)	(21)	-	-	(358)	-	-	-	-	(3,079)
MIP Occupancy 2	738	-	-	(738)	-	-	-	-	-	-	-	-	-	(738)
HR	10,172	(1,840)	(503)	(1,408)	(4,282)	(483)	(1,057)	-	(591)	(8)	-	-	-	(8,332)
HR Employee Programs	2,055	(534)	(107)	(234)	(524)	(164)	(337)	-	(155)	(1)	-	-	-	(1,521)
Financial Affairs/Admin/ Inst Support	7,997	(2,651)	(740)	(1,085)	(1,647)	(431)	(915)	-	(507)	(20)	-	-	-	(5,346)
Supplementary Pension	4,738	(790)	(405)	(745)	(1,253)	(360)	(744)	-	(438)	(3)	-	-	-	(3,948)
Pension Special	1,554	(404)	(81)	(177)	(396)	(124)	(255)	-	(117)	(1)	-	-	-	(1,150)
Presidential/Univ Sec	6,876	(2,742)	(572)	(839)	(1,274)	(334)	(708)	-	(392)	(15)	-	-	-	(4,134)
General University Expense	10,440	(4,189)	(865)	(1,268)	(1,926)	(504)	(1,070)	-	(593)	(23)	-	-	-	(6,250)
Bond Interest	15,159	(5,646)	(205)	(2,631)	(2,792)	(670)	(2,687)	-	(505)	(23)	-	-	-	(9,513)
UTS/ Technology Fund	26,393	2,103	(3,289)	(6,315)	(6,046)	(2,000)	(7,152)	-	(3,476)	(217)	-	-	-	(28,496)
UTS- ERP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
UA	5,271	1,419	(857)	(1,727)	(1,579)	(455)	(1,376)	-	(662)	(35)	-	-	-	(6,690)
Office of the Provost	10,248	(3,849)	(886)	(1,298)	(1,972)	(516)	(1,096)	-	(607)	(24)	-	-	-	(6,399)
Research Support	14,752	5,439	(313)	(5,387)	(10,848)	(319)	(2,637)	-	(686)	-	-	-	-	(20,190)
Nuclear Reactor	-	2,014	(258)	(520)	(475)	(137)	(414)	-	(199)	(10)	-	-	-	(2,014)
Student Affairs	8,130	8,462	(2,051)	(3,819)	(2,759)	(1,200)	(4,470)	-	(2,152)	(142)	-	-	-	(16,592)
MIIETL	4,998	801	(712)	(1,326)	(995)	(417)	(1,553)	-	(747)	(49)	-	-	-	(5,799)
Libraries	25,245	9,900	(4,140)	(7,773)	(7,078)	(2,486)	(9,003)	-	(4,385)	(279)	-	-	-	(35,145)
HS Library	5,238	2,136	(869)	(1,631)	(1,485)	(522)	(1,889)	-	(920)	(59)	-	-	-	(7,374)
Registrar	9,116	11,049	(2,353)	(4,446)	(3,013)	(1,489)	(5,841)	-	(2,824)	(200)	-	-	-	(20,166)
SGS	2,850	413	(522)	(909)	(994)	(196)	(443)	-	(201)	-	-	-	-	(3,263)
Museum of Art	659	559	(136)	(261)	(290)	(83)	(296)	-	(144)	(9)	-	-	-	(1,218)
UG Scholarship	5,668	739	(768)	(1,524)	(643)	(486)	(1,997)	-	(922)	(65)	-	-	-	(6,407)
UG Bursaries	3,984	(0)	(467)	(926)	(484)	(295)	(1,213)	-	(560)	(40)	-	-	-	(3,984)
Grad Scholarship	15,888	719	(2,667)	(4,613)	(5,038)	(1,000)	(2,263)	-	(1,025)	-	-	-	-	(16,607)
Branding and Marketing	3,013	304	(425)	(855)	(784)	(226)	(682)	-	(328)	(17)	-	-	-	(3,317)
Academic Contingency		-	-	-	-	-	-	-	-	-	-	-	-	-
Adjustments for Current Practices - Support Units			-	-	5,154	-	-	-	-	-	8,946	-	-	14,100
Total Shared Support Unit Allocations	**272,821**	**0**	**(25,164)**	**(67,017)**	**(67,287)**	**(18,099)**	**(62,853)**	**-**	**(25,894)**	**(1,352)**	**8,946**	**-**	**-**	**(258,721)**
Base Net Projected Budget 2027-28			**49,110**	**83,780**	**72,545**	**22,907**	**59,900**	**5,223**	**31,938**	**1,776**	**16,261**	**52,818**	**-**	**396,257**

Appendix 3: Operating Fund unit level tables

Table 19: Operating Fund 2024/25 projection by unit

($ thousands)	Sources of Funding					Salaries & Benefits			Non-salary Expenses				Total Expenses	Annual Surplus (Deficit)
	Framework Allocation	University Fund Allocation	Research Overhead Income	Other Income	Total Income	Salaries & Wages	Benefits & PDA	Total	Scholarships	Library Acquisitions	All Other Expenses	Total		
1. Faculties														
Business	58,092	-	27	5,790	63,908	40,433	8,704	49,137	1,661	-	11,308	12,970	62,107	1,802
Engineering	93,737	2,471	2,838	601	99,647	72,315	15,774	88,088	4,189	-	10,381	14,570	102,658	(3,011)
Health Sciences	76,374	1,785	7,905	53,611	139,675	104,153	25,802	129,955	1,332	0	4,073	5,405	135,360	4,315
Humanities	26,135	8,087	288	4,240	38,750	30,719	7,010	37,730	648	5	2,150	2,803	40,532	(1,783)
Science	75,636	1,534	571	3,786	81,527	61,881	14,531	76,413	1,923	-	5,273	7,196	83,609	(2,083)
Medical Radiation - Mohawk share	4,474	-	-	-	4,474	-	-	-	-	-	4,474	4,474	4,474	-
Social Sciences	42,409	2,331	153	595	45,488	35,459	8,749	44,208	889	-	2,578	3,467	47,675	(2,187)
Arts & Science	1,878	57	-	1	1,936	1,436	110	1,547	0	-	531	531	2,077	(141)
Sub-total	**378,735**	**16,264**	**11,782**	**68,624**	**475,405**	**346,397**	**80,681**	**427,078**	**10,642**	**5**	**40,768**	**51,415**	**478,493**	**(3,088)**
2. Academic Priorities														
University Fund	40,480	(16,387)	-	-	24,093	5,443	-	5,443	-	-	15,123	15,123	20,566	3,526
Revenue Projection Contingency	(1,242)	-	-	-	(1,242)	-	-	-	-	-	-	-	-	(1,242)
Ongoing Priorities Contingency	5	-	3,000	10,000	13,005	(112)	(633)	(744)	0	-	(12,528)	(12,528)	(13,272)	26,277
One-time Priorities Contingency	60	-	-	-	60	-	-	-	-	-	-	-	-	60
Sub-total	**39,303**	**(16,387)**	**3,000**	**10,000**	**35,916**	**5,332**	**(633)**	**4,699**	**0**	**-**	**2,595**	**2,595**	**7,294**	**28,621**
TOTAL ACADEMIC	**418,038**	**(123)**	**14,782**	**78,624**	**511,321**	**351,728**	**80,048**	**431,777**	**10,642**	**5**	**43,364**	**54,011**	**485,787**	**25,533**
3. Academic Support														
VP Academic	10,351	-	-	588	10,939	6,222	1,329	7,551	-	-	4,746	4,746	12,297	(1,358)
Museum of Art	664	-	-	71	735	706	220	925	-	-	(136)	(136)	789	(54)
VP Teaching & Learning	5,007	-	-	225	5,232	4,563	1,231	5,794	-	-	1,088	1,088	6,882	(1,650)
University Library	25,905	-	-	100	26,005	9,456	2,503	11,959	3	12,970	1,276	14,249	26,208	(203)
Health Sciences Library	5,247	123	40	28	5,438	1,897	493	2,390	-	4,005	(865)	3,140	5,530	(92)
Registrar	8,847	-	-	3,916	12,763	9,100	2,403	11,503	-	-	3,157	3,157	14,660	(1,896)
Sub-total	**56,021**	**123**	**40**	**4,928**	**61,113**	**31,943**	**8,179**	**40,123**	**3**	**16,975**	**9,266**	**26,243**	**66,366**	**(5,253)**
4. Research Support														
Research	12,272	-	3,637	15,846	31,756	19,709	5,404	25,113	44	-	8,280	8,324	33,436	(1,681)
VP Research Discretionary Fund	2,591	-	-	-	2,591	-	-	-	-	-	5,847	5,847	5,847	(3,256)
Research Loans	-	-	-	-	-	-	-	-	-	-	(39)	(39)	(39)	39
Sub-total	**14,863**	**-**	**3,637**	**15,846**	**34,347**	**19,709**	**5,404**	**25,113**	**44**	**-**	**14,088**	**14,132**	**39,245**	**(4,898)**
5. Student Support														
Graduate Scholarships	15,888	-	-	-	15,888	600	-	600	15,238	-	50	15,288	15,888	(0)
School of Graduate Studies	4,453	-	-	25	4,478	2,972	862	3,833	55	-	543	598	4,431	47
Student Affairs	8,230	-	-	24,523	32,753	21,137	5,032	26,170	636	-	8,297	8,934	35,104	(2,351)
DBAC Building Financing	-	-	-	7,065	7,065	334	-	334	-	-	6,731	6,731	7,065	-
DBAC Deferred Maintenance	-	-	-	-	-	-	-	-	-	-	(581)	(581)	(581)	581
Undergraduate Scholarships	14,228	-	-	277	14,505	2,125	-	2,125	13,796	-	(1,106)	12,690	14,815	(310)
Sub-total	**42,799**	**-**	**-**	**31,890**	**74,689**	**27,168**	**5,894**	**33,062**	**29,725**	**-**	**13,935**	**43,660**	**76,722**	**(2,033)**
6. Facilities Support														
Facilities Services	18,284	-	-	2,894	21,178	13,626	4,092	17,718	-	-	3,561	3,561	21,279	(100)
HSC Maintenance	4,660	-	-	40	4,700	-	-	-	-	-	4,700	4,700	4,700	(0)
Utilities	27,783	-	-	5,675	33,458	2,843	560	3,404	-	-	30,104	30,104	33,507	(50)
Campus Safety Services	3,315	-	-	25	3,340	2,431	546	2,978	-	-	16	16	2,993	347
Deferred Maintenance	12,893	-	-	-	12,893	-	-	-	-	-	12,893	12,893	12,893	(0)
Bond Interest	15,159	-	-	-	15,159	-	-	-	-	-	15,159	15,159	15,159	(0)
Renovation contingency	1,274	-	-	-	1,274	-	-	-	-	-	1,273	1,273	1,273	1
Sub-total	**83,368**	**-**	**-**	**8,634**	**92,002**	**18,901**	**5,198**	**24,099**	**-**	**-**	**67,705**	**67,705**	**91,805**	**198**
7. Institutional Support														
VP Operations & Finance	3,638	-	-	-	3,638	2,576	596	3,171	-	-	36	36	3,207	431
Financial Affairs	4,125	-	-	2,605	6,730	6,232	1,703	7,935	-	-	(1,063)	(1,063)	6,872	(142)
Human Resources	11,438	-	-	56	11,494	7,838	2,113	9,951	-	-	2,064	2,064	12,014	(520)
UTS	16,171	-	-	99	16,270	12,709	3,545	16,254	-	-	1,301	1,301	17,554	(1,284)
UTS Asset Management	1,688	-	-	-	1,688	-	-	-	-	-	3,074	3,074	3,074	(1,386)
UTS Licenses	6,551	-	-	-	6,551	-	-	-	-	-	8,069	8,069	8,069	(1,518)
University Secretariat	1,556	-	-	76	1,632	1,106	300	1,407	-	-	116	116	1,523	109
President's Office	4,054	-	-	7	4,061	3,005	778	3,783	-	-	1,475	1,475	5,258	(1,197)
University Advancement	4,171	-	-	95	4,266	7,523	2,077	9,601	-	-	(2,485)	(2,485)	7,116	(2,850)
Legal	6,367	-	-	-	6,367	1,064	230	1,294	-	-	6,122	6,122	7,416	(1,049)
General University	7,837	-	-	2,301	10,138	1,617	0	1,617	-	-	10,066	10,066	11,683	(1,545)
Sub-total	**67,596**	**-**	**-**	**5,238**	**72,834**	**43,669**	**11,343**	**55,012**	**-**	**-**	**28,775**	**28,775**	**83,787**	**(10,953)**
8. Institutional Priority allocations														
Technology Renewal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Branding	4,013	-	-	-	4,013	1,439	422	1,860	-	-	2,327	2,327	4,188	(175)
Pension	6,292	-	-	-	6,292	-	6,292	6,292	-	-	-	-	6,292	-
President's Strategic Support Fund	4,586	-	-	-	4,586	54	12	65	-	-	5,039	5,039	5,104	(518)
Sub-total	**14,891**	**-**	**-**	**-**	**14,891**	**1,492**	**6,725**	**8,218**	**-**	**-**	**7,366**	**7,366**	**15,584**	**(693)**
Surplus/(Deficit)	**697,576**	**-**	**18,459**	**145,161**	**861,197**	**494,610**	**122,792**	**617,402**	**40,414**	**16,980**	**184,499**	**241,893**	**859,296**	**1,901**
Under/(over)allocated	-	-		(3,533)	(3,533)	-	-	-			(3,533)	(3,533)	(3,533)	-
Total Surplus/(Deficit)	**697,576**	**-**	**18,459**	**141,628**	**857,663**	**494,610**	**122,792**	**617,402**	**40,414**	**16,980**	**180,966**	**238,360**	**855,762**	**1,901**

Table 20: Operating Fund 2025/26 budget by unit

($ thousands)	Sources of Funding					Salaries & Benefits			Non-salary Expenses				Total Expenses	Annual Surplus (Deficit)
	Framework Allocation	University Fund Allocation	Research Overhead Income	Other Income	Total Income	Salaries & Wages	Benefits & PDA	Total	Scholarships	Library Acquisitions	All Other Expenses	Total		
1. Faculties														
Business	52,555	-	-	6,398	58,952	40,796	10,012	50,809	2,535	-	15,284	17,819	68,627	(9,675)
Engineering	91,690	1,880	2,137	3,686	99,393	73,603	17,432	91,035	4,431	-	10,816	15,247	106,282	(6,888)
Health Sciences	74,731	1,078	7,718	50,597	134,124	104,912	28,048	132,960	1,493	-	(496)	998	133,958	166
Humanities	23,421	8,847	275	3,811	36,354	31,735	7,724	39,459	1,038	5	2,233	3,276	42,735	(6,381)
Science	72,182	5,717	485	3,748	82,131	62,696	15,578	78,274	3,435	-	5,151	8,586	86,860	(4,729)
Medical Radiation - Mohawk share	4,337	-	-	-	4,337	-	-	-	-	-	4,337	4,337	4,337	-
Social Sciences	36,065	7,854	94	547	44,559	36,560	9,726	46,285	1,177	-	2,799	3,976	50,261	(5,702)
Arts & Science	1,778	-	-	-	1,778	1,235	119	1,354	0	-	660	660	2,014	(236)
Sub-total	**356,759**	**25,376**	**10,708**	**68,786**	**461,629**	**351,538**	**88,639**	**440,177**	**14,109**	**5**	**40,784**	**54,898**	**495,075**	**(33,445)**
2. Academic Priorities														
University Fund	46,376	(25,376)	-	-	21,000	5,109	-	5,109	-	-	14,849	14,849	19,958	1,042
Revenue Projection Contingency	9,425	-	-	-	9,425	-	-	-	-	-	-	-	-	9,425
Ongoing Priorities Contingency	37	-	3,000	10,100	13,137	2,406	-	2,406	-	-	(12,441)	(12,441)	(10,035)	23,172
One-time Priorities Contingency	7,000	-	-	-	7,000	-	-	-	-	-	-	-	-	7,000
Sub-total	**62,838**	**(25,376)**	**3,000**	**10,100**	**50,562**	**7,514**	**-**	**7,514**	**-**	**-**	**2,408**	**2,408**	**9,923**	**40,639**
TOTAL ACADEMIC	**419,597**	**-**	**13,708**	**78,886**	**512,191**	**359,052**	**88,639**	**447,692**	**14,109**	**5**	**43,192**	**57,306**	**504,997**	**7,194**
3. Academic Support														
VP Academic	10,014	-	-	467	10,481	7,053	1,568	8,621	-	-	3,247	3,247	11,868	(1,387)
Museum of Art	659	-	-	118	777	649	212	862	-	-	(90)	(90)	772	5
VP Teaching & Learning	4,998	-	-	189	5,187	4,654	1,294	5,948	-	-	152	152	6,100	(913)
University Library	24,845	-	-	100	24,945	9,728	2,732	12,460	3	13,434	62	13,499	25,959	(1,014)
Health Sciences Library	5,238	-	40	30	5,307	2,031	546	2,577	-	4,099	(923)	3,176	5,753	(445)
Registrar	10,422	-	-	3,983	14,405	8,826	2,389	11,215	-	-	4,389	4,389	15,605	(1,199)
Sub-total	**56,176**	**-**	**40**	**4,887**	**61,103**	**32,942**	**8,741**	**41,683**	**3**	**17,533**	**6,838**	**24,374**	**66,057**	**(4,954)**
4. Research Support														
Research	12,579	-	3,637	15,015	31,231	20,223	5,653	25,876	44	-	10,653	10,697	36,573	(5,342)
VP Research Discretionary Fund	2,621	-	-	-	2,621	-	-	-	-	-	2,721	2,721	2,721	(100)
Research Loans	-	-	-	-	-	-	-	-	-	-	(39)	(39)	(39)	39
Sub-total	**15,200**	**-**	**3,637**	**15,015**	**33,852**	**20,223**	**5,653**	**25,876**	**44**	**-**	**13,335**	**13,379**	**39,255**	**(5,403)**
5. Student Support														
Graduate Scholarships	15,888	-	-	-	15,888	600	-	600	15,238	-	50	15,288	15,888	-
School of Graduate Studies	2,850	-	-	13	2,863	2,370	629	2,999	55	-	(195)	(140)	2,859	4
Student Affairs	8,130	-	-	24,668	32,798	21,498	5,540	27,038	636	-	8,348	8,985	36,023	(3,225)
DBAC Building Financing	-	-	-	7,311	7,311	345	-	345	-	-	6,552	6,552	6,897	414
DBAC Deferred Maintenance	-	-	-	-	-	-	-	-	-	-	(596)	(596)	(596)	596
Undergraduate Scholarships	14,189	-	-	277	14,466	2,125	-	2,125	12,321	-	271	12,591	14,716	(250)
Sub-total	**41,057**	**-**	**-**	**32,269**	**73,326**	**26,938**	**6,169**	**33,108**	**28,250**	**-**	**14,429**	**42,679**	**75,786**	**(2,460)**
6. Facilities Support														
Facilities Services	19,980	-	-	3,451	23,431	14,334	4,465	18,799	-	-	4,293	4,293	23,092	339
HSC Maintenance	4,738	-	-	40	4,778	-	-	-	-	-	4,778	4,778	4,778	0
Utilities	27,943	-	-	5,863	33,806	2,923	629	3,553	-	-	29,742	29,742	33,295	511
Campus Safety Services	2,837	-	-	25	2,862	2,480	576	3,056	-	-	(106)	(106)	2,949	(87)
Deferred Maintenance	13,893	-	-	-	13,893	-	-	-	-	-	13,893	13,893	13,893	(0)
Bond Interest	15,159	-	-	-	15,159	-	-	-	-	-	15,159	15,159	15,159	-
Renovation contingency	1,274	-	-	-	1,274	-	-	-	-	-	1,274	1,274	1,274	-
Sub-total	**85,824**	**-**	**-**	**9,379**	**95,203**	**19,737**	**5,670**	**25,407**	**-**	**-**	**69,032**	**69,032**	**94,439**	**763**
7. Institutional Support														
VP Operations & Finance	3,638	-	-	-	3,638	2,648	588	3,237	-	-	332	332	3,569	69
Financial Affairs	4,223	-	-	2,665	6,888	6,443	1,840	8,283	-	-	(1,206)	(1,206)	7,077	(190)
Human Resources	11,154	-	-	51	11,205	7,750	2,242	9,992	-	-	2,167	2,167	12,158	(953)
UTS	17,628	-	-	89	17,717	13,820	3,891	17,711	-	-	1,767	1,767	19,478	(1,761)
UTS Asset Management	1,688	-	-	-	1,688	-	-	-	-	-	2,917	2,917	2,917	(1,229)
UTS Licenses	6,551	-	-	-	6,551	-	-	-	-	-	8,483	8,483	8,483	(1,932)
University Secretariat	1,429	-	-	76	1,505	1,138	317	1,455	-	-	116	116	1,571	(67)
President's Office	4,047	-	-	-	4,047	2,953	750	3,704	-	-	1,082	1,082	4,786	(739)
University Advancement	5,159	-	-	95	5,254	8,606	2,295	10,901	-	-	(3,419)	(3,419)	7,483	(2,229)
Legal	6,367	-	-	-	6,367	1,076	236	1,313	-	-	5,522	5,522	6,834	(467)
General University	6,079	-	-	2,336	8,415	1,729	-	1,729	-	-	9,302	9,302	11,031	(2,616)
Sub-total	**67,963**	**-**	**-**	**5,312**	**73,275**	**46,165**	**12,159**	**58,324**	**-**	**-**	**27,062**	**27,062**	**85,387**	**(12,112)**
8. Institutional Priority allocations														
Technology Renewal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Branding	3,013	-	-	-	3,013	1,366	410	1,776	-	-	2,292	2,292	4,069	(1,056)
Pension	6,292	-	-	-	6,292	-	6,292	6,292	-	-	-	-	6,292	(0)
President's Strategic Support Fund	1,400	-	-	-	1,400	56	14	70	-	-	1,528	1,528	1,597	(197)
Sub-total	**10,705**	**-**	**-**	**-**	**10,705**	**1,422**	**6,715**	**8,138**	**-**	**-**	**3,820**	**3,820**	**11,958**	**(1,253)**
Surplus/(Deficit)	**696,522**	**-**	**17,385**	**145,747**	**859,655**	**506,480**	**133,747**	**640,227**	**42,406**	**17,538**	**177,709**	**237,653**	**877,880**	**(18,225)**
Under/(over)allocated	(0)	(0)		(3,787)	(3,787)	-	-	-			(3,787)	(3,787)	(3,787)	(0)
Total Surplus/(Deficit)	**696,522**	**(0)**	**17,385**	**141,960**	**855,868**	**506,480**	**133,747**	**640,227**	**42,406**	**17,538**	**173,923**	**233,866**	**874,093**	**(18,225)**

Table 21: Operating Fund 2026/27 plan by unit

($ thousands)	Sources of Funding					Salaries & Benefits			Non-salary Expenses				Total Expenses	Annual Surplus (Deficit)
	Framework Allocation	University Fund Allocation	Research Overhead Income	Other Income	Total Income	Salaries & Wages	Benefits & PDA	Total	Scholarships	Library Acquisitions	All Other Expenses	Total		
1. Faculties														
Business	50,043	-	-	6,928	56,971	42,134	10,581	52,715	2,535	-	14,542	17,077	69,792	(12,820)
Engineering	85,189	1,705	2,137	3,860	92,892	77,025	18,380	95,405	4,431	-	9,604	14,034	109,440	(16,548)
Health Sciences	74,554	872	7,547	51,678	134,651	106,750	28,450	135,201	1,447	-	60	1,507	136,708	(2,057)
Humanities	23,045	2,435	184	4,194	29,858	32,067	8,010	40,077	1,149	5	1,487	2,641	42,718	(12,859)
Science	62,304	1,077	470	3,446	67,298	63,616	16,080	79,695	4,808	-	4,650	9,458	89,153	(21,856)
Medical Radiation - Mohawk share	4,176	-	-	-	4,176	-	-	-	-	-	4,176	4,176	4,176	-
Social Sciences	33,447	798	94	479	34,818	38,283	9,790	48,073	1,378	-	2,736	4,114	52,186	(17,368)
Arts & Science	1,798	-	-	-	1,798	1,282	99	1,381	0	-	546	546	1,927	(129)
Sub-total	**334,556**	**6,887**	**10,433**	**70,585**	**422,462**	**361,156**	**91,390**	**452,547**	**15,747**	**5**	**37,801**	**53,553**	**506,100**	**(83,638)**
2. Academic Priorities														
University Fund	42,628	(6,887)	-	-	35,741	3,786	-	3,786	-	-	28,343	28,343	32,129	3,612
Revenue Projection Contingency	25,158	-	-	-	25,158	-	-	-	-	-	-	-	-	25,158
Ongoing Priorities Contingency	6,637	-	3,000	10,000	19,637	2,480	-	2,480	-	-	(12,441)	(12,441)	(9,961)	29,598
One-time Priorities Contingency	8,200	-	-	-	8,200	-	-	-	-	-	-	-	-	8,200
Sub-total	**82,623**	**(6,887)**	**3,000**	**10,000**	**88,736**	**6,266**	**-**	**6,266**	**-**	**-**	**15,902**	**15,902**	**22,168**	**66,568**
TOTAL ACADEMIC	**417,179**	**-**	**13,433**	**80,585**	**511,198**	**367,422**	**91,390**	**458,812**	**15,747**	**5**	**53,703**	**69,455**	**528,268**	**(17,070)**
3. Academic Support														
VP Academic	10,014	-	-	507	10,521	7,221	1,621	8,842	-	-	3,368	3,368	12,210	(1,689)
Museum of Art	659	-	-	130	789	645	206	851	-	-	(62)	(62)	789	(0)
VP Teaching & Learning	4,998	-	-	150	5,148	4,610	1,267	5,877	-	-	151	151	6,028	(880)
University Library	25,245	-	-	100	25,345	9,788	2,753	12,541	3	13,675	612	14,290	26,831	(1,486)
Health Sciences Library	5,238	-	40	30	5,308	2,304	609	2,913	-	4,270	(885)	3,385	6,298	(990)
Registrar	8,922	-	-	4,051	12,973	9,060	2,478	11,538	-	-	2,889	2,889	14,428	(1,455)
Sub-total	**55,076**	**-**	**40**	**4,967**	**60,083**	**33,628**	**8,935**	**42,563**	**3**	**17,945**	**6,073**	**24,021**	**66,584**	**(6,500)**
4. Research Support														
Research	12,579	-	3,637	17,775	33,991	20,643	5,812	26,455	44	-	9,167	9,211	35,665	(1,674)
VP Research Discretionary Fund	2,621	-	-	-	2,621	-	-	-	-	-	2,621	2,621	2,621	-
Research Loans	-	-	-	-	-	-	-	-	-	-	(39)	(39)	(39)	39
Sub-total	**15,200**	**-**	**3,637**	**17,775**	**36,612**	**20,643**	**5,812**	**26,455**	**44**	**-**	**11,749**	**11,793**	**38,248**	**(1,635)**
5. Student Support														
Graduate Scholarships	15,888	-	-	-	15,888	600	-	600	15,238	-	50	15,288	15,888	-
School of Graduate Studies	2,850	-	-	13	2,863	2,431	643	3,074	55	-	(205)	(150)	2,924	(61)
Student Affairs	8,130	-	-	25,198	33,328	22,559	5,820	28,380	636	-	8,443	9,079	37,459	(4,131)
DBAC Building Financing	-	-	-	7,565	7,565	357	-	357	-	-	6,575	6,575	6,933	632
DBAC Deferred Maintenance	-	-	-	-	-	-	-	-	-	-	(611)	(611)	(611)	611
Undergraduate Scholarships	14,254	-	-	277	14,531	2,125	-	2,125	12,386	-	271	12,656	14,781	(250)
Sub-total	**41,122**	**-**	**-**	**33,053**	**74,175**	**28,073**	**6,463**	**34,536**	**28,315**	**-**	**14,523**	**42,838**	**77,374**	**(3,199)**
6. Facilities Support														
Facilities Services	19,780	-	-	3,585	23,365	14,938	4,710	19,647	-	-	4,367	4,367	24,014	(649)
HSC Maintenance	4,738	-	-	40	4,778	-	-	-	-	-	4,838	4,838	4,838	(60)
Utilities	27,943	-	-	6,065	34,008	2,879	650	3,528	-	-	31,169	31,169	34,697	(689)
Campus Safety Services	2,837	-	-	25	2,862	2,550	599	3,149	-	-	(106)	(106)	3,042	(180)
Deferred Maintenance	13,893	-	-	-	13,893	-	-	-	-	-	13,893	13,893	13,893	(0)
Bond Interest	15,159	-	-	-	15,159	-	-	-	-	-	15,159	15,159	15,159	-
Renovation contingency	1,274	-	-	-	1,274	-	-	-	-	-	1,274	1,274	1,274	-
Sub-total	**85,624**	**-**	**-**	**9,715**	**95,339**	**20,366**	**5,958**	**26,324**	**-**	**-**	**70,594**	**70,594**	**96,918**	**(1,578)**
7. Institutional Support														
VP Operations & Finance	3,638	-	-	-	3,638	2,537	546	3,083	-	-	338	338	3,422	216
Financial Affairs	4,223	-	-	2,697	6,920	6,586	1,893	8,479	-	-	(1,303)	(1,303)	7,176	(256)
Human Resources	11,154	-	-	51	11,205	7,860	2,296	10,156	-	-	2,123	2,123	12,279	(1,074)
UTS	17,628	-	-	89	17,717	13,882	3,941	17,824	-	-	1,689	1,689	19,513	(1,795)
UTS Asset Management	1,688	-	-	-	1,688	-	-	-	-	-	1,834	1,834	1,834	(146)
UTS Licenses	6,551	-	-	-	6,551	-	-	-	-	-	8,917	8,917	8,917	(2,366)
University Secretariat	1,429	-	-	76	1,505	1,170	329	1,499	-	-	116	116	1,615	(111)
President's Office	4,047	-	-	-	4,047	2,977	760	3,738	-	-	914	914	4,651	(604)
University Advancement	6,159	-	-	95	6,254	8,761	2,364	11,125	-	-	(5,410)	(5,410)	5,715	539
Legal	6,367	-	-	-	6,367	985	217	1,202	-	-	5,522	5,522	6,724	(357)
General University	6,079	-	-	2,371	8,450	1,849	-	1,849	-	-	9,475	9,475	11,324	(2,874)
Sub-total	**68,963**	**-**	**-**	**5,379**	**74,342**	**46,607**	**12,346**	**58,954**	**-**	**-**	**24,216**	**24,216**	**83,170**	**(8,827)**
8. Institutional Priority allocations														
Technology Renewal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Branding	3,013	-	-	-	3,013	1,202	354	1,557	-	-	2,456	2,456	4,013	(1,000)
Pension	6,292	-	-	-	6,292	-	6,292	6,292	-	-	-	-	6,292	-
President's Strategic Support Fund	1,400	-	-	-	1,400	56	14	70	-	-	1,400	1,400	1,470	(70)
Sub-total	**10,705**	**-**	**-**	**-**	**10,705**	**1,258**	**6,660**	**7,919**	**-**	**-**	**3,856**	**3,856**	**11,775**	**(1,070)**
Surplus/(Deficit)	**693,869**	**-**	**17,110**	**151,475**	**862,454**	**517,997**	**137,565**	**655,562**	**44,109**	**17,950**	**184,713**	**246,773**	**902,335**	**(39,881)**
Under/(over)allocated	-	-		(4,122)	(4,122)	-	-	-			(4,122)	(4,122)	(4,122)	-
Total Surplus/(Deficit)	**693,869**	**-**	**17,110**	**147,353**	**858,332**	**517,997**	**137,565**	**655,562**	**44,109**	**17,950**	**180,591**	**242,651**	**898,213**	**(39,881)**

Table 22: Operating Fund 2027/28 plan by unit

($ thousands)	Sources of Funding					Salaries & Benefits			Non-salary Expenses				Total Expenses	Annual Surplus (Deficit)
	Framework Allocation	University Fund Allocation	Research Overhead Income	Other Income	Total Income	Salaries & Wages	Benefits & PDA	Total	Scholarships	Library Acquisitions	All Other Expenses	Total		
1. Faculties														
Business	49,110	-	-	8,593	57,703	46,520	11,838	58,357	2,535	-	14,710	17,245	75,603	(17,900)
Engineering	83,780	530	2,137	4,577	91,025	81,702	19,676	101,378	4,431	-	9,966	14,396	115,774	(24,750)
Health Sciences	72,545	572	7,502	51,776	132,396	109,100	29,391	138,490	1,475	-	(2,318)	(842)	137,648	(5,252)
Humanities	22,907	2,380	20	4,659	29,966	33,715	8,424	42,139	1,273	5	1,560	2,838	44,977	(15,011)
Science	59,900	-	460	3,469	63,829	65,941	16,649	82,590	6,308	-	4,678	10,985	93,575	(29,747)
Medical Radiation - Mohawk share	4,223	-	-	-	4,223	-	-	-	-	-	4,223	4,223	4,223	-
Social Sciences	31,938	815	94	479	33,326	39,560	10,156	49,716	1,568	-	2,699	4,267	53,983	(20,656)
Arts & Science	1,776	-	-	-	1,776	1,366	89	1,454	0	-	535	535	1,990	(214)
Sub-total	**326,179**	**4,297**	**10,213**	**73,553**	**414,243**	**377,903**	**96,223**	**474,126**	**17,590**	**5**	**36,053**	**53,648**	**527,773**	**(113,530)**
2. Academic Priorities														
University Fund	42,818	(4,297)	-	-	38,521	2,038	-	2,038	-	-	22,761	22,761	24,799	13,722
Revenue Projection Contingency	7,499	-	-	-	7,499	-	-	-	-	-	-	-	-	7,499
Ongoing Priorities Contingency	14,137	-	3,000	10,000	27,137	(7,555)	-	(7,555)	-	-	(12,441)	(12,441)	(19,996)	47,133
One-time Priorities Contingency	9,700	-	-	-	9,700	-	-	-	-	-	-	-	-	9,700
Sub-total	**74,154**	**(4,297)**	**3,000**	**10,000**	**82,857**	**(5,517)**	**-**	**(5,517)**	**-**	**-**	**10,320**	**10,320**	**4,803**	**78,054**
TOTAL ACADEMIC	**400,333**	**-**	**13,213**	**83,553**	**497,099**	**372,385**	**96,223**	**468,608**	**17,590**	**5**	**46,373**	**63,968**	**532,576**	**(35,477)**
3. Academic Support														
VP Academic	10,014	-	-	547	10,561	7,388	1,674	9,062	-	-	3,191	3,191	12,253	(1,692)
Museum of Art	659	-	-	155	814	666	214	880	-	-	(66)	(66)	814	0
VP Teaching & Learning	4,998	-	-	150	5,148	4,642	1,283	5,925	-	-	39	39	5,964	(816)
University Library	25,245	-	-	100	25,345	10,136	2,864	13,000	3	13,675	811	14,489	27,488	(2,143)
Health Sciences Library	5,238	-	40	30	5,308	2,389	636	3,025	-	4,443	(895)	3,548	6,573	(1,265)
Registrar	8,922	-	-	4,119	13,041	9,241	2,554	11,794	-	-	2,889	2,889	14,684	(1,643)
Sub-total	**55,076**	**-**	**40**	**5,100**	**60,216**	**34,462**	**9,224**	**43,687**	**3**	**18,118**	**5,969**	**24,090**	**67,777**	**(7,560)**
4. Research Support														
Research	12,579	-	3,637	17,853	34,069	21,264	6,047	27,311	44	-	8,866	8,910	36,221	(2,152)
VP Research Discretionary Fund	2,621	-	-	-	2,621	-	-	-	-	-	2,621	2,621	2,621	-
Research Loans	-	-	-	-	-	-	-	-	-	-	(39)	(39)	(39)	39
Sub-total	**15,200**	**-**	**3,637**	**17,853**	**36,690**	**21,264**	**6,047**	**27,311**	**44**	**-**	**11,449**	**11,493**	**38,803**	**(2,113)**
5. Student Support														
Graduate Scholarships	15,888	-	-	-	15,888	600	-	600	15,238	-	50	15,288	15,888	-
School of Graduate Studies	2,850	-	-	13	2,863	2,105	593	2,698	55	-	263	318	3,016	(153)
Student Affairs	8,130	-	-	25,783	33,913	23,378	6,100	29,478	636	-	8,478	9,114	38,592	(4,680)
DBAC Building Financing	-	-	-	7,828	7,828	370	-	370	-	-	6,600	6,600	6,970	858
DBAC Deferred Maintenance	-	-	-	-	-	-	-	-	-	-	(627)	(627)	(627)	627
Undergraduate Scholarships	14,308	-	-	277	14,585	2,125	-	2,125	12,440	-	271	12,710	14,835	(250)
Sub-total	**41,176**	**-**	**-**	**33,901**	**75,077**	**28,578**	**6,693**	**35,271**	**28,369**	**-**	**15,035**	**43,404**	**78,675**	**(3,598)**
6. Facilities Support														
Facilities Services	19,780	-	-	3,717	23,497	15,270	4,882	20,151	-	-	4,463	4,463	24,614	(1,117)
HSC Maintenance	4,738	-	-	40	4,778	-	-	-	-	-	4,913	4,913	4,913	(135)
Utilities	27,943	-	-	6,065	34,008	2,969	690	3,659	-	-	31,169	31,169	34,828	(819)
Campus Safety Services	2,837	-	-	25	2,862	2,605	624	3,228	-	-	(106)	(106)	3,122	(260)
Deferred Maintenance	13,893	-	-	-	13,893	-	-	-	-	-	13,893	13,893	13,893	(0)
Bond Interest	15,159	-	-	-	15,159	-	-	-	-	-	15,159	15,159	15,159	-
Renovation contingency	1,274	-	-	-	1,274	-	-	-	-	-	1,274	1,274	1,274	-
Sub-total	**85,624**	**-**	**-**	**9,848**	**95,472**	**20,843**	**6,195**	**27,039**	**-**	**-**	**70,765**	**70,765**	**97,804**	**(2,332)**
7. Institutional Support														
VP Operations & Finance	3,638	-	-	-	3,638	2,525	545	3,070	-	-	327	327	3,397	241
Financial Affairs	4,223	-	-	2,726	6,949	6,823	1,923	8,746	-	-	(1,341)	(1,341)	7,405	(456)
Human Resources	11,154	-	-	51	11,205	8,078	2,378	10,455	-	-	2,123	2,123	12,578	(1,373)
UTS	17,628	-	-	89	17,717	14,292	4,092	18,384	-	-	1,689	1,689	20,074	(2,356)
UTS Asset Management	1,688	-	-	-	1,688	-	-	-	-	-	1,784	1,784	1,784	(96)
UTS Licenses	6,551	-	-	-	6,551	-	-	-	-	-	9,373	9,373	9,373	(2,822)
University Secretariat	1,429	-	-	76	1,505	1,202	340	1,543	-	-	116	116	1,659	(154)
President's Office	4,047	-	-	-	4,047	3,038	783	3,821	-	-	926	926	4,747	(700)
University Advancement	4,659	-	-	95	4,754	8,853	2,404	11,257	-	-	(5,392)	(5,392)	5,865	(1,111)
Legal	6,367	-	-	-	6,367	1,012	225	1,238	-	-	5,522	5,522	6,759	(392)
General University	6,079	-	-	2,407	8,486	1,977	-	1,977	-	-	9,742	9,742	11,719	(3,233)
Sub-total	**67,463**	**-**	**-**	**5,444**	**72,907**	**47,798**	**12,692**	**60,491**	**-**	**-**	**24,869**	**24,869**	**85,360**	**(12,453)**
8. Institutional Priority allocations														
Technology Renewal	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Marketing & Branding	3,013	-	-	-	3,013	1,151	332	1,482	-	-	2,531	2,531	4,013	(1,000)
Pension	6,292	-	-	-	6,292	-	6,292	6,292	-	-	-	-	6,292	-
President's Strategic Support Fund	1,400	-	-	-	1,400	56	15	71	-	-	1,400	1,400	1,471	(71)
Sub-total	**10,705**	**-**	**-**	**-**	**10,705**	**1,206**	**6,638**	**7,845**	**-**	**-**	**3,931**	**3,931**	**11,776**	**(1,071)**
Surplus/(Deficit)	**675,577**	**-**	**16,890**	**155,699**	**848,166**	**526,538**	**143,712**	**670,250**	**46,006**	**18,123**	**178,391**	**242,520**	**912,770**	**(64,604)**
Under/(over)allocated	-	-		(4,350)	(4,350)	-	-	-			(4,350)	(4,350)	(4,350)	-
Total Surplus/(Deficit)	**675,577**	**-**	**16,890**	**151,349**	**843,817**	**526,538**	**143,712**	**670,250**	**46,006**	**18,123**	**174,042**	**238,170**	**908,420**	**(64,604)**

Table 23: Operating Fund annual net change by unit

($ thousands)	2024/25		2025/26	2026/27	2027/28
	Budget	Projection	Budget	Plan	Plan
1. Faculties					
Business	(6,493)	1,802	(9,675)	(12,820)	(17,900)
Engineering	(9,959)	(3,011)	(6,888)	(16,548)	(24,750)
Health Sciences	(6,480)	4,315	166	(2,057)	(5,252)
Humanities	(11,168)	(1,783)	(6,381)	(12,859)	(15,011)
Science	(12,831)	(2,083)	(4,729)	(21,856)	(29,747)
Medical Radiation - Mohawk share	-	(0)	-	-	-
Social Sciences	(9,004)	(2,187)	(5,702)	(17,368)	(20,656)
Arts & Science	(482)	(141)	(236)	(129)	(214)
Sub-total	**(56,418)**	**(3,088)**	**(33,445)**	**(83,638)**	**(113,530)**
2. Academic Priorities					
University Fund	14,209	3,526	1,042	3,612	13,722
Revenue Projection Contingency	1,837	(1,242)	9,425	25,158	7,499
Ongoing Priorities Contingency	27,032	26,277	23,172	29,598	47,133
One-time Priorities Contingency	3,715	60	7,000	8,200	9,700
Sub-total	**46,793**	**28,621**	**40,639**	**66,568**	**78,054**
TOTAL ACADEMIC	**(9,625)**	**25,533**	**7,194**	**(17,070)**	**(35,477)**
3. Academic Support					
VP Academic	(1,281)	(1,358)	(1,387)	(1,689)	(1,692)
Museum of Art	61	(54)	5	(0)	0
VP Teaching & Learning	(580)	(1,650)	(913)	(880)	(816)
University Library	(1,088)	(203)	(1,014)	(1,486)	(2,143)
Health Sciences Library	(430)	(92)	(445)	(990)	(1,265)
Registrar	(2,446)	(1,896)	(1,199)	(1,455)	(1,643)
Sub-total	**(5,764)**	**(5,253)**	**(4,954)**	**(6,500)**	**(7,560)**
4. Research Support					
Research	(5,192)	(1,681)	(5,342)	(1,674)	(2,152)
VP Research Discretionary Fund	(250)	(3,256)	(100)	-	-
Research Loans	39	39	39	39	39
Sub-total	**(5,403)**	**(4,898)**	**(5,403)**	**(1,635)**	**(2,113)**
5. Student Support					
Graduate Scholarships	0	(0)	-	-	-
School of Graduate Studies	(51)	47	4	(61)	(153)
Student Affairs	(2,674)	(2,351)	(3,225)	(4,131)	(4,680)
DBAC Building Financing	406	0	414	632	858
DBAC Deferred Maintenance	581	581	596	611	627
Undergraduate Scholarships	122	(310)	(250)	(250)	(250)
Sub-total	**(1,615)**	**(2,033)**	**(2,460)**	**(3,199)**	**(3,598)**
6. Facilities Support					
Facilities Services	(1)	(100)	339	(649)	(1,117)
HSC Maintenance	(0)	(0)	0	(60)	(135)
Utilities	468	(50)	511	(689)	(819)
Campus Safety Services	(6)	347	(87)	(180)	(260)
Deferred Maintenance	0	(0)	(0)	(0)	(0)
Bond Interest	-	(0)	-	-	-
Renovation contingency	-	1	0	0	0
Sub-total	**460**	**198**	**763**	**(1,578)**	**(2,332)**
7. Institutional Support					
Administration	(243)	431	69	216	241
Financial Affairs	(146)	(142)	(190)	(256)	(456)
Human Resources	(755)	(520)	(953)	(1,074)	(1,373)
UTS	(3,402)	(1,284)	(1,761)	(1,795)	(2,356)
UTS Asset Management	(440)	(1,386)	(1,229)	(146)	(96)
UTS Licenses	-	(1,518)	(1,932)	(2,366)	(2,822)
University Secretariat	20	109	(67)	(111)	(154)
Presidential Budget	(926)	(1,197)	(739)	(604)	(700)
University Advancement	(2,228)	(2,850)	(2,229)	539	(1,111)
Legal	(433)	(1,049)	(467)	(357)	(392)
General University	(1,873)	(1,545)	(2,616)	(2,874)	(3,233)
Sub-total	**(10,427)**	**(10,953)**	**(12,112)**	**(8,827)**	**(12,453)**
8. Institutional Priority allocations					
Technology Renewal	-	-	-	-	-
Marketing & Branding	122	(175)	(1,056)	(1,000)	(1,000)
Pension	-	(0)	(0)	0	0
President's Strategic Support Fund	(30)	(518)	(197)	(70)	(71)
Sub-total	**92**	**(693)**	**(1,253)**	**(1,070)**	**(1,071)**
Surplus/(Deficit)	**(32,282)**	**1,901**	**(18,225)**	**(39,881)**	**(64,604)**

Table 24: Operating Fund 2025/26 financial position and variance by unit

($ thousands)	2024/25 Budget					2024/25 Projection					Favourable (Unfavourable) Variance				
	Appropriations April 30, 2024	On-going	One-time	Total	Appropriations April 30, 2025	Appropriations April 30, 2024	On-going	One-time	Total	Appropriations April 30, 2025	Appropriations April 30, 2024	On-going	One-time	Total	Appropriations April 30, 2025
1. Faculties															
Business	23,531	(4,998)	(1,495)	(6,493)	17,038	23,953	3,058	(1,256)	1,802	25,754	421	8,056	239	8,295	8,716
Engineering	26,940	(9,959)	-	(9,959)	16,981	24,711	(1,746)	(1,264)	(3,011)	21,701	(2,229)	8,213	(1,264)	6,948	4,720
Health Sciences	45,438	(5,149)	(1,331)	(6,480)	38,958	46,761	4,753	(439)	4,315	51,076	1,323	9,902	893	10,795	12,118
Humanities	11,283	(10,369)	(799)	(11,168)	114	12,833	(2,800)	1,017	(1,783)	11,050	1,550	7,569	1,816	9,386	10,936
Science	25,828	(12,858)	28	(12,831)	12,997	28,946	(2,908)	826	(2,083)	26,864	3,119	9,950	798	10,748	13,867
Medical Radiation - Mohawk share	-	-	-	-	-	0	(0)	-	(0)	0	0	(0)	-	(0)	0
Social Sciences	18,735	(8,964)	(40)	(9,004)	9,731	21,299	(2,416)	229	(2,187)	19,113	2,564	6,549	269	6,818	9,382
Arts & Science	880	(539)	57	(482)	397	907	(260)	119	(141)	765	27	279	62	341	368
Sub-total	**152,634**	**(52,837)**	**(3,581)**	**(56,418)**	**96,216**	**159,411**	**(2,319)**	**(769)**	**(3,088)**	**156,323**	**6,776**	**50,518**	**2,812**	**53,330**	**60,106**
2. Academic Priorities															
University Fund	63,084	40,957	(26,748)	14,209	77,293	57,358	28,463	(24,937)	3,526	60,885	(5,726)	(12,494)	1,812	(10,682)	(16,408)
Revenue Projection Contingency	18,994	1,837	-	1,837	20,831	18,404	1,789	(3,031)	(1,242)	17,162	(590)	(48)	(3,031)	(3,079)	(3,669)
Ongoing Priorities Contingency	5,038	27,032	-	27,032	32,071	(3,288)	26,309	(32)	26,277	22,989	(8,326)	(724)	(32)	(756)	(9,082)
One-time Priorities Contingency	(24,080)	10,000	(6,285)	3,715	(20,365)	(17,213)	10,000	(9,940)	60	(17,153)	6,867	-	(3,655)	(3,655)	3,212
Sub-total	**63,037**	**79,826**	**(33,033)**	**46,793**	**109,830**	**55,262**	**66,561**	**(37,940)**	**28,621**	**83,883**	**(7,775)**	**(13,265)**	**(4,906)**	**(18,172)**	**(25,947)**
TOTAL ACADEMIC	**215,671**	**26,989**	**(36,614)**	**(9,625)**	**206,046**	**214,673**	**64,242**	**(38,709)**	**25,533**	**240,206**	**(998)**	**37,253**	**(2,095)**	**35,158**	**34,160**
3. Academic Support															
VP Academic	7,532	(111)	(1,170)	(1,281)	6,250	8,701	144	(1,502)	(1,358)	7,343	1,169	254	(331)	(77)	1,092
Museum of Art	18	61	-	61	80	65	(54)	-	(54)	11	47	(115)	-	(115)	(68)
VP Teaching & Learning	2,337	240	(820)	(580)	1,756	3,826	349	(1,999)	(1,650)	2,176	1,489	109	(1,179)	(1,070)	419
University Library	1,206	(1,088)	-	(1,088)	118	1,205	(941)	738	(203)	1,002	(2)	148	738	886	884
Health Sciences Library	392	(480)	50	(430)	(37)	462	(335)	243	(92)	370	70	144	193	337	407
Registrar	2,093	(1,396)	(1,050)	(2,446)	(353)	2,050	(1,743)	(153)	(1,896)	154	(43)	(347)	897	550	506
Sub-total	**13,578**	**(2,774)**	**(2,990)**	**(5,764)**	**7,814**	**16,309**	**(2,581)**	**(2,673)**	**(5,253)**	**11,056**	**2,730**	**193**	**318**	**511**	**3,241**
4. Research Support															
Research	9,532	(5,186)	(6)	(5,192)	4,340	13,143	(1,692)	11	(1,681)	11,462	3,611	3,494	17	3,511	7,122
VP Research Discretionary Fund	1,026	(250)	-	(250)	776	3,672	(3,226)	(30)	(3,256)	416	2,646	(2,976)	(30)	(3,006)	(360)
Research Loans	(310)	39	-	39	(272)	(310)	39	-	39	(272)	(0)	0	-	0	(0)
Sub-total	**10,248**	**(5,397)**	**(6)**	**(5,403)**	**4,845**	**16,505**	**(4,880)**	**(19)**	**(4,898)**	**11,606**	**6,257**	**517**	**(13)**	**505**	**6,761**
5. Student Support															
Graduate Scholarships	813	0	-	0	813	1,433	(0)	-	(0)	1,433	620	(0)	-	(0)	620
School of Graduate Studies	589	(46)	(6)	(51)	538	987	85	(38)	47	1,034	398	131	(33)	98	496
Student Affairs	8,146	(2,618)	(56)	(2,674)	5,472	11,760	(2,344)	(7)	(2,351)	9,410	3,614	275	48	323	3,937
DBAC Building Financing	252	406	-	406	658	(2)	0	-	0	(2)	(254)	(406)	-	(406)	(660)
DBAC Deferred Maintenance	4,605	581	-	581	5,186	4,705	581	-	581	5,286	100	(0)	-	(0)	100
Undergraduate Scholarships	894	122	-	122	1,016	1,212	(310)	-	(310)	902	318	(432)	-	(432)	(114)
Sub-total	**15,298**	**(1,554)**	**(61)**	**(1,615)**	**13,683**	**20,094**	**(1,987)**	**(46)**	**(2,033)**	**18,062**	**4,796**	**(433)**	**15**	**(418)**	**4,379**
6. Facilities Support															
Facilities Services	590	(201)	200	(1)	589	397	(300)	200	(100)	297	(193)	(100)	-	(100)	(292)
HSC Maintenance	90	(0)	-	(0)	90	283	(0)	-	(0)	283	193	0	-	0	193
Utilities	(97)	468	-	468	371	26	(50)	-	(50)	(23)	123	(517)	-	(517)	(394)
Campus Safety Services	(586)	(6)	-	(6)	(592)	(1,100)	(129)	476	347	(753)	(514)	(123)	476	353	(161)
Deferred Maintenance	(0)	0	-	0	0	(0)	(0)	-	(0)	(0)	(0)	(0)	-	(0)	(0)
Bond Interest	(1)	-	-	-	(1)	(1)	(0)	-	(0)	(1)	(0)	(0)	-	(0)	(0)
Renovation contingency	(0)	-	-	-	(0)	(1)	1	-	1	0	(1)	1	-	1	0
Sub-total	**(3)**	**260**	**200**	**460**	**457**	**(395)**	**(478)**	**676**	**198**	**(198)**	**(392)**	**(739)**	**476**	**(263)**	**(655)**
7. Institutional Support															
VP Operations & Finance	3,592	285	(528)	(243)	3,349	2,781	170	261	431	3,212	(811)	(115)	789	674	(137)
Financial Affairs	473	144	(290)	(146)	327	780	256	(398)	(142)	638	307	112	(108)	4	311
Human Resources	893	(805)	50	(755)	137	870	(240)	(280)	(520)	349	(23)	565	(330)	235	212
UTS/Technology Fund	3,307	(1,919)	(1,483)	(3,402)	(95)	4,259	(1,447)	163	(1,284)	2,974	951	472	1,646	2,118	3,069
UTS Asset Management	(227)	(440)	-	(440)	(667)	1,171	(278)	(1,108)	(1,386)	(215)	1,398	162	(1,108)	(946)	452
UTS Licenses	-	-	-	-	-	-	(1,518)	-	(1,518)	(1,518)	-	(1,518)	-	(1,518)	(1,518)
University Secretariat	(95)	20	-	20	(76)	(127)	(18)	127	109	(18)	(31)	(38)	127	89	58
Presidential Budget	699	(508)	(419)	(926)	(228)	1,938	(1,075)	(122)	(1,197)	741	1,239	(568)	297	(271)	969
University Advancement	4,228	0	(2,228)	(2,228)	2,000	4,360	366	(3,216)	(2,850)	1,510	132	366	(988)	(622)	(490)
Legal	49	(433)	-	(433)	(384)	41	(449)	(600)	(1,049)	(1,008)	(8)	(16)	(600)	(616)	(624)
General University	(1,597)	(1,873)	-	(1,873)	(3,470)	(1,631)	(2,307)	762	(1,545)	(3,177)	(34)	(434)	762	328	294
Sub-total	**11,320**	**(5,529)**	**(4,898)**	**(10,427)**	**893**	**14,441**	**(6,540)**	**(4,413)**	**(10,953)**	**3,488**	**3,121**	**(1,011)**	**485**	**(526)**	**2,595**
8. Institutional Priority allocations															
Technology Renewal	(0)	-	-	-	(0)	(0)	-	-	-	(0)	(0)	-	-	-	(0)
Marketing & Branding	9	(66)	188	122	131	226	167	(341)	(175)	52	217	233	(529)	(296)	(79)
Pension	(0)	-	-	-	(0)	(0)	(0)	-	(0)	(0)	(0)	(0)	-	(0)	(0)
President's Strategic Support Fund	(123)	(30)	-	(30)	(153)	414	(193)	(326)	(518)	(104)	537	(163)	(326)	(488)	49
Sub-total	**(114)**	**(96)**	**188**	**92**	**(22)**	**641**	**(26)**	**(667)**	**(693)**	**(52)**	**755**	**70**	**(855)**	**(785)**	**(30)**
Surplus/(Deficit)	**265,999**	**11,900**	**(44,182)**	**(32,282)**	**233,716**	**282,267**	**47,750**	**(45,849)**	**1,901**	**284,168**	**16,268**	**35,851**	**(1,667)**	**34,183**	**50,451**

Appendix 4: Ancillary Fund unit level tables

Table 26: Ancillary Fund budget by unit

($ thousands)	McMaster Continuing Education		Office of Real Estate, Ancillary Operations and Partnerships		Campus Store		Media Production Services		Parking Services		Hospitality Services		Housing & Conference Services		Total	
	2024/25 Projection	2025/26 Budget	2024/25 Projection	2025/26 Budget	2024/25 Projection	2025/26 Budget	2024/25 Projection	2025/26 Budget	2024/25 Projection	2025/26 Budget	2024/25 Projection	2025/26 Budget	2024/25 Projection	2025/26 Budget	2024/25 Projection	2025/26 Budget
Sources of funding																
Sales	8,333	8,765	322	702	10,577	10,683	215	215	5,706	6,808	34,656	37,205	38,916	40,365	98,725	104,743
Internal revenue	623	603	261	283	556	1,278	4,064	3,959	870	76	3,321	2,834	434	454	10,128	9,487
Total sources of funding	**8,956**	**9,367**	**583**	**984**	**11,133**	**11,962**	**4,279**	**4,174**	**6,576**	**6,884**	**37,977**	**40,039**	**39,350**	**40,818**	**108,854**	**114,230**
Expenditure																
Salaries, wages and benefits	6,706	6,745	443	1,032	2,240	2,249	1,887	2,005	2,166	1,891	15,821	16,077	12,307	13,184	41,570	43,183
Cost of sales	-	-	-	-	7,577	8,115	1,116	1,089	-	-	12,853	16,301	0	-	21,546	25,504
Internal rent	524	140	-	-	531	541	129	131	37	38	1,366	1,393	4,626	4,472	7,214	6,715
Utilities and maintenance	17	17	-	-	17	18	8	8	65	465	1,078	994	3,196	3,258	4,381	4,760
Debt and financing charges	-	-	-	-	111	111	-	-	795	1,666	135	135	5,848	5,846	6,889	7,758
Equipment and renovations	126	121	15	15	211	139	409	491	695	906	973	1,358	8,205	8,156	10,634	11,186
All other expenses	1,605	1,938	(6)	(337)	314	306	81	117	2,014	1,978	4,380	3,991	3,489	4,127	11,876	12,120
Total expenditures	**8,978**	**8,962**	**451**	**710**	**11,001**	**11,478**	**3,630**	**3,840**	**5,772**	**6,945**	**36,605**	**40,249**	**37,672**	**39,043**	**104,109**	**111,226**
Surplus (deficit) from operations	**(22)**	**405**	**131**	**275**	**133**	**484**	**649**	**334**	**803**	**(60)**	**1,372**	**(210)**	**1,679**	**1,775**	**4,744**	**3,003**
Contribution to Operating Fund	**(358)**	**(386)**	**-**	**-**	**(228)**	**(237)**	**(151)**	**(182)**	**(253)**	**(257)**	**(1,390)**	**(1,455)**	**(1,592)**	**(1,709)**	**(3,972)**	**(4,226)**
Surplus (deficit)	**(380)**	**19**	**131**	**275**	**(95)**	**247**	**498**	**152**	**550**	**(318)**	**(18)**	**(1,665)**	**87**	**66**	**772**	**(1,223)**
Reserve																
Beginning Balance	2,687	2,307	0	132	(745)	(840)	(562)	(64)	(238)	312	(1,589)	(1,607)	2,729	2,816	2,283	3,055
Reserve Adjustment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus (deficit)	(380)	19	131	275	(95)	247	498	152	550	(318)	(18)	(1,665)	87	66	772	(1,223)
Closing Balance	**2,307**	**2,326**	**132**	**406**	**(840)**	**(593)**	**(64)**	**89**	**312**	**(5)**	**(1,607)**	**(3,272)**	**2,816**	**2,882**	**3,055**	**1,832**

Appendix 5: Summary by fund

Table 27: Consolidated 2024/25 projection by fund

($ thousands)

	Operating Fund	Research Fund	Capital Fund	External Endowment	Internal Endowment	Ancillary Fund	Externally Funded	Total	GAAP Adjustment	Full Accrual Basis
Revenues										
Operating grants	247,408	-	6,530	-	-	-	-	253,938	47,881	301,819
Research grants and contracts	-	265,000	-	-	-	-	-	265,000	(25,070)	239,930
Tuition fees	420,411	-	-	-	-	-	-	420,411	7,500	427,911
Ancillary sales and services	-	-	-	-	-	98,725	-	98,725	(2,788)	95,937
Other revenues	180,377	-	19,123	8,143	130	-	37,697	245,470	22,787	268,257
Amortization of deferred capital contributions									47,504	47,504
Investment income (loss)	3,240	-	-	-	-	-	-	3,240	44,496	47,736
Investment income transfer	6,227	-	-	-	(6,227)	-	-	-	-	-
Total revenues	**857,663**	**265,000**	**25,653**	**8,143**	**(6,097)**	**98,725**	**37,697**	**1,286,785**	**142,309**	**1,429,094**
Expenses										
Salaries, wages and benefits	617,402	158,700	-	-	-	41,570	26,595	844,267	40,015	884,282
All other expenses	215,889	119,900	103,260	-	177	30,789	12,247	482,262	(82,837)	399,425
Amortization expense									101,683	101,683
Transfers to (from) other funds	590	(19,563)	(31,120)	30,549	849	18,705	(10)	-	-	-
Debt and financing charges	21,881	-	(10,280)	-	-	6,889	-	18,489	(479)	18,010
Total expenses	**855,762**	**259,037**	**61,860**	**30,549**	**1,026**	**97,953**	**38,832**	**1,345,019**	**58,381**	**1,403,400**
Excess of revenues over expenses	**1,901**	**5,963**	**(36,207)**	**(22,406)**	**(7,123)**	**772**	**(1,135)**	**(58,234)**	**83,928**	**25,694**

Table 28: Consolidated 2025/26 budget by fund

($ thousands)

	Operating Fund	Research Fund	Capital Fund	External Endowment	Internal Endowment	Ancillary Fund	Externally Funded	Total	GAAP Adjustment	Full Accrual Basis
Revenues										
Operating grants	274,536	-	6,530	-	-	-	-	281,066	47,897	328,963
Research grants and contracts	-	267,000	-	-	-	-	-	267,000	(20,557)	246,443
Tuition fees	391,684	-	-	-	-	-	-	391,684	3,492	395,176
Ancillary sales and services	-	-	-	-	-	104,743	-	104,743	(2,958)	101,785
Other revenues	180,181	-	5,000	6,621	135	-	37,335	229,272	54,621	283,893
Amortization of deferred capital contributions									46,745	46,745
Investment income (loss)	3,025	-	-	34,886	9,019	-	-	46,930	56,521	103,451
Investment income transfer	6,442	-	-	-	(6,442)	-	-	-	-	-
Total revenues	**855,868**	**267,000**	**11,530**	**41,507**	**2,712**	**104,743**	**37,335**	**1,320,695**	**185,761**	**1,506,456**
Expenses										
Salaries, wages and benefits	640,227	161,800	-	-	-	43,183	26,894	872,104	48,527	920,631
All other expenses	211,787	118,300	102,610	1,766	-	35,735	10,935	481,134	(81,284)	399,850
Amortization expense									103,363	103,363
Transfers to (from) other funds	(3,266)	(16,129)	(28,711)	28,140	860	19,290	(183)	-	-	-
Debt and financing charges	25,345	-	(15,469)	-	-	7,758	-	17,634	314	17,948
Total expenses	**874,093**	**263,971**	**58,430**	**29,906**	**860**	**105,966**	**37,646**	**1,370,872**	**70,920**	**1,441,792**
Excess of revenues over expenses	**(18,225)**	**3,029**	**(46,900)**	**11,601**	**1,852**	**(1,223)**	**(311)**	**(50,177)**	**114,841**	**64,664**

Table 29: Consolidated 2026/27 plan by fund

($ thousands)

	Operating Fund	Research Fund	Capital Fund	External Endowment	Internal Endowment	Ancillary Fund	Externally Funded	Total	GAAP Adjustment	Full Accrual Basis
Revenues										
Operating grants	279,785	-	6,530	-	-	-	-	286,315	47,926	334,241
Research grants and contracts	-	270,000	-	-	-	-	-	270,000	(16,913)	253,087
Tuition fees	383,212	-	-	-	-	-	-	383,212	1,018	384,230
Ancillary sales and services	-	-	-	-	-	118,729	-	118,729	(3,354)	115,375
Other revenues	185,632	-	4,000	6,134	269	-	37,371	233,407	68,003	301,410
Amortization of deferred capital contributions									44,507	44,507
Investment income (loss)	3,000	-	-	35,536	9,446	-	-	47,982	60,683	108,665
Investment income transfer	6,703	-	-	-	(6,703)	-	-	-	-	-
Total revenues	**858,332**	**270,000**	**10,530**	**41,670**	**3,012**	**118,729**	**37,371**	**1,339,644**	**201,871**	**1,541,515**
Expenses										
Salaries, wages and benefits	655,562	165,100	-	-	-	46,304	27,201	894,167	53,920	948,087
All other expenses	209,676	118,100	98,493	3,287	-	39,056	10,776	479,388	(65,686)	413,702
Amortization expense									105,033	105,033
Transfers to (from) other funds	7,537	(13,984)	(41,321)	27,120	872	19,985	(208)	-	-	-
Debt and financing charges	25,438	-	(17,271)	-	-	7,757	-	15,924	1,958	17,882
Total expenses	**898,213**	**269,216**	**39,901**	**30,407**	**872**	**113,103**	**37,768**	**1,389,480**	**95,224**	**1,484,704**
Excess of revenues over expenses	**(39,881)**	**784**	**(29,371)**	**11,263**	**2,140**	**5,626**	**(397)**	**(49,835)**	**106,646**	**56,811**

Table 30: Consolidated 2027/28 plan by fund

($ thousands)

	Operating Fund	Research Fund	Capital Fund	External Endowment	Internal Endowment	Ancillary Fund	Externally Funded	Total	GAAP Adjustment	Full Accrual Basis
Revenues										
Operating grants	262,489	-	6,530	-	-	-	-	269,019	47,967	316,986
Research grants and contracts	-	273,000	-	-	-	-	-	273,000	(13,546)	259,454
Tuition fees	381,869	-	-	-	-	-	-	381,869	603	382,472
Ancillary sales and services	-	-	-	-	-	124,969	-	124,969	(3,530)	121,439
Other revenues	189,636	-	4,000	5,186	323	-	37,569	236,713	85,944	322,657
Amortization of deferred capital contributions									42,406	42,406
Investment income (loss)	3,000	-	-	36,167	9,607	-	-	48,774	61,464	110,238
Investment income transfer	6,823	-	-	-	(6,823)	-	-	-	-	-
Total revenues	**843,817**	**273,000**	**10,530**	**41,353**	**3,107**	**124,969**	**37,569**	**1,334,345**	**221,307**	**1,555,652**
Expenses										
Salaries, wages and benefits	670,250	168,400	-	-	-	47,551	27,469	913,670	68,490	982,160
All other expenses	210,224	120,600	105,970	4,375	-	41,760	10,785	493,714	(80,552)	413,162
Amortization expense									106,635	106,635
Transfers to (from) other funds	2,267	(14,326)	(36,071)	27,007	884	20,463	(224)	-	-	-
Debt and financing charges	25,680	-	(17,699)	-	-	7,755	-	15,736	2,075	17,811
Total expenses	**908,420**	**274,674**	**52,200**	**31,382**	**884**	**117,528**	**38,030**	**1,423,120**	**96,648**	**1,519,768**
Excess of revenues over expenses	**(64,604)**	**(1,674)**	**(41,670)**	**9,971**	**2,223**	**7,441**	**(461)**	**(88,775)**	**124,659**	**35,884**

Appendix 6: Significant accounting policies

The University's audited financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountant (CPA) Canada Handbook. A summary of the significant accounting policies follows:

1. **Revenue recognition:**
   The University follows the deferral method of accounting for contributions which include donations and government grants. The principles under this method are summarized as follows:

   - Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
   - Contributions externally restricted for purposes other than endowment and capital assets are deferred and recognized as revenue in the year in which the related expenses are recognized.
   - Contributions externally restricted for capital asset purchases are deferred and amortized to operations on the same basis as the related capital asset.
   - External endowment contributions, investment income preserved and activity under the endowment capital protection policy are recognized as a direct change to endowment net assets. Income earned from the investment, to the extent it is allocated, is recorded as deferred contributions and recorded as revenue in the periods in which the related expenses are incurred.

2. **Capital assets and amortization:**
   Capital assets are recorded at cost, or if donated, at fair value on the date of receipt. Amortization is recorded on the straight-line basis over the expected life of the asset.

3. **Collections and works of art:**
   The McMaster Museum of Art has significant collections of works of art and coins. The value of collections is excluded from the Statement of Financial Position except for a nominal value of $1. Donations of works of art are recorded as revenue at values based on appraisals and are expensed in the year received. Purchased collections are expensed in the year of acquisition.

4. **Pensions and other employee future benefits:**
   The University maintains defined benefit registered pension plans, non-registered supplemental executive retirement plans (SERP), and group registered retirement savings plans. Non-pension post-retirement and post-employment benefits plans are also provided. These obligations are accrued as employees render the services necessary to earn the benefits. The current service cost and finance cost for the year are charged to excess of revenues over expenses. The actuarial method of determining the accrued benefit obligations for the defined benefit plans (excluding SERP) and other non-pension plans uses the funding valuation method, which reflects the long-term nature of the plans and uses management's estimates of investment yields, salary inflation, benefit cost trends and other factors. Obligations and related costs for SERP are accrued using the accounting valuation method. Remeasurement and other items are recognized as a direct change to net assets and are not reclassified to the statement of operations in subsequent periods. The employer's share of group RRSP contributions is charged to operations in the year made.

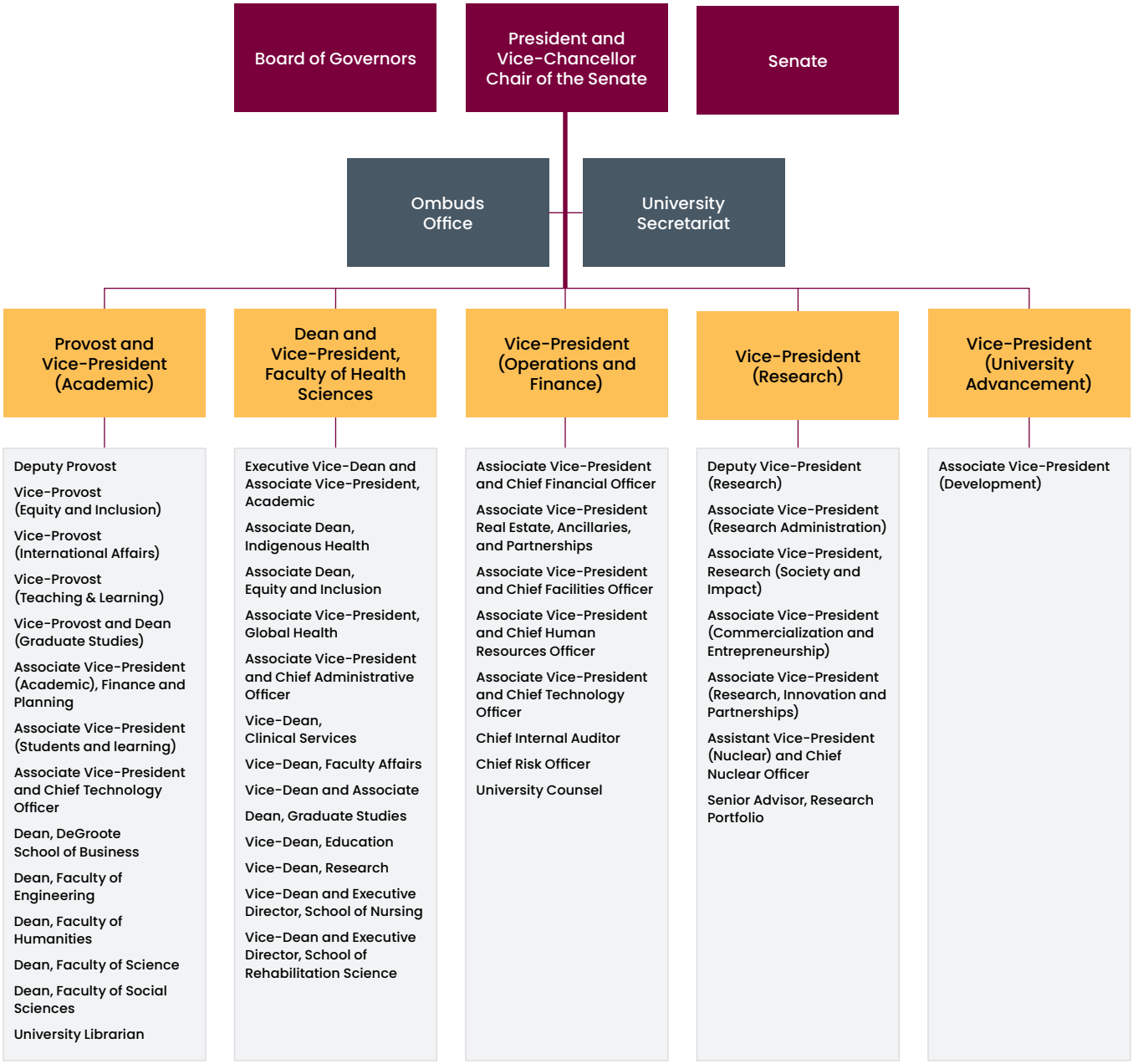
5. **Investments:**
   Short-term investments are recorded at cost plus accrued income which together approximates fair value. Long-term investments are carried at fair values. Changes in fair values are included in investment income. Investments in publicly traded research entities not subject to significant influence are carried in investments at fair values. Changes in fair values are included in other income. Investments in privately held entities are carried in other assets at cost, net of any impairment.

6. **Net assets:**
   Net assets are classified as follows:

   - Internally restricted: Employee future benefits represent the unfunded portion of pension and other non-pension retirement and post-employment benefits, net of funds set aside to meet estimated future obligations. Other internal reserves, as approved by the Board, include unexpended departmental carry forward amounts for future expenditures or amounts set aside to settle future-oriented obligations.
   - Equity in capital assets: Funds invested in capital assets, exclusive of capital assets financed through long-term obligations or deferred capital contributions.
   - Internal endowments: Unrestricted contributions including unspent investment income which have been restricted by action of the Board.
   - External endowments: External contributions, the principal of which is non-expendable pursuant to the restrictions by the donor, and income retained under the endowment capital protection policy.

7. **Endowment capital protection policy:**
   In order to protect the capital value of endowment investments, an endowment capital protection policy limits the amount of investment income allocated for spending to 4%, plus 1% administration spending, and requires the reinvestment of excess income earned (interest, dividends, realized and unrealized capital gains, net of investment expenses). Should endowment spending commitments exceed allocated income, amounts will be drawn from accumulated net investment income balances to fund deficiencies. For endowments without sufficient accumulated investment income, temporary encroachment on capital is permitted where the terms allow. The encroached amounts will be recovered from future investment returns.

Appendix 7: Organizational chart and envelope groupings



Major areas and depts included in envelopes:

Activity Units

DeGroote School of Business
- Accounting and Financial Management Services
- Finance and Business Economics
- Health Policy and Management
- Human Resources and Management
- Information Systems
- Marketing
- Operations Management
- Strategic Management
- Research Centres and Institutes

Faculty of Engineering
- Chemical Engineering
- Civil Engineering
- Computing and Software
- Electrical and Computer Engineering
- Engineering Physics
- Materials Science and Engineering
- Mechanical Engineering
- Integrated Biomedical Engineering and Health Sciences
- School of Biomedical Engineering
- W. Booth School of Engineering Practice and Technology
- Research Centres and Institutes

Faculty of Health Sciences
- Michael G. DeGroote School of Medicine
  - Anaesthesia
  - Biochemistry & Biomedical Sciences
  - Health Research Methods, Evidence, and Impact
  - Family Medicine
  - Medical Imaging
  - Medicine
  - Obstetrics and Gynecology
  - Oncology
  - Pathology and Molecular Medicine
  - Pediatrics
  - Psychiatry and Behavioural Neurosciences
  - Surgery
- School of Nursing
- School of Rehabilitation Science
- Research Centres and Institutes

Faculty of Humanities
- Communication Studies and Multimedia
- English and Cultural Studies
- French
- Gender & Social Justice
- Greek Studies and Roman Studies
- History
- Linguistics and Languages
- Global Peace & Social Justice
- Philosophy
- School of the Arts
- Research Centres and Institutes
- Wilson College of Leadership and Civic Engagement (Administrative home in Faculty of Humanities)

Faculty of Science
- Biology
- Chemistry and Chemical Biology
- Earth, Environment & Society
- Interdisciplinary Science
- Kinesiology
- Mathematics and Statistics
- Physics and Astronomy
- Psychology, Neuroscience and Behaviour
- Research Centres and Institutes

Faculty of Social Sciences
- Anthropology
- Economics
- Environment & Society
- Globalization
- Health, Aging & Society
- Indigenous Studies
- Labour Studies
- Political Science
- Psychology, Neuroscience & Behaviour
- Public Policy in Digital Society
- Religious Studies
- Social Psychology
- Social Work
- Sociology
- Research Centres and Institutes

Arts & Science Program

Support Units

Academic Support

- Provost and Vice-President (Academic) Office
  - Equity and Inclusion Office
  - Institutional Research and Analysis
  - International Affairs
- Museum of Art
- Vice-Provost Teaching & Learning
  - Paul R. MacPherson Institute for Leadership, Innovation and Excellence in Teaching
- Registrar's Office
- University Library
- Health Sciences Library

Facilities Support

- Facility Services
- Campus Safety Services (Reports to AVP HR)
- Utilities

Institutional Support

- Operations & Finance Offices
  - Vice-President (Operations & Finance) Office
  - Internal Audit and Enterprise Risk Services
- Financial Affairs
- Human Resources
- Advancement
  - Advancement Services & Operations
  - Alumni Advancement
  - Development
  - Stewardship and Donor Relations
  - Vice-President (Advancement) Office
- General University
- Legal
- Office of the President
  - President's Office
  - Communications, Marketing, and Public Affairs
- University Secretariat
- University Technology Services (UTS)
- UTS Asset Management
- UTS Licenses

Institutional Priorities

- Marketing and Branding
- Pension
- President's Strategic Support Fund

Research Support

- Research Support
  - Research Administration & Regulation
    - Vice-President (Research) Office
    - Biosafety Committee
    - Health Physics
    - McMaster Industry Liaison Office
    - Research Ethics
    - Research Finance
    - Research Office for Administration, Development and Support
  - Nuclear Operations and Facilities
  - Research Centres (reporting to VP Research)
- Vice-President (Research) Discretionary Fund

Student Support

- School of Graduate Studies
- Student Affairs
  - Athletics and Recreation
  - Black Student Success Centre
  - Career Planning and Employment
  - Indigenous Student Services
  - International Student Services
  - Leadership and Innovation
  - Student Accessibility Services
  - Student Success Centre
  - Student Transition and Development
  - Student Wellness Centre
- Graduate Scholarships
- Undergraduate Scholarships

Appendix 8: Acronyms

CIHR	Canada Institutes of Health Research
COG	Core Operating Grant
CPA	Chartered Professional Accountant
CRKN	Canadian Research Knowledge Network
DB	Defined Benefit
DBRS	Dominion Bond Rating Service
DSB	DeGroote School of Business
EDI	Equity, Diversity, and Inclusion
ESG	Environmental, Social and Governance
FHS	Faculty of Health Sciences
FSS	Faculty of Social Sciences
FFTE	Fiscal Full-Time Equivalent
FTE	Full-Time Equivalent
HCS	Housing and Conference Services
IT	Information Technology
MBA	Master of Business Administration
MCCD	McLean Centre for Collaborative Discovery
MCE	McMaster Continuing Education
MCU	Ministry of Colleges and Universities
MCURES	Ministry of Colleges, Universities, Research Excellence and Security
MD	Medical Doctorate
MELD	McMaster English Language Development
MIP	McMaster Innovation Park
MNR	McMaster Nuclear Reactor
MSU	McMaster Student Union
NSERC	National Sciences and Engineering Research Council of Canada
PRB	Post-retirement benefit
REAP	Real Estate, Ancillary Operations and Partnerships
RO	Office of the Registrar
ROIE	Research Overhead Infratructure Envelope
RRSP	Registered Retirement Savings Plan
RSF	Research Support Fund
SAFE	Student Athletic Facilties Expansion
SAG	Student Access Guarantee
SERP	Supplemental Executive Retirement Plans
SGS	School of Graduate Studies
SMA	Strategic Manadate Agreement
SSHRC	Social Sciences and Humanities Research Council
STEER/R	Strategic Excellence and Equity in Recruitment and Retention
STEM	Science, Technology, Engineering and Math
UA	University Advancement
UNPRI	United Nations Principle for Responsible Investment
USD	United States Dollar
UTS	University Technology Services
VP	Vice_President
VPR	Vice-President Research
WACC	Weighted Average Cost of Capital
WGU	Weighted Grant Units

Consolidated Budget

2025–2026

Brighter World

McMaster University